mapletree
pan asia commercial

PUSHING BOUNDARIES
MAKING iMPACT

Annual Report **2022/23**

PUSHING BOUNDARIES
MAKING iMPACT

In FY22/23, we embarked on a transformative journey by merging with Mapletree North Asia Commercial Trust ("MNACT"), resulting in the formation of Mapletree Pan Asia Commercial Trust ("MPACT"). This merger exemplifies our unwavering focus on building resilience and preparedness for the future. As we navigate the dynamic market landscape, our strategic footholds in the key gateway markets of Asia, complemented by our proactive and agile management approach, position us well to seize opportunities and chart the path for long-term growth.

At the core of MPACT lies a strong emphasis on sustainability. Our aspirations extend beyond financial performance, as we aim to secure business longevity while we strive to create a positive impact on the society and the environment.

Reflecting on the past financial year, we take pride in our accomplishments, and we remain cognisant of the challenges and opportunities that lie ahead. Our annual report, "Pushing Boundaries, Making iMPACT", encapsulates a year marked by resilient operational performance, thoughtful growth strategies, and a firm commitment to sustainability.

Featured art piece on cover and content page: Silver Lining 1 & 2 by Jason Lim

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CORPORATE OVERVIEW

MPACT is a real estate investment trust ("REIT") positioned to be the proxy to key gateway markets of Asia. Listed on the Singapore Exchange Securities Limited ("SGX-ST") on 27 April 2011, it made its public market debut as Mapletree Commercial Trust ("MCT") and was subsequently renamed MPACT on 3 August 2022 following the merger with MNACT.

Its principal investment objective is to invest on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, Hong Kong[1], China, Japan and South Korea).

MPACT's portfolio comprises 18 commercial properties across five key gateway markets of Asia – five in Singapore, one in Hong Kong, two in China, nine in Japan and one in South Korea. They have a total lettable area[2] of 11.2 million square feet valued at S$16.6 billion[3].

MPACT is one of the three REITs sponsored by Mapletree Investments Pte Ltd ("MIPL" or the "Sponsor"), a global real estate development, investment, capital and property management company headquartered in Singapore. MPACT is managed by MPACT Management Ltd. ("MPACTM" or the "Manager"), a wholly-owned subsidiary of MIPL.

1 Where "Hong Kong" or "HK" is mentioned, it refers to the Hong Kong Special Administrative Region.
2 Lettable area refers to the area to be leased and for which rent is payable as stipulated in the respective tenancy agreements.
3 Includes MPACT's 50% effective interest in The Pinnacle Gangnam.

STRATEGY

The Manager aims to provide unitholders of MPACT ("Unitholders") with a relatively attractive rate of return on their investment through regular and steady distributions, and to achieve long-term stability in Distribution per Unit ("DPU") and Net Asset Value ("NAV") per Unit, while maintaining an appropriate capital structure.

We are driven by

Vision

Our vision is to be a leading real estate investment trust recognised as the proxy to key gateway markets of Asia.

Mission

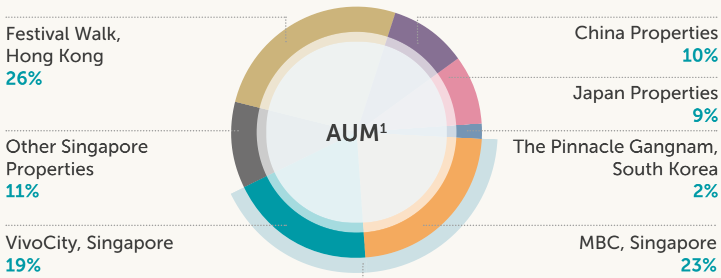
Our mission is to provide quality commercial spaces to businesses and organisations, while delivering value and sustainable returns to our investors. We strive to be a trusted partner to our stakeholders by setting high standards in professionalism and integrity, and acting responsibly to make a positive impact within the communities we serve.

Our competitive advantages are

01 Anchored by high-quality and diversified portfolio

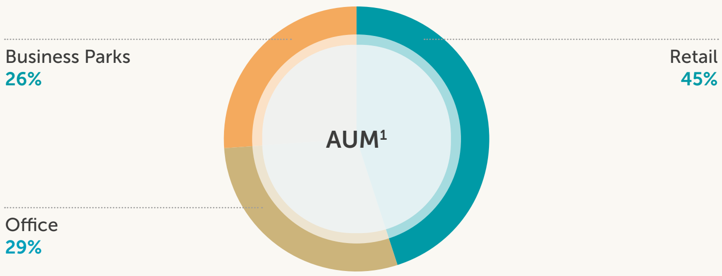
02 Ready footholds in 5 key markets

54% 26% 10% 9% 2%



Core assets, VivoCity and Mapletree Business City ("MBC"), constitute **42%** of portfolio

03 Balanced across sub asset classes



04 Seasoned management team with proven track record and capabilities

05 Strong commitment and vast network of the Sponsor

06 Alignment with investors' interest through fee structure pegged to distribution growth

07 Ready launchpad to capture long-term growth opportunities in Pan Asia

Note: Some percentages may not add up to 100% due to rounding differences.

[1] Assets Under Management ("AUM") is based on the valuation of the MPACT portfolio, including MPACT's 50% effective interest in The Pinnacle Gangnam.

We are committed to creating value through our "4R" Asset & Capital Management Strategy

Recharge

Proactive Asset Management to Drive Returns and Realise Potentials

- To drive organic growth and long-term sustainable returns, the Manager works closely with the asset and property managers to maintain stable rental income and high occupancy levels, and to improve assets' performance.
- To achieve this, the Manager will:
  - Adopt a proactive leasing and marketing strategy;
  - Secure quality tenants and continually diversify tenant base;
  - Foster strong understanding with tenants to achieve high tenant retention;
  - Deliver high standards of services and solutions;
  - Improve overall costs and operational efficiencies;
  - Incorporate sustainability initiatives;
  - Realise assets' potentials through asset enhancement initiatives ("AEI") and redevelopment opportunities; and
  - For the retail properties – curate refreshing retail concepts, optimise tenant mix, and rejuvenate and reconfigure retail space where appropriate.

Refocus

Disciplined Acquisitions and Redevelopments to Drive Growth

- To achieve this, the Manager will assemble a quality portfolio to deliver attractive cash flows and yields relative to MPACT's weighted average cost of capital, and capture opportunities for future and capital growth. The portfolio will comprise a core component of assets that will ensure MPACT's stability.
- The Manager will focus on adding office and office-like business park assets anchored by quality tenants in high growth sectors.
- In evaluating acquisition opportunities, the Manager will be guided by investment criteria such as value accretion, yield thresholds, quality, as well as sustainability-related risks and opportunities of the asset.

Reconstitute

Divestments and Capital Recycling to Optimise Yields

- To achieve this, the Manager will undertake selective strategic divestments of lower-yielding assets at opportune times, and redeploy divestment proceeds into higher-yielding quality properties or other asset enhancements and redevelopment opportunities to enhance overall portfolio returns.
- In evaluating capital recycling opportunities, the Manager will consider prevailing market conditions and longer-term trends and seek to achieve an overall balance of risk and returns at the portfolio level.
- The Manager intends to hold acquired properties on a long-term basis.

Resilience

Capital and Risk Management

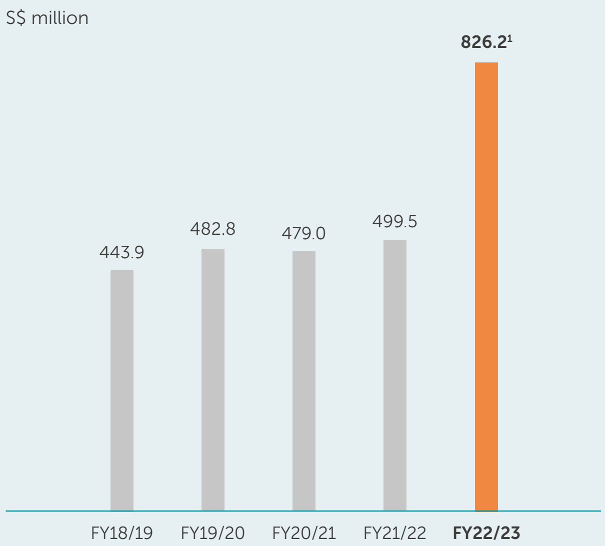
- The Manager adopts a comprehensive capital management strategy to ensure a healthy balance sheet that maximises liquidity and minimises risks, while optimising overall costs of financing.
- To achieve this, the Manager will:
  - Employ an appropriate capital structure, including a suitable mix of debt and equity;
  - Secure access to diversified funding sources;
  - Explore ways to optimise cost of financing; and
  - Implement appropriate hedging strategies to mitigate the effects of fluctuations in interest and foreign currency exchange rates.

FINANCIAL HIGHLIGHTS

Gross Revenue

S$**826.2**M[1]

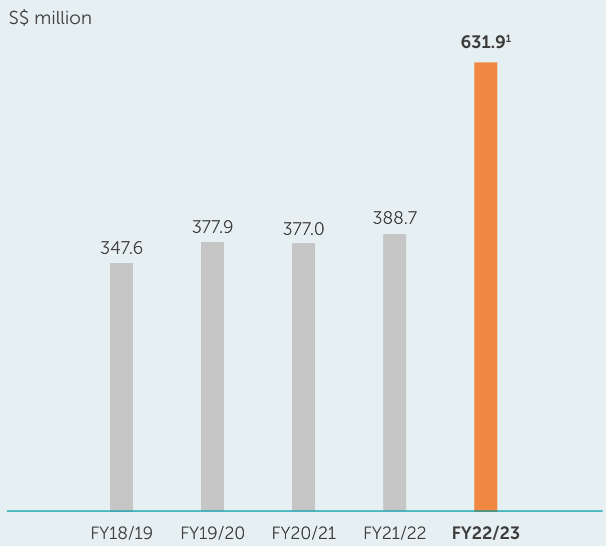
↑ 65.4% year-on-year



Net Property Income

S$**631.9**M[1]

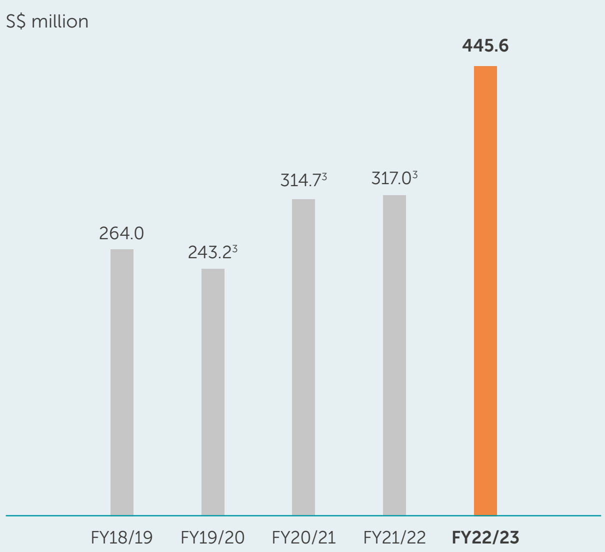
↑ 62.6% year-on-year



Amount Available for Distribution to Unitholders

S$**445.6**M

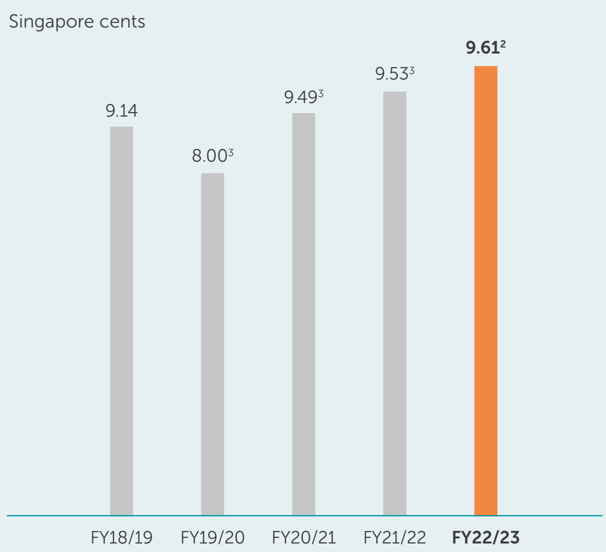
↑ 40.6% year-on-year



Distribution per Unit

9.61 cents[2]

↑ 0.8%[4] year-on-year



[1] Gross revenue and NPI do not include contribution from The Pinnacle Gangnam. MPACT will share profit after tax of The Pinnacle Gangnam based on its 50% effective interest.

[2] Includes clean-up distribution of 3.04 Singapore cents for the period from 1 April 2022 to 20 July 2022 that was paid on 25 August 2022.

[3] In view of the COVID-19 uncertainty, the Manager made capital allowance claims and retained capital distribution totalling S$43.7 million in 4Q FY19/20. S$28.0 million of this retained cash was released as distribution to Unitholders in FY20/21. The remaining S$15.7 million of retained cash was released as distribution to Unitholders in FY21/22.

[4] On a like-for-like basis, FY22/23 DPU was 6.1% higher than FY21/22 DPU (excluding the release of retained cash) of 9.06 Singapore cents.

Delivering Long-Term Sustainable Returns Since IPO

Capital Appreciation
104.5%

Total Distribution
112.1%

Total Return[1]
216.7%[2]

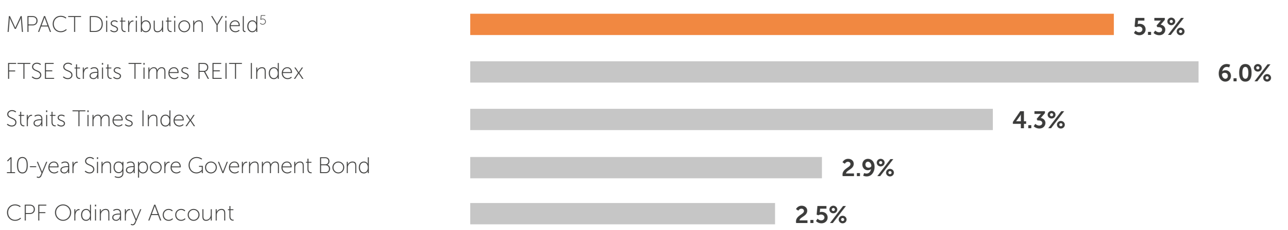
Selected Balance Sheet Details

As at 31 March	2019	2020	2021	2022	2023
Total Assets (S$ million)	7,100.8	9,007.1	8,950.6	8,984.5	**16,828.8**
Portfolio Property Value (S$ million)	7,039.0	8,920.0	8,737.0	8,821.0	**16,575.7**
Total Gross Debt Outstanding (S$ million)	2,349.0	3,003.2	3,032.9	3,014.0	**6,940.8[3]**
Unitholders' Funds (S$ million)	4,616.0	5,786.9	5,709.0	5,793.5	**9,220.3**
NAV per Unit (S$)	1.60	1.75	1.72	1.74	**1.76**
Market Capitalisation (S$ million)	5,461.5	6,052.7	7,030.4	6,281.4	**9,430.8**

Key Financial Indicators

As at 31 March	2019	2020	2021	2022	2023
% of Fixed Rate Debt	85.0	78.9	70.7	80.3	**75.5**
Aggregate Leverage Ratio (%)	33.1	33.3	33.9	33.5	**40.9**
Adjusted Interest Coverage Ratio (times)	4.5	4.3	4.4	4.8	**3.5**
Average Term to Maturity of Debt (years)	3.6	4.2	4.2	3.3	**3.0**
Weighted Average All-in Cost of Debt (per annum) (%)	2.97	2.94	2.48	2.40	**2.68**

Yield Comparisons[4]



1 This is the sum of distributions and capital appreciation for the period since listing on 27 April 2011 to 31 March 2023, and is based on unit issue price at IPO of S$0.88 and closing unit price of S$1.80 as at 31 March 2023, as well as total DPU of 98.69 Singapore cents paid out since IPO.

2 Total does not add up due to rounding differences.

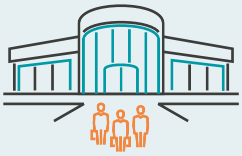
3 Includes share attributable to non-controlling interest and MPACT's proportionate share of joint venture's gross debt.

4 As at 31 March 2023. Sources: Bloomberg, Central Provident Fund ("CPF") Board (for the Ordinary Account's yield) and the Monetary Authority of Singapore (for the 10-year Singapore Government Bond Yield).

5 Based on closing unit price of S$1.80 as at 31 March 2023 and DPU of 9.61 Singapore cents for FY22/23.

OPERATIONAL HIGHLIGHTS

Completion of transformative merger with MNACT



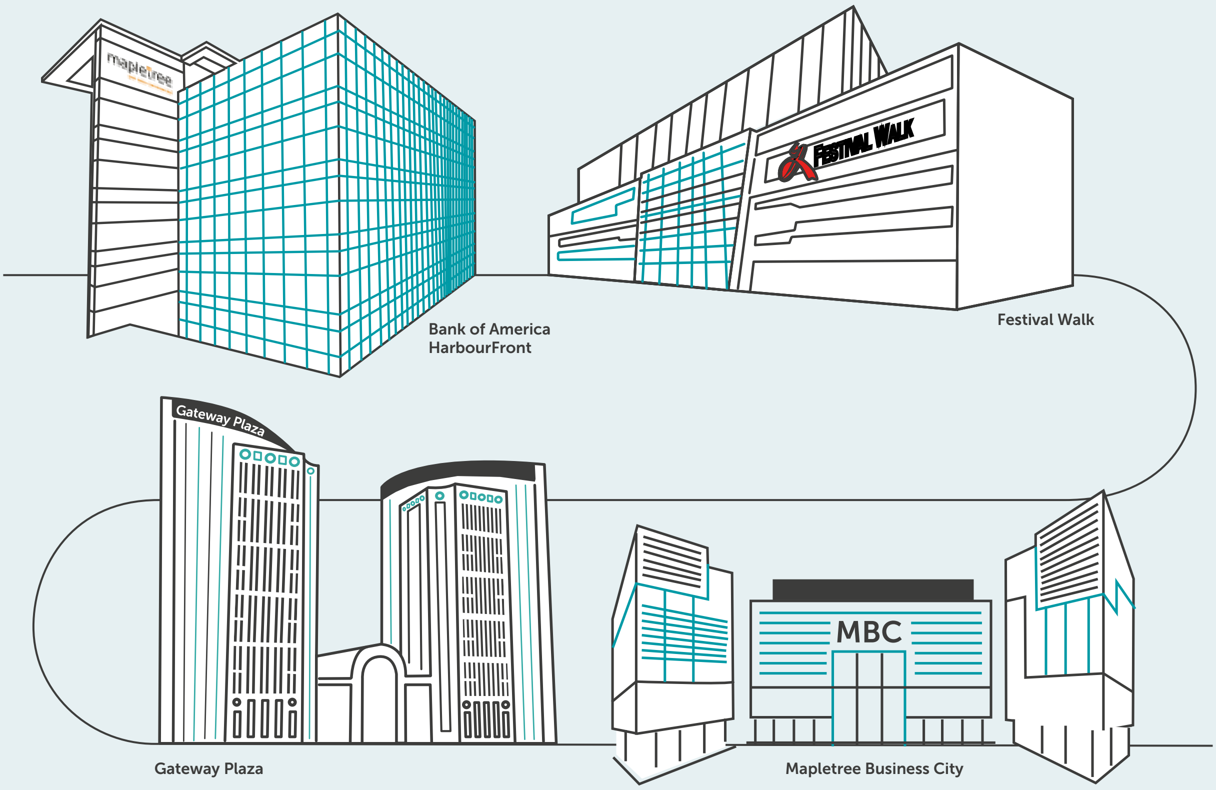
- Creates a proxy to **key gateway** markets of Asia
- Adds a ready platform with scale and reach, and positions MPACT well to capture **Asia's long-term growth opportunities**

Core assets anchored full-year performance

- **Higher contribution** from core assets, VivoCity and MBC, cushioned the increase in utility and finance costs
- Accounted for **53%** and **54%** of gross revenue and NPI, respectively, providing a stable foundation for MPACT's future growth

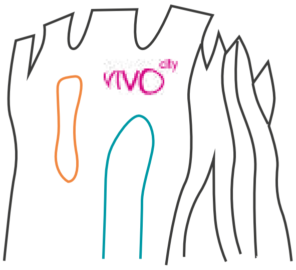
Proactive asset management achieved positive results

- **Positive rental uplifts** recorded by all markets except Greater China
- Successful renewal of major leases at **Bank of America HarbourFront ("BOAHF")**, **Festival Walk**, **Gateway Plaza** and **MBC** adds to portfolio resilience



VivoCity

- FY22/23 tenant sales set new record at **over S$1 billion**, well surpassing pre-COVID levels
- Level 1 AEI completed in May 2023, set to deliver **over 20%** of return on investment[1]



Festival Walk

- Navigated COVID-19 obstacles to deliver **16.0%** and **9.3%** year-on-year ("yoy") growth in shopper traffic and tenant sales, respectively
- Achieved **close to full** committed occupancy

Fostering resilience through prudent capital management

- Established **S$5.0 billion** Euro Medium Term Securities Programme to broaden funding pool
- Maintained sufficient liquidity with approximately **S$1.6 billion** of cash and undrawn committed bank facilities

Active engagement with stakeholders

Engaged over
400 fund managers, institutional investors and analysts during the year

Close to
400 Unitholders participated in the Extraordinary General Meeting ("EGM") and Annual General Meeting ("AGM") in FY22/23

More than
41,000 followers on Instagram accounts of VivoCity and Festival Walk

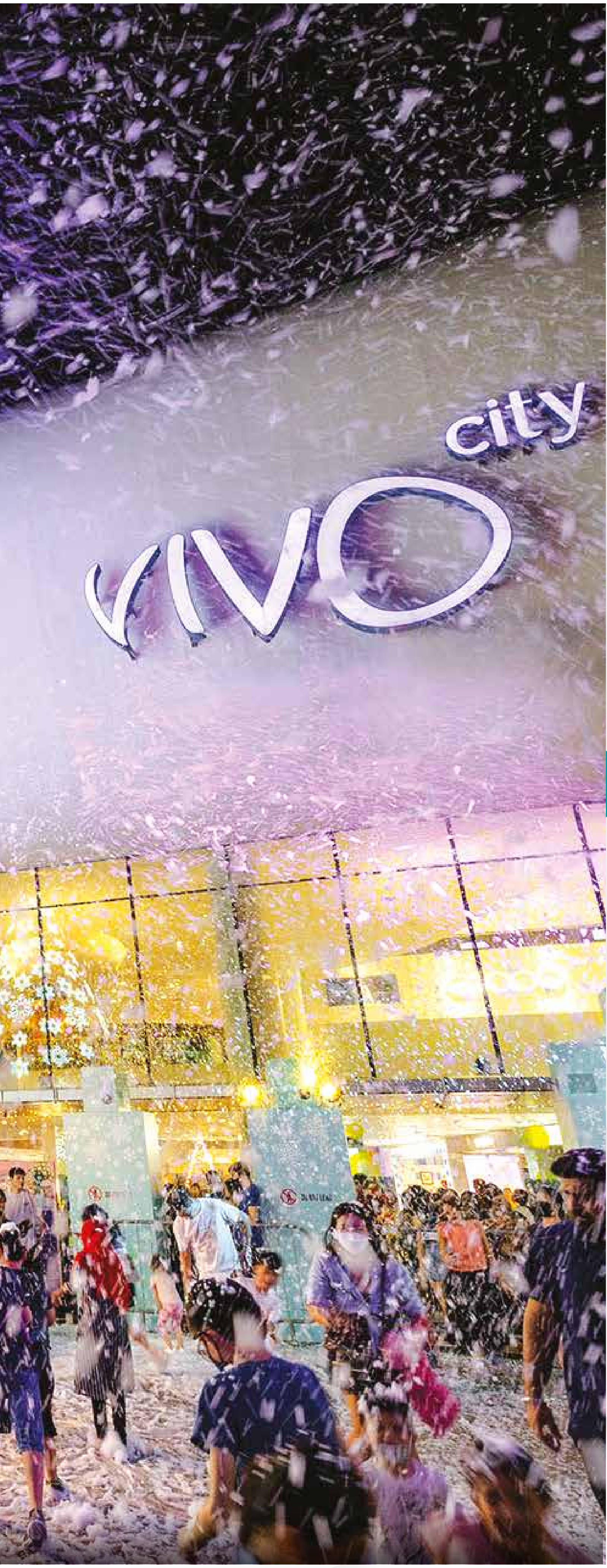
Committed to making a positive impact

NET ZERO

- Initiating efforts to decarbonise our operations to achieve "**net zero by 2050**"
- Approximately **85%** of portfolio (by lettable area) have achieved good to excellent green certifications, with plans for the entire portfolio to be green-certified by FY24/25

[1] Based on revenue on a stabilised basis and capital expenditure of approximately S$10 million.

VivoCity, Singapore



MAKING AN IMPACT WITH BOLD STRIDES

Since our listing, our unwavering commitment to deliver sustainable returns to Unitholders has guided our actions. The bold step of merging with MNACT illustrates our dedication to future growth. We will remain disciplined as we progress, ceaselessly pushing the boundaries of our potential to drive enduring value.

LETTER TO UNITHOLDERS

"This is our maiden set of full-year results post-merger. MPACT closed the financial year with 65.4% and 62.6% yoy growth in gross revenue and NPI to S$826.2 million and S$631.9 million, respectively."

SAMUEL TSIEN
Non-Executive Chairman and Director

SHARON LIM
Executive Director and Chief Executive Officer

Dear Unitholders,

The global economy has confronted unprecedented challenges in recent years, from the COVID-19 pandemic to the Russia-Ukraine conflict, along with persistently high inflation, rising interest rates and energy prices, as well as an increasingly shaky global economy. In response, companies are recalibrating their strategies, operations and objectives to navigate this operating climate with greater efficiency and reduced costs.

Making an iMPACT – Successful Merger with MNACT

As we face increasingly limited opportunities within Singapore, it became clear that we must look beyond our shores to secure future growth. As such, overseas expansion into Asia, a region with a shared background and familiarity, is necessary. To achieve this, we require a ready platform with extensive scale and reach. The merger with MNACT provides precisely this, offering ready footholds in key Asian gateway cities that will serve as a springboard for future growth.

We are heartened to receive the mandate from Unitholders for the merger at the EGM held on 23 May 2022. With the completion of the merger on 21 July 2022, and the subsequent name change on 3 August 2022 from Mapletree Commercial Trust to Mapletree Pan Asia Commercial Trust, or MPACT, we are excited to begin a new chapter.

Steady Performance Amid Challenging Times

This is our maiden set of full-year results post-merger. MPACT closed the financial year with 65.4% and 62.6% yoy growth in gross revenue and NPI to S$826.2 million and S$631.9 million, respectively. This growth was primarily driven by the contribution from properties acquired through the merger, as well as higher earnings from our core assets, VivoCity and MBC. Notably, the better performance by the core assets cushioned the increase in utility and financing expenses. Consequently, FY22/23 amount available for distribution to Unitholders amounted to S$445.6 million. DPU for the year topped 9.61 Singapore cents, up 0.8% yoy. Excluding the release of retained cash in FY21/22, FY22/23 DPU was up 6.1% yoy.

Since our listing on 27 April 2011, MPACT's unit price has grown from S$0.88 to S$1.80 as of 31 March 2023. After accounting for total distributions of 98.69 Singapore cents per Unit paid out to date, the total return to Unitholders is 216.7%.

Core Assets Provide Stable Foundation

VivoCity and MBC continued to provide a steady income stream. Together, they generated a combined S$445.8 million in gross revenue and S$345.9 million in NPI in FY22/23, up 11.5% and 11.3%, respectively, from the previous year.

Capitalising on Singapore's post-COVID recovery momentum, VivoCity's full-year tenant sales surpassed S$1 billion, setting a record high and exceeding pre-pandemic levels. Throughout the year, we focused on active tenant remixing, collaborated with existing tenants to refresh and expand their stores, ultimately revitalising the mall. With the removal of COVID-19 restrictions, VivoCity resumed its hallmark large-scale celebratory events during Christmas and Chinese New Year. These long-awaited events were enthusiastically received by shoppers of all ages.

Since the beginning, we have consistently implemented AEIs to position VivoCity at the forefront of competition. In FY22/23, we commenced an 80,000 square feet reconfiguration exercise, transforming a portion of the Level 1 space occupied by anchor tenant, TANGS, into a new retail zone.

This initiative, years in the making, offers several benefits. Firstly, it leverages the escalator node added in 2018 to create an additional channel for shopper traffic, hence enhancing overall mall circulation. Secondly, the new retail zone injects fresh energy into the mall, as the zone features a curated selection of popular food and beverage ("F&B") establishments alongside an enhanced beauty and fragrance cluster. TANGS has unveiled their rejuvenated store following its footprint optimisation, further enriching the shopping experience at VivoCity. The retail zone has opened progressively since the end of May 2023, and we expect the entire AEI to generate more than 20% of return on investment.

VivoCity concluded FY22/23 with 99.1% committed occupancy and recorded an impressive full-year rental uplift of 7.7%.

Despite changes in workspace requirements by some businesses adapting to the new normal of hybrid work arrangements, MBC likewise achieved positive results, closing FY22/23 with 95.4% committed occupancy and a full-year rental uplift of 8.0%.

Together, these two assets anchored MPACT's stability by accounting for approximately 53% and 54% of the total contribution to revenue and NPI, respectively.

Our other Singapore properties, mTower, Mapletree Anson and BOAHF, also delivered healthy results. Collectively, they posted a committed occupancy of 95.9% and recorded a full-year rental uplift of 1.6%.

The Singapore assets played a vital role in driving our performance. During the year, they recorded an increase of S$33.0 million of NPI, which not only covered the rise in utility costs but also more than offset the higher cost of Singapore dollar

LETTER TO UNITHOLDERS

borrowings. Moreover, the successful renewal of a majority of Google's leases at MBC over the last two financial years[1], as well as Bank of America's lease at BOAHF, further reinforced MPACT's ongoing resilience.

Greater China Assets Navigate Prolonged COVID-19 Restrictions

MPACT's Greater China properties continued to face headwinds during the year due to the prolonged COVID-19 situation and the country's "zero-COVID" policy. Nevertheless, we persevered in our leasing and marketing efforts to mitigate the impact.

Festival Walk, our retail mall in Hong Kong, which also experienced operational challenges stemming from the social incidents that occurred in the territory between 2019 and 2020, started to see gradual and steady recovery in shopper flows. COVID-19 restrictions, which significantly affected shopper traffic and tenant sales for much of the year, were progressively relaxed from the second half of FY22/23. This, combined with the reopening of the border with Mainland China, resulted in a 16.0% and 9.3% yoy improvement in shopper traffic and tenant sales, respectively. We also positively renewed the lease with Arup, a major tenant at Festival Walk. By the end of FY22/23, the property achieved near-full committed occupancy. With signs of rent stabilisation, the outlook looks more promising.

As we move forward, we will intensify our efforts in tenant remixing and introducing new retail concepts to strengthen Festival Walk's appeal to the local community.

Gateway Plaza and Sandhill Plaza, our properties in Beijing and Shanghai, respectively, faced tight social distancing measures and lengthy lockdowns during FY22/23. These hindered leasing efforts and weighed on the performance of our China portfolio, leading to 86.5% committed occupancy as of 31 March 2023. Despite the tough environment, we succeeded in renewing the lease of our second-largest tenant, BMW, for five years until 2028 at Gateway Plaza. This important accomplishment removed a significant occupancy risk. The vast lifting of COVID-19 measures in Greater China and the eagerly anticipated reopening of borders since early 2023 present opportunities to improve the performance of our Greater China portfolio.

The Japan properties concluded the year with 97.5% committed occupancy and full-year positive rental reversion of 1.9%. The Pinnacle Gangnam, a quality office building in South Korea, benefited from favourable market dynamics in the Gangnam Business District ("GBD") and maintained robust performance. It ended the year with 99.3% committed occupancy and achieved a strong rental reversion of 14.2% for FY22/23. The vibrant GBD market, characterised by limited supply, is expected to continue to support occupancy and rental rates for The Pinnacle Gangnam.

Proactive Capital Management Approach Fosters Resilience

MPACT's proactive capital and risk management approach is centred on fostering resilience and creating sustainable, long-term growth. We do so by safeguarding the capital structure, diversifying funding sources and ensuring financial flexibility, while keeping overall costs at a sensible level.

In September 2022, we established a S$5.0 billion Euro Medium Term Securities Programme, broadening our funding pool. In March 2023, we tapped into this programme by issuing S$150.0 million of fixed rate senior green notes, in line with MPACT's Green Finance Framework. This issuance allowed us to secure funds from capital providers who share our commitment in making a positive environmental impact.

At the end of FY22/23, we have in total approximately S$1.6 billion of cash and undrawn committed facilities, ensuring sufficient liquidity to fulfil MPACT's working capital and financial obligations.

As of 31 March 2023, about 75.5% of the total gross debt of S$6.9 billion was fixed through fixed rate debt or interest rate swaps. Additionally, approximately 93% of MPACT's expected distributable income (based on rolling four quarters) was derived from or hedged into Singapore dollar. These measures help to mitigate the effects of volatilities in interest and foreign exchange rates.

We continued to maintain a well-staggered debt maturity profile, with no more than 22% of debt due in any financial year. As much as we can and where practicable, we align MPACT's debt mix with the geographical composition of the AUM, creating a natural hedge.

MPACT's portfolio property valuation totalled S$16.6 billion as at 31 March 2023, 87.9% higher than a year ago. The primary driver for this increase was the expansion in investment properties resulting from the merger. Our Singapore assets posted a slight increase in valuation, mainly driven by VivoCity's improved performance. It is also worth noting that the capitalisation rates applied by the independent valuers have remained consistent for all properties as compared to a year ago. Evaluating the valuations of MPACT's investment properties in their respective local currencies, most of the properties have maintained stable valuations as compared to the previous year. However, the stronger Singapore dollar has led to lower values on our books when translated to Singapore dollars.

As of 31 March 2023, MPACT's aggregate leverage was 40.9%. For FY22/23, the weighted average all-in cost of debt was 2.68% per

[1] A significant portion of Google's leases have been renewed over the last two financial years, leaving approximately one-fifth of its space up for expiry in FY24/25.

annum and the adjusted interest coverage ratio was approximately 3.5 times on a 12-month trailing basis.

As the older fixed rate debts and interest rate swaps progressively mature, the overall cost of financing is expected to increase if interest rates remain elevated. MPACT is committed to staying disciplined and vigilant in managing the capital structure, and we will continue to monitor the market and adapt our strategies as needed to ensure stability.

Embracing Sustainability for a Better Future

MPACT remains fully dedicated to sustainability as a fundamental aspect of our business, even as our geographic scope expands. During the year, we reviewed and identified our material environment, social and governance ("ESG") factors, and embarked on a "net zero by 2050" journey that is aligned with our Sponsor's ambition and the Paris Agreement. Our sustainability roadmap focuses on key areas, setting short to long-term targets and initiating efforts to decarbonise our operations. We also invest in our people and communities to ensure shared growth.

Some of our key sustainability achievements in FY22/23 include approximately 85% of our portfolio (by lettable area) being green-certified, generation of more than 1.9 million kilowatt-hour ("kWh") of solar energy, introduction of green leases in Singapore, updating of MPACT's Green Finance Framework and the subsequent issuance of green notes under this framework.

In addition, we have adopted a new climate risk assessment tool to help us better assess climate-related risk and further conducted scenario analysis in line with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"). This proactive approach enables us to address climate mitigation, adaptation and resilience effectively.

Committed to transparency and accountability, MPACT will participate in the 2023 GRESB Real Estate Assessment, expanding on the participation of MCT and MNACT in previous years. We have also updated our reporting framework to align with SGX-ST's new core metrics and the Global Reporting Initiative Standards 2021.

MPACT embraces an iterative approach to sustainability. By consistently refining our ESG strategy, practices and disclosures, we strive to enhance transparency, accountability and trust with our stakeholders. We invite you to review our Sustainability Report and share your feedback on our sustainability initiatives and outcomes.

Pushing Our Boundaries

The global economic outlook remains fragile with growth expected to be softer than last year according to IMF[1]. The ongoing Russia-Ukraine conflict, higher energy prices, interest rate hikes and volatility in the global financial markets may heighten downside risks. Despite these headwinds, we find encouragement in regional developments, such as Singapore's return to post-pandemic normalcy and China's lifting of COVID-19 measures and border reopening since early 2023.

In the face of recent downturns in the tech and finance sectors, we take comfort in the renewals of several key leases at MBC, BOAHF, Festival Walk and Gateway Plaza, which place us in a resilient position. We will continue to deploy targeted strategies to manage our assets and advance our objectives. With a diverse tenant base, keen understanding of tenants' needs, and a proactive approach to asset management, we are confident in our ability to skilfully manoeuvre through market shifts.

As we look to the future, our primary responsibility as a merged entity is executing our "4R" Asset & Capital Management Strategy: **R**echarge, **R**efocus, **R**econstitute and **R**esilience. MPACT's enlarged scale and enhanced diversification, anchored by our core assets, will empower us to pursue capital recycling opportunities, asset enhancement and development initiatives, and acquisitions across Asia's key gateway markets over time. We will also prioritise maintaining our balance sheet resilience, which underpins the stability of our entire franchise. Our unwavering commitment to Unitholders is to drive long-term growth and sustainable returns, making an impact and pushing the boundaries of our potential.

Acknowledgements

On behalf of the Board, we express our gratitude to Mr Tsang Yam Pui, Ms Kwa Kim Li, Mr Koh Cheng Chua, Mr Hiew Yoon Khong and Ms Amy Ng for their service as they stepped down from the Board following the completion of the merger. We warmly welcome our new board members, who were former directors of Mapletree North Asia Commercial Trust Management Ltd.[2], as they provide valuable continuity. Ms Tan Su Shan, Ms Lilian Chiang, Mr Chua Kim Chiu, Mr Lawrence Wong, Mr Pascal Lambert and Mr Chua Tiow Chye each brings a wealth of experience that will bolster our efforts to create long-term value for Unitholders.

Finally, our gratitude goes to Unitholders, tenants, shoppers and partners, as well as our colleagues who have worked tirelessly through and after the merger. We are excited about this new chapter and look forward to making an impact together as MPACT.

SAMUEL TSIEN
Non-Executive Chairman and Director

SHARON LIM
Executive Director and
Chief Executive Officer

1 Reference: International Monetary Fund ("IMF"), World Economic Outlook Update, April 2023.
2 Previously the Manager of MNACT until it was delisted.

YEAR IN REVIEW

April 2022

- Sandhill Plaza achieved Excellence in Design for Greater Efficiencies ("EDGE") – Advanced Certificate.
- Festival Walk achieved Final Platinum rating under BEAM Plus Existing Buildings V2.0 Comprehensive Scheme (Final Platinum Rating).

May 2022

- Unitholders approved all resolutions relating to the merger with MNACT at the virtual EGM.
- Moody's confirmed MCT's Baa1 issuer rating with stable rating outlook.

July 2022

- Issued 1,018,382,531 preferential offering units to fund additional cash requirement pursuant to the merger with MNACT.
- Issued 885,734,587 new MCT units to MNACT unitholders as consideration units pursuant to the merger with MNACT.
- Unitholders approved all resolutions at MCT's eleventh AGM held via a hybrid meeting format.
- Completed merger with MNACT by way of a Trust Scheme of Arrangement on 21 July 2022.

August 2022

- Declared clean-up distribution of 3.04 Singapore cents per Unit for the period from 1 April 2022 to 20 July 2022.
- MNACT delisted and removed from the Official List of SGX-ST.
- MCT renamed Mapletree Pan Asia Commercial Trust with effect from 3 August 2022.
- Reconstituted the Board with effect from 3 August 2022. The reconstituted Board comprises members from the respective boards of the managers of MCT and MNACT.

September 2022

- Updated Green Finance Framework to further integrate ESG goals into our business strategies.
- Launched S$5.0 billion Euro Medium Term Securities Programme to further enhance funding diversification.

1 Delighted shoppers at VivoCity taking photos with Santa Claus to capture joyous moments of the festive season

2 AGM in hybrid format offered virtual and in-person meeting options and was well-attended by Unitholders

3 Latest AEI adds a vibrant new retail zone, elevating VivoCity's shopping experience

4 Festival Walk's innovative and environmentally friendly design maximises natural light to enhance energy efficiency

5 Sandhill Plaza's commitment to sustainability was recognised with the EDGE Advanced Certificate

October 2022

- Declared 1H FY22/23 DPU of 4.94 Singapore cents. This includes clean-up distribution of 3.04 Singapore cents per Unit paid on 25 August 2022.
- VivoCity commenced 80,000 square feet AEI to convert part of Level 1 anchor space into a new retail zone.
- Adopted quarterly reporting and distribution framework with effect from 3Q FY22/23.

November 2022

- VivoCity and MBC re-certified Building and Construction Authority ("BCA") Green Mark Platinum.

December 2022

- Mapletree Anson re-certified BCA Green Mark Platinum.

January 2023

- Declared 3Q FY22/23 DPU of 2.42 Singapore cents.
- Moody's assigned provisional (P)Baa1 rating to MPACT's S$5.0 billion Euro Medium Term Securities Programme.

February 2023

- Moody's assigned Baa1 foreign currency issuer rating to MPACT.

March 2023 and after

- Extended the appointment of Mapletree North Asia Property Management Limited as property manager of MPACT's assets in Greater China.
- Issued S$150.0 million of 4.25% fixed rate senior green notes due 2030 under the S$5.0 billion Euro Medium Term Securities Programme.
- VivoCity voted Best Shopping Mall (Bronze) at the Expat Living Readers' Choice Awards 2023.
- MPACT's total portfolio valued at S$16.6 billion, 87.9% higher as compared to 31 March 2022. NAV per Unit grew 1.1% from a year ago to S$1.76 at the close of FY22/23.
- Declared 4Q FY22/23 DPU of 2.25 Singapore cents. Full year DPU totalled 9.61 Singapore cents, up 6.1% yoy on a like-for-like basis (excluding retained cash released in FY21/22).

UNIT PRICE PERFORMANCE

Throughout FY22/23, global equity markets faced significant volatility due to various macroeconomic and geopolitical events, including the COVID-19 pandemic, the Russia-Ukraine war, persistent high inflation and rising interest rates. In March and May 2023, the US Federal Reserve implemented its ninth and tenth rate hikes since March 2022, each with a quarter percentage point increase. In June 2023, it announced its first pause in interest rate hike amid moderating inflation and potential headwinds from the recent US banking crisis. However, further rate hikes remained likely given high inflation pressures. A report by the IMF[1] projected global growth to be softer than last year.

Nevertheless, some positive developments such as the reversal of China's "zero-COVID" policy and the reopening of its border since early 2023 are expected to gradually catalyse a recovery ahead.

Amid this uncertainty, the FTSE Straits Times Index and the FTSE Straits Times REIT Index declined by 4.4% and 14.2%, respectively, from 1 April 2022 to 31 March 2023. MPACT's unit price closed at S$1.80 on 31 March 2023, a 4.8% decrease from the S$1.89 closing price a year ago. Factoring in the total DPU of 9.61 Singapore cents paid out for FY22/23, MPACT posted 0.3% total return to Unitholders during the financial year.

Since its IPO, MPACT's unit price has gained 104.5% from its listing price of S$0.88, outperforming the benchmark indices of FTSE Straits Times Index and the FTSE Straits Times REIT Index which increased by 2.4% and 10.6%, respectively, for the same period. Including the total DPU of 98.69 Singapore cents paid out since the IPO, MPACT has delivered 216.7% of total return to Unitholders. In addition, MPACT's market capitalisation has also grown approximately 5.9 times, from S$1.6 billion at IPO to S$9.4 billion as of 31 March 2023.

Unit Price and Trading Volume

	FY22/23	FY21/22
Closing price on the last trading day prior to the period (S$)	**1.890**	2.120
Highest closing price (S$)	**1.940**	2.190
Lowest closing price (S$)	**1.550**	1.790
Volume weighted average price (S$)	**1.779**	1.974
Closing price for the period (S$)	**1.800**	1.890
Average trading volume (million units)	**11.40**	11.96
Total trading volume (million units)	**2,839**	2,978

Return on Investment

	1-year from 1 April 2022	3-year from 1 April 2020	5-year from 1 April 2018	Since Listing on 27 April 2011
Total return as at 31 March 2023 (%)	0.3[2]	14.0[2]	43.8[2]	216.7[3]
Capital appreciation (%)	-4.8	-1.6	14.6	104.5
Distribution yield (%)	5.1	15.6	29.2	112.1
Closing price on the last trading day prior to the period / Unit issue price at listing (S$)	1.890	1.830	1.570	0.880

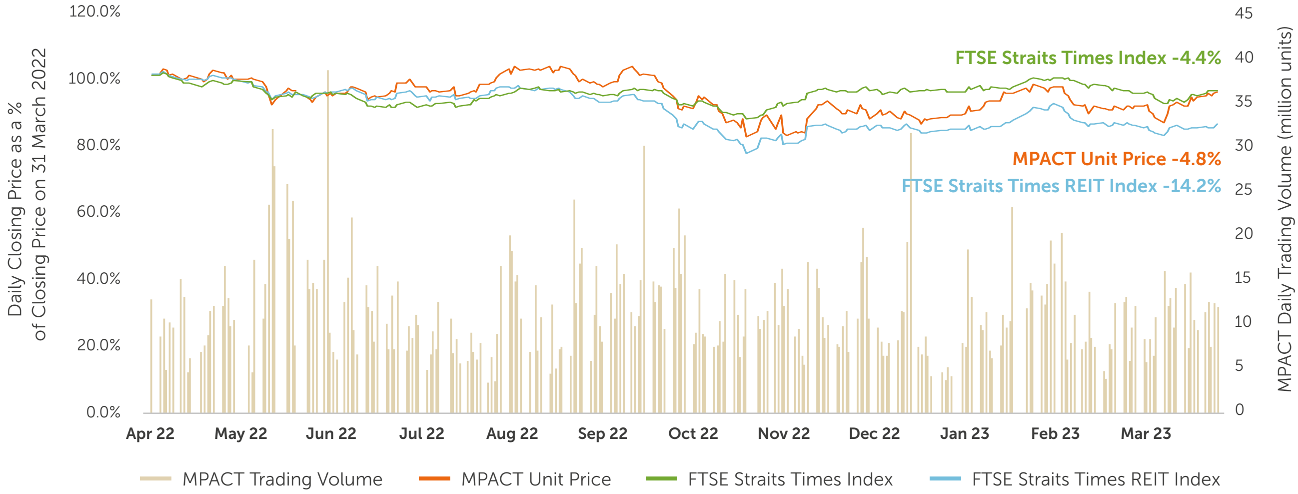
1 Reference: IMF's World Economic Outlook Update, April 2023.

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

3 Sum of distributions and capital appreciation for the period over the unit issue price at listing.

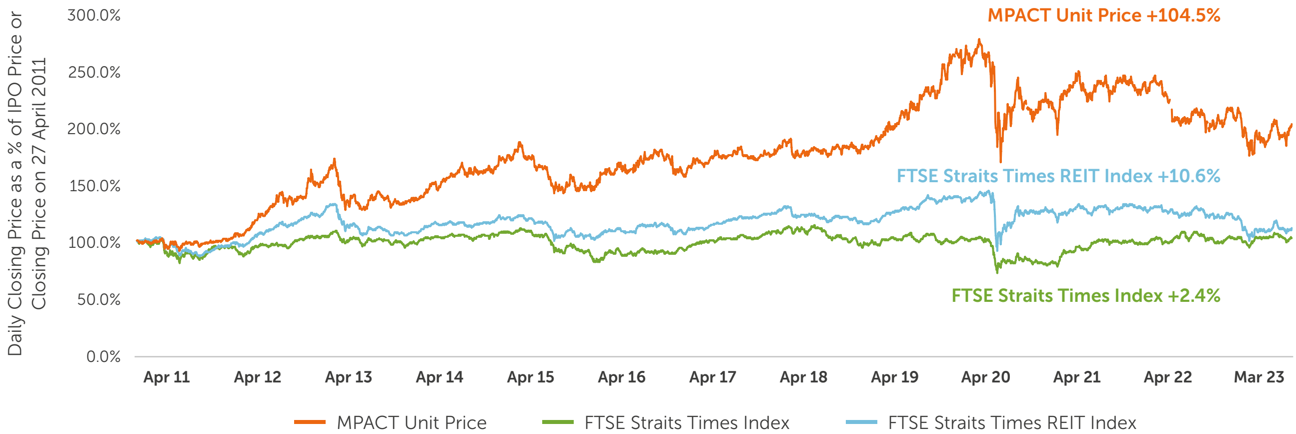
Source: Bloomberg

Trading Volume of MPACT and Comparative Trading Performance in FY22/23



Note: Break in the chart for MPACT was due to a trading halt on 23 May 2022.

Comparative Trading Performance Since Listing



MPACT is a Constituent of These Key Indices[1]

Bloomberg Asia REIT Index	FTSE EPRA Nareit Global Index	iEdge S-REIT Index
Bloomberg World Financial Index	FTSE EPRA Nareit Global REITs Index	iEdge S-REIT Leaders Index
Bloomberg World REIT Index	FTSE ST All Share Index	MSCI Singapore Index
Dow Jones Global Select REIT Index	GPR General (World) Index	S&P Developed REIT Index
FTSE ASEAN All-Share Index	GPR General Asia Index	S&P Global BMI
FTSE Developed Asia Pacific All Cap Index	GPR General Singapore Index	S&P Global REIT USD Index
FTSE EPRA Nareit Asia REITs Index	iEdge ESG Leaders Index	Straits Times Index
FTSE EPRA Nareit Developed Index	iEdge ESG Transparency Index	
FTSE EPRA Nareit Singapore Index	iEdge Singapore Low Carbon Index	

[1] The list of key indices is not exhaustive.

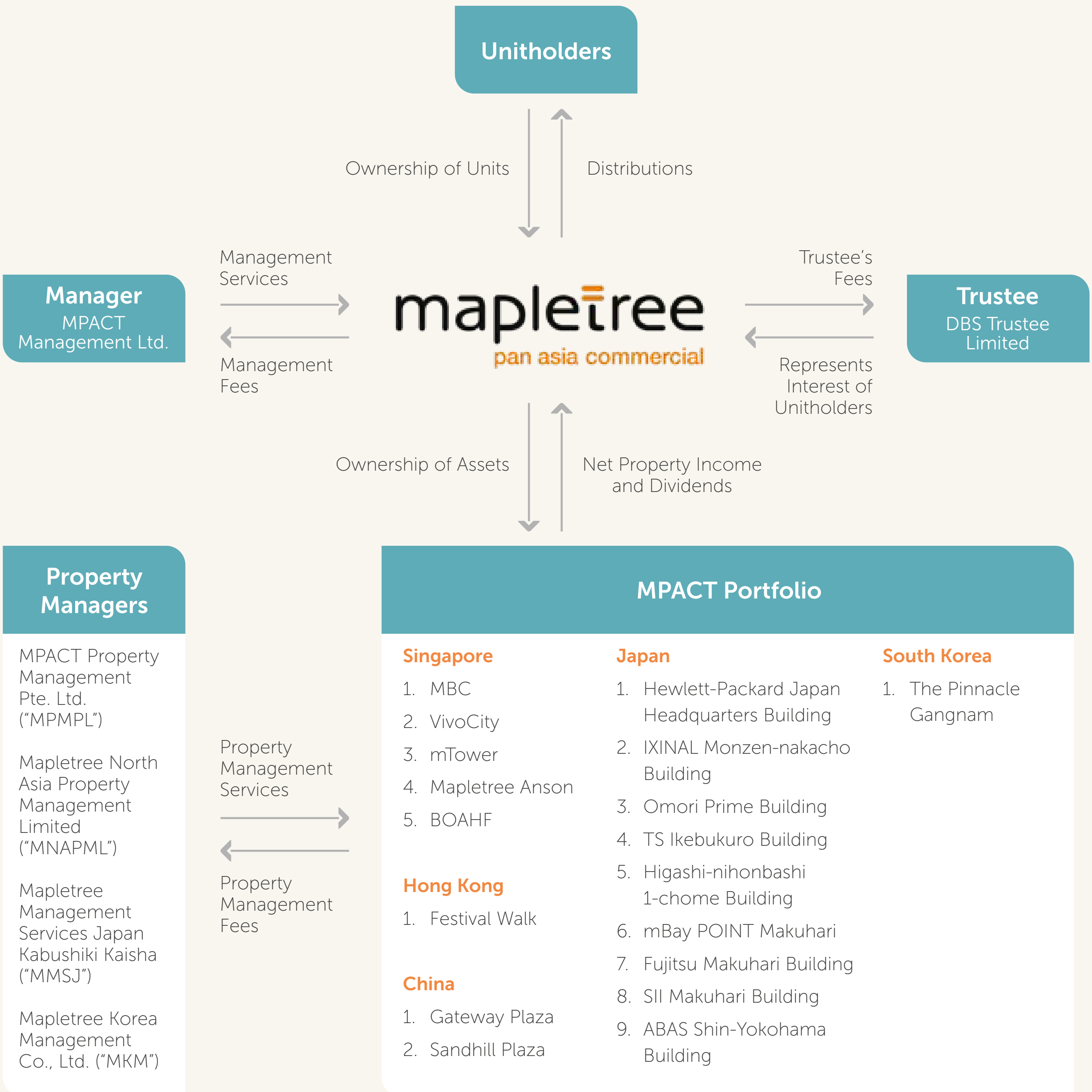
Source: Bloomberg

TRUST STRUCTURE

The below simplified diagram illustrates the relationship between MPACT, the Manager, the Property Managers, the Trustee and Unitholders.

MPACT Management Ltd. is the Manager of MPACT. The Manager has general powers of management over the assets of MPACT. The Manager's main responsibility is to manage MPACT's assets and liabilities for the benefit of Unitholders. The Manager sets the strategic direction of MPACT and gives recommendations to the Trustee on acquisition, divestment, development and/or enhancement of the assets of MPACT in accordance with its stated investment strategy. The Manager is a wholly-owned subsidiary of the Sponsor. As shown on the next page, the Manager has a board of directors (the "Board") separate from the Sponsor.

The Property Managers comprise MPMPL, MNAPML, MMSJ and MKM, and they provide property management, lease management, project management, marketing, administration of property tax services and property accounting services for the properties in MPACT's portfolio. MPMPL is the property manager in relation to the Singapore properties, MNAPML is the property manager in relation to the China and Hong Kong properties, MMSJ is the property manager in relation to the Japan properties, and MKM is the property manager in relation to the Korea property. MPMPL, MNAPML, MMSJ and MKM are wholly-owned subsidiaries of the Sponsor.



ORGANISATION STRUCTURE

The Manager
MPACT Management Ltd.

Board of Directors

Mr Samuel Tsien
Non-Executive Chairman and Director

Ms Tan Su Shan
Lead Independent Non-Executive Director

Mr Premod Thomas
Independent Non-Executive Director

Ms Lilian Chiang
Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director

Mr Chua Kim Chiu
Independent Non-Executive Director

Mr Lawrence Wong
Independent Non-Executive Director

Mr Wu Long Peng
Independent Non-Executive Director

Mr Pascal Lambert
Independent Non-Executive Director

Mr Mak Keat Meng
Independent Non-Executive Director

Mr Alvin Tay
Independent Non-Executive Director

Mr Chua Tiow Chye
Non-Executive Director

Ms Wendy Koh
Non-Executive Director

Ms Sharon Lim
Executive Director and Chief Executive Officer

Nominating and Remuneration Committee

Ms Tan Su Shan
Chairperson

Ms Lilian Chiang

Mr Kan Shik Lum

Mr Chua Tiow Chye

Audit and Risk Committee

Mr Premod Thomas
Chairman

Mr Chua Kim Chiu

Mr Lawrence Wong

Mr Wu Long Peng

Chief Executive Officer

Ms Sharon Lim

Joint Company Secretaries

Mr Wan Kwong Weng

Ms See Hui Hui

Chief Financial Officer

Ms Janica Tan

Co-Heads, Investments & Asset Management

Mr Chow Mun Leong

Mr Koh Wee Leong

Director, Investor Relations

Ms Teng Li Yeng

BOARD OF DIRECTORS


SAMUEL TSIEN


TAN SU SHAN


PREMOD THOMAS


LILIAN CHIANG


KAN SHIK LUM


CHUA KIM CHIU


LAWRENCE WONG


WU LONG PENG


PASCAL LAMBERT


MAK KEAT MENG


ALVIN TAY


CHUA TIOW CHYE


WENDY KOH


SHARON LIM

SAMUEL TSIEN

Non-Executive Chairman and Director

Mr Samuel Tsien is the Non-Executive Chairman and a Director of the Manager.

Mr Tsien is a member of the Sponsor's Board and its Investment Committee. Mr Tsien was the former Group Chief Executive Officer and Executive Director of Oversea-Chinese Banking Corporation Limited ("OCBC") from 2012 to 2021 and served as the Adviser to the Board of OCBC upon his retirement until 2022. He is a Non-Executive Independent Director and Audit Committee Member of Jardine Cycle & Carriage Limited, a Non-Executive Non-Independent Director and Risk Management Committee Member of Singapore Exchange Limited, and a Non-Executive Director of OCBC Wing Hang Bank Limited in Hong Kong SAR.

Prior to these appointments, he served as the Senior Executive Vice President and Global Head, Global Corporate Bank of OCBC when he joined OCBC in July 2007. Before joining OCBC, Mr Tsien was the President and Chief Executive Officer of Bank of America (Asia) from 1995 to 2006, and the President and Chief Executive Officer of China Construction Bank (Asia) Corporation Ltd in 2007.

He had concurrently served as Executive Vice President and Asia Commercial and Consumer Banking Group Executive of Bank of America from 1996 to 2006. Mr Tsien had held other senior management positions in corporate banking, retail banking and risk management at Bank of America in Hong Kong SAR and San Francisco, USA.

Past directorships in listed entities over the last three years:

- Great Eastern Holdings Ltd
- Oversea-Chinese Banking Corporation Limited
- PT Bank OCBC NISP Tbk

TAN SU SHAN

Lead Independent Non-Executive Director and Chairperson of Nominating and Remuneration Committee

Ms Tan Su Shan is the Lead Independent Non-Executive Director and Chairperson of the Nominating and Remuneration Committee of the Manager.

Ms Tan is currently the Group Head of Institutional Banking of DBS Bank Ltd. ("DBS"). In addition, she is currently a Board Member of Central Provident Fund Board and Chairman of its Audit Committee.

Prior to joining DBS in June 2010, Ms Tan was Morgan Stanley's Head of Private Wealth Management for Southeast Asia. Before re-joining Morgan Stanley in May 2008, she was a Region Head for Singapore, Malaysia and Brunei for Citi Private Bank. She was also the Singapore Investment Centre Head.

Ms Tan was the founder and past president of the Financial Women's Association in Singapore. She sits on the investment committee of MOH Holdings Pte Ltd and was a Nominated Member of Parliament from 2012 to 2014.

Ms Tan graduated with a Master of Arts from Oxford University in the United Kingdom, where she studied Politics, Philosophy and Economics. In May 2012, she was awarded the Distinguished Financial Industry Competent Professional title, which is the highest certification mark for a financial practitioner in Singapore, by the Institute of Banking and Finance.

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

PREMOD THOMAS

Chairman of Audit and Risk Committee and Independent Non-Executive Director

Mr Premod Thomas is the Chairman of the Audit and Risk Committee and an Independent Non-Executive Director of the Manager.

He is the Founder, Chief Executive Officer and Executive Director of Capital Insights Pte. Ltd., an investment holding company which focuses on private investments and strategy consulting. Before this, he held various appointments in Bank of America, Standard Chartered Bank, Temasek Holdings (Private) Limited and the Hong Leong Group of Malaysia. He was, till his recent retirement, the Chief Executive Officer of Bayfront Infrastructure Management Pte Ltd, a part of the Clifford Capital Group, Singapore.

He is also an Independent Director of Gemstone Asset Holdings Pte. Ltd. and the Independent Chairman of the Investment Committee of Mapletree Global Student Accommodation Private Trust, a private trust constituted in Singapore, to invest in student accommodation in the United States of America and United Kingdom.

Mr Thomas holds a Master's in Business Administration degree from the Indian Institute of Management, Ahmedabad and a Bachelor of Commerce degree from Loyola College, Chennai.

Past directorships in listed entities over the last three years:

Nil

BOARD OF DIRECTORS

LILIAN CHIANG

Independent Non-Executive Director and Member of Nominating and Remuneration Committee

Ms Lilian Chiang is an Independent Non-Executive Director and a Member of the Nominating and Remuneration Committee of the Manager.

Ms Chiang is the Senior Partner of Deacons and the Head of its Property Department. Ms Chiang has extensive experience in all types of real estate related transactions.

Ms Chiang is also the Chairperson of the Property Committee of The Law Society of Hong Kong as well as the Deputy Chairperson of the Council of the City University of Hong Kong and a member of the Nomination Committee of the City University of Hong Kong. She is also a member of (i) the Land Titles Ordinance Steering Committee of the Land Registry, Hong Kong Special Administration Region ("HKSAR"), and (ii) Title Registration Education Committee of the Land Registry, HKSAR. Until the end of March 2023, Ms Chiang was also a member of the Committee on Real Estate Investments Trusts at the Securities and Future Commission, HKSAR.

Ms Chiang holds both a Bachelor of Laws and Postgraduate Certificate in Laws from the University of Hong Kong. She is also a China-Appointed Attesting Officer, a Notary Public as well as a Solicitor of Hong Kong (practising) and a Solicitor of Singapore, New South Wales and Victoria, Australia, England and Wales (non-practising).

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

KAN SHIK LUM

Independent Non-Executive Director and Member of Nominating and Remuneration Committee

Mr Kan Shik Lum is an Independent Non-Executive Director and a Member of the Nominating and Remuneration Committee of the Manager.

Mr Kan worked with DBS Bank Ltd for over 33 years before he retired in 2015. He was the Managing Director, Capital Markets where he oversaw the equity fund raising in primary and secondary markets. He also helped to augment the DBS Bank Ltd's capital markets franchise in Singapore and Hong Kong.

Mr Kan is currently an Independent Director of Astrea IV Pte. Ltd., Astrea V Pte. Ltd. and Astrea 7 Pte. Ltd., all of which are involved in the investment into non-commercial real estate private equity funds.

Mr Kan holds a Master of Arts degree in Economics from the Queen's University at Kingston, Canada and a Bachelor of Arts Honours (Magna Cum Laude) degree in Economics from McMaster University, Canada.

Past directorships in listed entities over the last three years:

Nil

CHUA KIM CHIU

Independent Non-Executive Director and Member of Audit and Risk Committee

Mr Chua Kim Chiu is an Independent Non-Executive Director and a Member of the Audit and Risk Committee of the Manager.

Mr Chua is a Professor (Practice) in Accounting at National University of Singapore ("NUS") Business School. He is a Chartered Accountant who had a long and distinguished career in PricewaterhouseCoopers ("PwC") Singapore where he was a partner from 1990, headed the banking and capital markets group as well as the China desk. He was a member of the firm's leadership team from 2005 until his retirement in June 2012, but was retained as senior advisor at PwC Hong Kong until June 2016. He took up his current appointment as a university professor from July 2016.

Mr Chua is also an Independent Non-Executive Director of Oversea-Chinese Banking Corporation Limited where he is the Chairman of its Audit Committee and a Member of its Risk Management Committee.

Mr Chua holds a Bachelor of Commerce in Accountancy and a Bachelor of Commerce and Administration with Honours in Accountancy from Nanyang Technological University and Victoria University of Wellington, respectively. He is a Fellow Chartered Accountant, Singapore, Australia and New Zealand as well as a Fellow of the Association of Chartered Certified Accountants, United Kingdom.

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

LAWRENCE WONG

Independent Non-Executive Director and Member of Audit and Risk Committee

Mr Lawrence Wong is an Independent Non-Executive Director and a Member of the Audit and Risk Committee of the Manager.

Mr Wong is currently a Non-Executive Independent Director, and a Member of the Audit, Nominating and Remuneration Committees of Hotel Properties Limited. He is also the Independent Chairman of Altax Pte. Ltd. (previously HGX Pte. Ltd.). Previously, Mr Wong was with the Singapore Exchange Limited ("SGX") first as Head of Listings and then Head of China until his retirement in March 2018. In his role with SGX, Mr Wong was also a member of various collaboration councils set up by Singapore with various provinces in China to promote economic trade and investment activities.

Prior to joining SGX in April 2006, Mr Wong was part of the senior management team at OCBC Bank. Before OCBC Bank, Mr Wong held several senior positions in the Schroders Group ("Schroders"), including Head of Corporate Finance for South East Asia and Head of Financial Institutions Group, Asia Pacific. His assignments also included an overseas posting to Shanghai, as General Manager of Schroders' joint venture and Head of Corporate Finance for Greater China.

Mr Wong holds a Bachelor's degree in Business Administration from the University of Singapore.

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

WU LONG PENG

Independent Non-Executive Director and Member of Audit and Risk Committee

Mr Wu Long Peng is an Independent Non-Executive Director and a Member of the Audit and Risk Committee of the Manager.

Mr Wu was previously the Executive Director of Kuok (Singapore) Limited until 2017 and has more than 30 years of experience in finance and corporate affairs over various industries.

Mr Wu is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom, and a Member of the Institute of Singapore Chartered Accountants.

Past directorships in listed entities over the last three years:

- PACC Offshore Services Holdings Ltd. (delisted in 2020)
- Gamma Communications PLC (listed in the United Kingdom)

PASCAL LAMBERT

Independent Non-Executive Director

Mr Pascal Lambert is an Independent Non-Executive Director of the Manager.

Mr Lambert was Group Country Head, Singapore, and Head of South East Asia and India for Societe Generale since 2012 until he left in September 2021. He joined Societe Generale in 2009 in Hong Kong where he acted as Chief Operating Officer for Asia from January 2010.

Before a short period with JP Morgan, Mr Lambert was a Senior Managing Director at Bear Stearns where he worked for 15 years, in Hong Kong, Dublin and London. Mr Lambert started his career at Banque Indosuez, and was posted to Djibouti, Mumbai and Tokyo. Mr Lambert was the President of the French Chamber of Commerce in Singapore from 2017 to 2021.

Mr Lambert holds a Bachelor of Business Administration from Ecole Superieure des Sciences Economiques et Commerciales ("ESSEC").

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

BOARD OF DIRECTORS

MAK KEAT MENG

Independent Non-Executive Director

Mr Mak Keat Meng is an Independent Non-Executive Director of the Manager.

Mr Mak retired from Ernst & Young LLP in 2019. He was the Head of Audit where he oversaw the audit practice in Singapore and ASEAN.

He is the Non-Executive Director and Chairman of the Audit Committee and a member of the Risk Management Committee of Income Insurance Limited. He is also a Director of Paloe Private Limited, a company providing accounting cum CFO advisory services.

Mr Mak holds a Master of Business Administration degree from the International Management Centre (UK) and a Bachelor of Commerce (Accounting) degree from the University of Auckland, New Zealand. He is a Fellow Member of Chartered Accountants, Australia and New Zealand, Fellow Member of Association of Chartered Accountants and Member of the Institute of Singapore Accountants.

Past directorships in listed entities over the last three years:

Nil

ALVIN TAY

Independent Non-Executive Director

Mr Alvin Tay is an Independent Non-Executive Director of the Manager.

Mr Tay was previously the Managing Editor, English/Malay/Tamil Media Group at Singapore Press Holdings Limited before his retirement in February 2018. Prior to that, he was the Editor of The Business Times, a newspaper publication of Singapore Press Holdings Limited from 2002 to 2016.

Mr Tay is also a Non-Executive Director of The RICE Company Limited, a not-for-profit organisation involved in the promotion of arts and cultural activities in Singapore.

Mr Tay holds a Bachelor of Social Science (Honours) from the University of Singapore.

Past directorships in listed entitles over the last three years:

Nil

CHUA TIOW CHYE

Non-Executive Director and Member of Nominating and Remuneration Committee

Mr Chua Tiow Chye is a Non-Executive Director and a Member of the Nominating and Remuneration Committee of the Manager.

Mr Chua is the Deputy Group Chief Executive Officer of the Sponsor. He focuses on driving the Sponsor's strategic initiatives including expanding and directing the Sponsor's international real estate investments and developments. He also directly oversees the Sponsor's Global Lodging sector. Previously, Mr Chua was the Group Chief Investment Officer and Regional Chief Executive Officer of North Asia & New Markets of the Sponsor.

Mr Chua concurrently serves as Non-Executive Director of Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust) and Mr Chua remains a Director of Mapletree North Asia Commercial Trust Management Ltd. (previously the Manager of Mapletree North Asia Commercial Trust until it was delisted). He was also previously the Chief Executive Officer of Mapletree Logistics Trust Management Ltd..

Prior to joining the Sponsor in 2002, Mr Chua held senior positions with various companies including Vision Century Corporation Ltd, Ascendas Pte Ltd, Singapore Food Industries Pte Ltd and United Overseas Bank Ltd..

Mr Chua holds a Master of Business Administration from the University of Strathclyde and graduated with a Bachelor of Regional and Town Planning (1st Class Honours) from the University of Queensland in 1982.

Past directorships in listed entities over the last three years:

Nil

WENDY KOH

Non-Executive Director

Ms Wendy Koh is a Non-Executive Director of the Manager.

Ms Koh is concurrently the Group Chief Financial Officer of the Sponsor. She oversees the Finance, Tax, Treasury and Information Technology functions of the Sponsor. She holds various appointments within the Sponsor group including as the Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust), and she remains a Director of Mapletree North Asia Commercial Trust Management Ltd. (previously the Manager of Mapletree North Asia Commercial Trust until it was delisted).

Prior to her current role, she was the Regional Chief Executive Officer, South East Asia of the Sponsor from August 2014 to July 2019, heading the Sponsor's business in South East Asia and Head, Strategy and Research in 2014. She was also previously engaged by the Sponsor as an advisor to review the Sponsor's strategy implementation from

FY09/10 to FY13/14, and was involved in the formulation of the Sponsor's second Five-Year Plan.

Before joining the Sponsor, Ms Koh was Co-head, Asia-Pacific Property Research at Citi Investment Research. With 20 years of experience as a real estate equities analyst, she was involved in many initial public offerings and capital raising deals including for Mapletree Logistics Trust, Mapletree Industrial Trust and Mapletree Commercial Trust (now known as Mapletree Pan Asia Commercial Trust).

Ms Koh holds a Bachelor of Business (Honours) degree specialising in Financial Analysis from the Nanyang Technological University of Singapore and the professional designation of Chartered Financial Analyst from the CFA Institute.

Past directorships in listed entities over the last three years:

Nil

SHARON LIM
Executive Director and Chief Executive Officer

Ms Sharon Lim is the Executive Director and Chief Executive Officer of the Manager.

Ms Lim joined the Manager as the Chief Operating Officer in 2015. Prior to joining the Manager, Ms Lim held various appointments in the CapitaLand group. Ms Lim was the Executive Director and Chief Executive Officer of CapitaMalls Malaysia REIT Management Sdn Bhd, the manager of CapitaMalls Malaysia Trust, which is listed on Bursa Malaysia. Prior to that, she was responsible for CapitaMall Asia's retail platform in Malaysia as Country Head, Malaysia of CapitaMall Trust Management Limited.

Ms Lim holds a Master of Business Administration degree from Murdoch University, Australia, and a Bachelor of Business degree from the RMIT University, Australia.

Past directorships in listed entitles over the last three years:

Nil

JOINT COMPANY SECRETARIES

WAN KWONG WENG
Joint Company Secretary

Mr Wan Kwong Weng is the Joint Company Secretary of the Manager as well as the other two Mapletree REIT Managers. He is concurrently the Group Chief Corporate Officer of the Sponsor, where he is responsible for all legal, compliance and corporate secretarial matters, human resource as well as corporate communications and administration matters across all business units and countries.

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

Mr Wan has an LL.B. (Honours) (Newcastle upon Tyne), where he was conferred the Wise Speke Prize, as well as an LL.M. (Merit) (London). He also attended London Business School Senior Executive Programme. He is called to the Singapore Bar, where he was awarded the Justice FA Chua Memorial Prize, and is also on the Rolls of Solicitors (England & Wales). Mr Wan was conferred the Public Service Medal (P.B.M.) in 2012 and Public Service Star (B.B.M.) in 2017.

Mr Wan is also appointed as a Member of the Valuation Review Board since 2019. In addition, he is Secretary/Member of the SMU Advisory Board for the Real Estate Programme.

SEE HUI HUI
Joint Company Secretary

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

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

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

MANAGEMENT TEAM

SHARON LIM
Executive Director and Chief Executive Officer

Please refer to Ms Sharon Lim's profile under the Board of Directors section at Page 25 of this Annual Report.

JANICA TAN
Chief Financial Officer

Ms Janica Tan is responsible for the overall financial and capital management functions of MPACT.

Ms Tan has over 20 years of financial reporting and capital management experience. Prior to joining the Manager in 2016, she was the Chief Financial Officer of OUE Commercial REIT Management Pte. Ltd., the manager of OUE Commercial REIT.

Ms Tan holds an ACCA professional qualification. She is also a non-practising member of the Institute of Singapore Chartered Accountants.

CHOW MUN LEONG
Co-Head, Investments & Asset Management

Mr Chow Mun Leong co-heads the investment and asset management function of the Manager.

Mr Chow joined Mapletree North Asia Commercial Trust Management Ltd. in December 2021 and moved to the Manager after the merger of MCT and MNACT.

Mr Chow has close to 20 years of real estate investment and asset management experience in major firms including Temasek International, CapitaMalls Asia Limited and GIC Real Estate.

Prior to joining Mapletree, he was Director in Temasek International since 2013, covering real estate investment and renewal projects in Real Estate Group and Enterprise Development Group, respectively.

Mr Chow holds a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore.

KOH WEE LEONG
Co-Head, Investments & Asset Management

Mr Koh Wee Leong co-heads the investment and asset management function of the Manager.

Prior to his current appointment, Mr Koh was Director, Investor Relations of the Manager.

Mr Koh has more than 15 years of experience in real estate investment, asset management and private equity. Before joining the Manager in 2011, he held various positions in the CapitaLand Group from 2007 to 2011. His responsibilities included evaluating and executing investments in real estate and financial products in various countries as well as structuring, marketing and managing private equity real estate funds. From 2005 to 2007, he was with KPMG where he carried out projects in business advisory and corporate finance. He started his career in the Singapore Economic Development Board in 2002.

Mr Koh has a Master of Science degree from the Nanyang Technological University and a Bachelor of Engineering degree from the National University of Singapore.

TENG LI YENG
Director, Investor Relations

Ms Teng Li Yeng is responsible for MPACT's investor relations function. Ms Teng has more than 10 years of investor relations and communications experience. Prior to joining the Manager in 2015, she was with the CapitaLand Group where her responsibilities included strategic planning and investor relations with public and private equity partners. She headed up the investor relations function for dual-listed CapitaMalls Asia Limited from 2013 to 2014 before it was privatised. She started her career with Singapore's Ministry of Trade & Industry where she was involved in FTA negotiations and formulating bilateral trade and economic policies with China.

Ms Teng holds a Bachelor of Science degree in Economics from the University College London, United Kingdom and the International Certificate of Investor Relations.

CHARISSA WONG
Head, Retail Management

Ms Charissa Wong is responsible for the general management of VivoCity.

Ms Wong has close to 20 years of retail management experience in property management firms including CPL Management Services Pte Ltd, Knight Frank Pte Ltd and CapitaLand Retail Management Pte Ltd. Prior to joining the Manager in 2018, she was the Centre Director of APM Property Management Pte Ltd where she managed the retail operations of a major mixed-use development in Singapore.

Ms Wong holds a Diploma of Business Management (Marketing) from the Nanyang Polytechnic, Singapore.

GEORGINA GOH
Head, Office Marketing

Ms Georgina Goh is responsible for the marketing of the Singapore office and business park properties.

Ms Goh has more than 25 years of marketing and leasing experience for commercial buildings with various leading real estate companies including the CapitaLand Group and City Development Limited. Prior to joining the Manager in 2019, she was Director, Asset Management in Raffles Quay Asset Management Pte Ltd from 2010 to 2018, responsible for the leasing and tenant management of landmark mixed-use and office buildings in Singapore.

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

WENDY LEE
General Manager, Festival Walk, Hong Kong

Ms Wendy Lee is based in Hong Kong and is responsible for the general management of Festival Walk.

Ms Lee has more than 20 years of mall management experience including leasing and property management. She joined Mapletree North Asia Commercial Trust Management Ltd. in 2018 and moved to the Manager after the merger of MCT and MNACT. Prior to this, she held various positions at Swire Properties, Hang Lung Properties Ltd and Sun Hung Kai Real Estate Agency Ltd.

Ms Lee holds a Bachelor of Public & Social Administration degree and a Bachelor of Housing Studies degree from the City University of Hong Kong.

FRANK ZHOU
General Manager, Investment & Asset Management, China

Mr Frank Zhou is based in Shanghai and is responsible for investment and asset management activities in China.

Mr Zhou has more than 20 years of real estate investment experience with developers, foreign real estate funds and asset management companies. He joined Mapletree North Asia Commercial Trust Management Ltd. in 2018 and moved to the Manager after the merger of MCT and MNACT. Prior to this, he held various positions at Taiping Asset Management, Shanghai Forte Land and Pacific Star Group.

Mr Zhou holds a Master of Business Administration degree from the University of Hong Kong and a Bachelor in Economics degree from the Fudan University, China.

KIYOSHI TSUCHIYA
Director, Investments & Asset Management, Commercial, Japan

Mr Kiyoshi Tsuchiya is based in Tokyo and is responsible for investment and asset management activities in Japan.

Mr Tsuchiya has over 30 years of real estate investment, asset management, development, transaction and valuation experience in firms including Morgan Stanley Capital K.K., CBRE K.K., Mori Building Real Estate Investment Advisory, Pacific Star Japan K.K. and Taisei Corporation. Prior to joining the Manager in 2022, he was Director at CBRE K.K., leading the Asset Management and Hotels team.

Mr Tsuchiya holds a Bachelor of Business Administration degree from the Yokohama City University, Japan. He is also a Licensed Real Estate Appraiser (Japan) and Real Estate Transaction Manager (Japan).

JACOB CHUNG
General Manager, Korea

Mr Jacob Chung is based in Seoul and is responsible for investment and asset management activities in South Korea.

Prior to this, Mr Chung was with Mapletree Logistics Trust Management Ltd. as the General Manager, South Korea, and was responsible for the market's investment and asset management activities.

Mr Chung has over 30 years of professional real estate experience with various companies including SK Networks, PS Asset Management, CBRE Korea, Samsung C&T and Saman Engineering. Prior to joining Mapletree in 2013, he was Vice President of SK Networks where his key responsibility was to review development opportunities and implement real estate liquidation plans in South Korea.

Mr Chung holds a Master of Environmental Planning degree from the Arizona State University, United States, and a Bachelor of Urban Engineering degree from the Hanyang University, South Korea.

MBC, Singapore

POSITIONING FOR RESILIENCE AND FUTURE-READINESS

With ready footholds in five key gateway markets of Asia, MPACT is primed to harness the long-term growth opportunities across Pan Asia. Our proactive management bolsters our agility, enabling swift adaptation to navigate market changes and allowing us to capitalise on market recovery.

FINANCIAL & CAPITAL MANAGEMENT REVIEW

	FY22/23 (S$'000)	FY21/22 (S$'000)	Variance (%)
Gross revenue	826,185	499,475	65.4
Property operating expenses	(194,243)	(110,794)	(75.3)
Net property income	**631,942**	**388,681**	**62.6**
Finance income	1,603	284	N.M.
Finance expenses	(163,762)	(72,575)	(125.6)
Manager's management fees	(48,633)	(37,765)	(28.8)
Trustee's fees	(1,652)	(1,039)	(59.0)
Other trust expenses	(2,823)	(1,388)	(103.4)
Foreign exchange (loss)/gain	(3,746)	8,926	N.M.
Net change in fair value of financial derivatives	19,159	(8,390)	N.M.
Profit before tax and fair value change in investment properties and share of profit of a joint venture	**432,088**	**276,734**	**56.1**
Net change in fair value of investment properties	43,511	70,290	(38.1)
Share of profit of a joint venture	9,425	–	N.M.
Profit before tax	**485,024**	**347,024**	**39.8**
Income tax credit/(expense)	1,725	(5)	N.M.
Profit after tax	**486,749**	**347,019**	**40.3**
Income available for distribution to Unitholders	**445,598**	**301,229**	**47.9**
Amount available for distribution to Unitholders	**445,598**	**316,982[1]**	**40.6**
DPU (Singapore cents)			
– Taxable income distribution	7.15	8.60	(16.9)
– Capital distribution	0.64	0.61[1]	4.9
– Tax-exempt income distribution	1.82	0.32	N.M.
Total DPU	**9.61**	**9.53[1]**	**0.8**
Total DPU (excluding release of retained cash)	**9.61**	**9.06**	**6.1**

N.M.: Not meaningful

1 In view of the COVID-19 uncertainty, the Manager made capital allowance claims and retained capital distribution totalling S$43.7 million in 4Q FY19/20. Of this, S$28.0 million of this retained cash was released as distributions to Unitholders in FY20/21. The remaining S$15.7 million of retained cash was released as distribution to Unitholders in FY21/22.

On 21 July 2022, the merger with MNACT was completed by way of a trust scheme of arrangement ("Trust Scheme"). Following this, MNACT Group's financials were consolidated into MPACT Group from 21 July 2022.

Gross Revenue

Gross revenue was 65.4% higher at S$826.2 million for FY22/23 as compared to FY21/22. This was largely due to the contribution from the overseas properties acquired through the merger and higher contribution from VivoCity and MBC.

Excluding the effect of the merger, gross revenue was 9.2% higher yoy. As Singapore continued to recover from the COVID-19 pandemic, positive contributions across all major revenue categories including fixed rent, turnover rent, carpark income and advertising and promotion income, were observed for the Singapore properties. The increase was partially offset by lower compensation sum received from the pre-termination of leases in FY22/23 compared to FY21/22.

Property Operating Expenses

Property operating expenses were 75.3% higher at S$194.2 million for FY22/23 as compared to FY21/22. This was mainly due to the property operating expenses incurred by the overseas properties acquired through the merger.

Property operating expenses for the Singapore properties were 11.5% higher yoy. Higher expenses were observed across all operating expenses categories which moved in tandem with the increase in activities in FY22/23 as well as higher utility rates.

Net Property Income

NPI was S$631.9 million, 62.6% higher as compared to FY21/22. Excluding the contribution from the overseas properties acquired through the merger, NPI was S$421.7 million in FY22/23, 8.5% higher as compared to FY21/22.

Finance Expenses

Finance expenses were 125.6% higher at S$163.8 million for FY22/23 as compared to FY21/22 mainly due to the interest expenses incurred by the overseas properties, the interest expenses incurred on the acquisition debt, as well as higher interest rates on the existing Singapore dollar borrowings.

Income Available for Distribution and Distribution Per Unit (Excluding Release of Retained Cash in FY21/22)

Income available for distribution was S$445.6 million for FY22/23. This was 47.9% higher compared to the S$301.2 million for FY21/22. Correspondingly, FY22/23 DPU of 9.61 Singapore cents was 6.1% higher than the DPU of 9.06 Singapore cents in FY21/22.

Amount Available for Distribution and Distribution Per Unit (Including Release of Retained Cash in FY21/22)

Including the release of S$15.7 million of retained cash in FY21/22, the amount available for distribution and DPU was 40.6% and 0.8% higher as compared to FY21/22, respectively.

Pursuant to the merger, 1,018,382,531 preferential offering units were issued on 28 July 2022 to fund the cash component of the scheme consideration, and 885,734,587 units were issued on 29 July 2022 to MNACT unitholders as consideration units. Prior to these issuances, a one-time clean-up distribution of 3.04 Singapore cents per Unit for the period from 1 April 2022 to 20 July 2022 was declared and paid to eligible MCT unitholders.

FINANCIAL & CAPITAL MANAGEMENT REVIEW

Change in Reporting Frequency

MPACT has resumed a quarterly reporting framework with effect from 3Q FY22/23. Consequently, distributions to Unitholders are also on a quarterly basis with effect from 3Q FY22/23. The breakdown of the DPU in Singapore cents for FY22/23 as compared to FY21/22 is as follows:

FY22/23	1 April 2022 to 20 July 2022	21 July 2022 to 30 September 2022	1 October 2022 to 31 December 2022	1 January 2023 to 31 March 2023	Total
DPU (Singapore cents)	3.04 (clean-up distribution)	1.90	2.42	2.25	**9.61**
FY21/22	**1 April 2021 to 30 September 2021**		**1 October 2021 to 31 March 2022**		**Total**
DPU (Singapore cents)	4.39		5.14 (includes 0.47 Singapore cents from the distribution of retained cash)		**9.53**

Note: DPU from 21 July 2022 onwards was based on an enlarged number of Units mostly resulting from the issuance of 1,018,382,531 preferential offering units to fund the cash component of the scheme consideration, and 885,734,587 consideration units issued to MNACT unitholders in relation to the merger.

Adoption of Manager's Management Fee Structure Pegged to Distributable Income and DPU Growth

With effect from 21 July 2022, MPACT has adopted a revised management fee structure that is pegged to distributable income and DPU growth. The revised fee structure enables closer alignment of interests with Unitholders by incentivising sustainable distributable income and DPU growth. Under the revised management fee structure, the management fees payable to the Manager will constitute:

(i) base fee comprising 10.0% of the distributable income of the Group (calculated before accounting for the base fee and performance fee); and
(ii) performance fee comprising 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in that financial year), multiplied by the weighted average number of units in issue for such financial year.

For avoidance of doubt, the acquisition fee and the divestment fee structure, as well as the Manager's ability to elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine), remain unchanged.

Net Assets Attributable to Unitholders

	As at 31 March 2023	As at 31 March 2022	Change (%)
Total Assets (S$ million)	**16,828.8**	8,984.5	87.3
Total Liabilities (S$ million)	**7,346.4**	3,191.0	130.2
Net Assets (S$ million)	**9,482.4**	5,793.5	63.7
Net Assets Attributable To:			
- Unitholders (S$ million)	**9,220.3**	5,793.5	59.1
- Perpetual Securities Holders (S$ million)	**249.4**	–	N.M.
- Non-controlling Interest (S$ million)	**12.7**	–	N.M.
Number of Units in Issue (million)	**5,239.3**	3,323.5	57.6
NAV per Unit (S$)	**1.76**	1.74	1.1
Adjusted NAV per Unit (S$)	**1.74**	1.69	3.0

Total assets value and total liabilities increased by S$7,844.3 million and S$4,155.4 million from their respective balances of S$8,984.5 million and S$3,191.0 million as at 31 March 2022 largely due to the effect of the merger.

Correspondingly, net assets attributable to Unitholders increased by 59.1% to S$9,220.3 million as compared to the previous financial year, reflecting a higher NAV per Unit of S$1.76 as at 31 March 2023.

The adjusted NAV per Unit (excluding the distributable amount payable for 4Q FY22/23) was S$1.74.

Valuation of Assets

As at 31 March 2023, MPACT's total portfolio (including MPACT's 50% effective interest in The Pinnacle Gangnam) was valued at S$16,575.7 million. This comprised the Singapore properties valued at S$8,879.0 million, and the overseas properties (including MPACT's 50% effective interest in The Pinnacle Gangnam) valued at S$7,696.7 million. The total portfolio valuation was 87.9% higher than a year ago primarily due to the expansion in investment properties resulting from the merger. In addition, the Singapore properties posted a slight increase in valuation, largely driven by VivoCity's improved operational performance.

Comparing the total portfolio valuation at the end of FY22/23 to that at the merger's effective date, the majority of the properties maintained stable valuations in their respective local currencies. The capitalisation rates applied by the independent valuers also remained consistent across all properties. Excluding the effect of foreign exchange movement, the portfolio recorded a negative valuation impact of S$43.1 million.

The stronger Singapore dollar resulted in a further decrease in the value of the overseas properties when the valuations in their respective local currencies were converted into Singapore dollars, resulting in a total valuation variance of S$398.1 million. The effect of foreign exchange movement on the value of the overseas properties in Singapore dollar is included in the net currency translation differences in other comprehensive income in accordance with the relevant accounting standard.

FINANCIAL & CAPITAL MANAGEMENT REVIEW

	As at 31 March 2023[1]		As at 31 March 2022[2]	As at the Effective Date of Merger	Variance (comparing as at 31 March 2023 against as at the Effective Date of Merger)		
	(million)	Capitalisation Rate[3]	(million)	(million)	Total (million)	Valuation Impact (million)	Foreign Exchange Impact (million)
VivoCity	S$3,232.0	4.60%	S$3,182.0	S$3,182.0	S$50.0	S$50.0	–
MBC I	S$2,250.0	Office: 3.75% Business Park: 4.85%	S$2,249.0	S$2,249.0	S$1.0	S$1.0	–
MBC II	S$1,552.0	Retail: 4.75% Business Park: 4.80%	S$1,551.0	S$1,551.0	S$1.0	S$1.0	–
mTower	S$753.0	Office: 4.00% Retail: 4.75%	S$747.0	S$747.0	S$6.0	S$6.0	–
Mapletree Anson	S$752.0	3.35%	S$752.0	S$752.0	–	–	–
BOAHF	S$340.0	3.75%	S$340.0	S$340.0	–	–	–
Singapore Properties	**S$8,879.0**		**S$8,821.0**	**S$8,821.0**	**S$58.0**	**S$58.0**	**–**
Festival Walk	HKD25,060.0 / S$4,299.0[4]	4.15% (Gross)	–	HKD25,565.0 / S$4,570.8[7]	(HKD505.0) / (S$271.7)	(HKD505.0) / (S$86.6)	(S$185.1)
Gateway Plaza	RMB6,236.0 / S$1,220.6[4]	5.50% (Gross)	–	RMB6,343.0 / S$1,327.5[7]	(RMB107.0) / (S$106.9)	(RMB107.0) / (S$20.9)	(S$85.9)
Sandhill Plaza	RMB2,420.0 / S$473.7[4]	5.00% (Gross)	–	RMB2,423.0 / S$507.1[7]	(RMB3.0) / (S$33.4)	(RMB3.0) / (S$0.6)	(S$32.8)
Japan Properties[5]	JPY144,300.0 / S$1,449.1[4]	3.40% - 4.40%	–	JPY143,670.0 / S$1,481.2[7]	JPY630.0 / (S$32.1)	JPY630.0 / S$6.3	(S$38.5)
The Pinnacle Gangnam[5] (50% interest)	KRW 247,450.0 / S$254.3[4]	3.20%[6]	–	KRW246,700.0 / S$266.2[7]	KRW750.0 / (S$12.0)	KRW750.0 / S$0.8	(S$12.7)
Overseas Properties	**S$7,696.7**		**–**	**S$8,152.8**	**(S$456.1)**	**(S$101.1)**	**(S$355.1)**
Total Portfolio	**S$16,575.7**		**S$8,821.0**	**S$16,973.8**	**(S$398.1)**	**(S$43.1)**	**(S$355.1)**

Note: Total may not add up due to rounding differences.

1 The valuation for VivoCity was conducted by CBRE Pte. Ltd., the valuations for MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by Jones Lang LaSalle Property Consultants Pte Ltd, the valuations for Festival Walk, Gateway Plaza and Sandhill Plaza were conducted by Knight Frank Petty Limited, the valuations for the Japan Properties were conducted by Colliers International Japan KK and the valuation for The Pinnacle Gangnam was conducted by Colliers International (Hong Kong) Limited.

2 The valuation for VivoCity was conducted by CBRE Pte. Ltd. while the valuations for MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by Jones Lang LaSalle Property Consultants Pte Ltd.

3 The capitalisation rates are reported on a net basis unless otherwise stated.

4 Based on 31 March 2023 exchange rates S$1 = HKD5.8292, S$1 = RMB5.1088, S$1 = JPY99.5808 and S$1 = KRW973.2360.

5 There was a change in the valuers for the independent valuation of the Japan properties and The Pinnacle Gangnam.

6 Capitalisation rate for The Pinnacle Gangnam was reported on a gross basis last year.

7 Based on exchange rates S$1 = HKD5.5932, S$1 = RMB4.7781, S$1 = JPY96.9951 and S$1 = KRW926.6982. These were the adopted exchange rates for accounting on completion of the merger with MNACT.

Capital Management

We continue to proactively manage MPACT's capital structure by adopting a disciplined approach in addressing funding requirements, managing refinancing, interest rate and foreign exchange rate risks.

As at 31 March 2023, MPACT's total gross debt outstanding was S$6.9 billion[1], comprising S$5.9 billion in bank borrowings and S$1.0 billion of bonds and notes. Green borrowings accounted for close to one-third of the total gross debt as at 31 March 2023.

In FY22/23, MPACT secured approximately S$2.7 billion of new bank facilities and S$150.0 million of green notes for financing, refinancing, as well as for financial flexibility. Throughout the financial year, MPACT remained well-capitalised with sufficient financial flexibility.

As at 31 March 2023, approximately S$1.6 billion of cash and undrawn committed facilities were available to meet working capital and financial obligations. Notably, there is no refinancing risk for FY23/24.

Due to the merger, gearing increased from 33.5% as at 31 March 2022 to 40.9% as at 31 March 2023, and this is not expected to have a significant impact on MPACT's risk profile. The total gross debt outstanding including perpetual securities to net asset value ratio was 77.9% as at 31 March 2023. Taking reference from the aggregate leverage limit set by MAS of up to 50%[2], the debt headroom was approximately S$3.1 billion.

During the reporting year, Moody's concluded its review of MPACT's issuer rating. It confirmed MPACT's Baa1 issuer rating and revised the rating outlook to stable from rating under review.

Key Financial Metrics and Indicators

	As at 31 March 2023	As at 31 March 2022
Total Gross Debt Outstanding (S$ million)	6,940.8[3]	3,014.0
Aggregated Leverage Ratio	40.9%[4]	33.5%
Adjusted Interest Coverage Ratio ("ICR")	3.5 times	4.8 times
% of Fixed Rate Debt	75.5%	80.3%
Weighted Average All-In Cost of Debt (per annum)[5]	2.68%	2.40%
Average Term to Maturity of Debt	3.0 years	3.3 years
Unencumbered Assets as % of Total Assets	89.8%	100%
MPACT Corporate Rating (by Moody's)	Baa1 (stable)	Baa1 (rating under review)

Healthy Capital Structure & Liquidity

Total Gross Debt

S$**6.9**B[3]

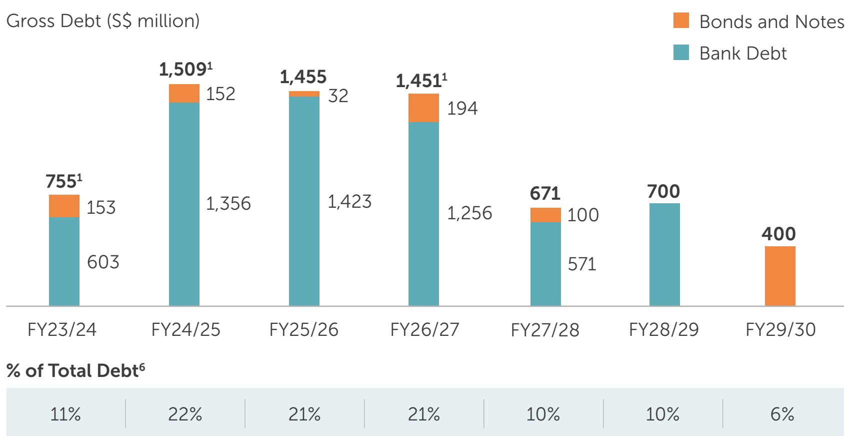
Available Liquidity

~S$**1.6**B

of cash and undrawn committed facilities

Well-Distributed Debt Maturity Profile

(As at 31 March 2023)



1 Total does not add up due to rounding differences.
2 With effect from 1 January 2022, MAS allowed the aggregate leverage limit to exceed 45% (up to a maximum of 50%) if the adjusted ICR is at least 2.5 times.
3 Includes share attributable to non-controlling interest and MPACT's proportionate share of joint venture's gross debt.
4 Based on total gross debt divided by total deposited property (excludes share attributable to non-controlling interest and includes MPACT's proportionate share of joint venture's gross debt and deposited property value).
5 Include amortised transaction costs.
6 Total does not add up to 100% due to rounding differences.

FINANCIAL & CAPITAL MANAGEMENT REVIEW

Diversified Sources of Funding

During the financial year, MPACT launched a S$5.0 billion Euro Medium Term Securities Programme ("2022 EMTN Programme") and updated its Green Finance Framework.

In March 2023, MPACT tapped on this 2022 EMTN Programme and issued its maiden S$150.0 million fixed rate senior green notes. The proceeds from the green notes were used to refinance eligible green projects in accordance with the Green Finance Framework.

Equity Fund Raising and Use of Proceeds

The merger with MNACT was funded through a combination of allotment and issuance of consideration units, bank borrowings and proceeds from the preferential offering exercise conducted in July 2022.

The preferential offering comprises an issuance of 1,018,382,531 preferential offering units at an issue price of S$2.0039 per unit on 28 July 2022, raising a total of S$2,040.7 million, The proceeds were fully disbursed to partially fund the cash component of the scheme consideration as set out in the Circular dated 29 April 2022.

To demonstrate its conviction and support for the merger, MIPL, the Sponsor, undertook to subscribe for the maximum units of the preferential offering of up to S$2.2 billion at an issue price of S$2.0039 per unit. Pursuant to this undertaking, MIPL accepted and subscribed for 1,008,629,340 preferential offering units, representing the aggregate of MIPL's valid acceptances of its pro rata provisional allotment and excess applications.

On 29 July 2022, an aggregate of 885,734,587 consideration units were issued at the issue price of S$2.0039 per unit in connection with the settlement of the scrip component of the scheme consideration.

Prudent Hedging Strategies

MPACT's diversified geographic presence across the five key gateway markets of Asia subjects the Group to various market risks, including interest rate and foreign exchange rate risks, amongst others. Derivative financial instruments were used to hedge against these risks.

Interest Rate Risk Management

We manage MPACT's interest rate risk by maintaining a mix of fixed and floating rate debt. As at 31 March 2023, approximately 75.5% of the gross debt has been fixed through fixed rate debt, interest rate swaps and cross-currency interest rate swaps.

Based on unhedged debt as at 31 March 2023, if benchmark rates were to increase/decrease by 50 basis points, with all other variables being held constant, DPU on a full-year basis would be approximately 0.16 Singapore cents lower/higher.

~75% of Total Debt Hedged or Fixed

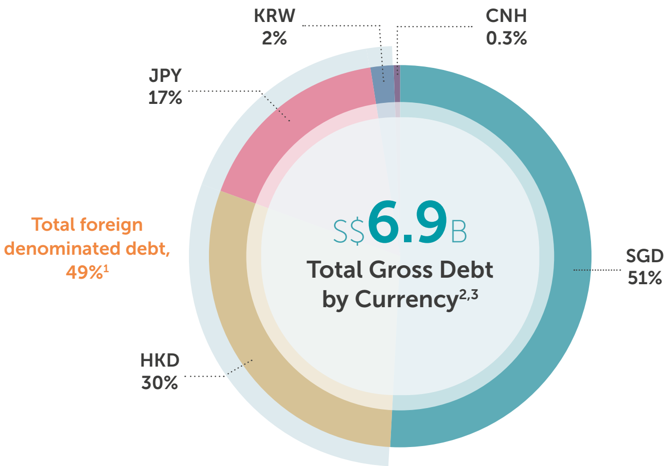
Foreign Exchange Risk Management

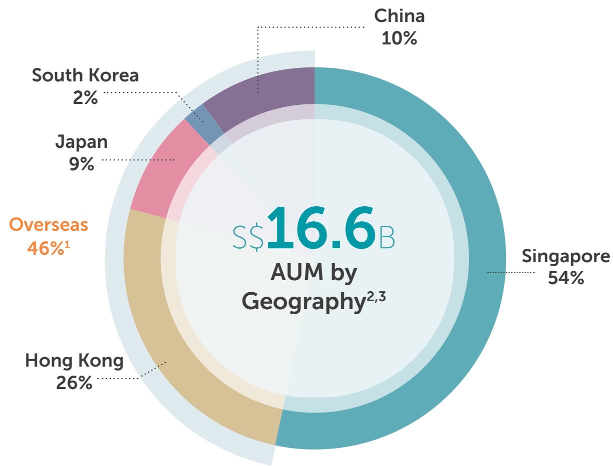
We manage MPACT's foreign exchange risk through natural and forward hedges.

Where practicable, the Manager maintains a natural hedge by matching MPACT's debt mix with the geographical composition of the AUM. As at 31 March 2023, about 49% of the total gross debt was denominated in foreign currencies, with 30% in Hong Kong Dollar ("HKD"), 17% in Japanese Yen ("JPY") and the balance of 2% in other foreign currencies such as Korean Won ("KRW") and Renminbi ("CNH").

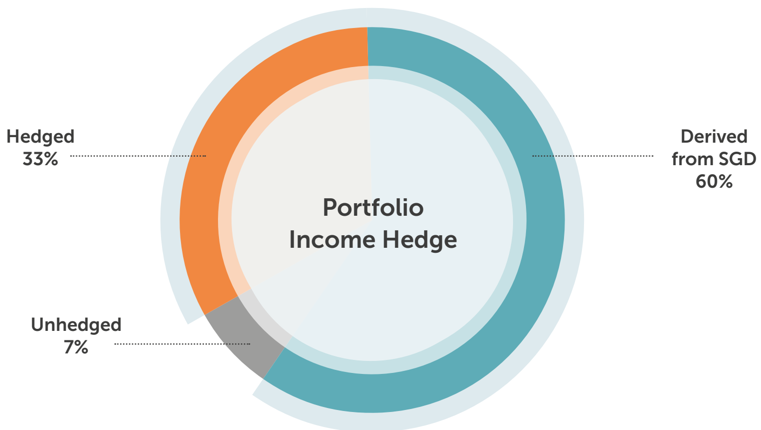
At the end of FY22/23, about 93% of the expected distributable income (based on rolling four quarters) was derived from or hedged into Singapore Dollar ("SGD").

Maintains Natural Hedge by Matching Debt Mix with AUM Composition





~93% of Expected Distributable Income (based on rolling four quarters) was derived from or hedged into SGD



[1] Total does not add up due to rounding differences.
[2] Total does not add up to 100% due to rounding differences.
[3] Include MPACT's 50% effective interest in The Pinnacle Gangnam's investment property and gross debt.

OPERATIONS REVIEW

Successful Merger with MNACT

Post-merger, the geographical scope of MPACT's investment mandate was expanded to include the key gateway markets of Asia including but not limited to Singapore, Hong Kong, China, Japan and South Korea. The portfolio also grew to 18 properties across these five Asian markets.

Core Assets Anchor MPACT's Stability

Full-year NPI contribution from the Singapore properties were S$33.0 million higher yoy to S$$421.7 million. The increase in NPI not only covered the higher utility costs but also more than offset the higher cost of Singapore dollar borrowings.

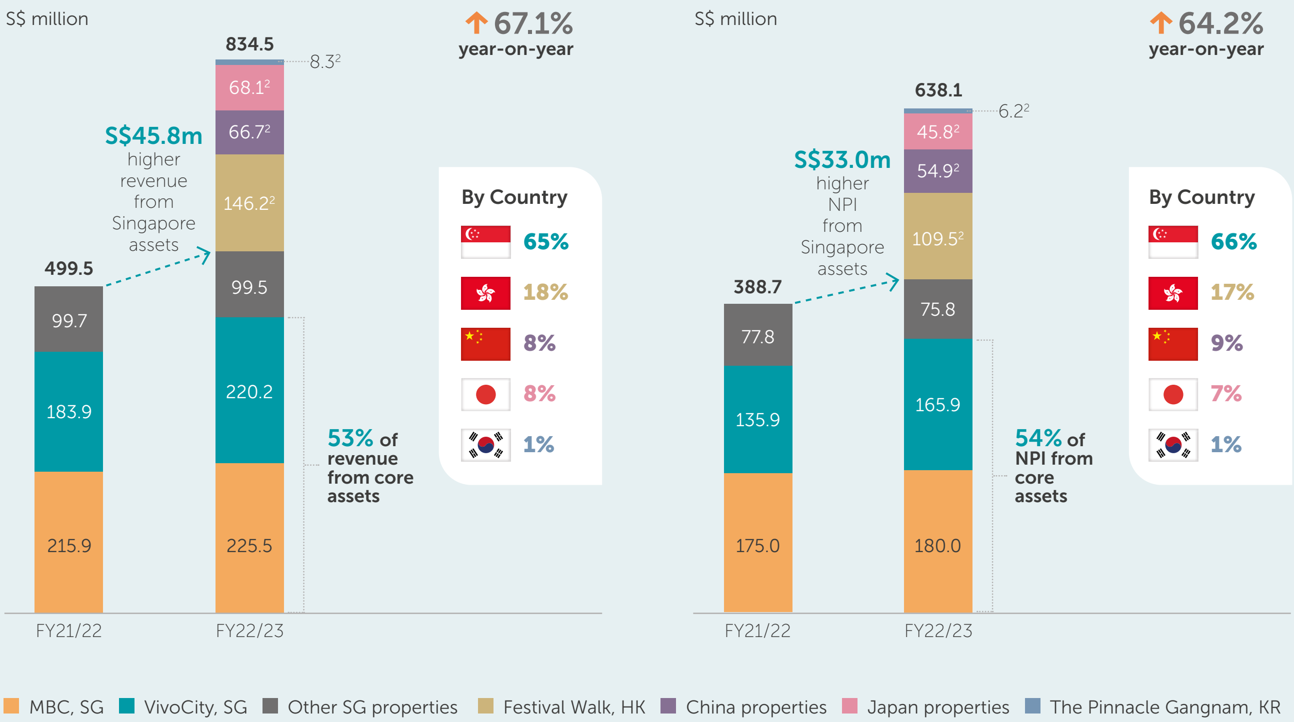
Specifically, our core assets, VivoCity and MBC, continued to provide a steady income stream. Together, they generated a combined S$445.8 million in gross revenue and S$345.9 million in NPI in FY22/23, up 11.5% and 11.3%, respectively, from the previous year. These represent approximately 53% and 54% of the total contribution to gross revenue and NPI, respectively, anchoring MPACT's overall stability.

Our overseas assets (including MPACT's 50% effective interest in The Pinnacle Gangnam) started contributing from 21 July 2022 and delivered a total of S$289.3 million and S$216.4 million for gross revenue and NPI, respectively, in FY22/23.

Festival Walk, our retail mall in Hong Kong, as well as our two China properties, together registered S$212.8 million and S$164.4 million of contribution to gross revenue and NPI, respectively.

Our nine properties in Japan contributed S$68.1 million and S$45.8 million to gross revenue and NPI, respectively. Based on MPACT's 50% effective interest, our office building in South Korea, The Pinnacle Gangnam, added S$8.3 million and S$6.2 million to the contribution to gross revenue and NPI, respectively.

Contribution to Gross Revenue[1] **Contribution to NPI[1]**



1 The contributions to gross revenue and NPI include MPACT's 50% effective share of gross revenue and NPI from The Pinnacle Gangnam.

2 These properties were acquired as a result of the merger that was completed on 21 July 2022. Consequently, contributions to gross revenue and NPI were for the period from 21 July 2022 to 31 March 2023.

Maintained Healthy Committed Occupancy Levels

As a result of our proactive asset and lease management efforts, MPACT's portfolio closed the year with a high committed occupancy rate of 95.4%.

Committed Occupancy

	31 March 2019	31 March 2020	31 March 2021	31 March 2022	31 March 2023[1]
Portfolio	98.5%	98.7%	97.1%	97.0%	95.4%

Successful Renewal of Leases with Major Tenants

In FY22/23, 377 leases of over 2.4 million square feet of lettable area were renewed or re-let[2]. They comprise 199 retail leases totalling 369,426 square feet of lettable area and 178 office/business park leases totalling 2,093,879 square feet of lettable area.

These include those with major tenants such as Arup, Bank of America, BMW and Google[3], reinforcing the portfolio's ongoing resilience.

Aside from Greater China, all markets registered positive rental uplifts, resulting in a portfolio rental uplift of 0.7% against preceding average effective fixed rents of the expiring leases.

MPACT's retail leases recorded 55.1% retention rate, while the office and business park leases recorded 72.4% retention rate, resulting in an overall portfolio retention rate of 69.8% for FY22/23.

	Number of Leases Committed	Retention Rate by Lettable Area (%)	Rental Reversion[4] (%)
MBC, Singapore	22	62.9	8.0
VivoCity, Singapore	102	62.7	7.7
Other Singapore properties	34	83.2	1.6
Festival Walk, Hong Kong	65	43.6	-12.7
China properties	46	74.5	-3.7
Japan properties	39	70.4	1.9
The Pinnacle Gangnam, South Korea	5	72.4	14.2
Portfolio	**313**	**69.8**	**0.7**

Note: Information in the above table are on a committed basis for all leases with expiry dates in FY22/23 only.

1 Includes properties acquired as a result of the merger with MNACT that was completed on 21 July 2022.
2 On a committed basis for all leases with expiry dates in FY22/23 as well as leases with expiry dates after FY22/23 that were renewed or re-let in advance. It excludes short-term leases that are less than or equal to 12 months.
3 A significant portion of Google's leases have been renewed over the last two financial years, leaving approximately one-fifth of its space up for expiry in FY24/25.
4 Rental reversion is calculated based on the change in the average effective fixed rental rates of the new leases compared to the average effective fixed rents of the expiring leases. It takes into account rents periods and step-up rents over the lease terms (if any). It excludes rental rates for short-term leases that are less than or equal to 12 months where rental rates are not reflective of prevailing market rents that are on normal lease tenure basis.

OPERATIONS REVIEW

Well-Staggered Lease Expiry Profile

MPACT continues to proactively manage its leases to ensure that its lease expiry profile remains well-spread. As at 31 March 2023, MPACT has a portfolio weighted average lease expiry ("WALE") on a committed basis of 2.6 years by gross rental income ("GRI"). With a typical lease term of three years, the WALE for MPACT's retail component was 2.0 years. Meanwhile, the WALE for the office and business park component was at a manageable 3.0 years. Based on the date of commencement of leases, MPACT's portfolio WALE was 2.3 years as at 31 March 2023.

As at the end of FY22/23, MPACT's portfolio has 1,150 committed leases, of which 21.1% by GRI would be expiring in FY23/24.

The leases entered into in FY22/23 contributed 23.8% of GRI as at 31 March 2023 and have a WALE of 3.8 years.

Diversified and Quality Tenant Profile

MPACT's top ten tenants (excluding an undisclosed tenant) accounted for 22.7% of the portfolio GRI.

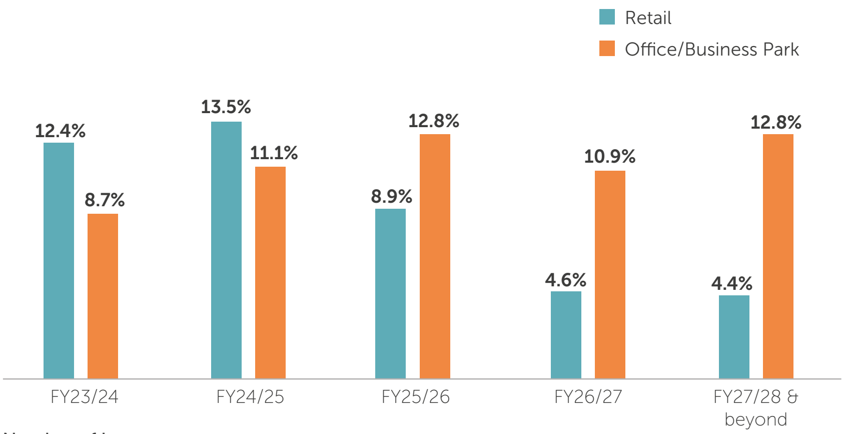
As at 31 March 2023, MPACT has a well-diversified base of 933 tenants across a wide variety of trade sectors. No single trade segment accounted for more than 14.8% of MPACT's GRI.

WALE by GRI (by years)

Portfolio	Retail	Office/Business Park
2.6	2.0	3.0

Lease Expiry Profile as a % of Monthly GRI

(as at 31 March 2023)[1]



Number of Leases

FY23/24	FY24/25	FY25/26	FY26/27	FY27/28 & beyond
340	345	299	97	69

Breakdown of Tenants in MPACT's Portfolio

(as at 31 March 2023)

	Number of Tenants
MBC	63
VivoCity	313
Other Singapore properties	127
Festival Walk	198
China properties	124
Japan properties	100
The Pinnacle Gangnam	31
Total	**933[2]**

1 Total does not add up to 100% due to rounding differences.
2 Total does not add up due to common tenants across properties.

Top Ten Tenants by GRI

(as at 31 March 2023)

	Tenant	Property(ies)	% of GRI
1	Google Asia Pacific Pte. Ltd.	MBC	5.9%
2	BMW	Gateway Plaza	3.6%
3	Seiko Instruments Inc.	SII Makuhari Building	2.0%
4	The Hongkong and Shanghai Banking Corporation Limited	MBC and Festival Walk	2.0%
5	TaSTe	Festival Walk	2.0%
6	Hewlett-Packard Japan, Ltd.	Hewlett-Packard Japan Headquarters Building	1.9%
7	NTT Urban Development	mBAY POINT Makuhari	1.9%
8	Merrill Lynch Global Services Pte. Ltd.	BOAHF	1.7%
9	Undisclosed tenant	–	–
10	Arup	Festival Walk	1.6%
	Total		**22.7%**[1,2]

Trade Mix by GRI

(as at 31 March 2023)

	Trade Mix	% of GRI
1	IT Services & Consultancy	14.8%
2	F&B	12.7%
3	Banking & Financial Services	8.4%
4	Fashion	7.5%
5	Machinery / Equipment/ Manufacturing	6.1%
6	Real Estate / Construction	5.0%
7	Department Store / Supermarket / Hypermarket	4.7%
8	Government Related	4.3%
9	Beauty & Health	3.9%
10	Professional & Business Services	3.7%
11	Automobile	3.7%
12	Luxury Jewellery, Watches & Fashion Accessories	3.4%
13	Shipping Transport	2.6%
14	Electronics (Office / Business Park)	2.4%
15	Consumer Electronics	2.3%
16	Sports	2.1%
17	Lifestyle	2.1%
18	Pharmaceutical	2.1%
19	Others[3]	8.5%
	Total	**100.0%**[4]

1 Excluding the undisclosed tenant.
2 Total does not add up due to rounding differences.
3 Others include Consumer Goods & Services, Leisure & Entertainment, Convenience & Retail Services, Trading, Optical, Education & Enrichment, Energy, Medical and Others.
4 Total does not add up to 100% due to rounding differences.

PROPERTY OVERVIEW

MPACT holds a diversified and high-quality portfolio of 18 commercial assets spanning Singapore, Hong Kong, China, Japan and South Korea valued at approximately S$16.6 billion. Located at key gateway markets of Asia, these assets provide a robust platform to capitalise on opportunities in the region's long-term growth.

Gross Revenue

S$**826.2**M

NPI

S$**631.9**M

Portfolio Lettable Area

11.2M Sq Ft

AUM

S$**16.6**B

SINGAPORE

5 Properties

- VivoCity
- Mapletree Business City ("MBC")
- mTower
- Mapletree Anson
- Bank of America HarbourFront ("BOAHF")

HONG KONG

1 Property

- Festival Walk

CHINA

2 Properties

Beijing

- Gateway Plaza

Shanghai

- Sandhill Plaza

JAPAN

9 Properties

Tokyo

- Hewlett-Packard Japan Headquarters Building ("HPB")
- IXINAL Monzen-nakacho Building ("MON")
- Omori Prime Building ("Omori")
- TS Ikebukuro Building ("TSI")
- Higashi-nihonbashi 1-chome Building ("HNB")

Chiba

- mBAY POINT Makuhari ("MBP")
- Fujitsu Makuhari Building ("FJM")
- SII Makuhari Building ("SMB")

Yokohama

- ABAS Shin-Yokohama Building ("ASY")

SOUTH KOREA

1 Property

- The Pinnacle Gangnam

PROPERTIES AT A GLANCE

SUMMARY AND REVIEW

SINGAPORE




	VivoCity	Mapletree Business City	mTower	Mapletree Anson
City	Singapore	Singapore	Singapore	Singapore
Address	1 HarbourFront Walk	10 - 80 Pasir Panjang Road	460 Alexandra Road	60 Anson Road
Asset Type	Retail	Business Park, Office, Retail	Office and Retail	Office
Lettable Area (square feet)	1,068,057	2,891,708	525,485	329,487
Carpark Lots	2,183	2,001	749	80
Title	Leasehold 99 years from 1 October 1997	MBC I : Strata Lease from 25 August 2016 to 29 September 2096 MBC II: Leasehold 99 years from 1 October 1997	Leasehold 99 years from 1 October 1997	Leasehold 99 years from 22 October 2007
Date of Acquisition	N.A.[2]	MBC I: 25 August 2016 MBC II: 1 November 2019	27 April 2011	4 February 2013
Purchase Price (million)	N.A.[2]	MBC I: S$1,780.0 MBC II: S$1,550.0	S$477.2	S$680.0
Valuation as at 31 March 2023 (million)	S$3,232.0	MBC I: S$2,250.0 MBC II: S$1,552.0	S$753.0	S$752.0
Valuation per square foot Lettable Area	S$3,026	MBC I: S$1,318 MBC II: S$1,310	S$1,433	S$2,282
Capitalisation Rate (%)[7]	4.60%	MBC I (Office): 3.75% MBC I (BP): 4.85% MBC II (Retail): 4.75% MBC II (BP): 4.80%	Office: 4.00% Retail: 4.75%	3.35%
Green Certifications	BCA Green Mark Platinum	• BCA Green Mark Platinum • BCA Universal Design Mark Platinum Award • LEED®Gold	BCA Green Mark GoldPLUS	BCA Green Mark Platinum
Gross Revenue (million)	S$220.2	S$225.5	S$43.8	S$35.1
NPI (million)	S$165.9	S$180.0	S$31.7	S$27.8
Committed Occupancy Rate (as at 31 March 2023)	99.1%	95.4%	91.6%	100.0%
WALE by GRI (years)	1.9	3.0	2.3	2.2
Number of Leases	366	77	118	22
Number of Tenants	313	63	108	16
Key Tenant(s)	• Fairprice • Zara • Best Denki • Golden Village • Kopitiam	• Google Asia Pacific Pte. Ltd. • The Hong Kong and Shanghai Banking Corporation Limited • Info-Communications Media Development Authority • SAP Asia Pte. Ltd. • Samsung Asia Pte. Ltd	**Office:** • Mapletree Investments Pte Ltd • Gambling Regulatory Authority • Fleet Ship Management Pte. Ltd. **Retail:** • NTUC Fairprice • McDonald's • Ichiban Sushi • SBCD • Canton Paradise	• Goldman Sachs Services (Singapore) Pte. Ltd. • WeWork Singapore Pte. Ltd. • Hubspot Asia Pte. Ltd.

1 MPACT has a 50% effective interest in The Pinnacle Gangnam. Lettable area refers to 100% of The Pinnacle Gangnam's lettable area, and on the same 100% basis, the property's net lettable area ("NLA") is 265,338 square feet.
2 Not applicable as VivoCity was owned by MPACT prior to Listing Date.
3 Based on the independent valuations conducted as at 31 October 2021 for the proposed merger of MCT and MNACT by way of a trust scheme of arrangement, and exchange rates S$1 = HKD5.7415, S$1 = RMB4.7553, S$1 = JPY82.4375 and S$1 = KRW881.1349.
4 Based on MPACT's 50% effective interest in The Pinnacle Gangnam.
5 Based on 31 March 2023 exchange rates S$1 = HKD5.8292, S$1 = RMB5.1088, S$1 = JPY99.5808 and S$1 = KRW973.2360.

	HONG KONG	CHINA		SOUTH KOREA
				
Bank of America HarbourFront	**Festival Walk**	**Gateway Plaza**	**Sandhill Plaza**	**The Pinnacle Gangnam**
Singapore	Hong Kong	Beijing	Shanghai	Seoul
2 HarbourFront Place	No.80 Tat Chee Avenue, Kowloon Tong	No.18 Xiaguangli, East 3rd Ring Road North, Chaoyang District	Blocks 1 to 5 and 7 to 9, No.2290 Zuchongzhi Road, Pudong New District	343, Hakdong-ro, Gangnam-gu
Office	Retail and Office	Office	Business Park	Office
215,963	801,923	1,145,896	682,538	478,461[1]
94	830	692	460	181
Leasehold 99 years from 1 October 1997	Leasehold up to 30 June 2047	Leasehold up to 25 February 2053	Leasehold up to 3 February 2060	Freehold
27 April 2011	21 July 2022	21 July 2022	21 July 2022	21 July 2022
S$311.0	HKD25,565.0 / S$4,452.7[3]	RMB6,353.0 / S$1,336.0[3]	RMB2,427.0 / S$510.4[3]	KRW244,750.0 / S$277.8[3, 4]
S$340.0	HKD25,060.0 / S$4,299.0[5]	RMB6,236.0 / S$1,220.6[5]	RMB2,420.0 / S$473.7[5]	KRW247,450.0 / S$254.3[4, 5]
S$1,574	HKD31,250 / S$5,361	RMB5,442 / S$1,065	RMB3,546 / S$694	KRW1,865,169 / S$1,916[6]
3.75%	4.15% (Gross)	5.50% (Gross)	5.00% (Gross)	3.20%[8]
BCA Green Mark Gold^{PLUS}	BEAM Plus Existing Buildings V2.0 Comprehensive Scheme (Final Platinum Rating)[9]	–	EDGE ADVANCED	–
S$20.6	HKD832.9 / S$146.2[10]	RMB252.2 / S$49.7[10]	RMB86.0 / S$17.0[10]	KRW8,039.7 / S$8.3[4, 10]
S$16.3	HKD623.8 / S$109.5[10]	RMB201.4 / S$39.6[10]	RMB77.4 / S$15.3[10]	KRW5,964.5 / S$6.2[4, 10]
100.0%	99.6%	86.7%	86.2%	99.3%
5.6	2.2	3.5	2.2	3.7
3	264	87	62	36
3	198	74	50	31
• Merrill Lynch Global Services Pte. Ltd.	• TaSTe • Arup • Festival Grand Cinema	• BMW • Bank of China • CFLD	• Spreadtrum • Hanwuji • ADI	• KT Cloud • FADU Inc. • Huvis Corp

6 Based on 100% of The Pinnacle Gangnam's valuation and NLA. On a lettable area basis, valuation is KRW1,034,358 / S$1,063 per square foot.
7 Unless otherwise stated, all capitalisation rates are on a net basis.
8 The capitalisation rate for The Pinnacle Gangnam was reported on a gross basis in the last financial year.
9 For Festival Walk, BEAM Plus Existing Buildings V2.0 Comprehensive Scheme (Final Platinum Rating) is the highest rating for green buildings in Hong Kong under the BEAM Plus scheme.
10 Contributions to gross revenue and NPI were for the period from 21 July 2022 to 31 March 2023 post-merger.

PROPERTIES AT A GLANCE

SUMMARY AND REVIEW

JAPAN

Hewlett-Packard Japan Headquarters Building

IXINAL Monzen-nakacho Building

Omori Prime Building

TS Ikebukuro Building

	Hewlett-Packard Japan Headquarters Building	IXINAL Monzen-nakacho Building	Omori Prime Building	TS Ikebukuro Building
City	Tokyo	Tokyo	Tokyo	Tokyo
Address	2-1, Ojima 2-chome Koto-ku	5-4, Fukuzumi 2-chome, Koto-ku	21-12, Minami-oi 6-chome, Shinagawa-ku	63-4, Higashi-Ikebukuro 2-chome, Toshima-ku
Asset Type	Office	Office	Office	Office
Lettable Area (square feet)	457,426	73,754	73,169	43,074
Carpark Lots	88	28	37	15
Title	Freehold	Freehold	Freehold	Freehold
Date of Acquisition	21 July 2022	21 July 2022	21 July 2022	21 July 2022
Purchase Price (million)	JPY40,700.0 / S$493.7[1]	JPY8,630.0 / S$104.7[1]	JPY7,660.0 / S$92.9[1]	JPY5,590.0 / S$67.8[1]
Valuation as at 31 March 2023 (million)	JPY41,400.0 / S$415.7[2]	JPY8,630.0 / S$86.7[2]	JPY7,730.0 / S$77.6[2]	JPY5,640.0 / S$56.6[2]
Valuation per square foot Lettable Area	JPY47,465 / S$477			
Capitalisation Rate (%)[3]	3.40%	4.00%	3.90%	3.80%
Green Certifications	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("A" (Very Good) Rating)[4]	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("A" (Very Good) Rating)[4]
Gross Revenue (million)	JPY1,202.9 / S$12.0[5]	JPY335.5 / S$3.3[5]	JPY262.9 / S$2.6[5]	JPY199.3 / S$2.0[5]
NPI (million)	JPY996.1 / S$9.9[5]	JPY248.4 / S$2.5[5]	JPY173.9 / S$1.7[5]	JPY158.5 / S$1.6[5]
Committed Occupancy Rate (as at 31 March 2023)	100.0%	100.0%	91.7%	100.0%
WALE by GRI (years)	6.8	2.0	1.4	0.9
Number of Leases	1	9	13	1
Number of Tenants	1	8	10	1
Key Tenant(s)	• Hewlett-Packard Japan, Ltd	• DSV • DTS • Kadokawa	• Eighting Co., Ltd. • Otsuka Corporation • Brillnics Japan Inc.	• Persol

1 Based on the independent valuations conducted as at 31 October 2021 for the proposed merger of MCT and MNACT by way of a trust scheme of arrangement, and exchange rates S$1 = HKD5.7415, S$1 = RMB4.7553, S$1 = JPY82.4375 and S$1 = KRW881.1349.
2 Based on 31 March 2023 exchange rates S$1 = HKD5.8292, S$1 = RMB5.1088, S$1 = JPY99.5808 and S$1 = KRW973.2360.
3 Unless otherwise stated, all capitalisation rates are on a net basis.
4 For the Japan portfolio, CASBEE ("S" (Excellent) Rating) is the highest rating while ("A" (Very Good) Rating) is the second highest rating for green buildings under the CASBEE scheme.
5 Contributions to gross revenue and NPI were for the period from 21 July 2022 to 31 March 2023 post-merger.

				
Higashi-nihonbashi 1-chome Building	**mBAY POINT Makuhari**	**Fujitsu Makuhari Building**	**SII Makuhari Building**	**ABAS Shin-Yokohama Building**
Tokyo	Chiba	Chiba	Chiba	Yokohama
4-6, Higashi-Nihonbashi 1-chome, Chuo-ku	6, Nakase 1-chome, Mihama-ku, Chiba-shi	9-3, Nakase 1-chome, Mihama-ku, Chiba-shi	8, Nakase 1-chome, Mihama-ku, Chiba-shi	6-1, Shin-Yokohama 2-chome, Kohoku-ku, Yokohama City
Office	Office	Office	Office	Office
27,996	911,580	657,549	761,483	34,122
8	680	251	298	24
Freehold	Freehold	Freehold	Freehold	Freehold
21 July 2022	21 July 2022	21 July 2022	21 July 2022	21 July 2022
JPY2,600.0 / S$31.5[1]	JPY35,500.0 / S$430.6[1]	JPY19,500.0 / S$236.5[1]	JPY20,500.0 / S$248.7[1]	JPY2,990.0 / S$36.3[1]
JPY2,610.0 / S$26.2[2]	JPY35,600.0 / S$357.5[2]	JPY19,900.0 / S$199.8[2]	JPY19,800.0 / S$198.8[2]	JPY2,990.0 / S$30.0[2]
		JPY47,465 / S$477		
3.80%	4.40%	4.10%	4.40%	4.30%
CASBEE ("A" (Very Good) Rating)[4]	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("A" (Very Good) Rating)[4]
JPY91.0 / S$0.9[5]	JPY2,544.3 / S$25.4[5]	JPY802.9 / S$8.0[5]	JPY1,260.7 / S$12.6[5]	JPY135.0 / S$1.3[5]
JPY65.6 / S$0.7[5]	JPY1,224.8 / S$12.2[5]	JPY653.0 / S$6.5[5]	JPY983.3 / S$9.8[5]	JPY98.7 / S$1.0[5]
100.0%	92.3%	100.0%	100.0%	100.0%
1.9	1.2	3.0	1.2	1.3
7	68	1	1	14
7	57	1	1	14
• Tender Loving Care Services (nursery) • NTK International • Advance	• NTT Urban Development • Dai Nippon Printing • AEON Credit Service	• Fujitsu	• Seiko Instruments Inc.	• Lawson • Rentas • AIRI

PROPERTY DETAILS

SINGAPORE

VIVOCITY

VivoCity is Singapore's largest retail and lifestyle destination that continues to enliven shoppers' experience with its vibrant mix of retail and entertainment offerings. The mall comprises 1,068,057 square feet of lettable area, spreading over a three-storey shopping complex and two basement levels, as well as an eight-storey annex carpark. Strategically located in the heart of the HarbourFront Precinct, this iconic development is directly connected to the HarbourFront Mass Rapid Transit ("MRT") station and enjoys exceptional connectivity to Sentosa and the HarbourFront Centre. VivoCity is positioned as a multi-dimensional retail and lifestyle destination for Singaporeans and tourists alike, offering visitors a unique waterfront shopping and dining experience.

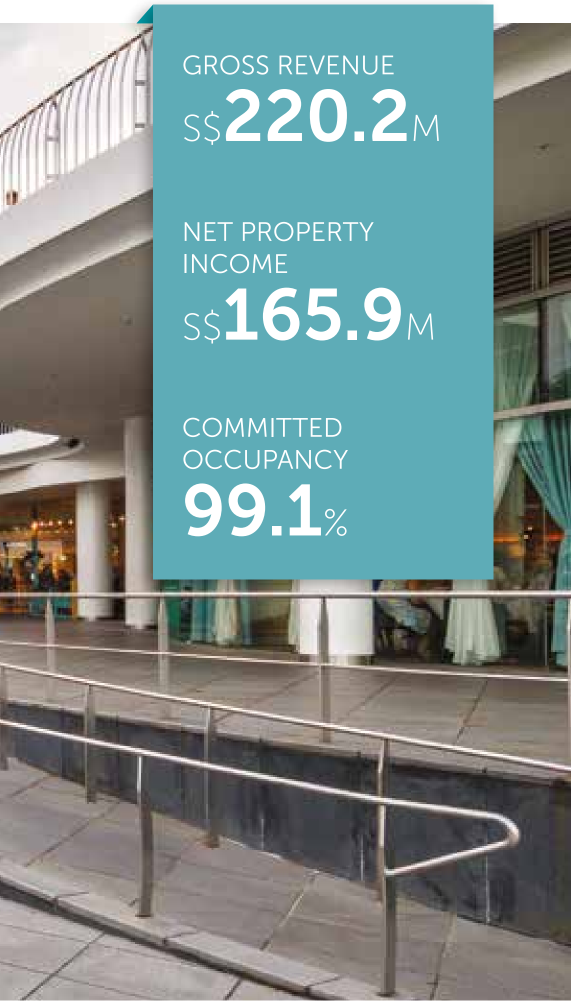
Delivering Another Year of Solid Performance

As one of MPACT's two core assets, VivoCity continues to provide a steady stream of income for the portfolio. It delivered a solid performance in FY22/23, with gross revenue and NPI increasing by 19.8% and 22.1% yoy to S$220.2 million and S$165.9 million, respectively. Key drivers for this outstanding performance include positive rental uplifts, higher gross turnover rent and higher miscellaneous revenue from carpark as well as advertising and promotional income. However, this was offset by higher utility costs incurred during the year.

Achieving Record High Tenant Sales of over S$1 billion

Riding on Singapore's post-COVID recovery momentum, FY22/23 tenant sales exceeded S$1 billion, setting a record high and surpassing pre-pandemic levels[1].

[1] Compared against FY19/20.

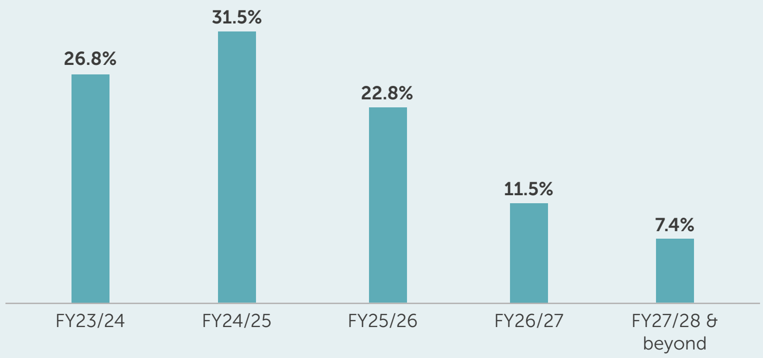


GROSS REVENUE
S$**220.2**M

NET PROPERTY INCOME
S$**165.9**M

COMMITTED OCCUPANCY
99.1%

Lease Expiry Profile by GRI



Number of Leases

FY23/24	FY24/25	FY25/26	FY26/27	FY27/28 & beyond
102	128	102	25	9

Trade Mix by GRI

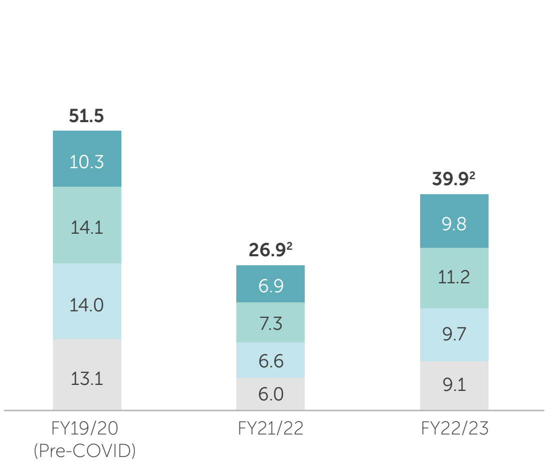
F&B	34.3%
Fashion	15.8%
Luxury Jewellery, Watches & Fashion Accessories	11.4%
Sports	6.8%
Departmental Store / Supermarket / Hypermarket	6.2%
Beauty & Health	6.2%
Consumer Electronics	5.6%
Lifestyle	5.4%
Leisure & Entertainment	4.2%
Others[2]	4.1%

[2] Others include Convenience & Retail Services, Optical, Education & Enrichment and Medical.

PROPERTY DETAILS

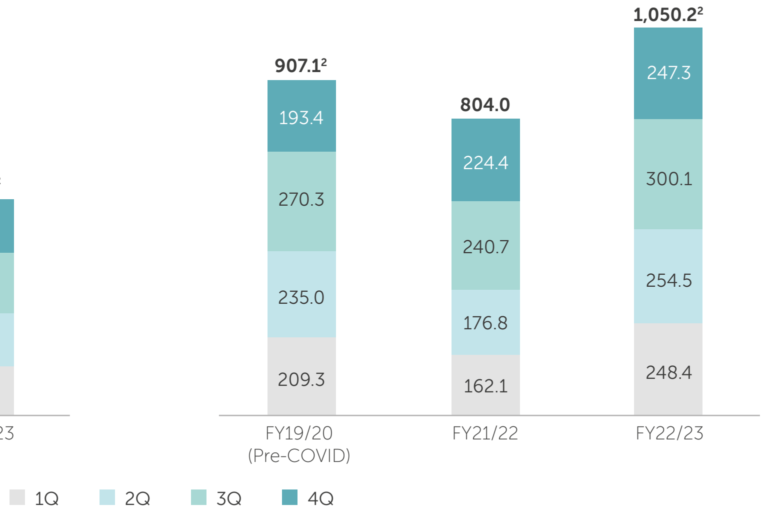
Breakdown of Shopper Traffic by Quarter (million)

↑ 48.4%
year-on-year



Breakdown of Tenant Sales[1] by Quarter (S$ million)

↑ 30.6%
year-on-year



Resumption of Large-Scale Mall Activities During the Year

With the relaxation of COVID-19 restrictions from April 2022, VivoCity resumed its hallmark large-scale festive activities. The line-up included events such as the TANGS Mid-Autumn Fair, late-night Christmas shopping with a spectacular snow display at the Outdoor Plaza, and Chinese New Year celebration and performances. These eagerly awaited events were well-attended by shoppers and significantly boosted the mall's footfall.

We also continued to enhance VivoCity's shopper reward programme, VivoRewards+. In FY22/23, we expanded the rewards catalogue and introduced membership tiers to reward high-spending shoppers. This led to the redemption of close to S$220,000 worth of store and Mapletree shopping vouchers and the utilisation of more than S$400,000 parking credits.

Continued Enhancements to Drive VivoCity's Performance

Throughout FY22/23, we pursued efforts to refresh the mall and strengthen its appeal. We commenced an 80,000 square feet AEI that involves converting part of TANGS' Level 1 space into a 56,000 square feet new retail zone. This project, years in the making, utilises the escalator node added in 2018 to create an alternative shopper discharge channel, thereby improving mall circulation. The new retail zone, featuring a curated selection of popular F&B establishments along with an enhanced beauty and fragrance cluster, injects dynamism into the mall. Following its footprint optimisation, TANGS unveiled their rejuvenated store, further enriching the shopping experience at VivoCity. The new zone has progressively opened from the end of May 2023, and the entire AEI is projected to generate over 20% of return on investment.

We are also undertaking enhancement works such as the upgrading of toilets, lobbies and common corridors, lift interiors, as well as replacing new mall benches, wayfinding signages and customer service counters. These works are targeted for completion by 3Q FY23/24.

Proactive Tenant Remixing and Storefront Revitalisation

In an ongoing effort to enrich our retail offerings and ensure a dynamic tenant mix, we welcomed a total of 58 new tenants to VivoCity in FY22/23. These include iconic F&B establishments such as Gong Yuan Ma La Tang, Jelebu Dry Laksa, The Original Sembawang White Beehoon and The Original Beach Road Scissors Cut Curry Rice.

Working closely with our tenants, we undertook revamps and reconfiguration of retail units to keep their shopfronts fresh and to meet tenants' changing requirements. Nike, for example, expanded and reopened with a bigger floor space to showcase a wider range of products. Other tenants such as Awfully Chocolate Café, Calvin Klein, The Coffee Bean and Tea Leaf, Puma and TCC also revitalised their stores to enhance their appeal to shoppers.

In recognition of our proactive management effort and VivoCity's allure as a destination mall, VivoCity was voted Best Shopping Mall (Bronze) at the Expat Living Readers' Choice Awards 2023 in April 2023.

Maintaining Strong Committed Occupancy with Solid Rental Uplifts

During the year, 16.3% of the mall's lettable area was renewed or re-let at a strong 7.7% rental reversion. The tenant retention rate for FY22/23 was 62.7%. While VivoCity maintained healthy committed occupancy throughout the year, the mall did experience some transitional vacancy due to tenant changeover during the six-month construction period associated with the AEI to convert part of TANGS' Level 1 space into a new retail zone.

As at 31 March 2023, VivoCity recorded a high committed occupancy of 99.1%.

1 Includes estimates of tenant sales for a small portion of tenants.
2 Does not add up due to rounding differences.

Over 150 retailers extended their operating hours until 1 a.m. to support VivoCity's late-night shopping on 17 December 2022

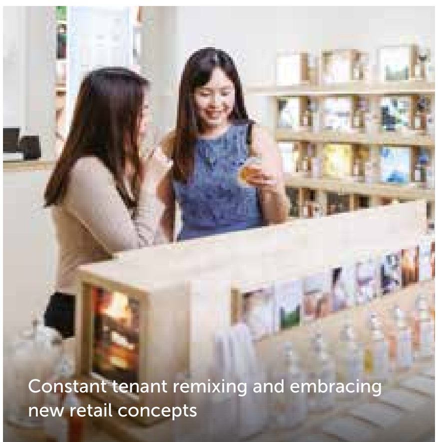
In celebration of VivoCity's Kids Club 6th Anniversary, children enjoyed fun role-play experiences at the Outdoor Plaza

Latest AEI introduced a new retail zone on Level 1, which has opened since end-May 2023

With a range of family-friendly activities, VivoCity is a preferred destination for shoppers across all ages

Several tenants, including Nike, expanded their footprints during the year

VivoCity, with its variety of offerings, serves as an extended social space for all



Constant tenant remixing and embracing new retail concepts

Diverse range of restaurants and eateries to cater to various culinary preferences

PROPERTY DETAILS

SINGAPORE

MAPLETREE BUSINESS CITY

MBC has been lauded as a best-in-class integrated office and business park complex. Conveniently located in the Alexandra Precinct, MBC is a quality, large-scale integrated office, business park and retail complex with Grade A specifications. Comprising MBC I[1] and MBC II[2], the integrated development is made up of one office tower and seven business park blocks supported by a retail and F&B cluster. Together, they offer 2,891,708 square feet of premium office, business park and ancillary retail space.

MBC's campus-style environment is nestled amidst 2.8 hectares of lush greenery, wide public spaces, an eco-pond and art installations, with convenient access to parks in the vicinity. It also features a full suite of contemporary facilities and amenities such as state-of-the-art multi-purpose hall and meeting rooms, a gymnasium with heated pool and amenities such as a childcare centre, a clinic and wide-ranging F&B offerings.

It is a ten-minute drive from the CBD and is seamlessly linked to the Labrador Park MRT station and other public transport nodes via sheltered walkways.

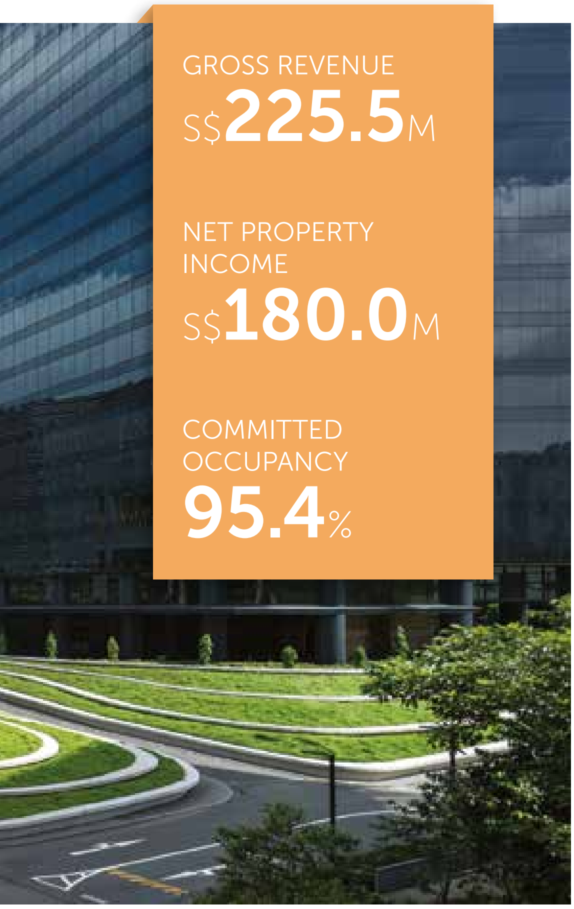
MBC's environmentally-sustainable design and features have garnered multiple local and international awards. Due to these outstanding features, MBC is home to many well-established tenants.

Sustained Stable Performance

MBC delivered a steady performance in FY22/23, upholding its position as one of MPACT's two core assets. Its FY22/23 gross revenue and NPI rose 4.4% and 2.8% yoy, reaching S$225.5 million and S$180.0 million, respectively. The higher yoy earnings were largely due to higher occupancies, positive rental uplifts from renewed and re-let leases, effects of step-up rents in existing leases, increased carpark revenue and lower rental rebates given to retail tenants. This was however partially offset by higher utility costs incurred during the year.

1 MBC I comprises one 18-storey office tower (MBC 10) and three business park blocks (MBC 20E, 20W and MBC 30).

2 MBC II comprises four business park blocks (MBC 50, 60, 70 and 80) and the Common Premises (the common carpark, multi-purpose hall, retail area, and common property which includes the landscape areas, driveways and walkways).

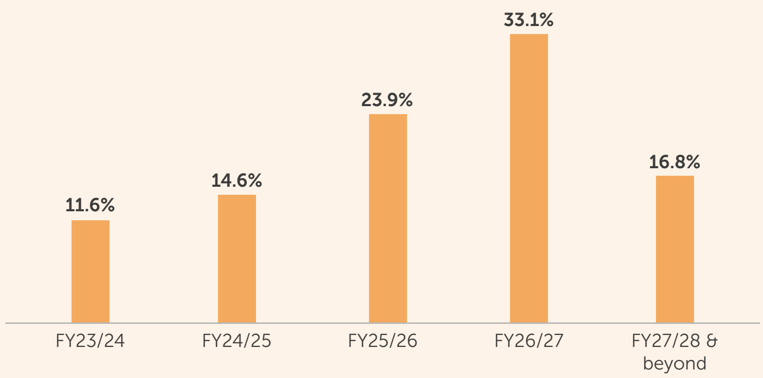


GROSS REVENUE
S$225.5M

NET PROPERTY INCOME
S$180.0M

COMMITTED OCCUPANCY
95.4%

Lease Expiry Profile by GRI



Number of Leases

FY23/24	FY24/25	FY25/26	FY26/27	FY27/28 & beyond
16	15	20	12	14

Closing the Year with Steady Committed Occupancy

Despite changes in workspace requirements by some businesses adapting to the new normal of hybrid work arrangements, as well as downturns in the tech and finance sectors observed towards the end of the financial year, MBC's committed occupancy remained healthy at 95.4% as at 31 March 2023.

During the year, 14.2% of the lettable area of MBC was renewed and re-let at an 8.0% rental uplift. Tenant retention rate for FY22/23 was 62.9%. Notably, a significant portion of Google's leases have been successfully renewed over the last two financial years.

Trade Mix by GRI[3]

IT Services & Consultancy	38.9%
Banking & Financial Services	13.5%
Government Related	12.6%
Electronics (Office / Business Park)	8.8%
Pharmaceutical	6.8%
Consumer Goods & Services	5.7%
Shipping Transport	5.3%
Real Estate / Construction	3.6%
Others[4]	4.7%

[3] Total does not add up to 100% due to rounding differences.
[4] Others include Machinery / Equipment / Manufacturing, Energy and Others.

PROPERTY DETAILS

SINGAPORE

mTower

Mapletree Anson

BOAHF

OTHER SINGAPORE PROPERTIES

mTower

mTower is an established integrated development with a 40-storey office block and a three-storey retail podium, Alexandra Retail Centre ("ARC"). It has an aggregate lettable area of 525,485 square feet.

mTower's excellent location within the Alexandra Precinct, short distance from the CBD and its seamless connection to the Labrador Park MRT station makes it an ideal choice for companies who prefer a quality office location outside the CBD.

ARC provides a wide range of F&B, convenience and services offerings to the working population in the vicinity.

Mapletree Anson

Mapletree Anson is a 19-storey premium office building situated in the Tanjong Pagar micro-market of the CBD. It offers 329,487 square feet of Grade A space.

The building is conveniently situated within a two-minute walk from the Tanjong Pagar MRT Station and is well connected to major arterial roads and expressways. It features large column-free floor plates of over 20,000 square feet, making it suitable for contemporary workplace strategies as well as flexible and collaborative floor-space.

Mapletree Anson is one of the first buildings in Singapore to be awarded the Green Mark Platinum certification by the BCA, and it boasts of a quality tenant profile that comprises reputable multinational office tenants.

Bank of America HarbourFront

BOAHF is a premium six-storey office building with 215,963 square feet of lettable area.

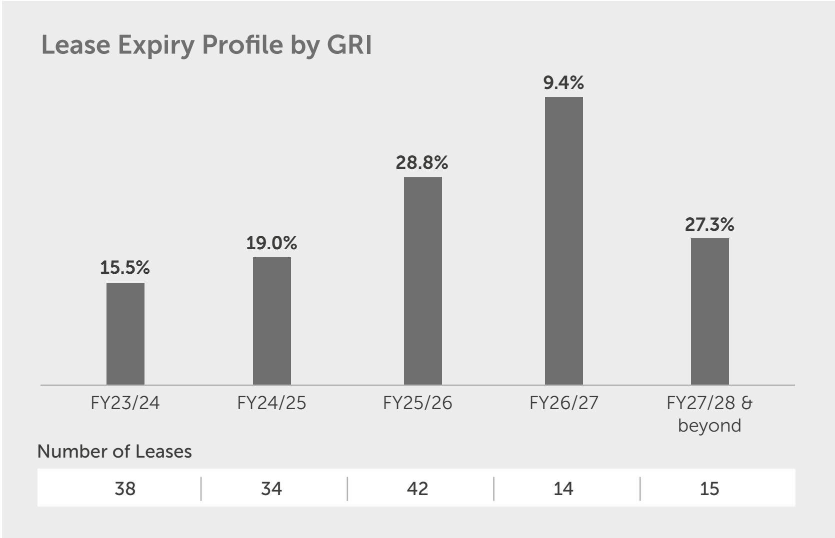
It includes a basement carpark and features modern office specifications such as large and efficient column-free rectangular floor plates of approximately 46,000 square feet and integrated suspended ceiling and raised floors.

BOAHF has consistently achieved full occupancy, providing a stable and consistent stream of cashflow to the portfolio.

GROSS REVENUE
S$99.5M

NET PROPERTY INCOME
S$75.8M

COMMITTED OCCUPANCY
95.9%



Trade Mix by GRI[1]

Banking & Financial Services	30.2%
Real Estate / Construction	14.1%
IT Services & Consultancy	13.0%
Shipping Transport	10.7%
Government Related	8.4%
Trading	7.1%
F&B	5.2%
Consumer Goods & Services	2.7%
Others[2]	8.7%

Increased Operating Expenses Cushioned by Higher Occupancies

FY22/23 gross revenue for the other Singapore properties remained largely steady at S$99.5 million. In FY21/22, several one-off items, including compensation from a negotiated pre-termination of a lease at mTower and property tax adjustments at BOAHF, were recorded. As a result, FY21/22 NPI was higher, making FY22/23 NPI of S$75.8 million appear 2.6% lower in comparison.

NPI in FY22/23 was also impacted by higher operating expenses, mainly due to increased utility costs. However, these expenses were cushioned by higher average occupancies at mTower and Mapletree Anson, effects of step-up rents in existing leases, higher service charge for office leases that came into effect from 1 January 2023, and the tapering off of rental rebates for retail tenants.

Despite Singapore's gradual easing of COVID-related measures throughout FY22/23, work-from-home and hybrid work arrangements remained prevalent, particularly in the first half of FY22/23. This situation has impacted the performance of the retail tenants at ARC. To support these retail tenants, we have continued to offer rental rebates in the first half of FY22/23 before tapering them off progressively towards the end of the year.

Lease Renewal with Bank of America and Improved Committed Occupancy

During FY22/23, we successfully renewed the lease with a major tenant, Bank of America, at BOAHF. This is a significant renewal that will strengthen the portfolio's resilience.

Resulting from our proactive leasing efforts, mTower concluded FY22/23 with a committed occupancy of 91.6%, an improvement from 88.0% a year ago. Meanwhile, BOAHF remained fully occupied and Mapletree Anson also continued to record full commitment as compared to a year ago. Collectively, the other Singapore properties achieved a committed occupancy of 95.9% as at 31 March 2023, improving from the 94.1% a year ago.

A total of 31.4% of the lettable area of the other Singapore properties was renewed and re-let in FY22/23, with a positive rental uplift of 1.6%. The retention rate was high at 83.2%.

1 Total does not add up to 100% due to rounding differences.
2 Others include Beauty & Health, Departmental Store / Supermarket / Hypermarket, Energy, Education & Enrichment, Convenience & Retail Services, Lifestyle, Medical, Electronics (Office / Business Park), Fashion Accessories, Sports, Consumer Electronics and Others.

PROPERTY DETAILS

HONG KONG

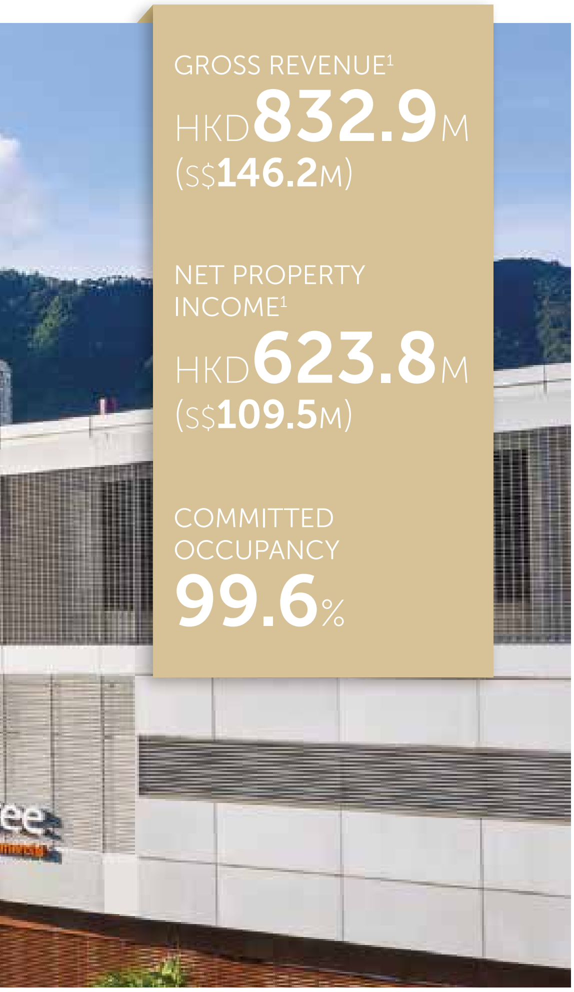
FESTIVAL WALK

Festival Walk is a prominent shopping mall in Kowloon Tong that comprises a four-storey office tower atop a seven-storey retail mall and complemented by three underground carpark levels. With a total lettable area of 801,923 square feet, the mall is home to the "Glacier", one of Hong Kong's largest ice-skating rinks, and accommodates over 200 local and international retailers offering a diverse range of dining, retail and lifestyle options. Festival Walk also boasts the flagship multiplex cinema "Festival Grand", adding to its appeal as a premier one-stop destination.

Strategically situated in the upscale residential area of Kowloon Tong, Festival Walk enjoys close proximity to two major universities, and many neighbouring schools. The property benefits from direct connectivity to the Kowloon Tong MTR station which facilitates seamless travel between the underground Kwun Tong line and the overland East Rail Line. This connectivity links Hong Kong directly to the Shenzhen border. Additionally, the mall is easily accessible by bus and road networks, making it a vibrant hub for shopping, dining and lifestyle activities.

Overcoming Prolonged COVID-19 Headwinds

Festival Walk continued to navigate the prolonged effects of COVID-19, as strict health measures and closed borders impacted Hong Kong's retail sector for much of the year. Nevertheless, local consumption saw a lift in the first half of FY22/23, largely due to the gradual relaxation of COVID-19 restrictions from April 2022 and the disbursement of government consumption vouchers in April 2022. The resumption of quarantine-free travel in September 2022 and the reopening of border with mainland China in January 2023 were turning points.



GROSS REVENUE[1]
HKD**832.9**M
(S$**146.2**M)

NET PROPERTY INCOME[1]
HKD**623.8**M
(S$**109.5**M)

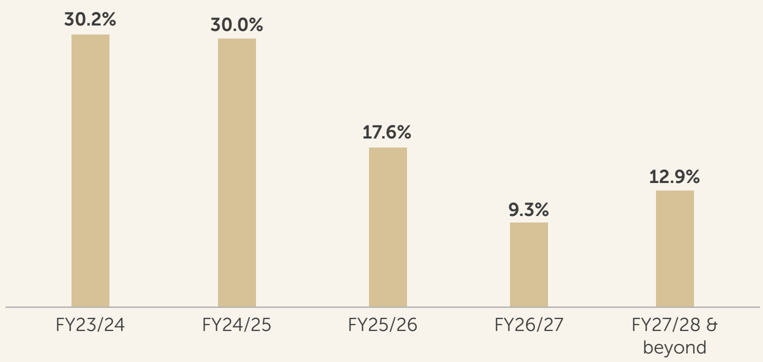
COMMITTED OCCUPANCY
99.6%

Post-merger, Festival Walk contributed S$146.2 million and S$109.5 million of gross revenue and NPI, respectively. No tenant rebates were given during the year.

YOY Improvement in Shopper Traffic and Tenant Sales

FY22/23 shopper traffic and tenant sales improved yoy by 16.0% and 9.3% to 29.8 million and HKD3,931.2 million, respectively. The rebound was mainly due to the easing of COVID-19 measures and reopening of border, leading to a marked recovery in both metrics in the fourth quarter.

Lease Expiry Profile by GRI



Number of Leases

FY23/24	FY24/25	FY25/26	FY26/27	FY27/28 & beyond
106	67	60	17	14

Trade Mix by GRI

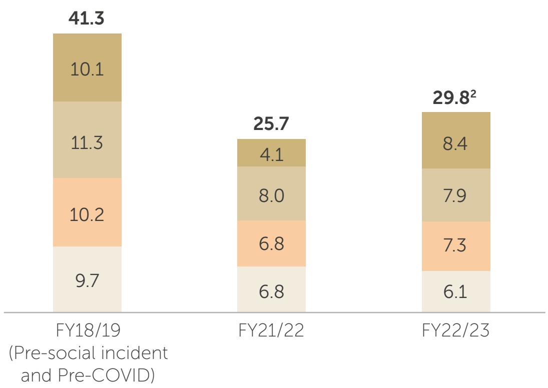
F&B	20.9%
Fashion	18.8%
Departmental Store / Supermarket / Hypermarket	15.3%
Beauty & Health	11.4%
Professional & Business Services	9.3%
Consumer Electronics	4.8%
Convenience & Retail Services	4.3%
Leisure & Entertainment	4.1%
Lifestyle	3.9%
Luxury Jewellery, Watches & Fashion Accessories	3.8%
Sports	2.6%
Others[2]	0.8%

[1] Contributions to gross revenue and NPI were for the period from 21 July 2022 to 31 March 2023 post-merger.
[2] Others include Optical and Education & Enrichment.

PROPERTY DETAILS

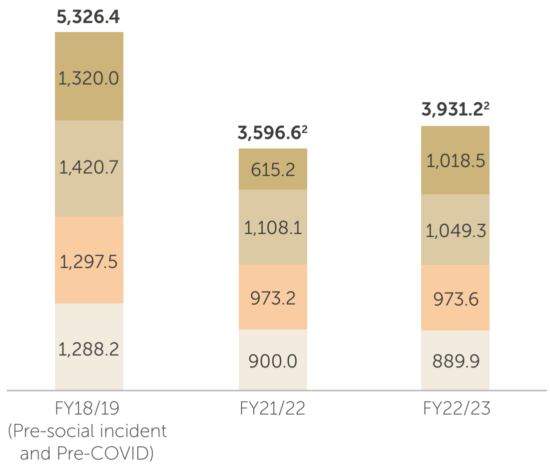
Breakdown of Shopper Traffic by Quarter (million)

↑16.0% year-on-year



Breakdown of Tenant Sales[1] by Quarter (HKD million)

↑9.3% year-on-year



1Q 2Q 3Q 4Q

Enriching Shoppers' Experience

To enliven shopper experience and boost footfall and sales, a diverse range of marcom activities were held. These included the first "Disney Love Nature" themed roadshow in Asia where members of the mall's loyalty programme, My FESTIVAL, can redeem exclusive gifts with points and purchases, the Doraemon Future Department Pop-up Store which was very well-received by shoppers, and the return of Festival Walk's iconic 21-metre Christmas Tree, the tallest indoor Christmas tree in Hong Kong.

To encourage spending, we launched several eReward$ initiatives and held campaigns around the Christmas and Chinese New Year periods. During these campaigns, My FESTIVAL members can redeem e-vouchers and participate in lucky draws when their spending reached certain levels.

We further utilised Festival Walk's key attraction, the Glacier ice-skating rink, to draw additional footfall. Being one of Hong Kong's largest ice-skating rinks, it hosted major competitions such as the Hong Kong Figure Skating & Short Track Speed Skating Championship, Hong Kong Curling Cup Competition, and the Hong Kong Open Figure Skating Competition which attracted international participants, as well as fun thematic events such as the Halloween Curling Night and Christmas Dancing on Ice performances. These events appealed to a wide audience, helping to increase mall traffic.

In recognition of our proactive efforts to promote Festival Walk, the mall received awards such as the "Shopping Mall Awards 2021-2022" by U Magazine and the "Best Shopping Mall Activities" Award – The Golden Year of the Tiger for our 2022 Chinese New Year promotions.

Enhancing Festival Walk's Appeal

We worked diligently to boost Festival Walk's appeal to shoppers. These included curating the mall's retail line-up by introducing lifestyle offerings, refining the mall's tenant mix, and collaborating with tenants to revamp their stores. In FY22/23, a total of 28 new tenants providing an exciting range of products and services were introduced. These include popular arts and craft centre, Master Art by Rainbow Creative Arts, lifestyle retailers such as OGAWA and Serta, well-known F&B establishments such as Dear Harley, Five Guys and Satay King, as well as trendy fashion and accessories brands such as American Eagle Outfitter, Charles & Keith, Gucci Timepieces and Jewelry, J. Linderberg and Pinko. Apart from proactive leasing and tenant remixing, we also undertook enhancement works such as upgrading of toilets for the office tenants, scheduled for completion by the end of 2023.

Lease Renewal with Major Tenant, Arup; Achieved Near-Full Committed Occupancy

Despite the challenging conditions, the team pressed on with their rigorous leasing efforts, successfully renewing the lease with Arup, the major office tenant at Festival Walk.

By the end of FY22/23, Festival Walk achieved near-full committed occupancy of 99.6%, and the tenant retention rate for FY22/23 was 43.6%.

During FY22/23, 11.7% of the lettable area was renewed and re-let at -12.7% rental reversion[3]. However, with signs of rent stabilisation, the outlook for Festival Walk looks more promising. Proactive asset management and tenant remixing will be key in driving the performance of Festival Walk.

1 Includes estimates of tenant sales for a portion of tenants.
2 Total does not add up due to rounding differences.
3 Festival Walk recorded rental reversions of -27% and -21% in FY21/22 and FY20/21, respectively.

A vibrant shopping and lifestyle hub in the upscale residential area of Kowloon Tong

Over 200 local and international retailers offering a wide range of dining, retail and lifestyle options

Strengthening the mall's appeal with popular arts and craft learning centre, Master Art by Rainbow Creative Arts


Celebrating Mother's Day with a joyful lunch at Festival Walk

Excellent connectivity including direct access to the Kowloon Tong MTR station

Elevating Festival Walk's offerings by adding trendy names such as Gucci Timepieces & Jewelry


Enjoying a vibrant shopping experience at Festival Walk

PROPERTY DETAILS

CHINA

Gateway Plaza, Beijing

Sandhill Plaza, Shanghai

CHINA PROPERTIES

Gateway Plaza, Beijing

Gateway Plaza, strategically located in the well-established Lufthansa commercial hub, comprises two 25-storey towers connected by a three-storey podium area and three underground floors. With an aggregate lettable area of 1,145,896 square feet, the property is home to a diverse mix of well-known multinationals and local companies, including BMW.

Conveniently positioned along Beijing's Third Ring Road, Gateway Plaza enjoys excellent access to major subway, bus and road networks. Its location next to the Airport Expressway provides quick and direct access to the Beijing Capital International Airport, adding to its appeal. The building's podium area offers a variety of amenities and F&B outlets to cater to the working population.

Sandhill Plaza, Shanghai

Sandhill Plaza, a quality business park development, is nestled in the mature area of Zhangjiang Science City, a part of Shanghai's Free Trade Zone. It comprises one 20-storey tower, seven blocks of 3-storey buildings[1] and two basement levels of carpark. The property has an aggregate lettable area of 682,538 square feet.

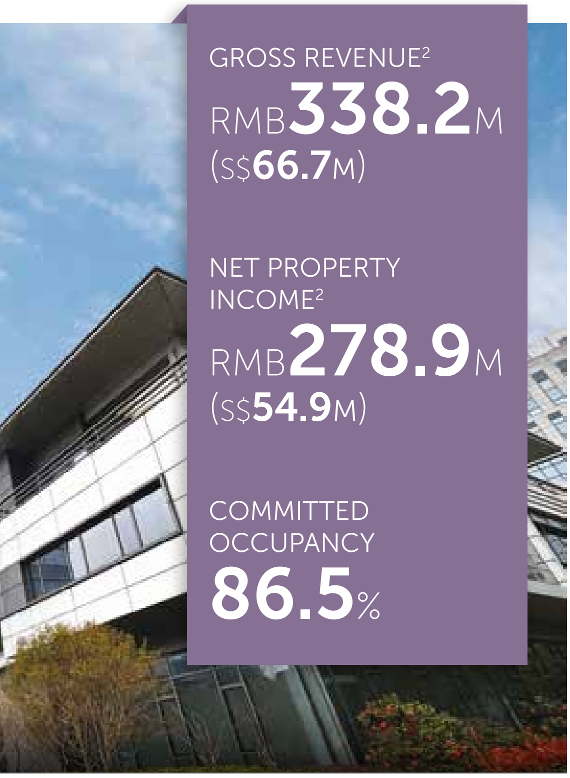
Located adjacent to the Middle Ring Expressway, Sandhill Plaza is within a 30-minute drive to Pudong International Airport, Lujiazui and People's Square in Puxi. In addition, it is within a short 10-minute walk to the Guanglan Road Station on Metro Line 2, one of Shanghai's busiest subway lines. Combined with a wide range of amenities and a contemporary interior, the property is a popular location for both foreign and local companies.

China Properties Navigated Protracted COVID-19 Restrictions

The China properties navigated a protracted COVID-19 situation, tight social distancing measures and lengthy lockdowns through the year. Although China has reversed its "zero-COVID" policy and reopened its borders in early 2023, massive COVID-19 outbreaks following the lifting of restrictions, coupled with the typically quieter Chinese New Year season, delayed the resumption of leasing activities. In Beijing, there were additional challenges arising from adjustments in space requirements by internet companies in Wangjing and a high supply of office space in the CBD. As a result, rents had to be adjusted to maintain occupancy levels and attract new tenants.

Post-merger, the China properties contributed gross revenue and NPI

[1] There are eight blocks of low-rise (three-storey) buildings of which one block is separately owned by a third party and does not belong to MPACT.

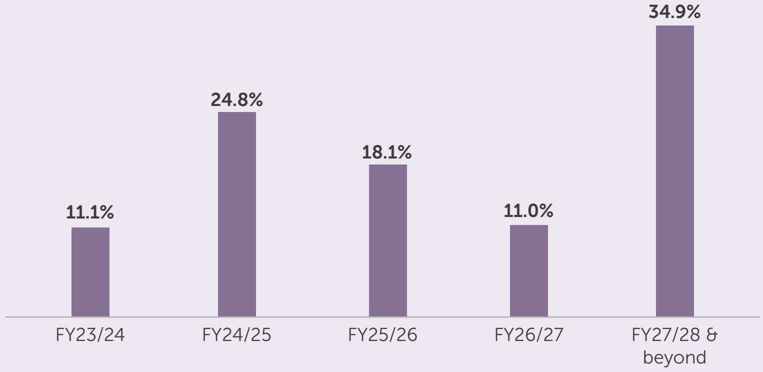


GROSS REVENUE[2]
RMB**338.2**M
(S$**66.7**M)

NET PROPERTY INCOME[2]
RMB**278.9**M
(S$**54.9**M)

COMMITTED OCCUPANCY
86.5%

Lease Expiry Profile by GRI[3]



Number of Leases

FY23/24	FY24/25	FY25/26	FY26/27	FY27/28 & beyond
36	50	36	17	10

Trade Mix by GRI

Automobile	34.9%
Machinery / Equipment / Manufacturing	20.6%
Banking & Financial Services	16.0%
Professional & Business Services	9.1%
IT Services & Consultancy	8.9%
Real Estate / Construction	4.0%
Others[4]	6.5%

of S$66.7 million and S$54.9 million, respectively.

Successful Lease Renewal with BMW, MPACT's Second Largest Tenant

Despite these challenges, we successfully renewed the lease with BMW, the portfolio's second largest tenant, at Gateway Plaza for five years till 2028. This removes a potential occupancy risk and is a positive development since the merger.

As at 31 March 2023, Gateway Plaza and Sandhill Plaza recorded committed occupancy rates of 86.7% and 86.2%, respectively, resulting in a combined committed occupancy of 86.5%. In FY22/23, 37.7% of the lettable area for both China properties were renewed or re-let at a rental reversion of -3.7%. The tenant retention rate for FY22/23 was healthy at 74.5%.

Looking ahead, China's post-COVID reopening efforts alongside stimulus policies such as interest rate cut are expected to lend some support to leasing demand. For Shanghai, the government is committed to supporting the development of domestic high-tech and biomedical sectors and will be implementing support measures to boost market confidence and demand. We can expect these to drive leasing demand for Shanghai business park over time.

Supporting Tenants in Challenging Times

To help our tenants tide through the challenges stemming from the pandemic, we continued to work closely with them and offered rental assistance, primarily to F&B and retail tenants impacted by prolonged lockdowns imposed by the government. This has helped keep retail tenants' operations afloat while ensuring sufficient retail amenities for the office tenants. Additional support initiatives included the launch of a one-stop service programme to handle all forms of enquiries and address tenants' needs, strengthening our customer service and relationships with our tenants at Gateway Plaza.

Enhancements to Better Meet Tenants' Needs

Major capital expenditure works in FY22/23 included the replacement of the heating, ventilation and air conditioning ("HVAC") plant and electricity power upgrade works at Sandhill Plaza. These efforts aimed to improve energy efficiency and to better cater to the increasing power requirements of Sandhill Plaza's tenants in the technology sector.

[2] Contributions to gross revenue and NPI were for the period from 21 July 2022 to 31 March 2023 post-merger.
[3] Total does not add up to 100% due to rounding differences.
[4] Others include Pharmaceutical, Government Related, Energy, F&B, Optical, Consumer Goods & Services, Shipping Transport, Convenience & Retail Services, Trading, Beauty & Health and Others.

PROPERTY DETAILS

JAPAN

GROSS REVENUE[1]
JPY**6,834.7**M
(S$**68.1**M)

NET PROPERTY INCOME[1]
JPY**4,602.5**M
(S$**45.8**M)

COMMITTED OCCUPANCY
97.5%

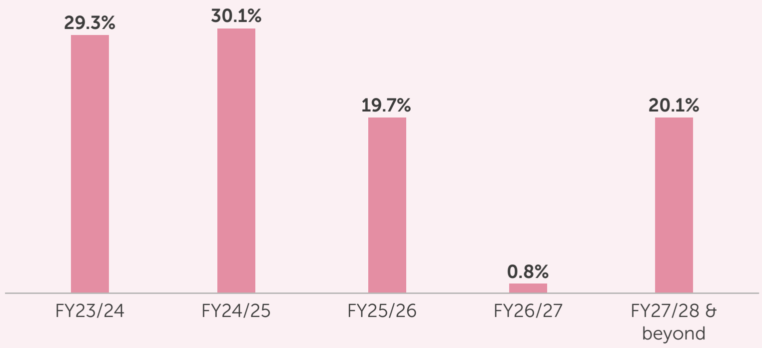
JAPAN PROPERTIES

The Japan properties are strategically located in the Greater Tokyo Area's office market, which encompasses the Tokyo 23 wards (Tokyo Central 5 wards and Tokyo Outer 18 wards), Chiba City and Yokohama City. With an aggregate lettable area of 3,040,152 square feet, the Japan properties consist of nine quality freehold office buildings. Five of these are located in the Tokyo 23 wards (HPB, MON, Omori, TSI and HNB), three in Chiba City (MBP, FJM and SMB) and one in Yokohama City (ASY).

The Tokyo Central 5 wards host the largest congregation of office buildings and headquarters of many global enterprises. As more companies establish subsidiaries or satellite offices in the regions surrounding Tokyo, such as Chiba and Yokohama, to ensure business continuity, the location of our Japan properties makes them well-suited to accommodate such enterprises.

Proximity to train stations, public transportation hubs and major arterial roads further enhances the properties' connectivity and convenience for tenants. The Japan properties cater to tenants across a diversified trade mix, including high-growth sectors such as medical and healthcare, finance and insurance, information and communications, and services.

Lease Expiry Profile by GRI



Number of Leases

35	46	30	2	2

Trade Mix by GRI

Machinery / Equipment / Manufacturing	35.5%
IT Services & Consultancy	25.4%
Real Estate / Construction	20.5%
Professional & Business Services	8.0%
Consumer Goods & Services	2.3%
Others[2]	8.3%

Stable Operating Metrics

Post-merger, the Japan properties contributed S$68.1 million and S$45.8 million of gross revenue and NPI, respectively.

As at 31 March 2023, the Japan properties achieved a committed occupancy of 97.5%. During the year, 6.7% of lettable area was renewed or re-let at a rental reversion of 1.9%. The tenant retention rate for FY22/23 was 70.4%.

[1] Contributions to gross revenue and NPI were for the period from 21 July 2022 to 31 March 2023 post-merger.

[2] Others include Banking & Financial Services, Electronics (Office / Business Park), Shipping Transport, Pharmaceutical, Education & Enrichment, Convenience & Retail Services, Medical, Fashion, Automobile, Government Related, Departmental Store / Supermarket, Trading and Energy.

PROPERTY DETAILS

SOUTH KOREA

GROSS REVENUE[1]
KRW**8,039.7**M
(S$**8.3**M)

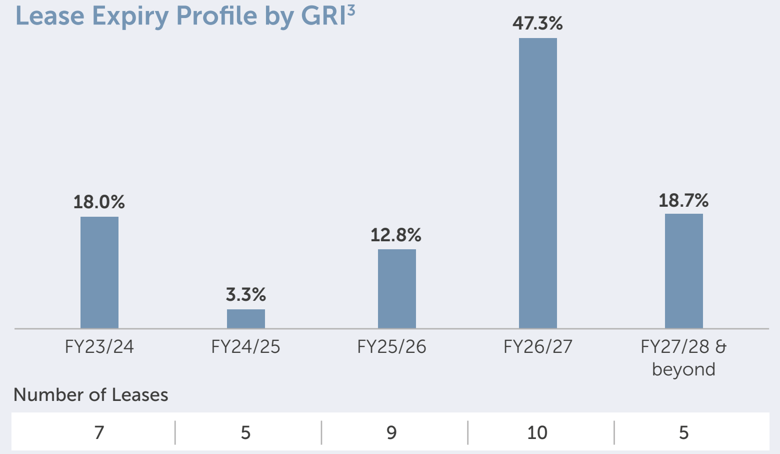
NET PROPERTY INCOME[1]
KRW**5,964.5**M
(S$**6.2**M)

COMMITTED OCCUPANCY
99.3%

THE PINNACLE GANGNAM

The Pinnacle Gangnam is a 20-storey freehold office building with six underground floors and a total lettable area of 478,461 square feet[2]. Ideally situated within the GBD, The Pinnacle Gangnam is conveniently located within a short 5-minute from Gangnam's high-end retail district, Cheongdam, and 8-minute drive away from the COEX Convention & Exhibition Center. One of The Pinnacle Gangnam's key features is its direct access to the Gangnam-gu Office underground subway station. This strategic access provides tenants with excellent connectivity across the Seoul metropolitan area, making it a popular choice for businesses seeking prime office space.

Lease Expiry Profile by GRI[3]



Strong Performance Underpinned by Favourable Market Conditions

The robust GBD market, characterised by limited supply, continued to support occupancy and rental rates. The Pinnacle Gangnam benefited from these and performed well, contributing S$8.3 million and S$6.2 million of gross revenue and NPI, respectively (based on MPACT's 50% effective interest) post-merger. However, this was partially offset by higher utility costs and property tax payable in FY22/23.

Trade Mix by GRI[3]

IT Services & Consultancy	31.9%
Machinery / Equipment / Manufacturing	17.4%
Government Related	14.1%
Real Estate / Construction	12.1%
Professional & Business Services	6.3%
Pharmaceutical	5.2%
Automobile	5.1%
F&B	3.9%
Banking & Financial Services	2.8%
Others[4]	1.1%

During the year, 7.7% of lettable area was renewed, achieving a commendable 14.2% rental reversion. The tenant retention rate for FY22/23 was healthy at 72.4%. The Pinnacle Gangnam's committed occupancy improved from 97.3% as at 31 March 2022 to a near-full level of 99.3% as at 31 March 2023. Looking ahead, the leasing market in the GBD is expected to remain vibrant and a preferred location for tech companies.

1 Contributions to gross revenue and NPI were for the period from 21 July 2022 to 31 March 2023 post-merger and based on MPACT's 50% effective interest in The Pinnacle Gangnam.
2 Lettable area refers to 100% of The Pinnacle Gangnam's lettable area, and on the same basis, the property's NLA is 265,338 square feet.
3 Total does not add up to 100% due to rounding differences.
4 Others include Fashion, Medical and Convenience & Retail Services.

INDEPENDENT MARKET OVERVIEW

BY COLLIERS INTERNATIONAL (HONG KONG) LIMITED

Singapore

1.1 Economy

- According to the Ministry of Trade and Industry ("MTI"), Singapore's economy expanded by 3.6% in 2022, moderating from the 8.9% growth in 2021. The growth was mainly supported by a recovery in the construction, services producing (including food & beverage and retail trade), aviation and tourism-related sectors arising from the easing of border and domestic restrictions, but dampened by the weakened external demand and slowdown in manufacturing output.
- Singapore was one of the first countries in Asia to shift towards an endemic COVID-19 phase and benefitted from an early economic recovery through a moderated relaxation of border and domestic restrictions, active vaccination rollouts and government support schemes.
- Singapore's headline inflation rose steeply to 6.1% in 2022, up from 2.3% in 2021. The sharp increase in global commodity prices, supply chain disruptions and the tight domestic labour market contributed to inflationary pressures. In conjunction with the GST rate hike from 7.0% to 8.0% which took effect from 1 January 2023, the Government announced a series of financial support in the 2023 Budget, including vouchers and rebates, to help households cope with the increase in daily expenses.
- Singapore's unemployment rate dropped from 2.7% in 2021 to 2.1% in 2022. The lifting of border restrictions, tight labour market and sustained economic growth allowed unemployment rates to return to pre-pandemic levels. However, from the second half of 2022, an uptick in retrenchments was observed particularly in the electronics, information technology and wholesale trade sectors due to the global wave of layoffs in these sectors.

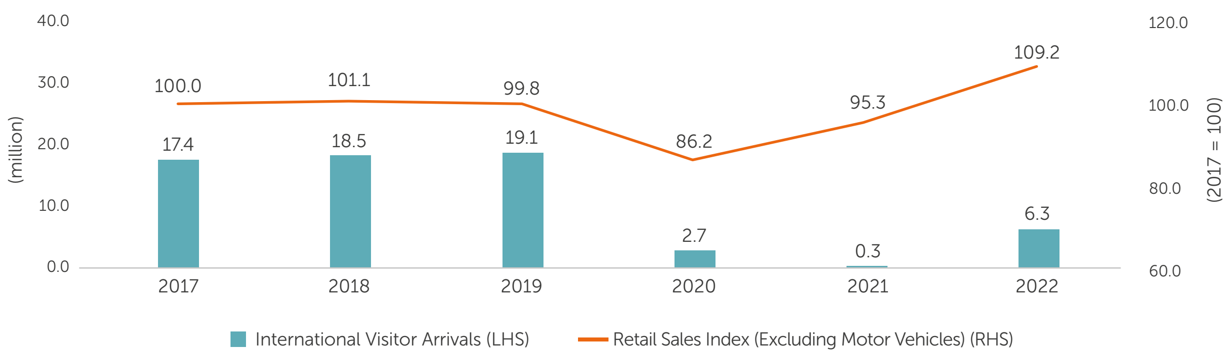
Tourist Arrivals

6.3M (In 2022)

↑ **1,810.5% yoy**

- International visitor arrivals rose to 6.3 million in 2022, reversing the negative growth in the last two years. This is about 33% of the pre-pandemic level observed in 2019 but exceeded the forecast by the Singapore Tourism Board ("STB") of between 4 million and 6 million international visitors.
- The return of Meetings, Incentives, Conferences & Exhibitions ("MICE") and leisure events, strong demand from both business travellers and leisure travellers from Singapore's key source markets (led by Indonesia, India, and Malaysia) and the recovery of the cruise industry supported the rebound.
- The tourism sector is expected to continue its growth momentum in 2023, on the back of global relaxation of travel restrictions, China's border reopening, increasing flight connectivity and capacity, and recover to its pre-pandemic level by 2024.

International Visitor Arrivals and Retail Sales Index

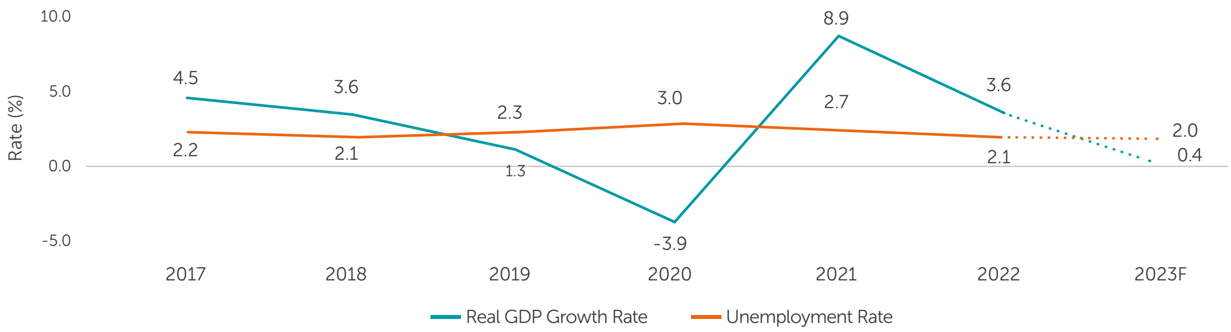


Source: STB, Singapore Department of Statistics

1.2 Outlook

- According to Oxford Economics, GDP growth is expected to slow to 0.4% in 2023, which is lower than MTI's broad forecast of 0.5% to 2.5% on the back of a deteriorated external economic outlook, geopolitical uncertainties, and downside risks in the global economy.
- Inflation is expected to remain elevated due to sustained wage increases and commodity price pressures. Retail expenditures from the domestic market will likely taper in 2023 with the GST rate hike. However, international tourist expenditure is expected to lend some support as visitor arrivals are anticipated to double in 2023 from 2022.

Real GDP Growth Rate and Unemployment Rate



Source: GDP and Unemployment Rate figures from 2017 to 2022 are from the Singapore Department of Statistics and the Ministry of Manpower. Forecast figures for 2023 are from Oxford Economics.

1.3 Singapore Retail Market[1]

Total Retail Sales

S$**41.9**B (In 2022) ↑ **14.8% yoy**

- Retail sales in total value terms recorded a 14.8% yoy increase from 2021 to 2022.
- Relaxation of most pandemic and border restrictions since April 2022 had spurred healthy retail sales from the domestic market and international tourists, and the retail sector continued to ride on this growth momentum till the end of 2022. The return of major physical events including the Formula 1 Grand Prix, contributed to greater physical retail sales in comparison to the previous year.
- Apparel & footwear, food & alcohol, department stores, and watches & jewellery were the largest contributors to retail sales value growth yoy. The overall higher sales value was also driven by higher prices due to inflation, post-COVID "revenge-spending", and some purchases made ahead of the GST rate hike.

Online Retail Sales

14.7% of Total Retail Sales (In 2022)

- The proportion of online retail sales had rapidly increased over the past three years and accelerated to double-digit growth during the early phase of COVID-19 in March 2020, as consumers shifted towards online shopping in light of lockdown measures and restrictions.
- Despite the easing of COVID-19 restrictions over 2021 and 2022, the online retail sales penetration rate remained high, with the value of online sales making up 14.7% of total Singapore retail sales in 2022 and 15.9% in 2021 compared to the pre-COVID level of 6.8% in 2019.
- Online shopping promotional events such as Singles' Day, Black Friday, and Brands Festival Sale will typically boost online retail sales during the respective sale periods. Online sales value in these selected months had risen in comparison to the same period in past years, signalling the significant traction e-commerce had gained and shifting consumer spending patterns.

[1] All references to floor area refer to NLA, unless otherwise stated.

INDEPENDENT MARKET OVERVIEW

Existing Retail Stock

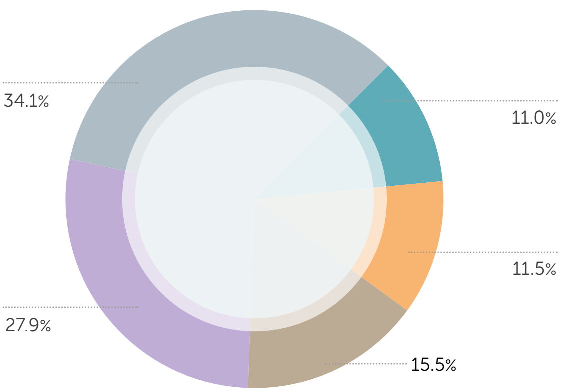
67.1M square feet[1] ↑ **0.6% yoy**

(As at 31 December 2022)

- Singapore's existing retail stock stood at 67.1 million square feet as at 31 December 2022, the bulk of which is located in the Central Region (65.9%) while the remainder is located in the Suburban submarket (34.1%).
- The Central Region is made up of four major submarkets comprising Orchard, Downtown Core, Rest of Central Area, and Rest of Central Region. The Rest of Central Region is also referred to as the City Fringe[2].
- There was relatively low net retail supply of about 387,500 square feet added to the market in 2022. The key completions include Grantral Mall @ Macpherson and Shaw Plaza (asset enhancement work), injecting about 67,500 square feet and 64,300 square feet of retail NLA, respectively, into the Rest of Central Region submarket.

Retail Stock by Submarket

(As at 31 December 2022)



Source: Urban Redevelopment Authority ("URA"), Colliers

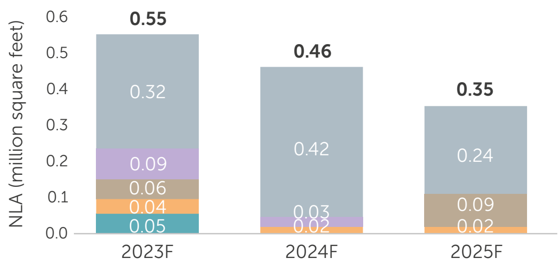
Potential Retail Supply

1.4M square feet

(From 2023 to 2025)

- Approximately 1.4 million square feet of space is expected to be delivered from 2023 to 2025, translating into an average of 0.5 million square feet per year, lower than the past five-year annual average of 0.6 million square feet.
- Overall, the Suburban submarket will account for the majority of the upcoming retail supply, representing 71.5% of new supply from 2023 to 2025. Within the Alexandra/HarbourFront submarket, Raffles Sentosa Resort & Spa Singapore and Labrador Tower are expected to add about 5,000 square feet and 26,000 square feet of space into the submarket in the second half of 2023 and in 2024, respectively. However, the former will comprise mostly restaurants and bars, fitness centre, and meeting/ballroom amenities, and the latter will comprise mostly ancillary retail and restaurants, as well as convenience shops and services. No major retail shops are expected in these two new developments.

Potential Supply by Submarket



Source: URA, Colliers, Project Announcements

[1] Source: URA.

[2] The Central Area comprises the following planning areas as defined by the URA: Outram, Museum, Newton, River Valley, Singapore River, Marina South, Marina East, Straits View, Rochor, Orchard and Downtown Core. Mapletree Business City, mTower and VivoCity, owned by MPACT, are located in the City Fringe.

Retail Vacancy Rate

7.1%[1]
(Islandwide as at 31 December 2022)

↓ **1.0 Percentage Points ("p.p.") yoy**

- Islandwide retail vacancy rate tightened to 7.1% as at 31 December 2022, 1.0 p.p. lower than the year before. This was supported by the easing of COVID-19 restrictions and reopening of borders since April 2022. A broad-based decline in vacancy rates across all submarkets was observed over the last two quarters of 2022.
- In the first quarter of 2023, islandwide retail vacancy rate rose by 0.5 p.p. quarter-on-quarter ("qoq") to 7.6%. This was largely due to new supply additions and vacated space associated with asset enhancement works as well as a slight drop in leasing demand, especially in the Orchard submarket.

Vacancy Rate by Submarket

Source: URA, Colliers

Average Retail Rent

S$**12.34**
per square foot per month[2]
(Islandwide as at 31 December 2022)

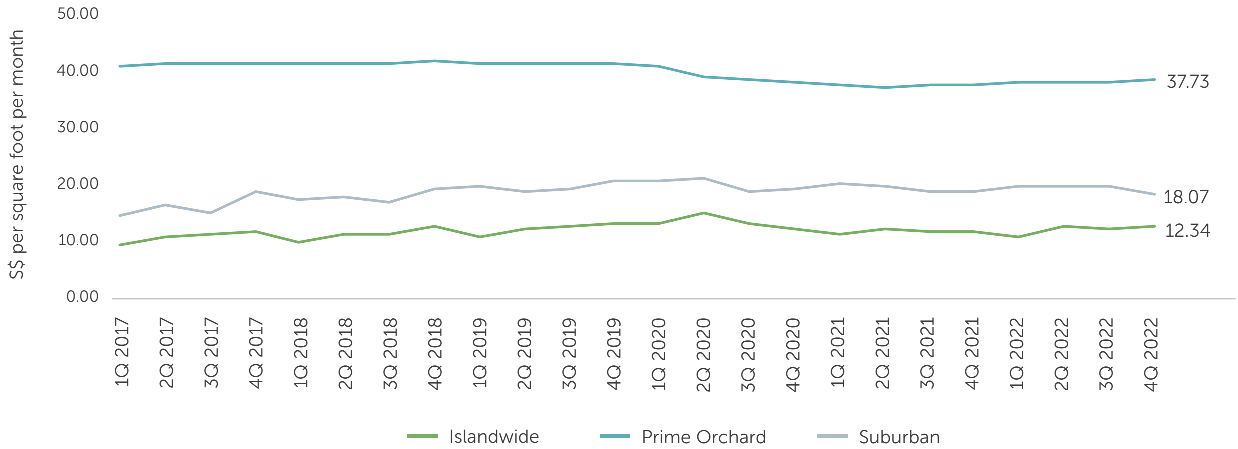
↑ **6.7% yoy**

- Average islandwide retail rent increased to S$12.34 per square foot per month as at 31 December 2022, 6.7% higher yoy. This was similarly supported by the relaxation of COVID-19 measures.
- Prime Orchard retail rent[3] has been on an upward trajectory since the third quarter of 2021 in tandem with the resumption of travel. The better-than-expected recovery of tourism in 2022 led to a 1.9% yoy increase in retail rent to S$37.73 per square foot per month as at 31 December 2022. Although Islandwide and Prime Orchard retail rents have surpassed levels in 2020 and 2021, they are still lower than pre-pandemic levels in 2019 by 5.1% and 7.2%, respectively.
- Suburban retail rent recorded S$18.07 per square foot per month as at 31 December 2022, 1.5% lower yoy. While retail rent was 10.5% lower than the pre-pandemic level in 2019 due to resistance towards rent increases in secondary suburban retail submarket, rents in the first three quarters were resilient and close to pre-pandemic levels.
- In the first quarter of 2023, islandwide retail rent declined by 13.2% qoq to S$10.71 per square foot per month, amid lower transaction volume as leasing demand was weighed down by costs and operational challenges. Suburban retail rent rose 7.0% qoq due to the steady recovery in tourism and a strong catchment population.

[1] This refers to the islandwide average vacancy rate of all retail properties and is published by the URA.
[2] This refers to the islandwide median gross monthly rent of all retail space and is published by the URA.
[3] Prime Orchard retail rent are based on Colliers' research/valuation metrics on ground floor, basement, and MRT-level average retail rent in selected basket of prime retail malls.

INDEPENDENT MARKET OVERVIEW

Retail Rent by Submarket



Source: URA (Islandwide and Suburban Rents), Colliers (Prime Orchard Rent)

Retail Net Take-up[1]

1.0M square feet[2] **↓ 8.0% yoy**
(Islandwide in 2022)

- Retail leasing demand continued its recovery with Islandwide net absorption of close to 1.0 million square feet in 2022, driven mainly by F&B operators and fashion retailers including athleisure and international new-to-market brands. This was however 8.0% lower than 2021.
- The substantial easing of COVID-19 measures supported the broad-based recovery of leasing demand in 2022. The Orchard and Central Area Singapore retail submarkets[3] benefited from the uptick in international tourist retail expenditures and return of workforce to the CBD. The Suburban and City Fringe submarkets remained resilient, with demand continuing to outperform the other retail submarkets.
- In the first quarter of 2023, islandwide net absorption declined to about -75,000 square feet, down from about 710,000 square feet in the previous quarter, as leasing demand declined in the Orchard and Rest of Central Area submarkets amid rising costs and a challenging operating environment by retailers. Positive leasing demand continued to extend to the City Fringe and Suburban submarkets.

Average Retail Capital Value

S$**3,155** per square foot **↑ 2.0% yoy**
(Islandwide as at 31 December 2022)

Average Retail Yield

4.7% **↑ 0.2 p.p. yoy**
(Islandwide as at 31 December 2022)

- Islandwide retail capital value and yield have both risen slightly to an average of S$3,155 per square foot and 4.7%, respectively, as at 31 December 2022 as compared to 31 December 2021, on the back of some sizeable transactions, higher rents and interest rate.
- Some of the key recent retail transactions include the sale of Mercatus' portfolio of retail malls – Jurong Point and Swing By @ Thomson Plaza were divested to Hong Kong-based Link REIT for S$2.2 billion collectively (S$2,926 per square foot based on property value of S$2,107.0 million and S$1,764 per square foot based on property value of S$194.0 million, respectively), while Mercatus' 50% interest in NEX was divested to Frasers Centrepoint Trust and Frasers Property for S$652.5 million (S$3,274 per square foot based on property value of S$2,077.8 million).
- In the first quarter of 2023, islandwide retail capital value and yield remained flat amid limited transactions.

1 Net take-up is the sum of space that became occupied during the year minus the sum of space that was vacated over the course of the year.
2 Source: URA.
3 Except for the Downtown Core submarket where negative net absorption was recorded for the entire 2022.

- Over the longer term, with the trend of investors increasing their capital allocation to quality assets in Asia's key gateway cities, Singapore's retail mall asset class is expected to be favoured amongst investors due to its relative scarcity and stability.

Retail Trends

- In response to the challenges presented by e-commerce, retail malls have evolved to incorporate more experiential retail elements, technology platforms and digital uses, as well as activity-based and F&B offerings to generate physical visits. The COVID-19 pandemic has also brought about changes in the way people work, including the increased adoption of working-from-home or remote working, and it is expected that the future of work will be a hybrid of office and remote work. Retail malls located near residential estates are expected to benefit from higher footfall and retail sales, as more people choose to dine, shop, or opt for food deliveries near their homes.

Retail Outlook

- China's re-opening since the start of 2023 has led to a steady increase in the number of Chinese tourist arrivals in Singapore. This is projected to increase further and drive improvement in retail footfall.
- However, weaker economic outlook, inflationary pressures, GST rate hike, and manpower shortages remain key challenges for retailers in 2023.
- The expected recovery in tourism coupled with limited upcoming supply could provide some support to the demand for retail space, improve occupancy levels, and lead to a broad-based recovery of retail rents, albeit at a moderated pace.

1.4 Singapore Office Market[1]

Existing Office Stock

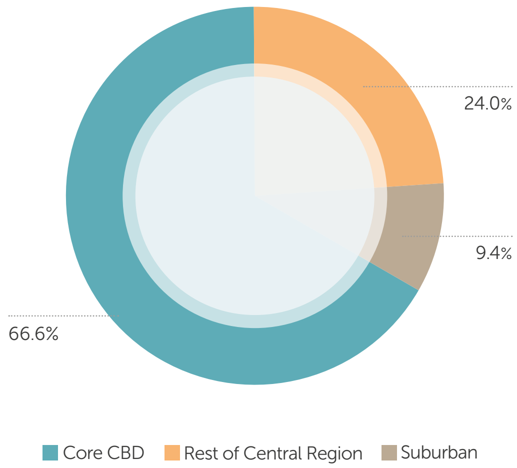
87.0M square feet[2] ↓ **1.1% yoy**

(As at 31 December 2022)

- Singapore's total existing office stock stood at 87.0 million square feet as at 31 December 2022, the bulk of which is concentrated in the Core CBD (66.6%) while the remainder is located in the Rest of Central Region (24.0%) and outside the Central Region (also referred to as the Suburban submarket) (9.4%).
- The Core CBD refers to the Central Area of Singapore, while the Rest of Central Region is also referred to as the City Fringe[3] .
- Office supply has reduced by nearly 926,000 square feet in the market in 2022, mainly due to several developments being taken out of the market for redevelopment and asset enhancement works, such as AXA Tower, Certis Cisco Centre, and Shaw Tower. The key completions in 2022 were Rochester Commons and the redevelopment of Hub Synergy Point, injecting about 266,000 square feet and 131,000 square feet of office NLA into the City Fringe and Core CBD submarkets, respectively.

Office Stock by Submarket

(As at 31 December 2022)



Source: URA, Colliers

[1] All references to floor area refers to NLA, unless otherwise stated.
[2] Source: URA.
[3] The Central Area comprises the following planning areas as defined by the URA: Outram, Museum, Newton, River Valley, Singapore River, Marina South, Marina East, Straits View, Rochor, Orchard and Downtown Core. For the properties owned by MPACT, Mapletree Business City, mTower and Bank of America HarbourFront are located in the City Fringe, while Mapletree Anson is located in the Core CBD.

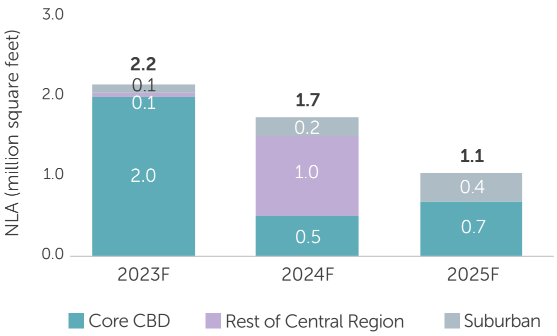
INDEPENDENT MARKET OVERVIEW

Potential Office Supply

5.0M square feet
(From 2023 to 2025)

- Approximately 5.0 million square feet of space is expected to be delivered from 2023 to 2025, translating into an average of 1.7 million square feet per year, higher than the past five-year annual average of 1.1 million square feet.
- Overall, the Core CBD submarket accounts for the majority of upcoming office supply, representing 64.8% of new supply from 2023 to 2025. The City Fringe and Suburban submarkets will account for 21.4% and 13.8%, respectively.
- Within the Alexandra/HarbourFront submarket, Labrador Tower is expected to add about 681,400 square feet of space in 2024. Within the Core CBD (Tanjong Pagar/Anson submarket), Keppel South Central and Newport Tower are expected to add about 526,100 square feet and 262,600 square feet of space in 2024 and 2025, respectively.

Potential Supply by Submarket



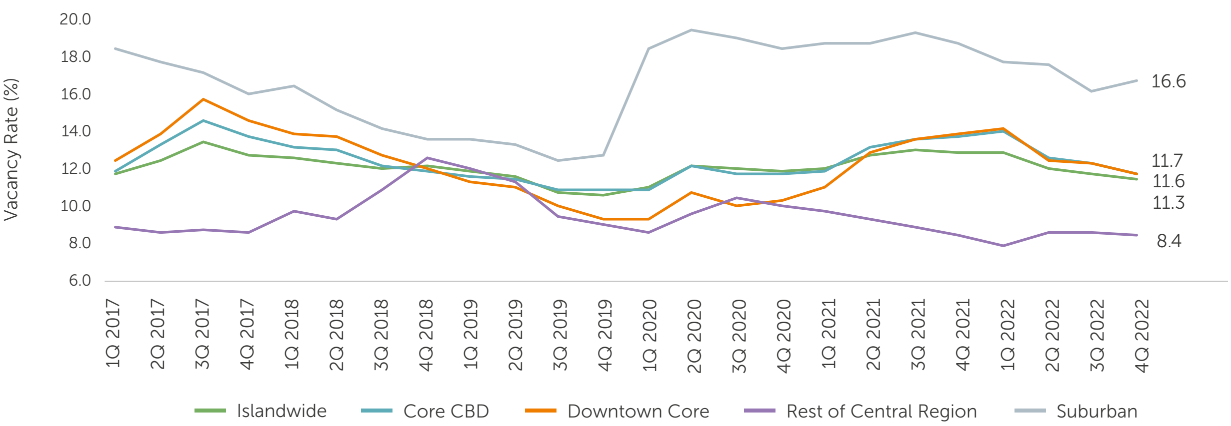
Source: URA, Colliers, Project Announcements

Office Vacancy Rate

11.3%[1] **1.5 p.p. yoy**
(Islandwide as at 31 December 2022)

- Islandwide office vacancy rate tightened to 11.3% as at 31 December 2022, 1.5 p.p. lower than the year before.
- The easing of restrictions since April 2022 had fuelled a strong back-to-office momentum, which supported a broad-based tightening of vacancy rates.
- Vacancy rates as at 31 December 2022 in the Downtown Core and Core CBD were 11.7% and 11.6%, respectively, tightening by about 2.1 and 2.0 p.p., respectively, from the year before. The CBD remains the preferred submarket for premium and good quality office assets, amid occupiers' ongoing flight-to-quality. The tight office supply and limited office space availability in the CBD further pushed CBD occupancy rates upward during 2022.
- Vacancy rate in the City Fringe remained flat at 8.4% in 2022, the lowest among all submarkets. It is notable that the vacancy rate in the City Fringe has remained at or below 10% for the past four years despite COVID-19 and work-from-home arrangements. The quality of assets, proximity to the CBD, relatively reasonable rents, and the current tight office supply situation in the CBD cemented the City Fringe as a popular and resilient office submarket.
- In the first quarter of 2023, islandwide office vacancy rate dipped slightly by 0.1 p.p. qoq to 11.2%, largely due to a continued recovery in leasing demand on the back of tight vacancies and flight-to-quality moves, despite additional supply in the Core CBD from the completion of Guoco Midtown.

Vacancy Rate by Submarket



Source: URA, Colliers

[1] This refers to the islandwide average vacancy rate of all office properties and is published by the URA.

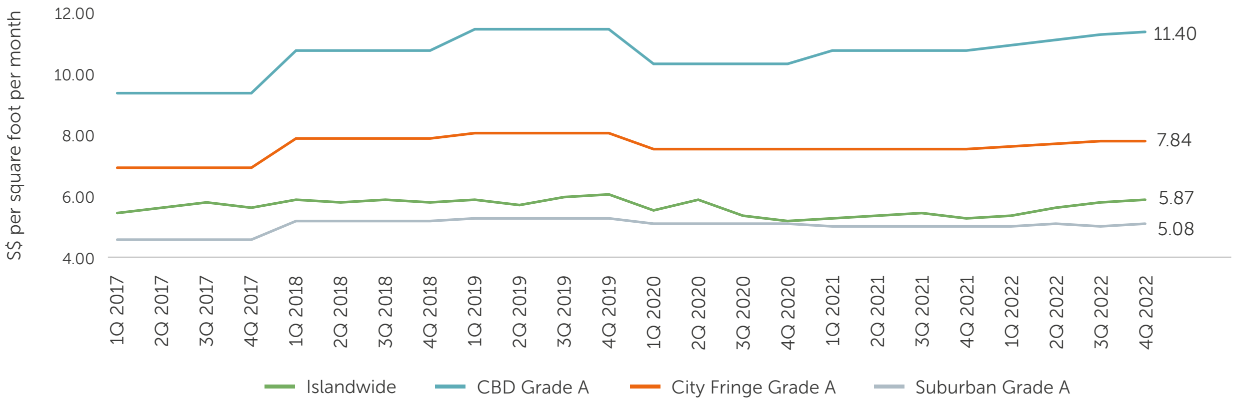
Average Office Rent

S$**5.87**
per square foot per month[1]
(Islandwide as at 31 December 2022)

↑ **11.0% yoy**

- Average islandwide office rent increased 11.0% yoy to S$5.87 per square foot per month as at 31 December 2022.
- Higher rents were partly driven by increased service charges as some landlords passed on higher operating costs to tenants arising from higher utilities.
- Grade A office rents in the CBD and City Fringe picked up pace in 2022 with a yoy growth of 5.9% and 4.5%, respectively.
- In the first quarter of 2023, islandwide office rent rose by 7.0% qoq to S$6.28 per square foot per month, led by sustained growth in leasing demand. However, rental growth in the Grade A segments has slowed from the previous quarter amid a reduction in occupier leasing demand.

Office Rent by Submarket



Source: URA (Islandwide Rent), Colliers (Submarket Rents)

Office Net Take-up[2]

0.5M square feet[3]
(Islandwide in 2022)

From -0.6m square feet

- Office leasing demand rebounded from two consecutive years of negative absorption to record islandwide net absorption of nearly 0.5 million square feet in 2022.
- Work-from-home requirements were gradually lifted towards the end of 2021 to allow more employees to return to physical offices. As Singapore transitioned to an endemic phase, the return and pick-up in business activities had supported broad-based office leasing confidence and demand in 2022.
- Office demand in Singapore's CBD has historically been driven by core sectors such as banking & finance, professional services, and energy & shipping. However, there has been an increase in demand from technology, media, and telecom occupiers in recent years due to the rapid growth in technology and digital economy globally. On the other hand, non-core occupier sectors have seen a decline in demand and have gradually moved out of the CBD. Towards the end of 2022, leasing demand from technology firms tapered off in tandem with the sector's slowdown, leading to the emergence of shadow space.
- In the first quarter of 2023, islandwide net absorption increased further to about 226,000 square feet, up significantly from about 97,000 square feet in the previous quarter, with all submarkets recording positive demand except for the Suburban submarket.

1 This refers to the islandwide median gross monthly rent of all office space and is published by URA.
2 Net take-up is the sum of space that became occupied during the year minus the sum of space that was vacated over the course of the year.
3 Source: URA.

INDEPENDENT MARKET OVERVIEW

Average CBD Grade A Office Capital Value
S$**3,050** per square foot ↑ **5.2% yoy**
(As at 31 December 2022)

Average CBD Grade A Office Yield
3.3% **Unchanged yoy**
(As at 31 December 2022)

- CBD Grade A capital value rose slightly to S$3,050 per square foot while the yield remained flat at 3.3% as at 31 December 2022 as compared to 31 December 2021 on the back of positive rental growth and tight supply.
- In the first quarter of 2023, CBD Grade A office capital value and yield remained flat due to limited transactions as well as the strong holding power and long–term view held by asset owners.
- In spite of the rising interest rate environment in the short term, it is expected that the Singapore market will record moderate capital appreciation of office assets in the medium to long term given the strong occupier demand, rising rental rates and Singapore's strong economic fundamentals.

Office Trends

- Evolving needs of occupiers and industries have led to changes in office locations, facilities, and formats over the years. This includes the rise of flexible workspace formats, decentralised office locations, and emphasis on sustainability and wellness elements in offices. The technology industry boom has also created a new demand driver for Singapore's office sector in recent years, especially with the increasing presence of Asian technology occupiers in the CBD. This demand has however slowed down in 2022.

Office Outlook

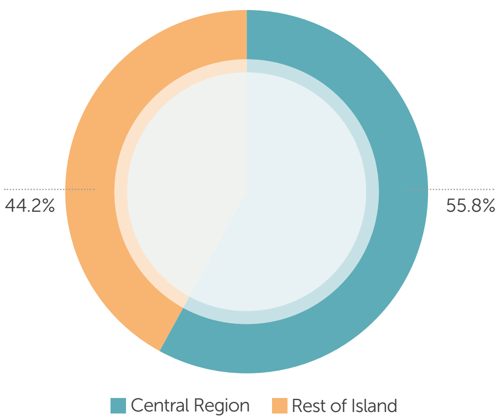
- Weaker economic outlook, inflationary pressures, and rising borrowing costs may make occupiers take on a more cautious approach in 2023, resulting in a slowdown in office leasing demand. As global technology firms continue to consolidate space and reduce headcounts, shadow space is expected to increase further and may become more difficult to backfill.
- Nonetheless, with Singapore's reputation as an international financial hub and safe capital haven, occupiers of other industries may be able to support demand and backfill a portion of the vacated space. These include traditional occupiers from banking and finance, fast-moving consumer goods ("FMCGs"), legal sectors, and increasingly others including family office, asset managers (particularly set-ups from Chinese companies), energy, biotech and hardware companies.
- As significant new supply is expected from 2023 onwards, vacancy rates are expected to edge up islandwide and in the CBD. Coupled with weakened market dynamics, rental rates are expected to increase in 2023 but at a slower pace islandwide and in the CBD.

1.5 Singapore Business Park Market[1]

Existing Business Park Stock
25.6M square feet[2] ↑ **4.3% yoy**
(As at 31 December 2022)

- Singapore's total existing business park stock stood at 25.6 million square feet of NLA as at 31 December 2022, the bulk of which is clustered in selected areas of the Central Region (55.8%) while the remaining is located across the Rest of Island (44.2%).
- The Central Region comprises the Queenstown planning area, and the business parks in the region (Mapletree Business City, one-north, and Singapore Science Park). The Rest of Island is made up of supply in the East Region (which comprises Bedok and Tampines planning areas) and the West Region (which comprises Jurong East and Western Water Catchment planning areas)[3].
- Approximately 1.1 million square feet NLA of net new business park supply was added to the market in 2022. Some key new projects completed in 2022 are CleanTech Three (222,400 square feet), Perennial Business City (62,000 square feet), and Surbana Jurong Campus (55,800 square feet) in the Rest of Island (West Region) submarket[4].

Business Park Stock by Submarket
(As at 31 December 2022)



Source: JTC Corporation, Colliers

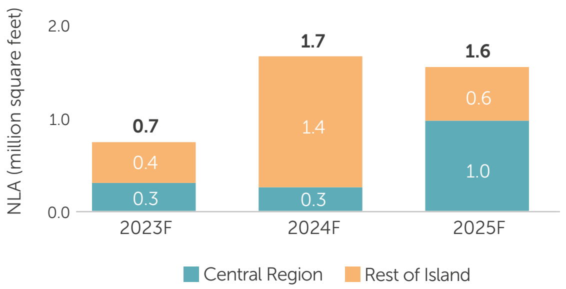
1 All references to floor area refer to NLA, unless otherwise stated.
2 Source: JTC Corporation.
3 Mapletree Business City, owned by MPACT, is located in the Central Region.
4 Figures do not represent the full project NLA due to phased completions.

Potential Business Park Supply

4.0M square feet
(From 2023 to 2025)

- Approximately 4.0 million square feet of business park space is expected to be delivered from 2023 to 2025, translating into an average of 1.3 million square feet per year, higher than the past five-year annual average of 0.5 million square feet.
- Overall, the Rest of Island submarket will account for the majority of upcoming business park supply, representing 61.9% of new supply from 2023 to 2025. The Central Region will account for the remaining 38.1%.
- Within the Central Region, Elementum is expected to add close to 0.3 million square feet of new supply in 2023, while 7 Science Park Drive and 1 Science Park Drive are expected to add about 0.3 million square feet and 1.0 million square feet of new supply in 2024 and 2025, respectively, in the Buona Vista/one-north submarkets.

Potential Supply by Submarket



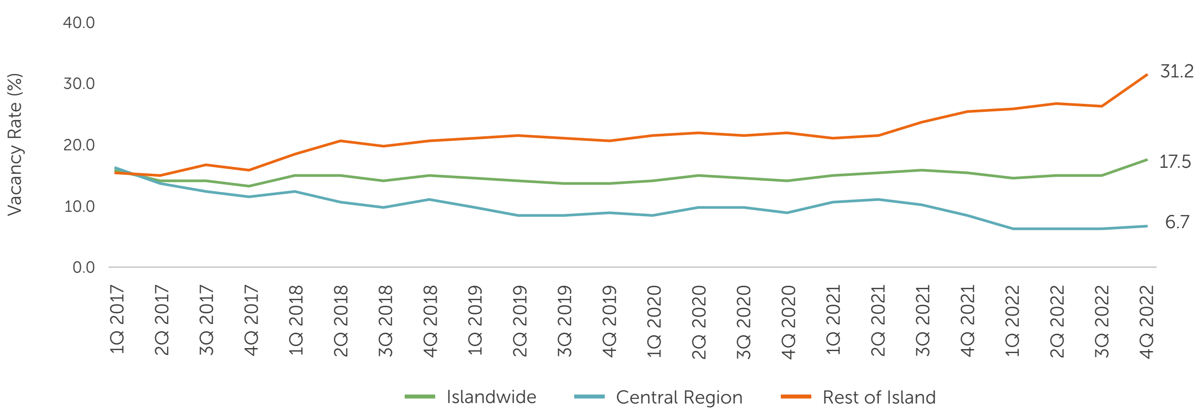
Source: JTC Corporation, Colliers

Business Park Vacancy Rate

17.5%[1] ↑ 2.0 p.p. yoy
(Islandwide as at 31 December 2022)

- Islandwide business park vacancy rate rose 2.0 p.p. from 31 December 2021 to 17.5% as at 31 December 2022, the highest vacancy rate observed since the third quarter of 2016.
- Vacancy rates compressed from 2017 to 2021 on the back of overall tight supply in the market, but rose again in 2022 mainly due to the injection of new business park supply in the market.
- As all the newly completed projects are located in the Rest of Island, vacancy rates for this submarket increased the most to 31.2% as at 31 December 2022, the highest vacancy level observed over the past seven years. Particularly in the West Region, where CleanTech Three, Perennial Business City and Surbana Jurong Campus are located, vacancy rates climbed to 39.3% as at 31 December 2022.
- On the other hand, the Central Region recorded its lowest vacancy rate in seven years, closing 2022 at 6.7%. Supply has been tight for the Central Region submarket and most of the newly completed projects in the past three years were built-to-suit headquarters and facilities.
- In the first quarter of 2023, islandwide business park vacancy rate increased by 1.2 p.p. qoq to 18.7%, largely due to new supply additions in the Rest of Island submarket. The vacancy rate in the Central Region rose to 7.7% but remained considerably lower than historical levels.

Vacancy Rate by Submarket



Source: JTC Corporation, Colliers

[1] This refers to the islandwide average vacancy rate of all business park properties and is published by the JTC Corporation.

INDEPENDENT MARKET OVERVIEW

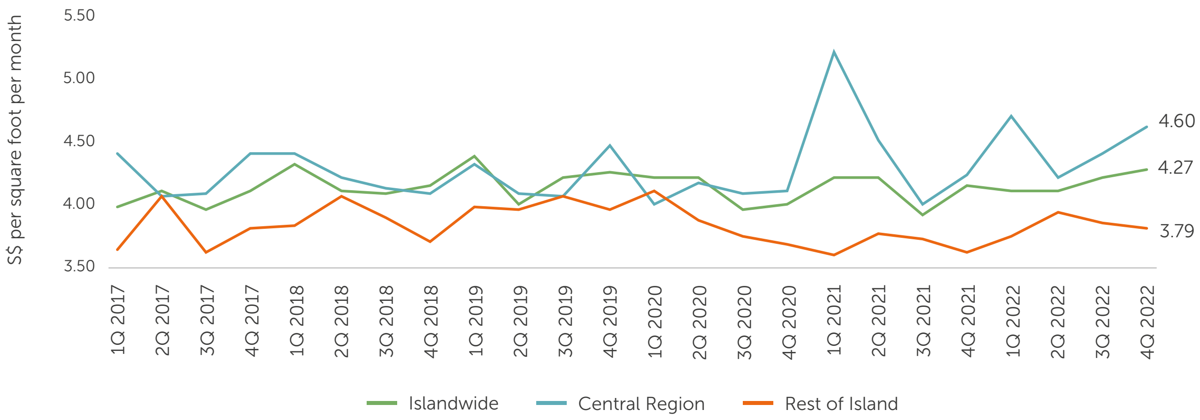
Average Business Park Rent

S$**4.27** per square foot per month[1] (Islandwide as at 31 December 2022)

↑ **3.4% yoy**

- Average islandwide business park rent was S$4.27 per square foot per month as at 31 December 2022, 3.4% higher yoy. Higher rents were partly driven by increased service charges from some landlords as a result of higher operational costs.
- Average rent for the Central Region submarket was S$4.60 per square foot per month as at 31 December 2022, 9.0% higher than 31 December 2021. The sustained rental growth was driven by overall tight vacancy in the region, especially in the City Fringe areas particularly supported by high value-add and knowledge industries coupled with limited supply.
- Average rent in the Rest of Island submarket also grew by 5.3% to S$3.79 per square foot per month as at 31 December 2022, due to improved business park space demand for the year despite the increase in vacancy.
- In the first quarter of 2023, islandwide business park rent increased by 3.0% qoq to S$4.40 per square foot per month, mainly driven by a spike in average rent in the West Region arising from newly completed developments. Rent in the Central Region dipped slightly to S$4.40 per square foot per month but remained comparable to historical levels.

Business Park Rent by Submarket



Source: JTC Corporation, Colliers

Business Park Net Take-up[2]

0.4M square feet[3] (In 2022)

↓ **18.3% yoy**

- Demand for business park space observed a slowdown with islandwide net absorption of about 0.4 million square feet in 2022, mainly due to a fall in demand in the Central Region. This was 18.3% lower than 2021.
- After a year of strong leasing demand from 2Q 2021 to 1Q 2022, the Central Region submarket recorded three consecutive quarters of negative take-up towards the end of 2022. Downturn in the technology sector has impacted business park space leasing during the year, including SEA Group's termination of about 200,000 square feet of business park space at Rochester Commons in Buona Vista/one-north.
- Nonetheless, occupiers of other high-value and knowledge industries had lent some support to leasing demand. The Central Region recorded a net absorption of nearly 0.3 million square feet in 2022 due to a strong take-up at the start of the year.
- The Rest of Island submarket registered its first positive net absorption of approximately 0.1 million square feet in 2022, reversing the overall negative

1 This refers to the average islandwide monthly unit contracted gross rent of all business park space as declared by tenants to Inland Revenue Authority of Singapore through its e-Stamping system and is published by the JTC Corporation. Contracted gross rent includes the base rent and all charges in connection with the lease (such as additional rent, service charge, payment for hire of fittings or equipment, fees for advertising and promotion). It may or may not include any rent-free period and other incentives.
2 Net take-up is the sum of space that became occupied during the year minus the sum of space that was vacated over the course of the year.
3 Source: JTC Corporation.

take-up which had impacted the submarket from 2017 to 2021. The introduction of new business park supply including CleanTech Three and Perennial Business City in the West Region had boosted leasing activities in the Rest of Island submarket.

- In the first quarter of 2023, islandwide net absorption reverted to a negative level for the first time since the fourth quarter of 2021 at near -200,000 square feet, with all submarkets recording negative demand except for the Rest of Island (West Region). Weaker business sentiments along with manufacturing output contractions contributed to occupiers' re-evaluation and consolidation of business park space.

Average Business Park Capital Value

S$**1,100**
per square foot
(As at 31 December 2022)

Unchanged yoy

Average Business Park Yield

6.2%
(As at 31 December 2022)

Unchanged yoy

- There were no business park transactions in 2022, as business park assets continued to be tightly held by landlords.
- In the absence of business park transactions, there were no direct comparables to revise yields for business parks despite the increase of interest rates. Based on Colliers' valuation metrics, the average net market yield and capital value have remained flat in 2022.
- In the first quarter of 2023, islandwide business park capital value and yield continued to remain flat with no transactional evidence.

Outlook

- Global economic uncertainties have weakened the outlook of outward-oriented sectors including manufacturing industries, and continued layoffs in the technology sector are expected to weigh down demand for business park space in 2023.
- Weakened market dynamics coupled with the remaining new supply to be injected into the market will likely lead to further increase in vacancy levels islandwide, and more significantly in the Rest of Island submarket. Islandwide rents are expected to remain flat or stable with minimal growth in 2023 despite the expected rise in vacancy, as new, good quality business parks will command higher rental rates.
- In the long-run, Singapore's business park market is expected to remain attractive given the government's continued efforts to elevate the country as a leading advanced manufacturing, innovation and research hub with a focus on high-value and knowledge-intensive industries.

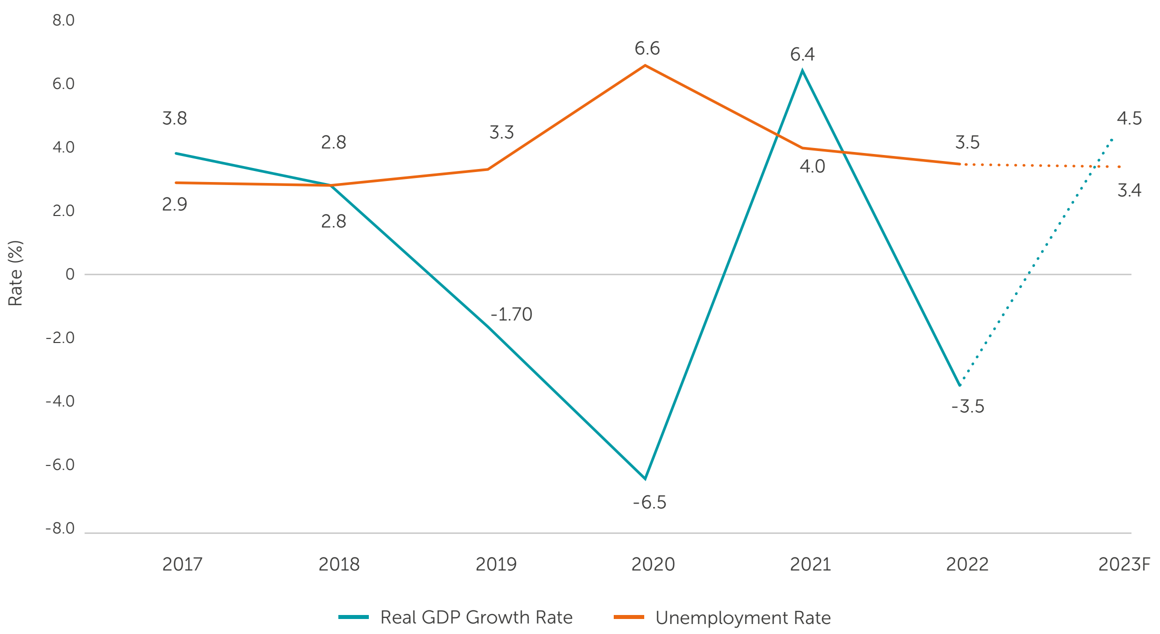
INDEPENDENT MARKET OVERVIEW

Hong Kong

1.1 Economy

- The Hong Kong economy in 2022 was largely impacted by prolonged COVID-19 measures and spillover effects from China's zero-COVID policies. With its borders almost fully closed in the first three quarters of 2022, the hospitality, retail and leisure sectors were the hardest hit. In addition, weakening global demand and higher interest rates hit exports and spending, resulting in a 3.5% yoy contraction of the economy in 2022. A strong Hong Kong Dollar made exports from the city increasingly expensive for trade partners other than the US and potentially contributed to a slowdown in export figures. The weakening trade outlook, Russia-Ukraine conflict and the potential decoupling of China and US also further impacted the economy.
- Due to a considerable net outflow of people, Hong Kong's population recorded a yoy drop of 0.9% in 2022.
- Despite the economic slowdown, the unemployment rate edged down from 4.0% in 2021 to 3.5% at the end of 2022, inching closer to pre-pandemic levels. This was a result of the abolishment of most COVID-19 measures.
- In its latest 2023-24 Budget, the government announced plans to spend HKD250 million on events, with an additional HKD300 million for international meetings, conventions and exhibitions. Hong Kong will also give away 500,000 flight tickets, as well as a welcome pack with vouchers and coupons for 1 million visitors as part of the Hello Hong Kong campaign to revive the economy. With the lifting of the mask mandate from 1 March 2023, Hong Kong is poised to return to normalcy. A new round of consumption vouchers to Hong Kong residents is also expected to boost local consumption in 2023. Overall, Hong Kong's GDP is forecast to grow between 3.5% to 5.5% in 2023.

Real GDP Growth Rate and Unemployment Rate



Source: GDP and Unemployment figures from 2017 to 2022 are from the Census and Statistics Department. GDP forecast figure 2023 is from the Government of the Hong Kong SAR and unemployment rate forecast figure is from the International Monetary Fund.

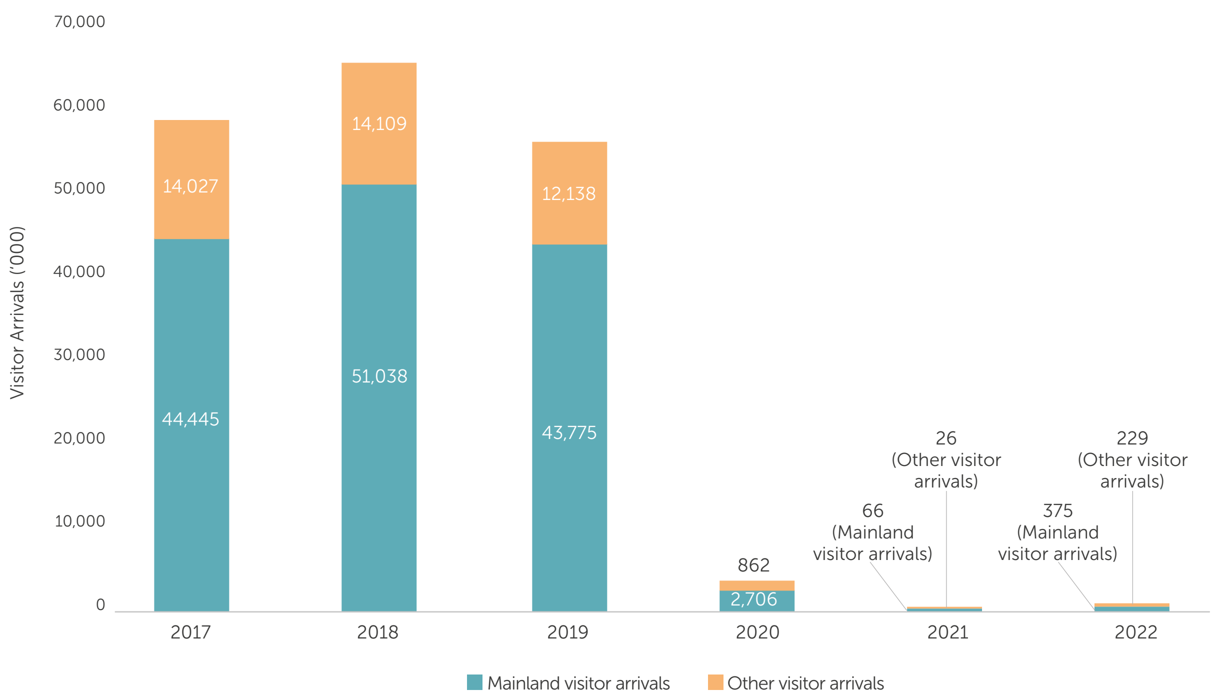
Tourist Arrivals

605,000
(In 2022)

↑ **561.5% yoy**

- Hong Kong's visitor arrival numbers started to recover from 91,398 in 2021 to 604,564 in 2022, mainly due to the relaxation of COVID-19 measures. As a result, a yoy growth of 561.5% was recorded. However, the total number of visitors in 2022 was only around 1% of the visitors in 2019.
- Compared to a low base in 2021, the number of Mainland Chinese visitors rose by 470.8% yoy in 2022 due mainly to the lifting of entry ban on non-residents in May 2022 and the relaxation on quarantine requirements from September to December 2022. With a shift away from 'zero-COVID' in Mainland China and a pent-up desire to travel, the upward trend of Mainland Chinese arrival numbers is expected to continue.
- As visitor arrivals picked up after the re-opening of all cross-border checkpoints with Mainland China and the removal of all COVID-related measures, the total number of visitors of 1Q 2023 was around 4.4 million, recording a qoq growth of 1,144%.

Visitor Arrivals



Source: Hong Kong Tourism Board

INDEPENDENT MARKET OVERVIEW

Total Retail Sales

HKD**350.0**B (In 2022)

↓ **0.8% yoy**

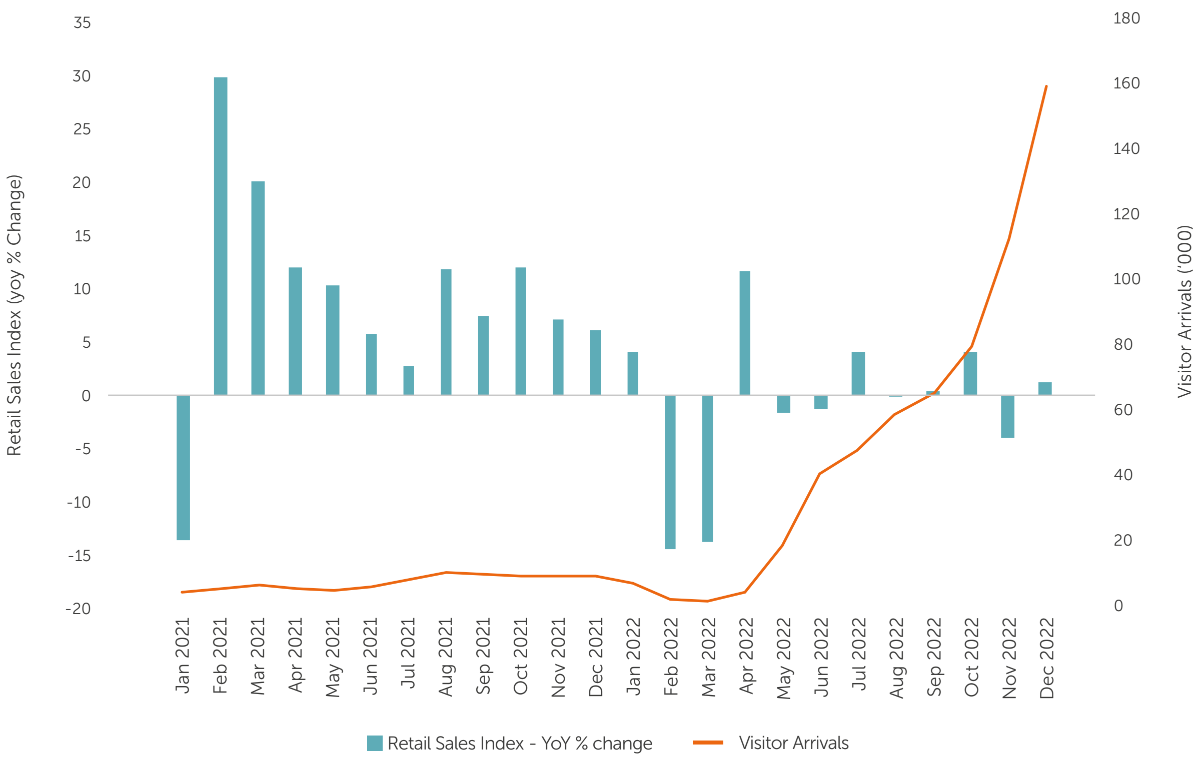
- Overall, retail sales contracted 0.8% yoy in 2022. Retail sales in the first quarter of 2022 were tepid due to stringent pandemic measures implemented in 1Q 2022. There was an uptick in sales since April 2022 as a result of the gradual relaxation of COVID-19 restrictions and the Government's 2022 consumption voucher scheme to drive local consumption and accelerate the economic recovery.
- However, the re-introduction of quarantine-free travel resulted in Hong Kong residents resuming outbound international travel. Consequently, the uptick in retail sales in 2H 2022 was dampened by the significant number of Hong Kong residents travelling abroad.
- Retail sales increased by 24.1% in 1Q 2023 yoy to HKD102.9 billion. The removal of COVID-19 restrictions in March 2023, re-opening of the border with mainland China, as well as the low base in 1Q 2022 facilitated a significant increase in retail sales, with the cosmeceutical sector emerging as a major demand driver.

Online Retail Sales

12.0% of Total Retail Sales (As at 31 December 2022)

- The value of online retail sales increased by 20.7% yoy to HKD34.6 billion in 2022. The proportion of online retail sales also grew from 10.8% as at 31 December 2021 to 12.0% as at 31 December 2022. The increment was mainly driven by a new series of consumption vouchers, which were also valid for online spending, and the online shopping habits that developed during the pandemic.
- In response to the online shopping trend and decreasing footfall during the pandemic, shopping malls launched incentive loyalty programmes with exclusive discounts and reward systems, and also provided pick-up lockers.
- The proportion of online sales dropped by 4.1 p.p. yoy to 7.6% in 1Q 2023. The cancellation of all COVID-19 restrictions encouraged consumers to return to in-person shopping and social activities, leading to a shift back to physical shopping.

Retail Sales Index (yoy Change) and Visitor Arrivals



Source: Retail Sales figures are from the Census and Statistics Department and Tourist Arrivals figures are from the Hong Kong Tourism Board

1.2 Hong Kong Retail Market[1]

Existing Shopping Mall Stock

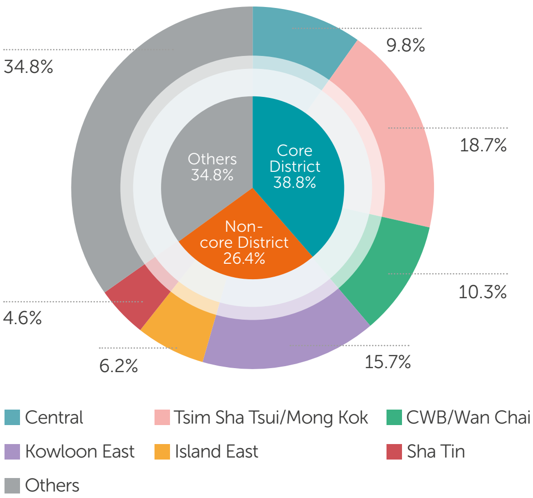
125.9M square feet[2] ↑ **0.7% yoy**

(As at 31 December 2022)

- Hong Kong's retail market's core districts are Central, Tsim Sha Tsui/Mong Kok and Causeway Bay ("CWB")/Wan Chai. Together with the non-core or decentralised areas of Kowloon East[3], Island East and Sha Tin, they form the city's six key retail districts.
- The core districts constitute around 38.8% of Hong Kong's retail stock while the non-core districts take up 26.4% of Hong Kong's retail stock, respectively.
- Retail shopping mall new supply in 2022 was around 1.3 million square feet, with Airside in Kai Tak, The Wai in Sha Tin, The Millennity in Kwun Tong, YOHO Mix and One North in Yuen Long obtaining their occupation permits. As of 1Q 2023, these shopping malls were still in their pre-leasing stage, with targeted grand opening dates in 2H 2023.

Retail Stock by Submarket

(As at 31 December 2022)



Source: Rating and Valuation Department, Colliers Research

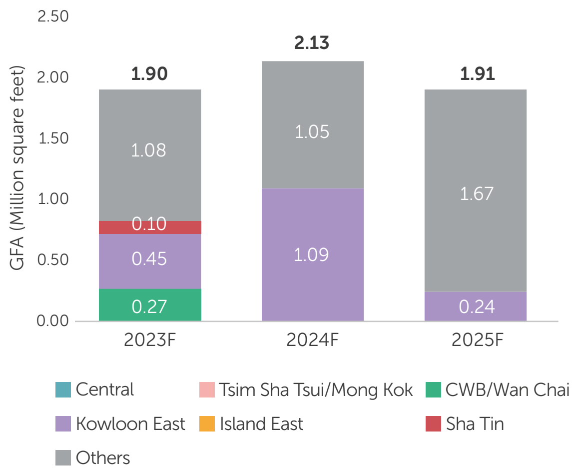
Potential Shopping Mall Supply

5.9M square feet[4]

(From 2023 to 2025)

- About 1.9 million square feet of new retail space is due to enter the market in 2023. New supply is mostly from newly developed areas such as SOGO Kai Tak Phase 1 in Kai Tak and 11 Skies (Retail Portion – Phase 1) in Chek Lap Kok.
- With 1.1 million square feet, Kowloon East has the lion's share of potential retail supply in 2024, with most of the supply concentrated in Kai Tak. However, considering the strong pipeline of residential developments in Kowloon East including CK Asset's NKIL 6604 and NKIL 6649, retail shopping malls in Kowloon East including Festival Walk are forecasted to benefit from a population inflow in the catchment areas.

Potential Supply by Submarket



Source: Rating and Valuation Department, Colliers Research

1 All data and figures on the retail market are from Colliers International (Hong Kong) Limited and relate to the six key retail districts as defined on this page, unless otherwise stated. All references to floor area refer to GFA, unless otherwise stated.
2 Source: Rating & Valuation Department. Net floor area was converted to GFA for the purpose of this report.
3 MPACT's Festival Walk is located in the Kowloon East submarket.
4 According to the Buildings Department's Monthly Digest, Occupation Permit (OP) has been issued for The Arles (The Mall). As this building has not announced its official opening date, we have included the area of The Arles (The Mall) in the calculation of the potential supply for 2023.

INDEPENDENT MARKET OVERVIEW

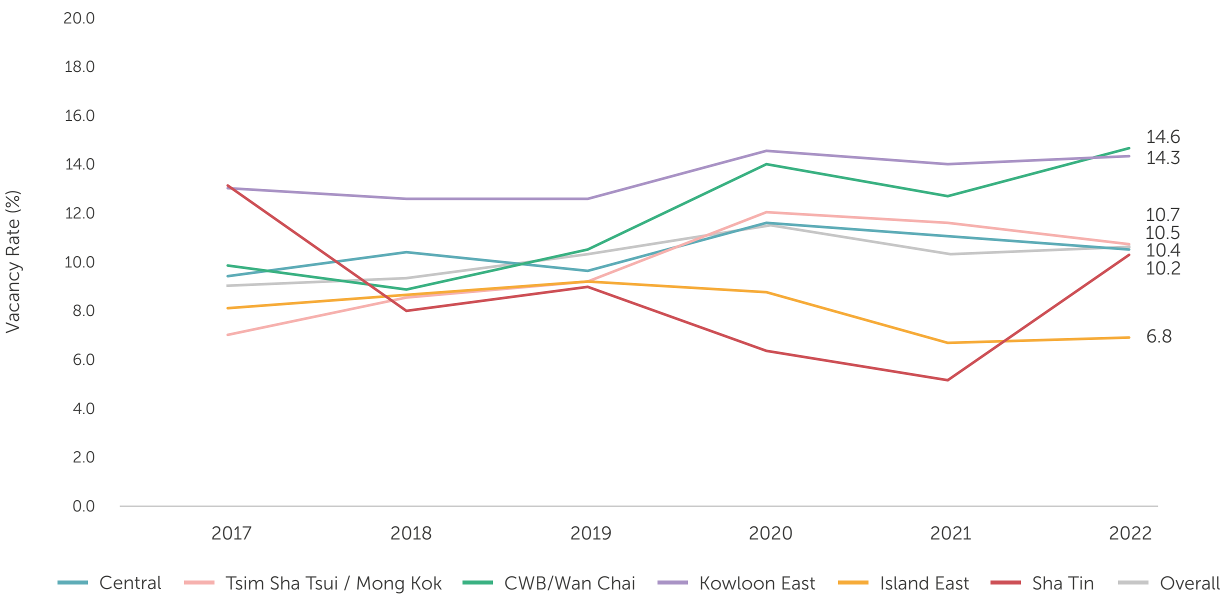
Retail Vacancy Rate

10.5%[1] ↑ **0.3 p.p.**

(Overall as at 31 December 2022)

- Vacancy rates in the first half of 2022 were severely impacted by the 'Fifth Wave". As a result, although there was a slight improvement in vacancy rates in the second half of 2022 with a marginal recovery in demand, the overall retail vacancy rate still increased by 0.3 p.p. to 10.5% at the end of 2022.
- While the overall retail vacancy rate went up by 0.3 p.p. yoy, prime shopping malls in the core districts fared slightly better, driven by the easing of pandemic-related restrictions and an increase of incentives offered by landlords.
- Supported by an improved local retail demand in the aftermath of the "Fifth Wave", the vacancy rate of retail properties in Kowloon East increased only 0.3 p.p. yoy to 14.3%.

Vacancy Rate by Submarket



Source: Rating and Valuation Department, Colliers Research

Average Shopping Mall Rent[2]

HKD**279** ↓ **4.2% yoy**

per square foot per month

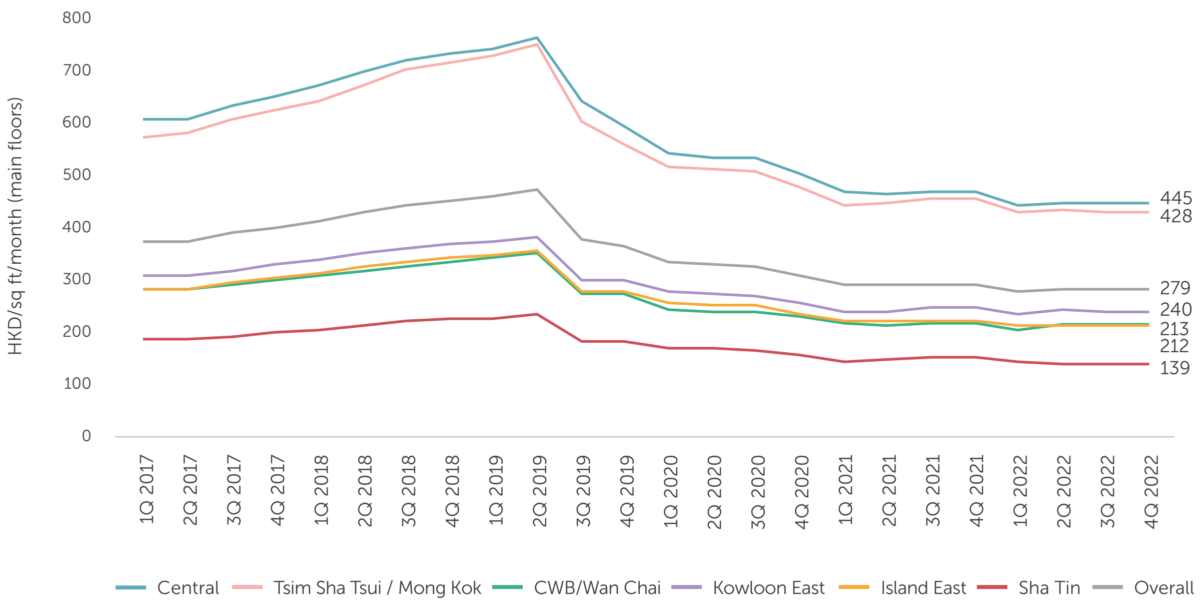
(Overall as at 31 December 2022)

- Removal of restrictions on public gatherings, social activities and dining-table headcounts stimulated consumers' appetite for spending and led to increased footfall, which helped to partially stabilise rents. However, the "Fifth Wave" and its adverse effects outweighed these measures and together with an increase in rent-free periods offered weighed on effective shopping mall rents across all key submarkets, resulting in a 4.2% yoy drop in 2022.
- The full resumption of cross-border travel, abolishment of the remaining pandemic measures and the announcement of a new round of consumption vouchers in 1Q 2023 helped boost market sentiment. As a result, overall shopping mall rents increased by around 2.2% qoq.

1 This refers to the average vacancy rate of all retail properties across Hong Kong, including shopping malls, high street shops and retail podiums and is published by the Rating and Valuation Department.

2 Refers to the rents of shops situated on main floors of the shopping malls from Colliers' database. Main floors are the floors with the highest amount of footfall within a shopping mall.

Retail Rent by Submarket



Source: Rating and Valuation Department

Leasing Demand

- Due to COVID-19 restrictions, retail demand remained soft at the beginning of 2022. However, leasing momentum in core districts recovered slightly from the second quarter of 2022 as some COVID-19 restrictions were gradually eased and key international brands sought new leases or relocated to core districts.
- Despite the anticipated return of tourists which helped boost leasing demand, tenants in shopping malls retained a cautious outlook as increasing numbers of Hong Kong locals headed abroad following the relaxation of COVID-19 regulations.
- In 1Q 2023, leasing demand came primarily from pharmaceutical and F&B due to improved local consumption and anticipated demand from Mainland Chinese tourists.

Average Retail Capital Value[1]

HKD**33,288**
per square foot
(As at 31 December 2022)

↓ **17.5% yoy**

Average Retail Yield[1]

2.6%
(As at 31 December 2022)

↑ **0.1 p.p. yoy**

- Average capital value dropped 17.5%[2] yoy from HKD40,330 per square foot as at end of 4Q 2021 to HKD33,288 per square foot as at end of 4Q 2022, arising from a limited number of transactions with untypically low capital values in Kowloon and the New Territories. Rising interest rates and an uncertain economic outlook led to a decrease in investor demand and a decline in prices.
- Higher interest rates led to a slowdown in transaction activity as the buyer-seller price gap widened. With limited data points, yields only moved up slightly.

[1] Information published by the Rating and Valuation Department includes shopping malls, high street shops and retail podiums across Hong Kong. 2022 data is provisional at this stage.

[2] Due to a limited number of willing sellers, the above information on capital values and net yields was derived from a basket of limited retail transactions and distressed sales in 4Q 2022, which were not entirely representative of general market expectations following the global interest hike cycle. Therefore, the information is for reference only and should be treated with caution before making general conclusions.

INDEPENDENT MARKET OVERVIEW

- The retail sector came into focus after the border re-opening, with individual investors being the majority of the buyers. For the limited transactions that took place in 1Q 2023, capital value increased 20.1% qoq, while the average retail yield expanded by 0.1 p.p. to 2.7%.

Key Retail Trends

- Retailers recognise the need to invest more in digital and e-commerce as online sales grow and will continue to integrate their brick-and-mortar stores with their online presence. Meanwhile, landlords will seek to enhance the offerings to support hybrid shopping models by providing self-collection lockers at carpark receptions and near the concierge. Loyalty programmes and free carparking promotions will also be used to attract more footfall.
- Local consumption will remain a significant driver for the market in the first half of 2023, buoyed by the disbursement of HKD5,000 consumption vouchers by the Government. In the second half of 2023, a more noticeable retail demand is expected from Mainland Chinese tourists. Premium lifestyle & accessories, health-related trades and the family entertainment sector will continue to expand due to strong demand from local shoppers and day-trippers from the Guangdong province. Luxury goods and cosmetics will also pick up gradually.
- A potential shift in Mainland Chinese visitors' shopping patterns, like a focus on essentials and online shopping brought about by the pandemic over the past three years, may paint a new picture of the retail market.

Outlook

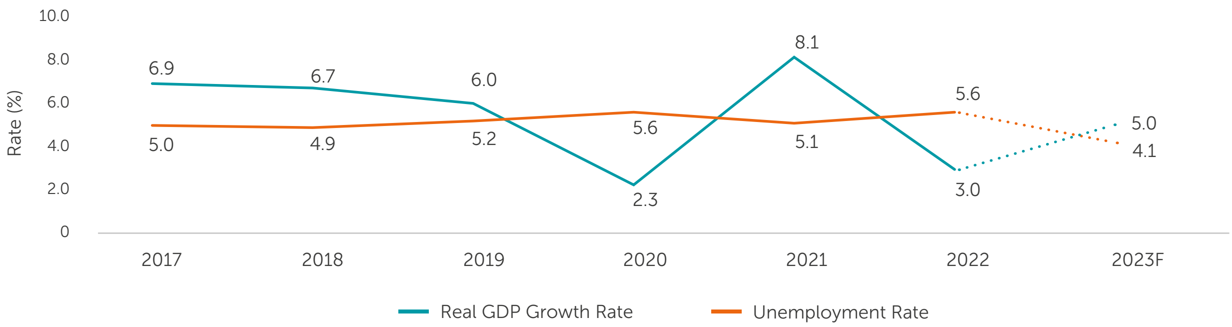
- Approximately 1.9 million square feet of retail supply will enter the market in 2023. However, given improving leasing demand, vacancy rates are expected to gradually decrease as vacant spaces are being absorbed.
- Among the key retail districts, Kowloon East will be the main area for potential supply, in particular Kai Tak. Shopping malls will have to be creative in trying to draw footfall to their premises and stand out against competitors. A considerable population influx with a number of new residential developments should lend support to the retail landscape in Kowloon East.
- Despite the border reopening in January 2023, a more noticeable recovery is only expected from 2H 2023. This is because most of the initial visitors will be Mainland Chinese day-trippers from Guangdong, whose retail demand is primarily focused on groceries and convenience goods. As a result, areas close to the border will benefit first. Core retail districts are expected to benefit from the arrival of overnight visitors from 2H 2023.
- Renminbi has weakened against the Hong Kong Dollar as a result of rate hikes by the US Federal Reserve. While a narrowing currency differential could potentially hurt luxury retail sales, the impact on total retail sales is expected to be mild. After deducting price factors, a 2.9% yoy growth in disposable income per capita in Mainland China was recorded in 2022. The pent-up desire to "revenge-travel" and an increase in disposable income are expected to benefit Hong Kong retail sales in the longer term, should the Mainland visitors return.
- With the end of the pandemic and the return of overseas and Mainland visitors, retail rents are expected to increase in 2023 from a low base. Core retail and tourist districts, namely Central, Causeway Bay/Wan Chai and Tsim Sha Tsui / Mong Kok, will be the main beneficiaries of the border reopening and their rents are expected to outperform other submarkets. On the other hand, neighbourhood districts will likely see more moderate growth backed by local consumption demand.

China

1.1 Economy

- Largely affected by the pandemic and its strict "zero-COVID" policy, economic activities were adversely disrupted in 2022. China's GDP grew at the second slowest pace since 1976 at 3.0% yoy in 2022, 5.1 p.p. down yoy and lower than the 5.5% annual target.
- Subdued consumer demand as a consequence of stringent COVID-19 measures, and a significant drop in China's real estate sector resulted in a stable inflation rate of 2.0%. This translated to a yoy increase of 1.1 p.p. from the low base of 2021.
- The "zero-COVID policy" continued to impact China's labour market. According to the National Bureau of Statistics, urban unemployment increased by half a p.p. yoy to 5.6%.
- The abolishment of China's strict COVID-19 protocol and the opening of its borders on 8 January 2023 are expected to help enterprises and residents resume work and production, and boost economic output.
- However, global economic headwinds such as rising interest rates, the continuation of the war in Ukraine, and tense Sino-US relations are expected to weigh on China's recovery. Consequently, the Chinese government announced a relatively moderate GDP growth target of around 5% for 2023.

Real GDP Growth Rate and Unemployment Rate



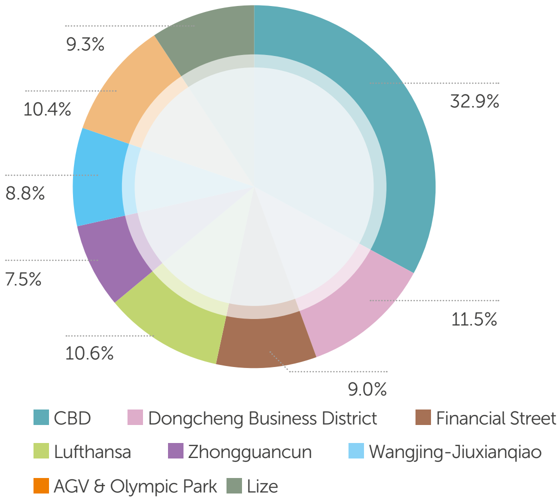
Source: National Bureau of Statistics, Colliers Research[1]

1.2 Beijing Office Market

Existing Grade A Office Stock
10.8 M square metres ↑ **0.6% yoy**
(As at 31 December 2022)

- Beijing comprises eight major office submarkets – the Central Business District ("CBD"), Beijing Financial Street ("BFS"), Zhongguancun ("ZGC"), the Dongcheng Business District[2], Lufthansa, Wangjing-Jiuxianqiao, Asian Game Village ("AGV") & Olympic Park and Lize.
- As at 31 December 2022, the CBD dominated the market with 32.9% (approximately 3.5 million square metres) of the Grade A office stock. The remaining Grade A office stock was split between other major submarkets, with Lufthansa contributing about 10.6%.

Grade A Office Stock by Submarket
(As at 31 December 2022)



Source: Colliers Research[1]

[1] All data and figures on the office market are from Colliers International (Hong Kong) Limited and they relate to the eight office submarkets as outlined on this page. Unless otherwise stated, all area measurements are based on Gross Floor Area ("GFA"). MPACT owns Gateway Plaza, which is located in Lufthansa.

[2] The Dongcheng Business District comprises East Chang'an Avenue and East 2nd Ring.

INDEPENDENT MARKET OVERVIEW

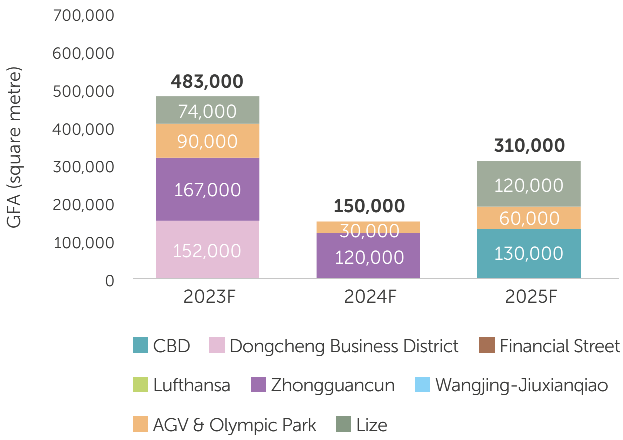
- With an average new supply of 750,000 square metres per year, the city's Grade A office stock has grown to 10.8 million square metres in 2022.
- New office supply was limited in 2022. The only new development, Xiaoyun Road No. 33 in Lufthansa, was launched in 1Q 2022, adding around 65,000 square metres. All projects with an expected completion date in 2Q-4Q 2022 were postponed due to stringent COVID-19 measures and lockdowns.

Potential Grade A Office Supply

0.9M square metres
(From 2023 to 2025)

- With the completion of previously postponed projects in 2023, the market is expecting a short term supply peak of around 483,000 square metres. However, new supply in 2024 and 2025 is set at around 150,000 square metres and 310,000 square metres, respectively. The slowdown in new supply in 2024 and 2025 is expected to ease supply pressures from the market that is facing a surplus of stock in 2023.
- In the next three years, Zhongguancun will add around 287,000 square metres of new space. Completions in the CBD will add 130,000 square metres. AGV & Olympic Park will add 180,000 square metres, Dongcheng Business District around 152,000 square metres and Lize 194,000 square metres. However, no new supply is due in Lufthansa in the near future.

Potential Supply by Submarket



Source: Colliers Research

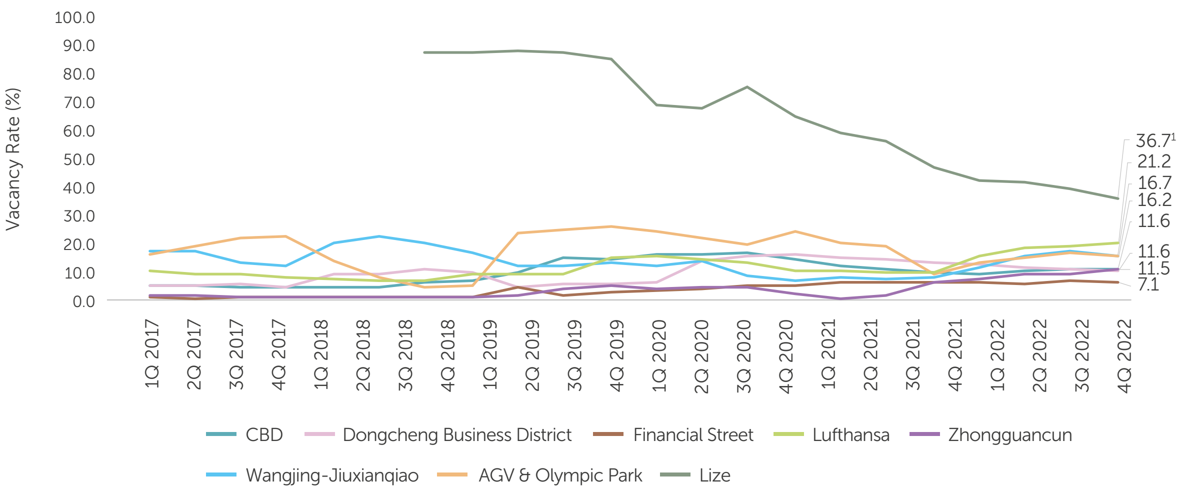
Grade A Office Vacancy Rate[1]

16.0%
(Overall as at 31 December 2022)

↑ **0.9 p.p. yoy**

- As at 31 December 2022, the vacancy rate of Beijing's overall Grade A office market was 16.0%, up 0.9 p.p. yoy. The increase was moderate due to delayed new projects and a slight pick-up in leasing activities towards the year-end, as COVID-19 measures were removed and economic activities partially resumed.
- Affected by strict lockdowns in large parts of Chaoyang in the early part of 2022, Lufthansa's vacancy rate spiked 10.8 p.p. yoy to 21.2%. The completion of Xiaoyun Road No. 33 in Lufthansa further weighed on the district's occupancy rate.
- For 1Q 2023, the overall vacancy rate increased by another 0.9 p.p. qoq to 16.9% due to the changes in space requirements by internet companies.

Vacancy Rate by Submarket



Source: Colliers Research

[1] Data for Lize's Grade A office vacancy rate is only available after 3Q 2018 since it is a newly developed office submarket.

Average Grade A Office Rent[1]

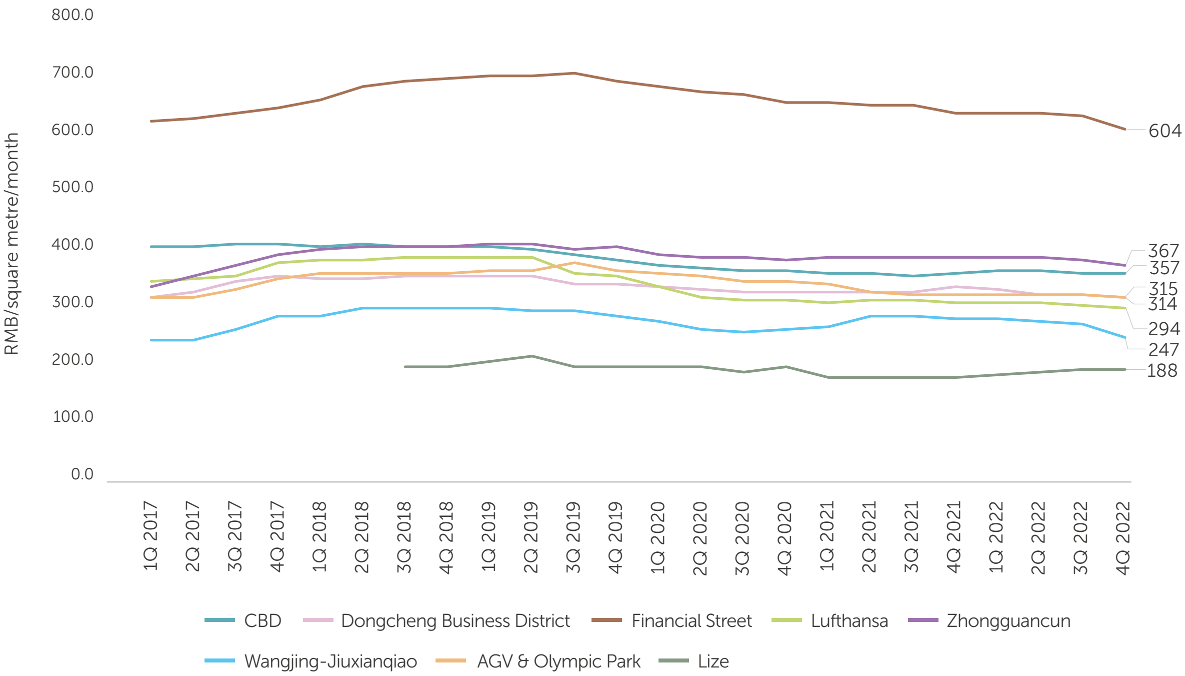
RMB**331** ↓ **2.7% yoy**
per square metre per month
(Overall Net Effective Rent as at 31 December 2022)

- As a result of strict COVID restrictions for most part of the year, Beijing's office rent retreated by 2.7% yoy.
- Lufthansa's rent decreased 3.6% yoy to RMB294 per square metre per month and has been declining since 2019, now almost back to 2016 levels.

The decline in rent was also due to the supply of new Grade A office buildings in neighbouring submarkets such as the CBD. Consequently, landlords of existing properties in Lufthansa were pressured to lower their rents to both retain tenants and attract new ones.

- In 1Q 2023, overall rent dropped by 0.7% qoq to RMB329 per square metre per month due to insufficient demand, oversupply and rising vacancy rates caused by tech companies adjusting their space requirements. Wangjing-Jiuxianqiao and Zhongguancun experienced the largest declines in rent, down 2.5% and 1.4% qoq, respectively.

Grade A Office Rent by Submarket



Source: Colliers Research

Office Net Take-up[2]

-0.06M square metres
(Overall in 2022)

From 1.1 m square metres

- Beijing's net take-up in 2022 was negative at -62,850 square metres, with most demand still coming from finance and professional services companies. The tech sector, one of the key demand drivers in previous years, reported weak demand.

- With companies implementing cost-optimisation measures including reducing office space, 2022's net take-up was down by 1.2 million square metres yoy.
- Lufthansa's net take-up in 2022 was negative at around -65,000 square metres due to COVID-19 restrictions, space adjustments by internet companies and multinational corporations ("MNC"), competition from new supply in the CBD and lowering rental levels in Wangjing-Jiuxiangqiao.

[1] Data for Lize's Grade A office rent is only available after 3Q 2018 as it is a newly developed office submarket.
[2] Net take-up is the sum of space that became occupied during the year minus the sum of space that was vacated over the course of the year.

INDEPENDENT MARKET OVERVIEW

- Net take-up in the Beijing Grade A office market turned negative again in 1Q 2023 at around -58,000 square metres due mainly to tech companies surrendering spaces.

Key Office Trends

- The pandemic has had an adverse impact on office demand, especially from internet technology companies.
- Occupiers prioritised cost optimisation and efficiency enhancement. In a tenant-favoured market, properties with better specifications performed better than older, low-specification buildings, which saw more significant declines in occupancy and rental levels.

Average Grade A Office Capital Value

RMB**73,239** per square metre

(As at 31 December 2022)

↑ **4.2% yoy**

Average Grade A Office Gross Yield

4.5%

(As at 31 December 2022)

↓ **0.3 p.p. yoy**

- Capital value rebounded by 4.2% to RMB73,239 per square metre in 4Q 2022 from a low base a year ago. Although this followed the slight increase in 2021, prices remained below pre-COVID levels.
- The increase in capital value was supported by a slight decline in China's benchmark interest rate in August 2022, which was in contrast to most markets globally where interest rate hikes were prevalent. This was however partially offset by a decline in rental levels. Consequently, the average yield compressed by 0.3 p.p.
- In 1Q 2023, average capital value of transacted office buildings in Beijing picked up slightly by 1.4% qoq following the reversal of the country's "zero-COVID" policy. The gross market yield further compressed to 4.4% due to declining rents and increasing capital values.

Outlook

- Economic activities are expected to recover with the return of nearly all employees to work and a shift away from the "zero-COVID" policy. This in turn is expected to enhance businesses' appetite for expansion and boost office demand in Beijing. Despite these positive signs, macroeconomic headwinds remain due to financial distress of a number of real estate companies, an ageing and declining population, and recession fears of China's important trade partners which could dampen the country's exports.
- With the supply of new high-specification Grade A office space in the CBD, the CBD submarket is expected to outperform others with regards to net take-up. However, Lize, with its significantly lower rents, is likely to remain a popular destination for high-tech companies looking to reduce their overheads.
- Occupancy rates and rents in Lufthansa are expected to remain under pressure due to the space adjustment of internet companies and MNCs, and new supply of office space in neighbouring submarkets. Lufthansa is situated between the CBD and the Wangjing-Jiuxianqiao submarkets. The completion of the south area of the Zhongfu Plot in 2025 in the CBD and lower rental levels in Wangjing-Jiuxianqiao may weigh on Lufthansa's office market performance in the short term.
- During China's "Two Sessions" in March 2023, President Xi underlined the need to optimise the environment for private enterprises, stressing the importance of incorporating equal treatment requirements for state-owned and private enterprises into the system and the law. The State Council further emphasised innovation in science and technology, financial regulation and the digital economy. These measures can potentially support businesses and drive office demand in Beijing by creating a more supportive and equal business environment.

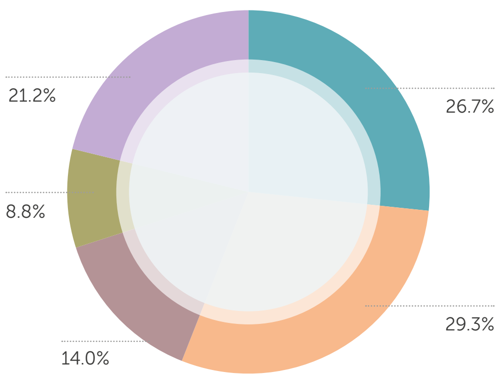
1.3 Shanghai Business Park Market[1]

Existing Grade A Business Park Stock

10.9M square metres[2] ↑ **5.0% yoy**
(As at 31 December 2022)

- As at 31 December 2022, Shanghai's five core business park submarkets, Zhangjiang Science City[3] ("Zhangjiang"), Caohejing, Jinqiao, Linkong, and Shibei accounted for 10.9 million square metres of GFA of Shanghai's business park total stock, increasing 5.0% yoy.
- With 3.2 million square metres and 2.9 million square metres of business park stock, respectively, Caohejing (29.3%) and Zhangjiang (26.7%) accounted for the majority of Shanghai's business park stock.
- A total of around 513,500 square metres of new business park space was completed in 2022. Of the total supply, three properties with an aggregate of over 67,000 square metres, namely ZTE Phase III (2Q 2022, 26,000 square metres), Qingshe Microelectronics Port Building 6 (4Q 2022, 12,000 square metres) and Pinyu Zhangjiang Jiabao Biomedical Industrial Park (4Q 2022, 29,600 square metres), are located in the submarket of Zhangjiang.
- In 1Q 2023, a total new supply of about 145,000 square metres was completed in Shanghai's five core business park submarkets. As a result, the existing stock of the five core business park submarkets increased by 1.3% qoq to 11.0 million square metres.

Business Park Stock by Submarket
(As at 31 December 2022)

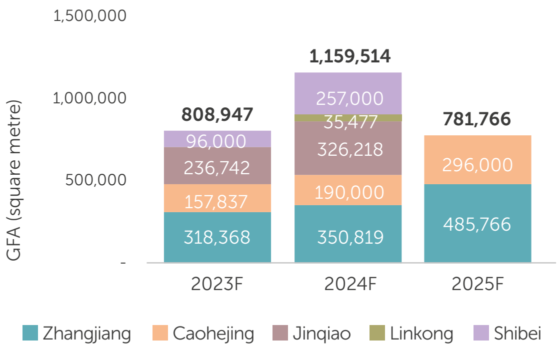


Potential Business Park Supply (2023-2025)

2.8M square metres
(From 2023 to 2025)

- About 2.8 million square metres of business park space supply across the five core business park submarkets are forecast to enter the market between 2023 and 2025, averaging about 920,000 square metres per year. This figure is higher compared to 2018-2022's annual average of 721,000 square metres as delayed projects in 2022 are expected to be completed in 2023.
- Zhangjiang, with around 1.2 million square metres of new space entering the market between 2023 to 2025, will remain the key supply driver. New projects include several small- to medium-scale developments developed and held by local state-owned enterprise platforms, such as the Information Technology Industry Platform (152,000 square metres) in 2023, The Gate of Science 57-01 (171,000 square metres) in 2025, and The Gate of Science 58-01 (171,000 square metres) in 2025. This submarket will account for 42.0% of new supply in 2023-2025.
- Caohejing, Jinqiao and Shibei are expected to deliver 23.4%, 20.5% and 12.8% of the future supply, respectively, between 2023 to 2025. Notable projects include Jinke Park (105,000 square metres) in 2023, Golden Union Park Phase II (160,000 square metres), Jinqiao Fifth Centre (165,000 square metres), City of Elite PDP (161,000 square metres), Shibei Yunmenghui (200,000 square metres) in 2024, and Aerospace Science & Technology City Urban Renewal (216,000 square metres) in 2022.

Potential Business Park Supply by Submarket



[1] All data and figures are from Colliers International (Hong Kong) Limited and they relate to the five business parks as outlined on this page, unless otherwise stated.
[2] Unless stated otherwise, all measurements are based on GFA.
[3] MPACT owns Sandhill Plaza which is located in Zhangjiang.

INDEPENDENT MARKET OVERVIEW

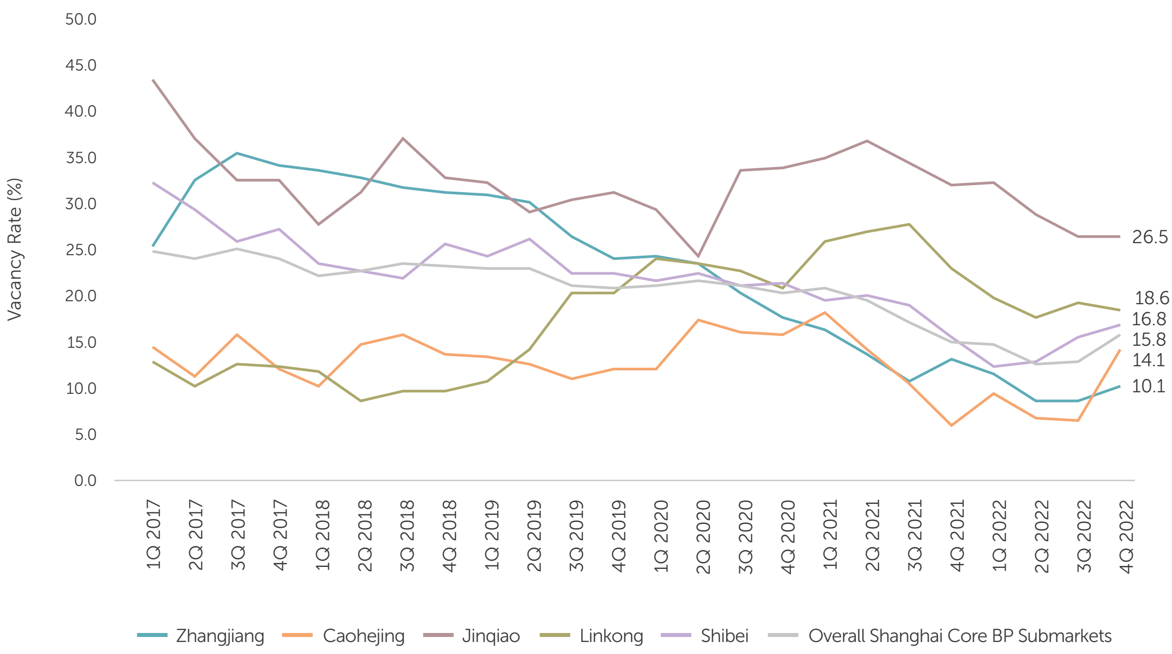
Business Park Vacancy Rate

15.8% ↑ **0.6 p.p. yoy**

(Overall as at 31 December 2022)

- In 2022, the vacancy rate of Shanghai's core business park submarkets increased by 0.6 p.p. yoy to 15.8%. The increase in vacancy rate was due to new supply in 2022, as well as soft leasing demand due to the resurgence of COVID-19.
- Prior to 2019, the vacancy rate in Zhangjiang had soared with an influx of supply. Driven by government policy support, occupiers especially from the biomedical and semiconductor sectors gradually digested the new stock, and the vacancy rate declined and stabilised. Notwithstanding 67,000 square metres of new supply from three completed projects in 2022, there was noticeable demand from biomedical companies. As a result, the vacancy rate in Zhangjiang dropped further by 2.9 p.p. yoy to 10.1% by the end of 4Q 2022.
- Driven by new supply of 145,000 square metres, the vacancy rate of Shanghai's core business park submarkets increased to 16.5% qoq in 1Q 2023. For Zhangjiang, the vacancy rate rose by 0.3 p.p. qoq to 10.4% because of surrendered space by large tenants.

Business Park Vacancy Rate by Submarket



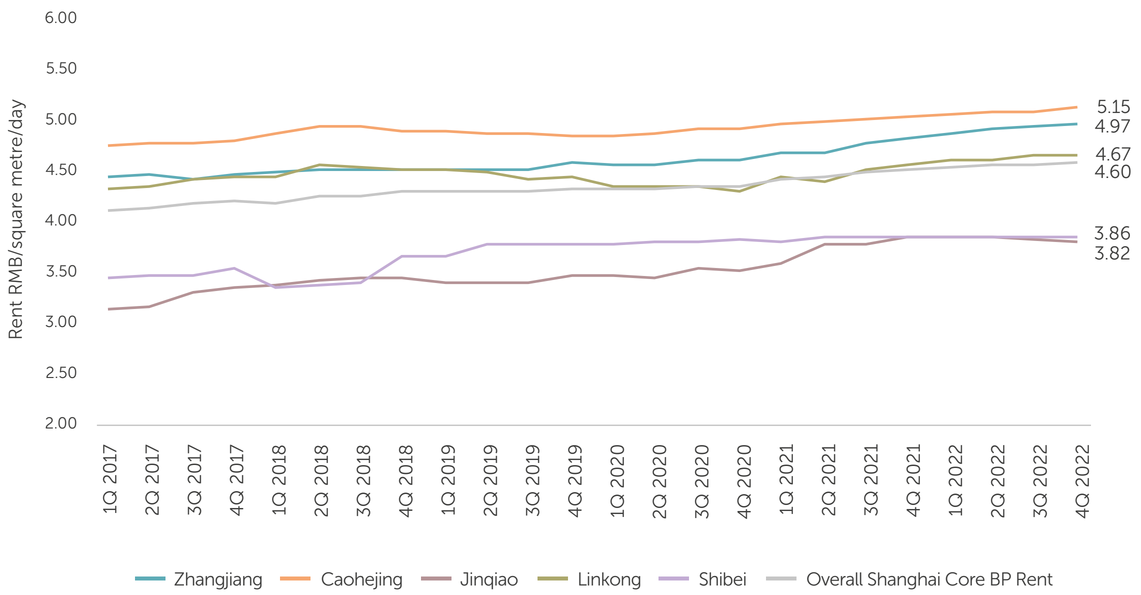
Source: Colliers Research

Average Business Park Rent

RMB**4.60** ↑ 1.8% yoy
per square metre per day
(Overall Net Effective Rent as at 31 December 2022)

- As the city's semiconductor sector contributed around 25%[1] of the country's nationwide chip value output and the biomedical sector continued to be supported by government initiatives, average rent in the five core business park submarkets registered positive yoy growth for nine consecutive quarters, from 4Q 2020.
- Core business park submarket rent edged up 1.8% yoy to RMB4.60 per square metre per day by the end of 2022. Such growth was registered as new projects with better specifications were able to contract higher net effective rents.
- Driven by higher rents from completed buildings, Zhangjiang's rent increased by 2.9% yoy, while Caohejing saw rent picking up by 2.1% yoy. Rent in Linkong rose 2.2% yoy with better rents from existing projects. Softer leasing demand weighed on Jinqiao and Shibei, which saw rents drop by 1.0% and 0.1% yoy, respectively.
- For 1Q 2023, average rents stayed broadly at the same level as compared to the previous quarter.

Business Park Rent by Submarket



Source: Colliers Research Shanghai Business Park

[1] Source: South China Morning Post

INDEPENDENT MARKET OVERVIEW

Business Park Net Take-up[1]

0.4M square metres
(Overall in 2022)

↓ **64.9% yoy**

- The net take-up in Shanghai core business park submarkets stood at 368,000 square metres by the end of 2022 and declined by 64.9% yoy. Lockdowns in Shanghai in 1H 2022 took a toll on the economy which resulted in delayed leasing plans. While the city-wide lockdown ended in June 2022, sporadic lockdowns of residential complexes continued to impact leasing demand.
- Zhangjiang, Caohejing, Jinqiao and Linkong benefited from strong leasing demand buoyed by the Government's policy support for biomedical, technology and telecommunications and recorded positive net absorption in 2022 in spite of lockdowns. Shibei was the only submarket with negative net take-up in 2022 due to softer leasing demand from the consumer product manufacturing sector.
- Net take-up of Shanghai Business Park in 1Q 2023 moved into positive territory of around 42,000 square metres as compared to -36,400 square metres in 4Q 2022. The positive net absorption was mostly driven by net take-up in Jinqiao as the submarket's favourable rents attracted budget-sensitive tenants. Other submarkets saw less movements qoq with less activities overall.

Key Trends

- Benefitting from government support, the biomedical sector was the major demand driver in Zhangjiang and its share of the total leased space increased by around 5.0 p.p. yoy. The semiconductor sector was also prioritised by the local government to resume business after the Shanghai lockdown. In tandem with the government's taxation support, the sector is expected to continue to be the largest occupier in the Zhangjiang submarket.
- The lifting of "zero-COVID" policies is expected to boost market confidence and lead to a gradual economic recovery. Employees have also largely returned to the office, reversing the trend of flexible working arrangements during lockdowns.
- In the long term, Shanghai and the Central Government are expected to continue to promote the biomedical and tech sectors with preferential measures such as government subsidies and tax breaks, particularly for life sciences and semiconductors businesses. The government's focus on R&D is expected to drive strong demand from the tech sector for business park space.

Average Business Park Capital Value

RMB**37,298**
per square metre
(As at 31 December 2022)

↑ **1.8% yoy**

Average Business Park Gross Yield

4.5%
(As at 31 December 2022)

Unchanged yoy

- Shanghai core business parks' capital value increased 1.8% yoy to RMB37,298 per square metre, while rent rose at the same rate of 1.8% yoy. Therefore, the yield remained unchanged at 4.5% compared to the previous year, but was about 40 bps higher than the pre-pandemic levels in 2019.
- Investors have mainly focused on the core submarkets, especially Zhangjiang, Caohejing and Jinqiao, due to strong rental growth and high liquidity. In the past two years, investment demand for biomedical parks has surged and spilled over to Zhoukang. Looking forward, Pujiang and Waigaoqiao are likely to benefit from the spillover investment demand as they both have a variety of tradable assets and mature biomedical industry clusters.
- As of 1Q 2023, average gross yield remained unchanged qoq as average capital value and average rent were mostly flat.

[1] Net take-up is the sum of space that became occupied during the year minus the sum of space that was vacated over the course of the year.

Outlook

- In spite of a moderate GDP target set for 2023-2024, China's reopening is expected to help improve 2023's economy, resulting in positive leasing demand and rental growth. Despite the COVID-19 outbreak and the Chinese New Year effect in 1Q 2023, the market is expected to remain relatively stable in the first half of 2023, followed by an improvement in market sentiment in the second half.
- Over 40% of new business park supply from 2023-2025 is concentrated in Zhangjiang, which is expected to push up vacancy rates in the short term. However, in view of continuous demand from the biomedical and tech sectors which are supported by Government policies, new stock is expected to be filled up, leading to a stabilisation of vacancy rates in the mid-term.
- Science and technology firms require specialised devices and environments throughout the R&D, clinical trial and manufacturing stages. In general, business park properties with specially designed amenities for laboratory uses in Zhangjiang are able to accommodate to these needs and tenants are therefore more likely to extend their leases. Coupled with policy support from the government, moderate year-on-year growth in rent in Zhangjiang is expected in 2023.
- Shanghai's "14th Five-Year Plan" covers three pillar industries: integrated circuits, biomedicine, and artificial intelligence, as well as fast-growing tech industries. Zhangjiang was highlighted for its transformation into a world-class science cluster, with specific support from Shanghai's Office for Promoting the Construction of Science and Technology Innovation Centre. Thus, companies in these sectors are expected to remain key demand drivers for Shanghai's business parks.
- The State Council's institutional reform plan focuses on innovation in science and technology, including rebuilding the Ministry of Science and Technology to expedite the distribution of national funds. For the semiconductor industry, it remains to be seen if government support will outweigh US restrictions.

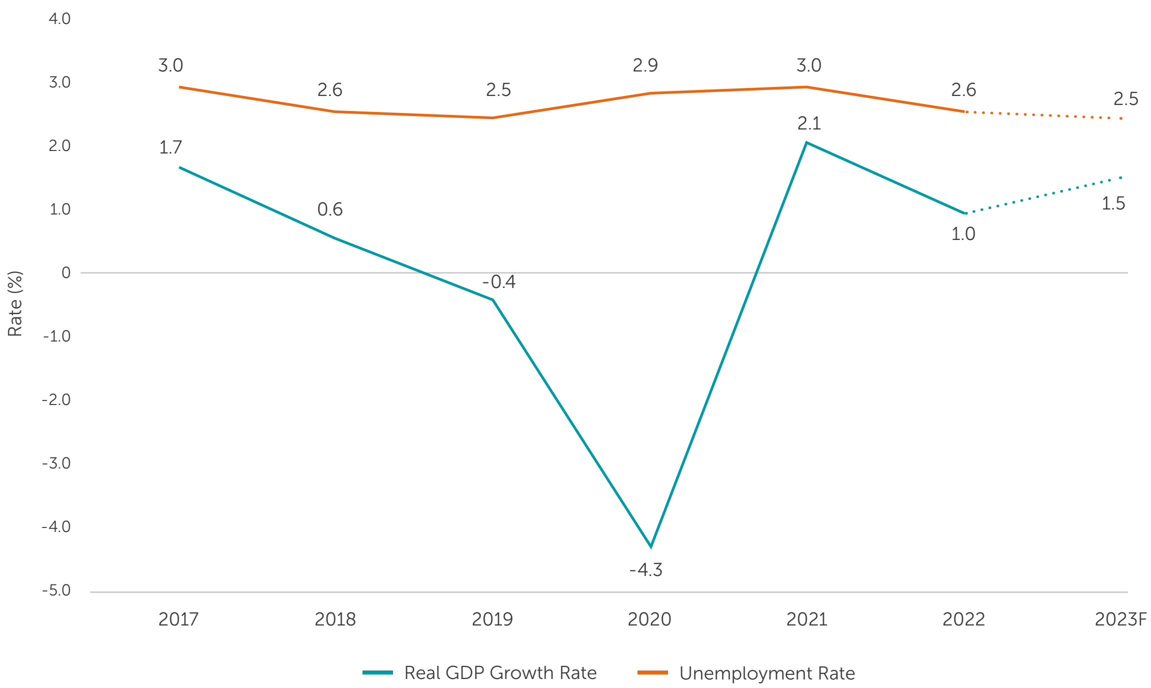
INDEPENDENT MARKET OVERVIEW

Japan

1.1 Economy

- In 2022, Japan's real GDP grew 1.0% yoy, supported by a recovery in domestic leisure consumption, such as eating out and hotel accommodation, and increased foreign visitors' spending. However, GDP growth was limited due to a decline in external demand caused by the global economic slowdown and high commodity prices.
- The Bank of Japan's new governor, Kazuo Ueda, announced that the ultra-low interest rate policy would remain unchanged. Recent inflation was mainly driven by cost-push factors such as rising energy costs rather than demand, and these factors are expected to subside over time. However, some extraordinary easing policies like negative interest rates implemented by the former governor may be terminated.
- Unemployment rate was 2.6% by end-2022, 0.4 p.p. lower yoy.
- Foreign tourist numbers increased faster than expected after travel restrictions eased in October 2022. This is expected to boost the Japanese economy, which is forecasted to grow by 1.5% in 2023. However, the economy will continue to face headwinds from a slowdown in overseas economies due to soaring global commodity prices and tightening monetary policies.

Real GDP Growth Rate and Unemployment Rate



Source: Cabinet Office of Japan, Statistics Bureau of Japan

1.2 Greater Tokyo Office Market

Existing Grade A Office Stock

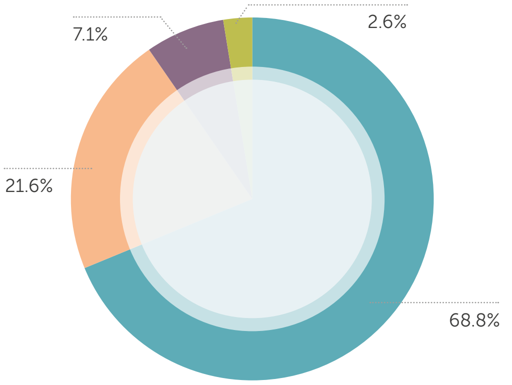
10.2M tsubo ↑ **1.3 % yoy**

(As at 31 December 2022)

- As at 31 December 2022, Tokyo 5 wards[1] accounted for 68.8% of the existing Grade A office stock, with the other 18 wards accounting for 21.6%. The Yokohama and Chiba areas held a relatively small share of 7.1% and 2.6%, respectively. These submarkets make up Greater Tokyo.

Office Stock by Submarket

(As at 31 December 2022)



Source: Colliers

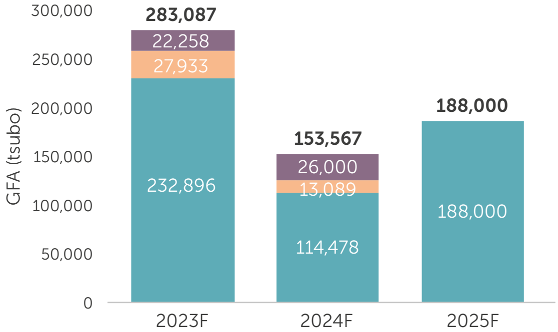
Potential Office Supply

625,000 tsubo

(From 2023 to 2025)

- In 2023, the new supply is expected to be about 283,000 tsubo, the most significant volume for the next three years. In 2024, the figure is expected to drop to 154,000 tsubo, then increase to 188,000 tsubo in 2025.
- Tokyo 5 wards' new supply, which includes large-scale redevelopment projects, will be the largest, accounting for 85.7% of Greater Tokyo's total supply. The remaining 14.3% will be from Yokohama and the 18 outer wards. No new supply is expected in Chiba in the next three years.

Potential Supply by Submarket



Source: Colliers

Office Vacancy Rate

4.8% ↑ **0.7 p.p. yoy**

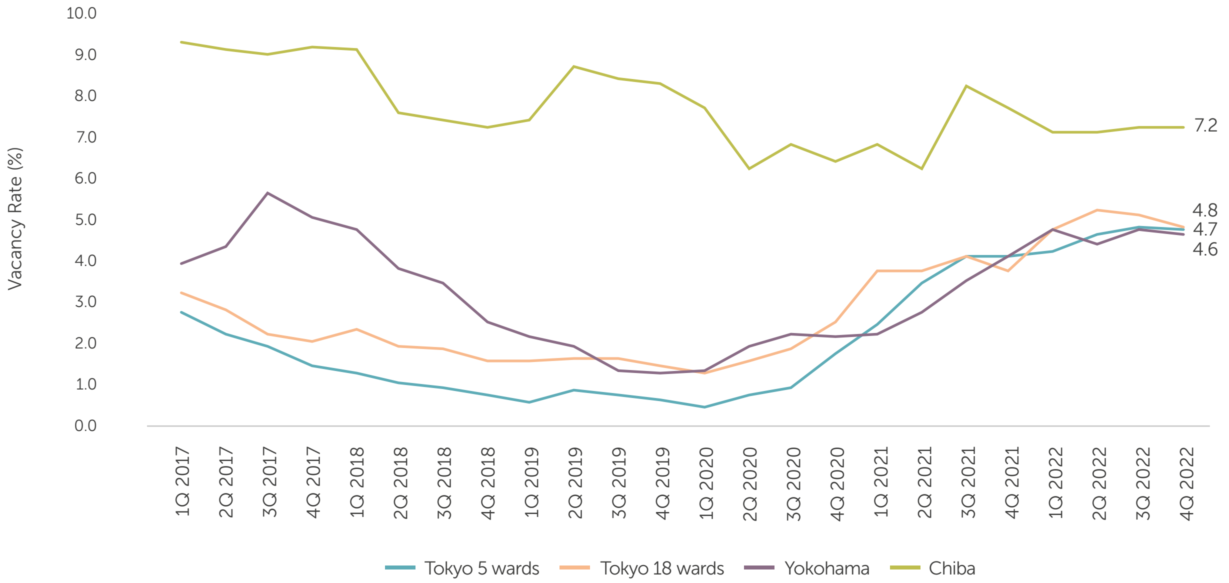
(Overall as at 31 December 2022)

- Vacancies in Greater Tokyo rose by 0.7 p.p. yoy to 4.8% in 2022. This was largely due to higher vacancies in newly completed buildings in Tokyo 5 wards. For Tokyo 18 wards, vacancy was higher at 4.8% from 3.7% a year ago as new supply outpaced demand levels. The slight increase in vacancy in Yokohama from 4.1% a year ago to 4.6% was because Yokohama has a large portion of smaller tenants, which have so far been less active. With an uptick in demand at the beginning of 2022, the vacancy rate in Chiba dropped from 7.7% to 7.2%.
- In 1Q 2023, vacancies decreased slightly in Tokyo 5 wards qoq. Notably, Yokohama saw a significant increase due to new supply. The other submarkets Tokyo 18 wards and Chiba saw a slight increase to 4.9% and 7.7%, respectively.

[1] We define four submarkets in Greater Tokyo: Tokyo 5 wards, Tokyo 18 wards, Yokohama and Chiba. Tokyo 5 wards comprises five central wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku. Tokyo 18 wards comprises the rest of Tokyo's 23 wards. Yokohama refers to Yokohama city and its 18 administrative wards. Chiba refers to Chiba city and its 6 administrative wards. MPACT has one property located in the Tokyo 5 wards (Higashi-nihonbashi 1-chome Building), four properties located in the Tokyo 18 wards (Hewlett-Packard Japan Headquarters Building, IXINAL Monzen-nakacho Building, Omori Prime Building and TS Ikebukuro Building), 1 property in Yokohama (ABAS Shin-Yokohama Building) and three properties located in Chiba (mBAY POINT Makuhari, Fujitsu Makuhari Building and SII Makuhari Building).

INDEPENDENT MARKET OVERVIEW

Vacancy Rate by Submarket



Source: Colliers

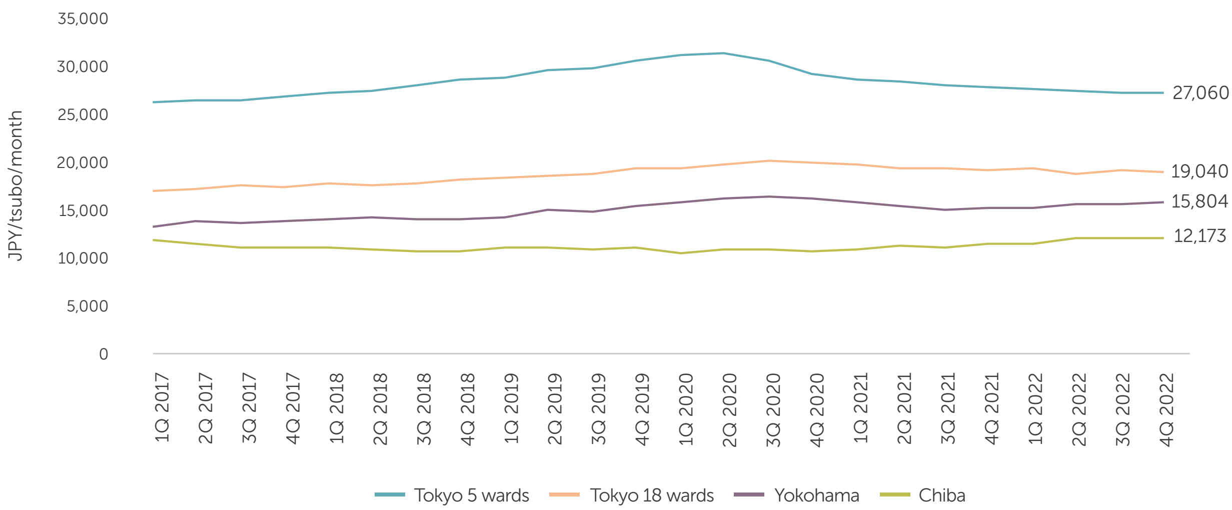
Average Office Rent

JPY**24,151**
per tsubo per month
(Overall as at 31 December 2022)

↓ 1.8% yoy

- For Tokyo 5 wards, the rapid rent decline that began in 2020 moderated in 2022, as occupier demand picked up, allowing for vacancies to be backfilled without significant rental discounts.
- Tokyo 18 wards' rent followed a similar trend, but vacant units were backfilled at lower rents due to subdued demand.
- Rents in Yokohama and Chiba increased slightly yoy, buoyed by a few leasing transactions for higher-grade offices.
- In 1Q 2023, average rents in Tokyo 5 wards and Yokohama increased slightly from the previous quarter, primarily due to new completions. In contrast, rent in Tokyo 18 wards continued to decline due to subdued demand during the same period. A lack of newly supplied, good quality offices with high rent also contributed to the decline in rent for Tokyo 18 wards. Rent in Chiba fell around 4.8% qoq, due to discounts offered for vacant units.

Office Rent by Submarket



Source: Colliers

Office Net Take-up[1]

59,300 tsubo **From -26,923 tsubo**
(In 2022)

- In 2022, net take-up in Greater Tokyo turned positive, indicating a recovery in demand as workers returned to office post-COVID.
- After a negative net take-up in the first half of 2022, demand in Tokyo 23 wards improved in the second half as some large companies resumed relocation plans that had been suspended in the last few years.
- Demand for office space in Yokohama and Chiba is mainly driven by business outposts of Tokyo-based companies. While expansions and pent-up demand partially contributed to the net take-up recovery in 2022, the impact was relatively mild since these tenants occupy small units. Yokohama experienced a steady recovery in demand, with net take-up turning positive. Meanwhile, Chiba remained stable with a low transaction volume.
- Net take-up in 1Q 2023 was positive in the Tokyo 5 wards and Yokohama, with a significant increase of 50,109 tsubo and 16,611 tsubo, respectively, from the previous quarter. The Tokyo Midtown Yaesu development, which was almost fully occupied, boosted net take-up in Tokyo 5 wards. Conversely, the Tokyo 18 wards and Chiba saw a slight decrease in net take-up over the same period due to subdued tenant activity.

Average Office Capital Value

JPY**4,843,000** per tsubo ↑ **6.9% yoy**
(As at 3Q 2022[2])

Average Office Net Yield

3.6% ↓ **0.2 p.p. yoy**
(As at 3Q 2022)

- The pandemic had created uncertainty in the office market in 2021, with concerns about a potential decline in demand for offices. As a result, investors took a more conservative approach, leading to flat capital value and yield in 2021. With the return to office by large parts of the workforce and a sustained low interest rate environment, capital values started to recover in 2022.
- While many other countries hiked interest rates in response to inflationary pressures, the Bank of Japan continued with a negative key short-term interest rate. Consequently, the yield gap became more favourable than in other countries, leading to more competition for office assets and an increase in capital value of 6.9% in 3Q 2022 as compared to 3Q 2021, particularly in Tokyo 5 wards.
- Capitalisation rates have declined slightly over the same period and remained low at 3.6% in 3Q 2022 due to Japan's low interest rates, which were lower than in other major countries.
- In 1Q 2023, average office capital value increased 0.2% qoq and capitalisation rates remained almost unchanged when compared to 3Q 2022. Institutional investors made up majority of the buyers, while J-REITs were the major sellers.

Outlook

- In 2023, new supply is expected to come from large-scale redevelopments in Tokyo 5 wards. Increase in vacancies and stagnant rents are expected for older properties as demand is not likely to keep pace and companies are relocating to new buildings. However, the other areas are not expected to be significantly impacted.
- New supply in Tokyo 18 wards is expected to be limited relative to the amount of existing stock and hence its impact on the market is likely to be minimal. Demand in Yokohama and Chiba mostly comes from Tokyo-headquartered companies' need for branch offices and sales outposts. While the smaller individual tenants in these markets have limited impact on overall market trends, incoming new supply could affect rental levels in Yokohama.
- With increasing uncertainties about the economic outlook, rising inflation and the Bank of Japan's fine-tuning of monetary policy, it is unlikely that capital values will continue to rise at the same pace.
- With macroeconomic uncertainties, leasing demand is likely to slow down. Capitalisation rates are also expected to come under pressure if interest rates increase.

1 Net take-up is the sum of space that became occupied during the year minus the sum of space that was vacated over the course of the year.
2 Capital value and net yield data are based on the latest available information in J-REIT disclosure documents as J-REITs close their books and update their disclosure materials semi-annually.

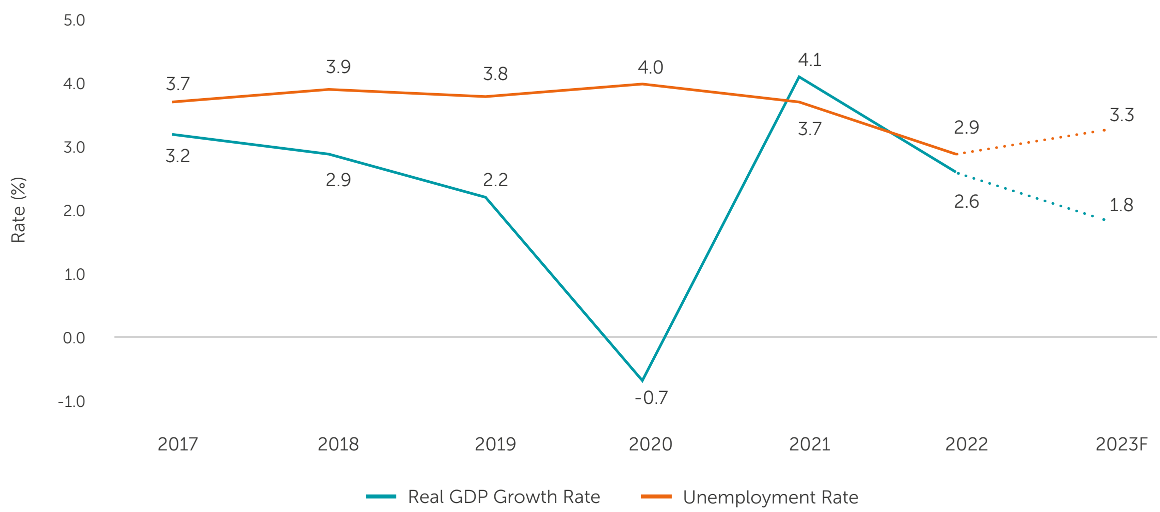
INDEPENDENT MARKET OVERVIEW

South Korea

1.1 Economy

- South Korea recorded GDP growth of 2.6% in 2022 as compared to 4.1% in 2021. While there was revenge-spending post COVID-19 on semi-durable goods (clothes and shoes) and services (accommodation and food services), exports were more subdued on the back of a slowdown in global demand. Higher lending costs in response to the rate hikes also led to higher raw material and freight prices, contributing to a dip in economic growth.
- National unemployment improved by 0.8 p.p. to 2.9% in 2022.
- The Korea Development Institute ("KDI") predicts a GDP growth of 1.8% for 2023. This GDP forecast is based on several factors, including the global economic slowdown caused by the energy crisis and interest rate hikes, the semiconductor industry downturn, and high levels of domestic household debt and inflation.

Real GDP Growth Rate and Unemployment Rate



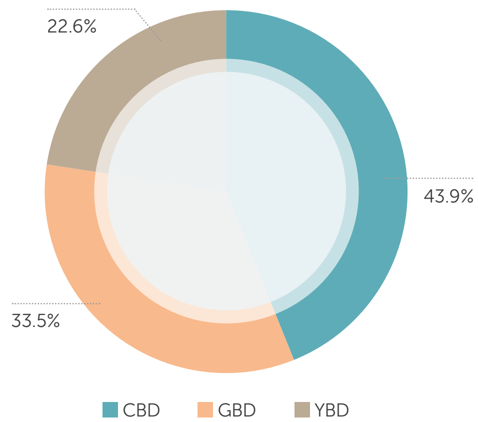
Note: Real GDP and yoy variance represents chained 2015 prices, seasonally adjusted.
Source: KDI, Bank of Korea

1.2 Seoul Office Market

Existing Office Stock
(Within the Three Core Business Districts)
2,686,000 pyeong[1] **Unchanged yoy**
(As at 31 December 2022)

- The Seoul office market comprises three core districts: the Central Business District ("CBD"), the Gangnam Business District[2] ("GBD") and the Yeouido Business District ("YBD"). The GBD is the second largest business district in Seoul. It is known to be the preferred location for information technology ("IT"), technology, media, fashion, and pharmaceutical companies. Other key submarkets include the Bundang Business District ("BBD") and the Pangyo Business District ("PBD"), which accommodate IT, technology and start-ups.
- In 1Q 2023, SK D&D Gangnam Station building 'Tiger 318' in the GBD and the Bank of Korea Ancillary Building in the CBD were completed.

Office Stock by Submarket
(As at 31 December 2022)



[1] 1 pyeong = 3.30579 square metres.
[2] MPACT owns The Pinnacle Gangnam which is situated in the GBD.

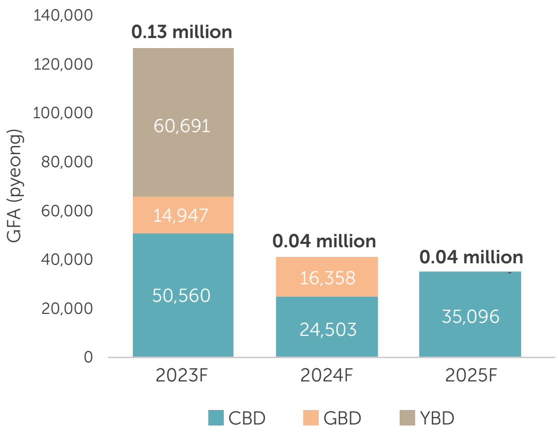
Potential Office Supply

202,000 pyeong

(From 2023 to 2025)

- Approximately 202,000 pyeong of new supply is expected to enter the market in the next three years, resulting in approximately 2.9 million pyeong of office stock in Seoul by 2025.
- In the GBD, the Baekam Building Redevelopment (8,200 pyeong) and Centrepoint Gangnam (8,200 pyeong) are scheduled for completion in 4Q 2024, accounting for 8.1% of potential upcoming office supply in the next three years.

Potential Supply by Submarket



* 2023F supply figure includes office stock that was completed in 1Q 2023

Office Vacancy Rate

(Within the Three Core Business Districts)

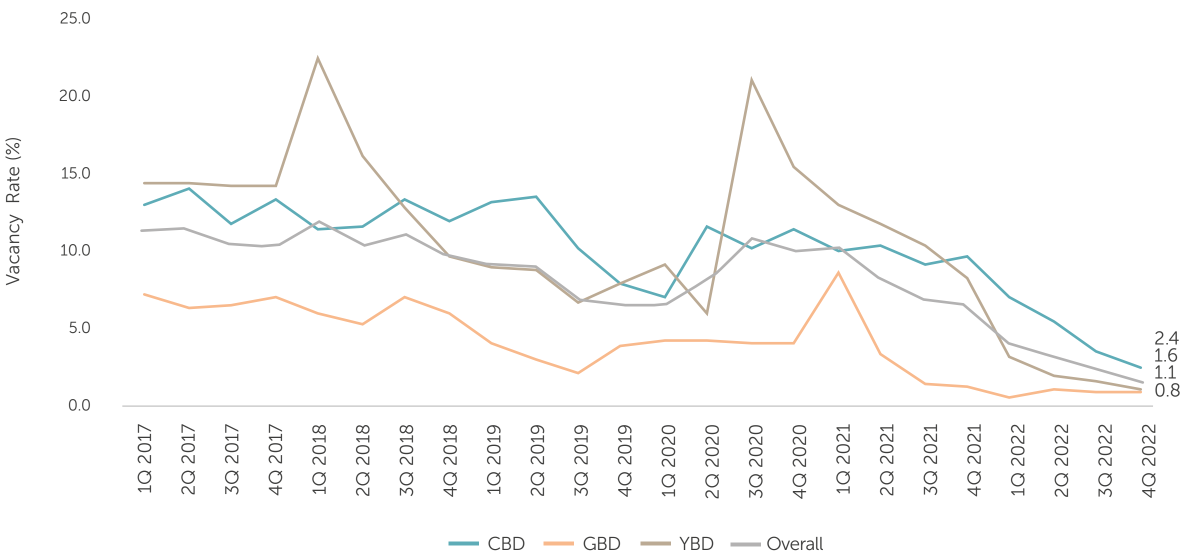
1.6%

↓ **4.8 p.p. yoy**

(As at 31 December 2022)

- Strong leasing demand for office space continued through 2022. With limited supply during 2022, Seoul's overall vacancy rate dropped to 1.6% as at 31 December 2022 – its lowest since 2010 and down from 2021's 6.4%.
- Global tech companies underwent large-scale job cuts and reduced their investments in start-ups. However, companies were unwilling to reduce their office space despite the job cuts because of the risk of not being able to expand later when the market recovers. Established tech companies sought to expand, while start-ups snapped up space in the GBD. Consequently, the GBD's average vacancy rate reached a record low of 0.8% at the end of 2022, down 0.3 p.p. from 2021.
- With the completion of 'Tiger 318', the vacancy rate in the GBD increased from 0.8% in 4Q 2022 to 2.1% in 1Q 2023. Seoul's overall vacancy rate also increased from 1.6% to 2.3% qoq.

Vacancy Rate by Submarket



Source: Colliers

INDEPENDENT MARKET OVERVIEW

Average Office Rent

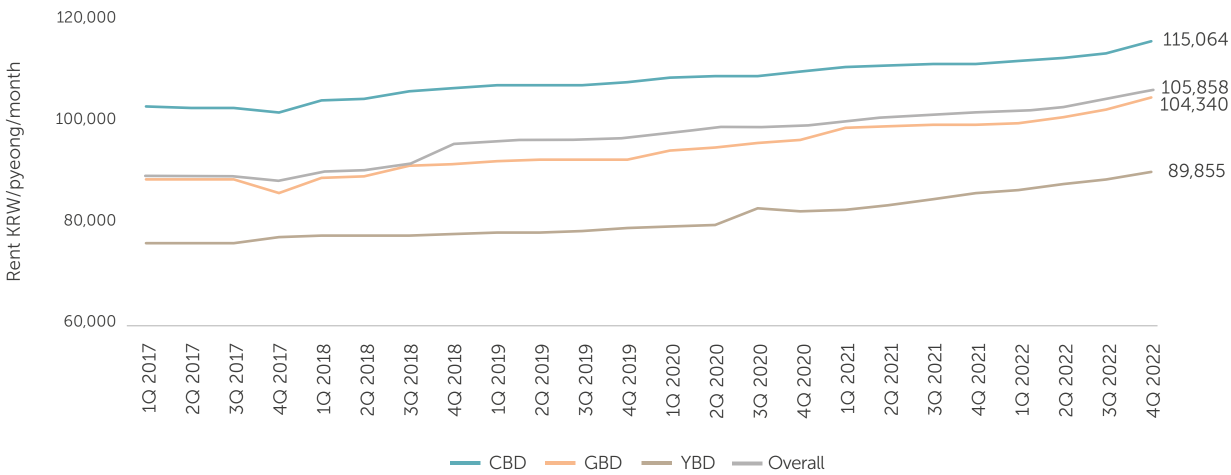
KRW**106,000** per pyeong per month

(Overall Net Effective Rate as at 31 December 2022)

↑ **4.6% yoy**

- The average net effective rent in the Seoul office market increased 4.6% yoy to about KRW 106,000 per pyeong per month in 4Q 2022 due to limited availability of high-quality office stock and tight new supply. Resulting from a reduction of rent-free incentives, the gap between effective rents and face rents also narrowed.
- The GBD market saw higher growth with a 5.5% yoy increase to about KRW104,000 per pyeong per month by the end of 2022. Manufacturing, banking and finance, IT, software, and technology solution sectors were the key drivers of leasing demand.
- Due to inflationary pressures and new supply of prime office assets, Seoul's overall net effective office rent increased by about 3.1% from KRW106,000 per pyeong per month in 4Q 2022 to KRW109,000 per pyeong per month in 1Q 2023.

Office Rent by Submarket



Source: Colliers

Office Net Take-Up[1]

127,000 pyeong

(Overall in 2022)

↓ **15.9% yoy**

- Overall, Seoul's office net take-up for the year was approximately 127,000 pyeong.
- Net take-up for the GBD submarket remained positive in 2022 at approximately 3,000 pyeong compared to the previous year's 56,000 pyeong, due to tight vacancies leading tenants looking elsewhere for space outside the GBD. In 2022, the CBD and YBD recorded a total net take up of 82,000 pyeong and 42,000 pyeong, respectively, mainly due to limited availability of prime offices in the GBD.
- For 1Q 2023, net take-up turned negative at -14,436 pyeong. This was due to the departure of tenants from CBD offices for scheduled refurbishments. Several tenants in the YBD, for example in Parc 1 Tower and IFC, have surrendered space, leading to a decrease in the net take-up.

Average Office Capital Value

KRW**29.4**M per pyeong

(As at 31 December 2022)

↑ **26.4% yoy**

Average Office Net Yield

4.0%

(As at 31 December 2022)

↑ **0.7 p.p. yoy**

[1] Net take-up is the sum of space that became occupied during the year minus the sum of space that was vacated over the course of the year.

- With consecutive interest rate hikes by South Korea's central bank, Seoul's office capitalisation rate recorded an expansion to 4.0% as at 31 December 2022, 0.7 p.p. higher than the 3.3% as at 31 December 2021. The shift in investor's return requirements was caused by the increase in lending costs.
- With the buyer-seller price gap widening, the number of transactions was limited towards the end of 2022. Assets that transacted in 4Q 2022 were higher-specification buildings with over 10,000 pyeong in core locations. Hence, there was a 26.4% yoy increase in capital value as at 31 December 2022 compared to a year ago. However, given the limited number of transactions, the increase in capital value was not entirely representative of general market movements as they were primarily related to the transaction of high-quality properties that took place in the final quarter of the year.
- In 1Q 2023, the average capital value and yield of transacted office buildings in Seoul remained flat qoq, with transactions slowing down further from the previous quarter.

Key Office Trends

- Tech companies still prefer the GBD where IT companies and professionals are clustered. However, limited supply has made available space extremely scarce, and occupiers are forced to look for space in the CBD or smaller secondary business districts such as Mapo, Seongsu, Yongsan, Jamsil/Songpa and Sangam Digital Media City ("DMC").
- With the higher interest rate environment, securing financing becomes increasingly challenging for start-ups and expansion demand within the three core business districts started to slow down in 4Q 2022.
- To support cost savings and enhance efficiency, companies have been active in consolidating their operations, and more relocation cases have been observed. These consolidations, generally to buildings of higher quality, have led to an increase in the vacancy rate of lower-specification offices in the core business districts, notably in the CBD.

Outlook

- Effective rents are expected to continue increasing with almost no rent-free incentives in the GBD. With stable leasing demand, tight vacancies and limited supply, the market will continue to favour landlords in the GBD.
- With new supply of around 130,000 pyeong in 2023, a marginal increase in Seoul's vacancy rate is expected. However, as most new supply is concentrated in the CBD, low vacancy rates will likely be maintained in the GBD.
- In 2023, Seoul office investment market is expected to witness higher transaction volumes, as the monetary tightening cycle is likely to end by the second half of 2023 and revitalise investor sentiment.

Limitations on the Report by Colliers International (Hong Kong) Limited ("the Consultant")

This report is based upon the Consultant's analysis, opinions and conclusions regarding market movement and trends. In making the assessment, the Consultant has relied to a considerable extent on the statistics and data that is available from third parties. The Consultant has not undertaken any independent verification of this data or information, and is unable to warrant the veracity or accuracy of the information.

The outlook, forecasts and opinions provided by the Consultant are based on events that have not yet happened and should therefore be regarded as a best guess projection, rather than a statement of fact.

Market evidence is, by its very nature, subject to a time lag and an element of projection is necessary in providing any outlook. Any market projections incorporated within this report are projections only and must be viewed as such, rather than as certainty.

The Consultant is unable to provide any warranty or assurance that any of the forecasts provided within the report will happen and the reader should not place any reliance upon the information provided.

This report is based on what is known at the date of writing. Any unforeseen future events or changes in any of the variables considered could significantly affect the outlook and the reader should be aware of this possibility. All references to measurements are approximate only and the Consultant has not independently verified any measurements referred to in the report. The Consultant can accept no liability to any third party who relies upon this information.

Festival Walk, Hong Kong

EMBRACING SUSTAINABILITY FOR A BETTER FUTURE

Ensuring the sustainability of our operations and the quality of our portfolio is key to securing MPACT's longevity. As we navigate new territories and pursue growth opportunities, we will remain committed to responsible conduct. In our journey as MPACT, we aim beyond delivering enduring value – we are driven by our aspiration to create a positive, lasting impact on our society and environment.

SUSTAINABILITY REPORT

KEY SUSTAINABILITY HIGHLIGHTS

Economic and Environment

GRESB
Three-Star rating
(for Singapore properties)[1]

Strong Public Disclosure
'A' Rating
Recognised in the 2022 GRESB Assessment (for Singapore properties)[1]

Morningstar Sustainalytics ESG Risk Rating
14.3 Low Risk

12% and **20%**
Like-for-like[2] energy and water intensity reduction in FY22/23 from FY19/20 baseline[3]

85%
of MPACT's portfolio (by lettable area) awarded green certifications

2,238 kilowatt peak ("kWp")
Installed solar capacity
An increase of **37%** from FY21/22

1,960 MWh
Solar energy generated in FY22/23, powering **270** homes' electricity use[4] for one year

NET ZERO

Established four new sustainability policies to lay the foundation as part of our roadmap towards
Net Zero emissions

Green financing makes up about
one-third
of MPACT's group borrowings

CO_2

Reduced over
1,389 tonnes
of CO_2e, equivalent to approximately **309** gasoline-powered passenger vehicles taken off the road for a year[4]

Social and Governance

63%
Female representation in MPACT's management[5]

Six
CSR events participated by employees in FY22/23

~S$**456,000**
of venue and publicity sponsorships provided in FY22/23

100%
Employees received ESG-specific training

Zero
Incidences of non-compliance with anti-corruption laws and regulations

Zero
Material incidences of non-compliance with relevant laws and regulations

Note: Although the merger with MNACT became effective from 21 July 2022, this report includes data from FY19/20 to FY21/22 to provide a more comprehensive reporting and to establish a representative baseline for MPACT's future reports.

1 In the GRESB Survey in 2022, only the Singapore properties of MCT were included. Post-merger, the portfolio expanded to include overseas properties, and MCT was subsequently renamed MPACT. For the upcoming GRESB survey in 2023, all properties of MPACT, both in Singapore and overseas, will be included.

2 Properties covered in the like-for-like reporting excluded properties acquired or divested after the baseline year FY19/20. Accordingly, MBC II (acquired by MCT in FY19/20), Omori and MBP (both acquired by MNACT in FY19/20) are excluded. In addition, to provide a more reflective comparison of our performance, the period of Festival Walk mall closure from 13 November 2019 to 15 January 2020 ("Festival Walk Closure Period") was excluded for FY19/20 as well as the corresponding period in FY22/23. Please refer to the methodology on page 151 for more details.

3 FY19/20 has been selected as the baseline for FY22/23 targets as the performance in FY21/22 and FY20/21 was not fully representative nor comparable to a normal operating year given COVID-19 disruptions.

4 The calculation is from United States Environmental Protection Agency: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results.

5 Refers to employees of the Manager who hold positions of Vice President and above.

SUSTAINABILITY REPORT

BOARD STATEMENT

(GRI 2-14, 2-22)

With the completion of the merger with MNACT on 21 July 2022, MPACT has expanded its reach across Singapore, Hong Kong, China, Japan and South Korea. Notwithstanding the increased geographic scope, we remain committed to sustainability as a fundamental aspect of our business. As we strive to achieve sustainable returns over the long term, we recognise our duty to operate responsibly and to secure a better future for all.

The Board is pleased to present our first Sustainability Report ("SR") for FY22/23 following the merger. This report outlines our policies, practices and targets relating to the sustainability matters, along with their respective performance during the period from 1 April 2022 to 31 March 2023.

To do our part to combat climate change, we have taken proactive steps, such as the introduction of a 2030 target to reduce energy intensity by 40% from the FY11/12 baseline of our Singapore properties. In addition, we target to achieve net zero by 2050 through carbon emissions reduction measures to mitigate any impact on the environment, and minimise the potential impact of climate change on our business. We believe that sustainability provides a competitive advantage. In line with this, the Mapletree Group has also developed a roadmap to achieve our commitment and initiated efforts to decarbonise our operations.

To lay the foundation, the Mapletree Group has introduced four new environmental policies to further integrate sustainability into investment decisions, operations and development projects. To collect environmental data throughout the Mapletree Group, a group-wide environmental data management system will be deployed. As part of the Mapletree Group, we are a signatory of the United Nations-supported Principles for Responsible Investment ("UN PRI"), further reinforcing our dedication to responsible investment.

The Board is responsible for the oversight of MPACT's sustainability direction and reviews key sustainability matters to ascertain MPACT's strategic goals and priorities. The Board also maintains overall responsibility on MPACT's sustainability strategy and the achievement of its long-term ESG performance. Post-merger, the 12 existing material sustainability matters were assessed for their continued relevance to MPACT's operating context. They were subsequently presented and approved by the Board.

At MPACT, we adopt a proactive approach towards improving our climate-related disclosures. Building upon our first environmental risk assessment, we have onboarded a climate risk analysis tool to enhance our analysis of climate-related risks. The analysis tool will be rolled out in phases where we intend to leverage on the tool to enhance the assessment of climate risks and investment due diligence process in the near future. We also continued to enhance our disclosures in accordance with the recommendations of the Financial Stability Board's TCFD, where practicable.

As part of our commitment to transparency and accountability, MPACT will participate for the first time in the 2023 GRESB Real Estate Assessment, building upon the participation by MCT and MNACT in prior years.

> **As we strive to achieve sustainable returns over the long term, we recognise our duty to operate responsibly and to secure a better future for all.**

SUSTAINABILITY REPORT

In conjunction with the introduction of SGX's 27 core ESG metrics in December 2021 as well as GRI Standards 2021, we have further updated our reporting framework to align with these enhanced reporting requirements.

We achieved all our FY22/23 ESG targets. Highlights of the year include:

- 85% of our portfolio by lettable area are green-certified and we have put in place a roadmap for the entire portfolio to be green-certified by FY24/25;
- Reduced carbon emissions by generating more than 1.9 million kWh of solar energy in FY22/23, made possible through 2,238 kWp of solar capacity that we have installed across the portfolio;
- Took steps to incorporate green leases for all Singapore properties, with plans to roll them out to our overseas properties;
- Updated MPACT's Green Finance Framework and subsequently issued S$150 million of green notes under this framework, bringing the proportion of total green financing to approximately one-third of the MPACT Group's borrowings;
- Continued to engage various stakeholder groups to raise awareness on ESG topics, with events such as Earth Hour, e-waste collection drive, tree plantings, evacuation drills, fund-raising events and fitness classes. These events were attended by employees, tenants and the public;
- Continued to put in place non-financial key performance indicators to promote ESG awareness and practices such as energy-saving habits, training, wellness, participation in CSR events, and engagement with investors and tenants; and
- Staff participated in six CSR events.

At MPACT, we are committed to long-term value creation by managing our business in a responsible way. We believe that sustainability is an ongoing journey, not a checkbox exercise, and we also understand that our responsibility extends to all our stakeholders. We are constantly exploring ways to reduce the environmental impact from our business and will continue to work hand-in-hand with our employees, tenants, shoppers, partners and communities to forge a sustainable future for the generations to come. Together, we can make a positive difference on the environment and society while creating value for all.

Board of Directors

CONTENTS

ABOUT THE REPORT

Reporting Scope

(GRI 2-2, 2-3)

The Manager is pleased to present MPACT's first annual SR following the merger between MCT and MNACT. This report covers the sustainability performance of all the 18 properties within MPACT's portfolio from 1 April 2022 to 31 March 2023. The list of properties can be found in "Properties at a Glance" section of the Annual Report.

All information disclosed relates to MPACT unless otherwise stated. The data on environment in this SR pertains only to MPACT's properties that are within the direct control[1] of the Property Managers. These include VivoCity, MBC, mTower, Mapletree Anson, BOAHF, Festival Walk, Gateway Plaza, Sandhill Plaza, MON, Omori, TSI, HNB, MBP and ASY.

The performance data relating to employment pertains only to employees of the Manager and the Property Managers who are dedicated employees responsible for the management and operations of MPACT properties.

The Mapletree Group continues to support the Manager in managing the Japan properties and The Pinnacle Gangnam, as well as for functions such as Human Resource, Information Systems & Technology, Internal Audit, Legal and Risk Management. The headcount also does not include third party service providers ("TPSPs") engaged to perform certain property management services.

Although the merger with MNACT became effective from 21 July 2022, past years' data have been included for comparison, where available, to show the combined portfolio data of MCT and MNACT for more comprehensive data reporting. This SR should be read together with the financial, operational and corporate governance information detailed in the Annual Report.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards 2021. We have also applied additional guidance set forth by the GRI-G4 Construction and Real Estate Sector Disclosures which are relevant to our industry. We have selected the GRI Standards as it is the most widely adopted set of global standards for reporting on environmental, social and governance topics. The SR also meets the requirements of the SGX-ST Listing Rules (711A and 711B), as well as the Sustainability Reporting Guide set out in Practice Note 7.6.

With the climate risk assessment conducted this year, we continue to report in accordance with the Guidelines on Environmental Risk Management for Asset Managers issued by the MAS as well as the recommendations of TCFD. More details can be found within the Environment Pillar. We have included supplementary details on our methodology on page 151.

Feedback

(GRI 2-3)

We welcome feedback from all stakeholders on our sustainability approach, performance and disclosures. Please share your views, suggestions or feedback via email to mpact@mapletree.com.sg.

[1] The properties excluded from the scope HPB, FJM and SMB are single-tenanted buildings over which the Manager does not exercise operational control. The Pinnacle Gangnam is also not included in the scope as we are currently working on obtaining environmental data relating to the landlord's consumption.

SUSTAINABILITY REPORT

SUSTAINABILITY APPROACH

(GRI 2-23, 2-24)

MPACT follows a sustainability approach that is closely in line with the Mapletree Group. We apply the precautionary principle[1] in the development of our sustainability strategy in which we seek to anticipate and mitigate any potential and actual negative impact to the economy, the environment, and the society.

We strive to create long-term value by incorporating sustainable practices into our operations and maintaining close engagement with our stakeholders. We remain committed to improving our business activities and day-to-day operations while minimising the impacts to the communities we operate in through the following:

ESG Activities

Supporting the transition to a low-carbon economy through sustainable investment, development, and operations

Safeguarding the health and safety of our stakeholders[2], focusing on diversity and inclusion of our workforce and supporting the communities in which we operate

Maintaining high ethical standards

ESG Policies

The Mapletree Group's sustainability objectives are embedded and implemented via group-wide ESG policies. These policies are regularly reviewed and revised according to the changing business environment. An ESG Policy Summary is published on the Mapletree Group website[3].

ESG Ratings and Disclosures

- **A '3-star' rating for GRESB 2022 Real Estate Assessment**
- **Achieved 'A' grade for GRESB Real Estate Public Disclosure since 2020**
- **ESG Risk Rating of 14.3 (Low Risk) by Morningstar Sustainalytics**

Enhancing Climate-related disclosure in line with TCFD's recommendations

In FY22/23, the Manager onboarded a climate risk analysis tool to enhance the analysis of climate-related risks. This tool will be rolled out in phases. In the near future, we intend to leverage on the tool to enhance the assessment of climate risks and the investment due diligence processes. The climate-related disclosures can be found within the Energy and Climate Change section of this SR.

MAS Guidelines on Environmental Risk Management for Asset Managers

Our disclosures are prepared in accordance with the MAS Guidelines on Environmental Risk Management for Asset Managers and we have also integrated environmental risk management into our sustainability reporting. This ensures that we have effective strategies to address environmental risks while enabling us to measure and disclose climate-related risks and opportunities in our portfolio.

[1] Principle 15 of the Rio Declaration on Environment and Development, adopted at the United Nations Conference on Environment and Development in 1992, states that the Precautionary Principle should be widely applied by the States to protect the environment. It means that a lack of full scientific certainty should not be used as a reason for postponing cost-effective measures to prevent environmental degradation when there are threats of serious or irreversible damage.

[2] Stakeholders refer to employees, shoppers, TPSPs, investment community, business partners, tenants, visitors and the local communities.

[3] https://www.mapletree.com.sg/Our-Company/Environment-Social-Governance.aspx

Sustainability Governance

(GRI 2-9, 2-12, 2-13, 2-14, 2-17)

A strong governance structure enables us to implement our sustainability approach across the business and strengthens our relationships with stakeholders. Sustainability also underpins strategic decision-making across all levels and supports our long-term goals. To ensure overall accountability, the Manager has also established non-financial ESG key performance indicators for its employees which are assessed during their annual performance appraisals.

Roles and Responsibilities within MPACT's Governance Structure

	Roles and Responsibilities
Board of Directors	The Board of Directors oversees the formulation of MPACT's sustainability strategy. They are responsible for approving and monitoring sustainability matters identified as material to MPACT's business and stakeholders, with an aim to achieve positive sustainability performance. They are updated periodically on key ESG issues including material matters, performance, targets and key initiatives. To ensure that they are equipped with the requisite sustainability knowledge, the Board has completed directors' training and professional development programmes as prescribed by the SGX-ST.
Sustainability Steering Committee ("SSC")	This is co-chaired by the Mapletree Group's Deputy Group Chief Executive Officer and Group Chief Corporate Officer. Members include the CEOs of the respective managers of the three Mapletree Group-sponsored REITs as well as the Mapletree Group's senior management team across various functions. Ms Sharon Lim, Executive Director and CEO of the Manager, represents MPACT on the SSC. The SSC supports the Board, leading the development of, and oversees progress on policies and initiatives in line with MPACT's sustainability strategy.
Sustainability Working Committee ("SWC")	The SWC comprises representatives across various business functions at MPACT, including asset management, property management, marketing and sustainability. The SWC helps to implement, execute and monitor the sustainability policies and practices within MPACT.

SUSTAINABILITY REPORT

Mapletree Group's Sustainability Journey Ahead

The Mapletree Group supports the Paris Agreement and Singapore's net zero emissions ambitions. In line with this, the Group has developed a "net zero by 2050" roadmap to drive change through various energy reduction initiatives, increase the use of renewable energy, and embed sustainability principles into our investment decisions, operations, and development projects.

During the year, we implemented group-wide policies in relation to operation processes, asset enhancement initiatives, forward purchases, renewable energy installations and green energy procurement. We have also started to procure a group-wide environmental data management system. With the information gathered, it will more effectively guide the setting of meaningful and achievable emissions targets and more accurate tracking of progress over time. From there, we can refine our strategies to reduce greenhouse gas ("GHG") emissions and mitigate the impact our operations have on the environment.

Materiality

(GRI 3-1)

Understanding our stakeholders' concerns and the relevant sustainability matters are of utmost importance to us. The Group conducted its first formal materiality assessment in FY16/17 to identify, prioritise and validate the

A Phased Approach to Net Zero

Lay the Foundation
- Establish an environmental data management system
- Implement sustainability policies across real estate value chain
- Set annual ESG targets

Ensure Regular and Transparent Reporting
- Make climate disclosures aligned to TCFD and MAS Environmental Risk Management Guidelines
- Participate in real estate sustainability benchmarks such as GRESB
- Signatory of UN PRI

Set Net Zero Targets
- Set intermediate and long-term targets from now till 2050

sustainability matters. The Group continues to assess these material sustainability matters by drawing from insights obtained from the day-to-day interactions and the evolving business environment.

The latest group-wide materiality reassessment was conducted in December 2021, during which employees, investors and regulators were engaged to identify matters that may influence the business strategy and operations of the REIT and the Mapletree Group. The evaluation of feedback from stakeholders enabled the Manager to list and prioritise material matters that resonate with the organisation. Following the merger to form MPACT, the material sustainability matters which were reported by MCT previously have been reviewed by the management team and Board of MPACT in FY22/23 and were deemed to remain relevant for the expanded operating business context.

The 12 existing sustainability matters are grouped into four main pillars; Economic, Environment, Social and Governance. They are integrated into the Group's strategies, supported by the relevant policies, and will be used to drive performance and measure achievements. We continue to align the sustainability matters to the 13 adopted United Nations Sustainable Development Goals ("UN SDGs").

Enhance Stakeholder Engagement on ESG
- Employee engagement
- Tenant engagement
- Investor engagement

Reduce Embodied and Operational Carbon
- Utilise sustainable construction materials
- Focus on energy efficient designs and measures
- Generate renewable energy
- Procure renewable energy

Ensure Net Zero Carbon
- Invest in nature-based solutions
- Procure carbon credits for residual emissions

SUSTAINABILITY REPORT

SUSTAINABILITY MATTERS, TARGETS AND PERFORMANCE

(GRI 3-2, 3-3)

The following table summarises our key material sustainability matters, current and future targets, performance, as well as the mapping to corresponding UN SDGs.

Our Material Sustainability Matters		FY22/23 Targets	Status
Economic Pillar			
Economic Performance	We strive to achieve stable and sustainable returns to our shareholders.	Strive to provide unitholders of MPACT with relatively attractive rate of return on investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit	✓
Quality, Sustainable Products and Services	We strive to deliver quality and sustainable real estate products and services.	• Singapore: Maintain BCA Green Mark certifications for the majority of MPACT's portfolio (by lettable area) • Others: Maintain green certifications for the rest of MPACT's portfolio	✓ ✓
Strong Partnerships	We strive to establish and foster strong partnerships with key stakeholders.	Plan at least two initiatives to improve relationships with key stakeholders	✓
Environment Pillar			
Energy and Climate Change	We strive to improve our energy performance and efficiency.	Improve landlord's like-for-like[1] energy intensity by 1% of FY19/20's baseline[2]	✓
Water Management	We strive to manage our water usage in a sustainable manner.	Improve landlord's like-for-like[1] water intensity by 1% of FY19/20's baseline[2]	✓
Waste Management	We strive to reduce waste generated and promote recycling.	• Singapore: Implement a half-yearly e-waste recycling programme with tenants • Others: Encourage tenants and shoppers to adopt 'reuse, reduce, recycle' behaviour	✓ ✓

[1] Properties covered in the like-for-like reporting excluded properties acquired or divested after the baseline year FY19/20. Accordingly, MBC II (acquired by MCT in FY19/20), Omori and MBP (both acquired by MNACT in FY19/20) are excluded. In addition, to provide a more reflective comparison of our performance, the Festival Walk Closure Period was excluded for FY19/20 as well as the corresponding period in FY22/23. Please refer to the methodology on page 151 for more details.

[2] FY19/20 has been selected as the baseline for FY22/23 and FY23/24 targets as the performance in FY21/22 and FY20/21 was not fully representative nor comparable to a normal operating year given COVID-19 disruptions.

FY23/24 and Beyond Targets	Contribution to the SDGs
Strive to provide unitholders of MPACT with relatively attractive rate of return on investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit [Perpetual]	
• Maintain the respective BCA Green Mark certifications for the Singapore properties in FY23/24 • Gateway Plaza and The Pinnacle Gangnam to achieve green certifications by FY24/25 • Maintain the respective green certifications for the rest of MPACT's portfolio in FY23/24	
Plan at least two initiatives to improve relationships with key stakeholders [Perpetual]	
• Improve landlord's like-for-like[1] energy intensity in FY23/24 by 3% of FY19/20's baseline[2] Target by 2030 • Increase total installed solar capacity at MPACT's Singapore properties to 3,400kWp by 2030 • Reduce energy intensity by 40% at MPACT's Singapore properties from FY11/12 baseline Long-term target by 2050 • Commitment to achieve net zero emissions by 2050	
Plan four events to commemorate World Water Day and raise awareness on the importance of water conservation	
• Singapore: Implement a half-yearly e-waste recycling programme with tenants • Encourage tenants and shoppers to adopt 'reuse, reduce, recycle' behaviour [Perpetual]	

SUSTAINABILITY REPORT

Our Material Sustainability Matters		FY22/23 Targets	Status
Social Pillar			
Health and Safety	We strive to maintain a safe environment for all our stakeholders, the community and care for the well-being of our employees.	• Achieve zero incidences resulting in employee permanent disability or fatality • Achieve 100% relevant trainings for eligible employees	✓ ✓
Employee Engagement and Talent Management	We strive to provide a positive work environment for our employees through fair employment practices and equal opportunities.	• Maintain a diverse and relevant learning & professional development programme • Hold employee town hall meetings at least once a year	✓ ✓
Diversity and Equal Opportunity	We strive to maintain gender equality by providing fair and equal opportunities for all.	Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits	✓
Community Impact	We strive to support initiatives and projects that have a positive impact on communities.	Encourage employee participation in Mapletree CSR events	✓
Governance Pillar			
Ethical Business Conduct	We strive to conduct our work with utmost integrity and accountability.	Maintain zero incidences of non-compliance with anti-corruption laws and regulations	✓
Compliance with Laws and Regulations	We strive to achieve full regulatory compliance in everything we do.	Achieve no material incidences of non-compliance with relevant laws and regulations	✓

FY23/24 and Beyond Targets	Contribution to the SDGs
• Achieve zero incidences resulting in employee permanent disability or fatality Perpetual • Achieve 100% relevant trainings for eligible employees Perpetual	
• Maintain a diverse and relevant learning & professional development programme Perpetual • Hold employee town hall meetings at least once a year Perpetual • 70% of employees to complete at least one hour of ESG and one hour of digital-related training in FY23/24	
• Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits Perpetual • Aspire to maintain at least 25% female representation on the Board and achieve 30% by 2030	
• Three Mapletree CSR events in FY23/24 with participation by employees • Continue to encourage employee participation in CSR events Perpetual	
Maintain zero incidences of non-compliance with anti-corruption laws and regulations Perpetual	
Achieve no material incidences of non-compliance with relevant laws and regulations Perpetual	

SUSTAINABILITY REPORT

ECONOMIC PILLAR

ECONOMIC PERFORMANCE

(GRI 3-3, 201-1)

Why is this Important?

The Manager aligns with the Mapletree Group's objectives of generating sustainable returns for unitholders and distributes economic value to the society for transformative growth. To achieve our goal, the Manager strives to provide Unitholders with a relatively attractive rate of return on their investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit.

Our Policies and Procedures

- Accounting Policy
- Distribution Policy
- Group Sustainable Investment Policy

Contribution to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

Highlights of the Year

NPI in FY22/23
S$631.9M
62.6% yoy growth

DPU in FY22/23
9.61 Singapore cents
6.1% yoy growth[1]

Green Financing
S$2.1B
accounting for one-third of MPACT Group's borrowings

Issued Maiden
S$150M
green bond under the Green Finance Framework[2]

Due Diligence for Investments

- Commits to responsible and disciplined acquisition of quality and well-located assets
- Aligned to Group Sustainable Investment Policy
- Incorporates environmental assessments as part of MPACT's due diligence process for investments to better understand potential environmental risks prior to acquisition
- Such risks include compliance with environmental regulations as well as flood risk, natural hazards and other climate-related risks
- Enables us to demonstrate our commitment to ESG, as well as a focus on mitigating risks that may impact returns

Green Finance Framework for MPACT

- Updated in September 2022
- Sets up criteria and procedures to allocate and manage proceeds raised from the green finance transactions
- Framework has been externally assured
- Available on MPACT's website[3]
- Approximately S$600 million of green financing have been obtained during the year to refinance eligible green projects
- Will continue to work closely with stakeholders to deploy green proceeds efficiently and responsibly

1 For a like-for-like comparison, this excludes $15.7 million of retained cash that was released as distributions in FY21/22.

2 Prepared in line with the Green Bond Principles (2021) published by the International Capital Markets Association and the Green Loan Principles (2021) published by the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association (the "Principles").

3 https://www.mapletreepact.com/The-Manager/Sustainability.aspx.

Details of Green Financing Instruments and Use of Proceeds

Green Financing Instrument	Maturity Date	Amount of Proceeds (S$ million)	Amount Allocated (S$ million)	Project Category	Description of Project
Green Loan	November 2024 to November 2026	638.0	638.0	Green Building	Refinancing of Singapore green building
Green Loan	February 2025	160.7	160.7	Green Building	Refinancing of Japan green building
Green Loan	September 2025	68.6	68.6	Green Building	Refinancing of Hong Kong green building
Green Loan	June 2026	120.1	120.1	Green Building	Refinancing of Hong Kong green building
Green Loan	August 2026	300.0	300.0	Green Building	Refinancing of Singapore green building
Green Loan	December 2027	22.1	22.1	Green Building	Refinancing of China green building
Green Loan	October 2026	102.9	102.9	Green Building	Refinancing of Hong Kong green building
Green Loan	February 2028	50.0	50.0	Green Building	Refinancing of Japan green building
S$150m 4.25% Fixed Rate 7-Year Senior Green Notes	March 2030	150.0	150.0	Green Building	Refinancing of Singapore green building portfolio
Total		**1,612.4**	**1,612.4**		

All proceeds from the green loans and green bonds have been fully allocated to refinance eligible properties that have been selected based on the eligibility criteria set out in the Green Finance Framework. The impact indicators for those eligible properties include energy use, carbon performance, water efficiency and waste management. Please refer to the relevant sections under the Environment Pillar of this SR.

SUSTAINABILITY REPORT

Sustainability-Linked ("SLL") Loans

We constantly explore ways to enhance financial flexibility by capitalising on sustainable financing opportunities, while keeping a strong focus on creating a positive environmental impact such as by reducing energy usage and water consumption. As of 31 March 2023, MPACT has about S$460 million of SLL loans covered by our overseas properties namely Festival Walk, Gateway Plaza, Sandhill Plaza, MON, Omori, TSI, HNB, MBP and ASY.

For these loans, there are year-on-year performance indicators on electricity and water intensities and if met, these will bring about interest rate reductions.

In FY22/23, the overseas properties consumed 34,335 MWh of electricity, which translated to an average electricity intensity of 0.111 MWh/m^2. On a like-for-like basis, excluding electricity consumption from Omori, MBP and the Festival Walk Closure Period, the average electricity intensity across the seven properties in FY22/23 was 0.115 MWh/m^2, 1.9% lower than FY19/20. Water consumption was 230,357 m^3 in FY22/23, which translated to an average water intensity of 0.74 m^3/m^2. Average water intensity, excluding the Festival Walk Closure Period and consumption from Omori and MBP, translated to 0.91 m^3/m^2, 7.3% lower than FY19/20. Based on the performance above, the indicators for FY22/23 have been met, generating expected interest savings of more than S$200,000.

Details of MPACT's Eligible Properties for Green Financing[1]

Property	Country	Asset Type	Green Certification	Valuation (million) (as at 31 March 2023)
VivoCity	Singapore	Retail	BCA Green Mark Platinum	S$3,232.0
MBC I	Singapore	Office & Business Park	BCA Green Mark Platinum	S$2,250.0
MBC II	Singapore	Office & Business Park	- BCA Green Mark Platinum - BCA Universal Design Mark Platinum Award - LEED®Gold	S$1,552.0
mTower	Singapore	Office & Retail	BCA Green Mark Gold^{PLUS}	S$753.0
Mapletree Anson	Singapore	Office	BCA Green Mark Platinum	S$752.0
BOAHF	Singapore	Office	BCA Green Mark Gold^{PLUS}	S$340.0
Festival Walk	Hong Kong	Retail & Office	BEAM Plus Existing Buildings V2.0 Comprehensive Scheme (Final Platinum Rating)	HKD25,060.0 / S$4,299.0
Sandhill Plaza	China	Business Park	EDGE ADVANCED	RMB2,420.0 / S$473.7
HPB	Japan	Office	CASBEE ("S" (Excellent) Rating)	JPY41,400.0 / S$415.7
MON	Japan	Office	CASBEE ("A" (Very Good) Rating)	JPY8,630.0 / S$86.7
Omori	Japan	Office	CASBEE ("S" (Excellent) Rating)	JPY7,730.0 / S$77.6
TSI	Japan	Office	CASBEE ("A" (Very Good) Rating)	JPY5,640.0 / S$56.6
HNB	Japan	Office	CASBEE ("A" (Very Good) Rating)	JPY2,610.0 / S$26.2
MBP	Japan	Office	CASBEE ("S" (Excellent) Rating)	JPY35,600.0 / S$357.5
FJM	Japan	Office	CASBEE ("S" (Excellent) Rating)	JPY19,900.0 / S$199.8
SMB	Japan	Office	CASBEE ("S" (Excellent) Rating)	JPY19,800.0 / S$198.8
ASY	Japan	Office	CASBEE ("A" (Very Good) Rating)	JPY2,990.0 / S$30.0

[1] Selected based on the eligibility criteria set out in MPACT's Green Finance Framework.

QUALITY, SUSTAINABLE PRODUCTS AND SERVICES

(GRI 3-3, CRE8)

Why is this Important?

According to the World Green Building Council[1], green buildings minimise the impact of climate change by reducing energy consumption, lowering greenhouse gas emissions, increasing resource efficiency, improving indoor air quality, enhancing resilience to climate impacts, and creating healthier and more productive environments for occupants. As such, the Manager actively explores new and innovative solutions, incorporating them into the daily operations and management of our properties to provide a holistic experience – both for the environment and the well-being of our buildings' occupants and visitors.

The Manager aims to further elevate MPACT's spaces through resource-efficient upgrades, retrofits as well as obtaining and maintaining green building certifications, to deliver high quality and sustainable properties and spaces.

Our Policies and Procedures

- Environmental, Health and Safety Policy
- Group Renewable Energy Policy
- Group Sustainable Development Policy
- Group Sustainable Investment Policy
- Group Sustainable Operations Policy

Contribution to SDGs

Highlights of the Year

Green Certifications

85% of portfolio by lettable area are **green-certified**

- 16 out of 18 properties in MPACT's portfolio continued to maintain their respective green certifications.
- We are committed to achieving green certifications for the entire portfolio, with plans for the remaining two properties, Gateway Plaza and The Pinnacle Gangnam, to achieve the same by FY24/25.

All properties in Singapore are certified with international standards for quality, environmental and health & safety management, including the ISO 14001 which is integrated with ISO 9001 and ISO 45001.

Green Fit-Out Standards

- Adhered to during the renovation and upgrading works at our properties where applicable, which will contribute to improved overall environmental performances.
- Encouraged tenants to adopt green fit-out guides where applicable. Measures include adopting energy and water efficiency measures and selecting greener suppliers and materials for their operations.

[1] Source: https://worldgbc.org/article/green-building-improving-the-lives-of-billions-by-helping-to-achieve-the-un-sustainable-development-goals/.

SUSTAINABILITY REPORT

STRONG PARTNERSHIPS

(GRI 2-6, 2-25, 2-28, 2-29, 3-3, 308-1, 414-1)

Why is this Important?

Our daily operations rely on an extensive and diverse group of stakeholders. Hence, establishing and nurturing strong relationships with key stakeholders is integral to the success of our business. Through regular communication and meaningful engagements, the Manager is committed to building and maintaining strong and effective partnerships with all stakeholders, identifying, understanding, and communicating issues concerning them, as well as partnering them for climate actions.

Our Policies and Procedures

- Environmental, Health and Safety Policy
- Group Sustainable Operations Policy
- Investor Relations Policy
- Mapletree CSR Framework
- Group Procurement Policy and Procedures

Contribution to SDGs

17 PARTNERSHIPS FOR THE GOALS

Highlights of the Year

Tenant Engagement

We constantly strive to understand the needs and concerns of tenants to continually improve service and foster strong relationships through regular engagements and interactions, and surveys.

Tenant engagement surveys were carried out during the year for

10 properties

- Overall satisfaction score of 4.6 out of 5 based on the 206 sets of responses received.
- The surveys focused on areas such as service delivery, responsiveness, facility management, building security and maintenance of common facilities.
- Included ESG questions for tenants to share feedback and highlight concerns, if any, and to raise tenants' awareness on such topics.

Green leasing

was rolled out to all Singapore properties in FY22/23

- Green clauses implemented for new and renewed leases in MPACT's retail and office properties in Singapore
- Enable tenants to share the landlord's green commitment and support initiatives through the provision of data, ensuring efficient use of energy and water, participation in green initiatives and proper disposal of waste
- Programme to be rolled out to overseas properties progressively

Supplier Engagement

25% of suppliers engaged in FY22/23 were screened on environmental criteria

78% of suppliers engaged in FY22/23 were screened on social criteria

- Procurement process for vendors adheres to principles of transparency as well as open and fair competition
- Vendors are checked against a Prohibited Vendor List, which includes suppliers with previous track records of compromise of health and safety standards, before commencement of tender process
- Contracts are awarded to vendors after a rigorous screening and selection process involving a balanced evaluation of financial and non-financial criteria
- Environmental and social criteria include safety performance track record, health and safety policies, regulatory requirements as well as relevant accreditation and qualifications

Investor Engagement

Over **400** investors and analysts engaged through briefings, meetings and roadshows.

Memberships

We remain committed to contributing towards the development of the real estate and REIT industry.

- REIT Association of Singapore ("REITAS")
- Quality Tourism Services Association ("QTSA") under the Hong Kong Tourism Board
- Hong Kong Green Building Council, Marble Patron Member

Shoppers and Community

We strive to surpass the expectations of our shoppers by constantly enhancing our services and curating novel experiences and offerings through dedicated platforms such as electronic feedback forms, social media channels, apps as well as through information counters located in our shopping malls.

SUSTAINABILITY REPORT

Stakeholder Engagement

We place emphasis on understanding stakeholders' key concerns and feedback as well as provide channels for communication between both parties. From here, we are able to effectively identify sustainability issues that matter to them and to respond responsibly in a timely manner.

The table below summarises the key concerns for each stakeholder group and the relevant engagement methods.

- Throughout the year
- Once or at least once a year
- Once every few years
- Monthly
- Ad-hoc

Key Stakeholder Groups	Engagement Methods	Engagement Frequency	Key Concerns	Relevant Material Sustainability Matters
Shoppers	• Customer feedback through customer service counters • Online and mobile communications platforms, as well as social media • Advertisements, marketing and promotional events to engage and inform shoppers • Shopper surveys	Throughout the year Throughout the year Throughout the year Once every few years	• Safety and well-being of our shoppers • Range and quality of retail offerings and services for shoppers' convenience • Safe, pleasant and vibrant shopping environment • Connectivity and access to public transport • Shopper traffic	• Strong Partnerships • Health and Safety • Community Impact
Tenants	• Ongoing proactive engagements with existing and new tenants through calls, regular meetings, gatherings as well as informal engagement programmes • Joint promotions and partnerships with tenants • Tenant Handbook, newsletters and tenant circulars • Tenant engagement surveys	Throughout the year Throughout the year Throughout the year Once or at least once a year	• Safety and well-being of tenants and their employees, as well as visitors to the properties • High quality and comfortable retail/office environment • Efficiency and safety of buildings • Competitive rental rates. • Range of supporting amenities • Connectivity and access to public transport • Collaboration in marketing and promotional events	• Quality, Sustainable Products and Services • Strong Partnerships • Health and Safety • Community Impact
Investment Community (Investors, Unitholders, Analysts and Media)	• Annual and/or Extraordinary General Meetings (the EGM was conducted virtually and the AGM was conducted in a hybrid meeting manner during FY22/23) • Website and SGXNet announcements, presentations and press releases • Annual reports, results briefings and webcasts • Meetings and conference calls • Investor conferences and non-deal roadshows • Electronic communication and feedback channels as well as enquiries hotline	Once or at least once a year Throughout the year Throughout the year Throughout the year Throughout the year Throughout the year	• Steady and sustainable distributions • Operational and financial performance • Business strategy and long-term outlook • Good corporate governance • Timely and transparent reporting • Economic performance and recovery of MPACT in a post-COVID-19 economy	• Economic Performance • Strong Partnerships • Ethical Business Conduct • Compliance with Laws and Regulations

Key Stakeholder Groups	Engagement Methods	Engagement Frequency	Key Concerns	Relevant Material Sustainability Matters
Employees	• Communication sessions by senior management • Career development and performance appraisals • Regular two-way dialogues with employees through formal and informal communication • Electronic communication through emails, intranet and newsletters • Recreational and wellness activities • Training and development programmes and education sponsorships • Employee Handbook and induction programme for new employees. • Employee engagement surveys		• Equitable reward and recognition • Employee retention, talent development and management • Fair and competitive employment policies and practices • Safe and healthy working environment • Opportunities for learning and development • Employee development and well-being	• Economic Performance • Health and Safety • Employee Engagement and Talent Management • Diversity and Equal Opportunity
Trustee	• Monthly reporting and updates • Ongoing dialogues and regular feedback		• Safeguard the rights and interests of Unitholders • Ensure compliance with the Trust Deed and regulations • Open communication channels	• Strong Partnerships • Ethical Business Conduct • Compliance with Laws and Regulations
Business Partners (Government, Regulators, Industry Associations and TPSPs)	• Participation in industry associations such as REITAS • Ongoing dialogues, feedback and networking events • Meetings, briefings, consultations and inspections • Letters and electronic communication • Regular meetings with TPSPs and Property Managers		• Compliance with rules and regulations • Fair and reasonable business practices • Win-win partnerships	• Ethical Business Conduct • Compliance with Laws and Regulations • Community Impact • Energy and Climate Change. • Water Management • Waste Management • Health and Safety
Local Communities	• Collaborations with non-profit organisations to raise visibility and impact of philanthropic, social and environmental causes • Channels for public feedback including information counters, social media channels, customer service hotlines and electronic feedback forms		• Safe and healthy spaces within MPACT's properties • Sustainable environmental practices • Positive impact on the local community	• Health and Safety • Strong Partnerships • Community Impact

SUSTAINABILITY REPORT

Spotlight: Tenant Engagement Initiatives

The Manager and the Property Managers regularly organise tenant engagement events during the year. These include participation in fund-raising events, mass exercises, a free-coffee session, as well as commemorating the Earth Hour.

Free coffee for female tenants at Sandhill Plaza on Women's Day

Employees and tenants participating in an emergency evacuation exercise held at MBC

MPACT properties including Festival Walk participated in Earth Hour, where facade lights were temporarily switched off to support the global movement

Spotlight: Staff Green Initiatives

Under the Staff Green Initiative organised by the Mapletree Group to encourage environmentally-friendly practices, employees from the Manager contributed ideas and implemented a number of projects ranging from upcycling used coffee grounds to planting trees during the year.

Trees were planted outside VivoCity in a greening initiative participated by MPACT's employees in Singapore

Trees were planted at HPB, MON, MBP (featured above), FJM and SMB

ENVIRONMENT PILLAR

ENERGY AND CLIMATE CHANGE

(GRI 201-2, 3-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-4, 305-5, CRE1, CRE3)

Why is this Important?

Climate change is projected to bring about a detrimental impact to local communities all across the world. Cognisant of the real estate industry's significant contribution to global carbon emissions, while understanding the huge potential it has to combat climate change, the Manager has embarked on the journey towards achieving net zero by 2050.

The Manger is guided by the Mapletree Group, and strives to focus on improving energy performance and efficiency measures throughout our operations and reducing our carbon footprint.

Our Policies and Procedures

- Environmental, Health and Safety Policy
- Group Renewable Energy Policy
- Group Sustainable Development Policy
- Group Sustainable Investment Policy
- Group Sustainable Operations Policy

Contribution to SDGs

Highlights of the Year

16
out of 18 properties in MPACT's portfolio have been green certified

About 1,960 MWh
of renewable solar energy generated at VivoCity, Festival Walk, MBC and BOAHF

11.9%
improvement in like-for-like energy intensity from FY19/20's baseline

Onboarded a new Climate Risk Analysis Tool
to enhance the accuracy of climate risk assessment

SUSTAINABILITY REPORT

Task Force on Climate-Related Financial Disclosures

The Manager recognises the significant impact of climate-related risks and focuses on improving the resilience of our properties. To give stakeholders insight into the processes and progress on measuring and managing climate-related risks and opportunities that are relevant to MPACT's business, we have adopted the recommendations of the TCFD and will continue to enhance our disclosures, where practicable. This section outlines the TCFD disclosure in the four key areas of governance, strategy, risk management, as well as metric and targets.

One of the key initiatives this year is the onboarding of a climate risk analysis tool. The analysis tool systemises the inherent risk exposure scan for physical[1] and transition[2] risks at the asset level under various climate scenarios in the short and long term. We will roll out the tool in phases. The Manager intends to leverage on the tool to enhance the assessment of climate risks and the investment due diligence processes.

Core Elements of TCFD Recommendations	MPACT's Approach and Progress	Addressed in Annual / Sustainability Report FY22/23
Governance **a) Describe the board's oversight of climate-related risks and opportunities.** **b) Describe management's role in assessing and managing climate-related risks and opportunities.**	The Board is responsible for overseeing the governance of risks and determines the overall risk strategy and risk governance, including for climate-related risks and opportunities. The Board also approves the risk appetite, which sets out the nature and extent of material risks, including climate-related risks, that can be taken to achieve the Manager's business objectives. In addition, the Board, supported by the AC, is responsible for reviewing the adequacy and effectiveness of internal control and risk management systems, including for climate-related risks. The ongoing monitoring of climate-related risks and opportunities falls under the purview of the SSC. Co-chaired by the Mapletree Group's Deputy Group Chief Executive Officer and the Group Chief Corporate Officer, the SSC comprises the CEOs of the three REIT Managers and other senior management members from the Mapletree Group's various business units and functions. The Manager's Executive Director and CEO, Ms Sharon Lim, represents MPACT in the SSC.	• Please refer to the section on Sustainability Governance for more information.

[1] Physical risks arise from the impact of weather events and long-term or widespread environmental changes and can include increased severity of extreme weather events such as floods, rising mean temperatures, sea levels, and weather patterns.

[2] Transition risks arise from the process of shifts towards a low-carbon economy, and can include regulatory changes, disruptive technological developments and shifts in consumer and investor preferences.

Core Elements of TCFD Recommendations	MPACT's Approach and Progress	Addressed in Annual / Sustainability Report FY22/23
Strategy **c) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.** **b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.** **c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 1.5°C or lower scenario.**	In line with the Mapletree Group, the Manager is committed to achieving the Mapletree Group's net zero emissions by 2050 target. As part of the Net Zero roadmap, the Manager strives to identify relevant climate-related risks and opportunities. In FY21/22, the Manager conducted its first climate risk assessment and scenario analysis exercise across the entire portfolio using the Net Zero (RCP 2.6) and Business-as-usual (RCP 8.5) scenarios[1], and across various time horizons, provided by the Intergovernmental Panel on Climate Change ("IPCC"). To enhance the accuracy of the climate risk assessment, the Manager onboarded a new climate risk analysis tool in FY22/23. Based on the analysis, there were no significant changes in the climate-related risks identified for MPACT. They are: **<u>Transition risks</u>:** • Increased pricing of carbon emissions • Mandates and regulations on existing products and services (e.g., energy efficiency requirements and green building certifications) • Changes in stakeholder expectations • Environmental reporting obligations • Exposure to climate litigation With the transition risks under the Net Zero scenario, the Manager expects to face increased costs associated with retrofitting or repairing existing assets to ensure compliance with upcoming green mandates and legislations. Failure to adopt lower emissions technology or meet changing stakeholders' expectations may also result in a decline in asset values in the long term. Expenses may also increase with the use of non-renewable energy and carbon-intensive products in markets with carbon pricing schemes. **<u>Physical risks[2] (acute and chronic)</u>:** • Fluvial, coastal, and flash floods • Tropical cyclones • Extreme heat Failure to mitigate physical risks may lead to challenges including a decline in asset values, increased operational costs, higher costs of insurance premiums and diminish the appeal of properties to clients. In addition, adapting to new climate and weather patterns could be costly. To date, the Manager has undertaken several mitigating measures. These are outlined in the Risk Management section.	• Please refer to the sections under Quality, Sustainable Products and Services and Energy and Climate Change for more information.

1 Representative Concentration Pathway (RCP) 2.6 is a greenhouse gas concentration trajectory by the IPCC that assumes that emissions start declining and reach zero by the end of the 21st century, while RCP 8.5 assumes that emissions will continue to increase throughout the 21st century.

2 Only physical risks rated as either medium or high level under RCP 2.6 and RCP 8.5 scenarios at time horizon of 2100 were identified.

SUSTAINABILITY REPORT

Core Elements of TCFD Recommendations	MPACT's Approach and Progress	Addressed in Annual / Sustainability Report FY22/23
Risk Management **a) Describe the organisation's processes for identifying and assessing climate-related risks.** **b) Describe the organisation's processes for managing climate-related risks.** **c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.**	The Manager is responsible for the management of material risks. We adopt the ERM framework, which has a top-down and bottom-up risk review process to systematically identify and assess material risks, including climate-related risks. The ERM framework is implemented across the Mapletree Group. To ensure comprehensive understanding and appreciation of the risks, as well as the practical challenges in implementing mitigation plans, the Manager engages various stakeholder groups to obtain their perspectives and insights. As part of the ongoing efforts to manage climate-related risks, the Manager sets targets for improving water and energy efficiency and identifies initiatives to improve the environmental performance of MPACT's properties. Measures adopted across MPACT's portfolio include: • Monitoring exposure to key physical hazards via obtaining regular meteorological and environmental updates from local authorities; • Monitoring changes in climate policies and regulations; • Conducting media scans for potential climate-related litigations; • Monitoring shifts in market demand and identifying new climate-related risks; • Incorporating environmental risk due diligence into the investment process; • Monitoring and reporting the portfolio's performance using key risk metrics; and • Providing climate risk management training for senior management and employees	• Please refer to the Risk Management section in the Annual Report FY22/23 for more information.
Metrics and Targets **a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.** **b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.** **c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.**	The Manager has identified the following metrics to monitor climate-related risks: • Total energy consumption and associated Scope 1 and Scope 2 GHG emissions • Total water consumption • Total solar energy generating capacity • Percentage of portfolio awarded with green building certifications (by lettable area) The Manager has set targets and reports the performance against them in the relevant sections of MPACT's SR. The Manager is committed to tracking MPACT's progress towards achieving the goal of net zero emissions by 2050. Through the ongoing monitoring and reporting, the Manager can identify areas of improvement and take necessary steps to mitigate climate-related risks.	• Please refer to the section on Sustainability Matters, Targets and Performance for more information.

Energy Use

MPACT's properties obtain their energy from purchased electricity, gas consumption, solar energy, diesel consumption and heating. In FY22/23, MPACT's total energy consumption was 111,649 MWh.

Purchased electricity accounted for 88% of our overall energy consumption in FY22/23, making it our main energy source for business operations. Heating comprised 8% of total energy consumption. Emissions from purchased electricity and heating contribute to our Scope 2 (indirect) GHG emissions. Diesel and natural gas were used as back-up generators and for the shuttle bus service at MBC, with natural gas used for heating and cooling. Diesel and natural gas combined accounted for approximately 2% of total energy consumption for the year, and their emissions are classified as our Scope 1 (direct) GHG emissions. The remaining 2% is from solar energy.

Spotlight: Generating Renewable Energy

More solar panels were installed at MBC Block 20 during the year to harness solar energy

In FY22/23, the installed solar capacity of MPACT increased by 600 kWp from 1,638 kWp to 2,238 kWp with the addition of 982 solar panel modules at MBC. During FY22/23, the MPACT portfolio generated about 1,960 MWh of renewable energy, equivalent to the electricity consumed by 270 homes for a year[1]. This also translates to an annual reduction of close to 1,389 tonnes of CO_2e, equivalent to approximately 309 fuel-powered passenger cars being taken off the road for a year[1].

For FY23/24, there are plans to add more solar panels at MBC and VivoCity, expanding solar generation capacity by 1,469 kWp to 3,707 kWp.

As we move towards a low-carbon economy, we will look to increase the proportion of renewable energy within our energy mix to reduce the amount of electricity imported from the grid.

Energy Initiatives

Across our assets, we have a dedicated property management team that tracks and monitors energy and water usage, implements key energy-saving initiatives, oversees the day-to-day operations and ensures that consumption levels remain within a reasonable range. They consolidate and track environmental information across all assets in a consistent and timely manner as well as compare and analyse month-on-month usage trends for any fluctuations and opportunities for energy savings. In Singapore, we have annual submissions on our energy data as well as other building-related information to BCA through the Building Energy Submission System. Across our portfolio, energy consumption-related information is also uploaded to the relevant government authorities where required. Energy efficient initiatives during the year include replacement of motors and fans for air handling units, LED lighting and upgrading energy-saving equipment. We will continue to invest efforts towards improving the energy efficiency across our properties. Approximately S$40 million of capital expenditures has been budgeted in FY23/24 for such initiatives including increasing solar energy generation and installation of high-efficiency fittings and fixtures.

[1] The calculation is from United States Environmental Protection Agency: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results.

SUSTAINABILITY REPORT

Initiatives Implemented in FY22/23

More energy-efficient fans for Air Handling Units ("AHU")

- Progressive replacement of AHU conventional motors and fans with more energy-efficient fans for AHU at VivoCity, mTower, Mapletree Anson and BOAHF. Approximately 30% to 40% energy savings as compared against traditional AHU fans.
- Fan coil units ("FCUs") were also upgraded with energy-saving Electronically Commutated ("EC") fans at Festival Walk, enabling energy savings of 6,000 kWh/year. The upgrading was supported by the CLP Eco Building Fund which serves to encourage adoption of energy-saving initiatives among corporates through subsidies.
- There are plans to install more energy-efficient fans for the offices in Singapore in FY23/24 and for VivoCity over the next few years.

Install Internet of Things ("IoT") backbone

- Installed at Festival Walk
- Ongoing studies on AI technologies in air-conditioning system control and IoT applications to identify initiatives for water leakage detection, better energy performance, enhanced thermal comfort and customer experience, with plans to implement feasible initiatives in the near future.

Upgrade of central heating system with an automation system

- Under implementation at Gateway Plaza
- Includes downsizing hot water pumps, installing variable speed drives and upgrading calorifiers to achieve higher operation efficiency. These initiatives are expected to deliver approximately 15% of energy savings.

Retro-commissioning of air-conditioning and ventilation systems

- Completed at Festival Walk
- To identify if existing systems require re-designing, modifications, improvements, upgrades or replacements to improve efficiency and meet the latest demands of various zones and building uses.

The direct gas-fired absorption chiller system at Sandhill Plaza was replaced with an electric-powered HVAC system

- The new system utilises an auxiliary thermal storage system with the latest Phase Change Materials technology.
- Significantly cuts down GHG emissions

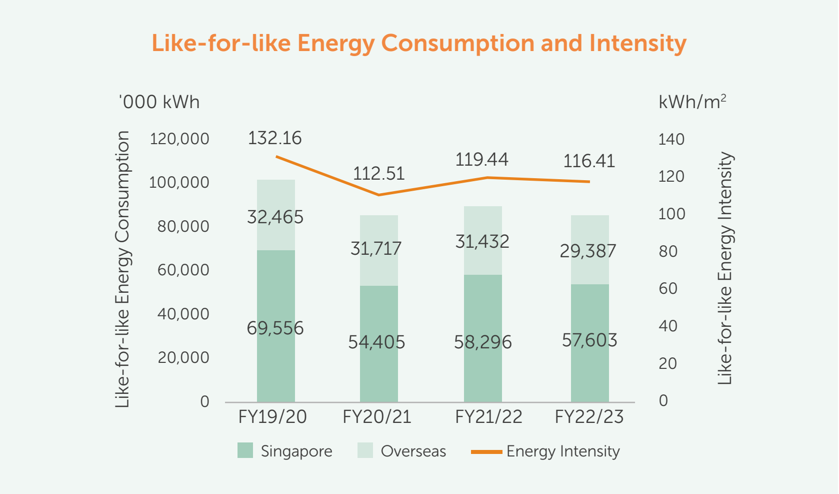
Installation of LED lights at common areas at MBC, Sandhill Plaza, Omori and MBP

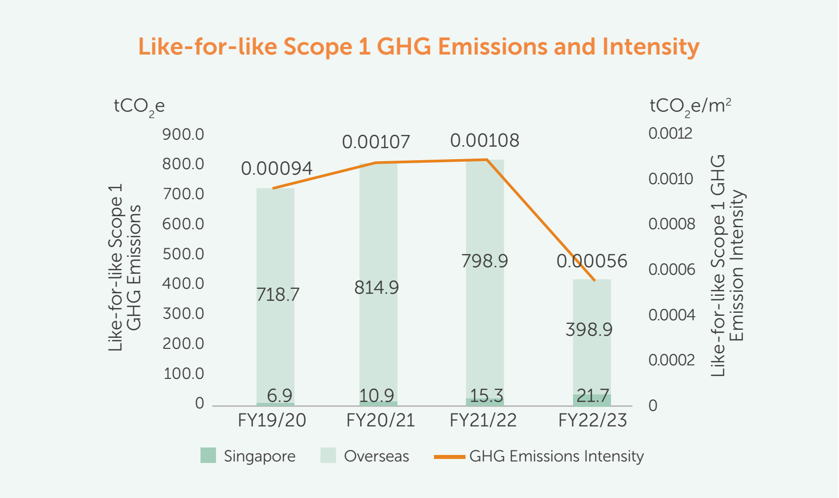
Performance Data

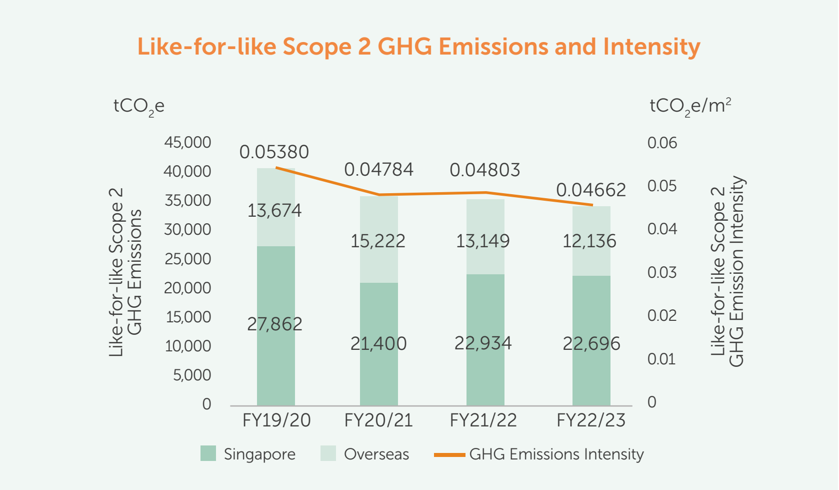
Total energy consumption and Scope 1 and 2 GHG emissions for MPACT portfolio were 111,649 MWh and 44,241 tonnes of carbon dioxide equivalent ("tCO_2e"), respectively, in FY22/23. For Singapore properties, 68,685 MWh and 27,189 tCO_2e were consumed while for overseas properties 42,963 MWh and 17,053 tCO_2e were consumed during the year.

Total diesel and natural gas used in FY22/23 amounted to 2,605 MWh which corresponds to 662 tCO_2e Scope 1 GHG emissions.

On a like-for-like basis (excluding MBC II, Festival Walk Closure Period, Omori and MBP), the energy intensity was 116.41 kWh/m^2, resulting in 35,253 tCO_2e Scope 1 and 2 GHG emissions, and an emissions intensity of 0.0472 tCO_2e/m^2. The energy intensity in FY22/23 decreased by 11.9% from the FY19/20 baseline. While the reduction in energy intensity was partially due to ongoing initiatives to improve energy efficiency across our properties, the lower energy consumption was also due to COVID-19 lockdowns at Gateway Plaza and Sandhill Plaza at the beginning of FY22/23, work from home arrangements implemented by some tenants at the Singapore offices as well as lower footfall at Festival Walk during the year.







SUSTAINABILITY REPORT

WATER MANAGEMENT

(GRI 3-3, 303-1, 303-2, 303-3, CRE2)

Why is this Important?

Responsible water stewardship has been a top priority for the Manager. Despite being situated in well-connected cities with reliable water supplies, we recognise the growing concerns on water scarcity. We strive to use water responsibly by reducing water consumption, reusing water and preventing water pollution through compliance with set limits for effluent discharge, where applicable. Where feasible, we explore the use of alternative water sources to reduce our reliance on water from local utility providers.

Our Policies and Procedures

- Environmental, Health and Safety Policy
- Group Sustainable Development Policy
- Group Sustainable Investment Policy
- Group Sustainable Operations Policy

Contribution to SDGs

6 CLEAN WATER AND SANITATION

Highlights of the Year

20.4% reduction in water intensity from the FY19/20 baseline

404,738m³ of recycling water used across all the properties[1]

>60% NEWater[2] used for two consecutive years across Singapore assets

Water Saving Initiatives include:

- Ongoing installation of water efficient sanitary fittings such as Water Efficiency Labelling ("WELS") certified taps, dual-flush valves and water tap with sensor and flow regulators
- Optimisation of water flow rates at toilets at Japan properties
- Using bleed-off water from cooling towers for toilet flushing at Festival Walk
- Reclaiming water from the sprinkler system for the sprinkler water tank at Festival Walk
- Real-time monitoring of water usage patterns at Sandhill Plaza

[1] The total recycling water used includes NEWater used from Singapore properties.

[2] NEWater is high-grade reclaimed water, produced by treating and purifying used water into ultra-clean, high-grade reclaimed water, mainly used for non-potable applications and cushions Singapore's water supply against dry weather. Source PUB: https://www.pub.gov.sg/watersupply/fournationaltaps/newater

Interactions with Water

Water is mainly drawn from local water utilities across the five markets. Water is essential to our business operations and is used primarily in common areas, such as restrooms and pantries, and in cooling towers, irrigation systems and some of our water features. These are key areas where improvements are continually made where practicable to minimise our water-related impact.

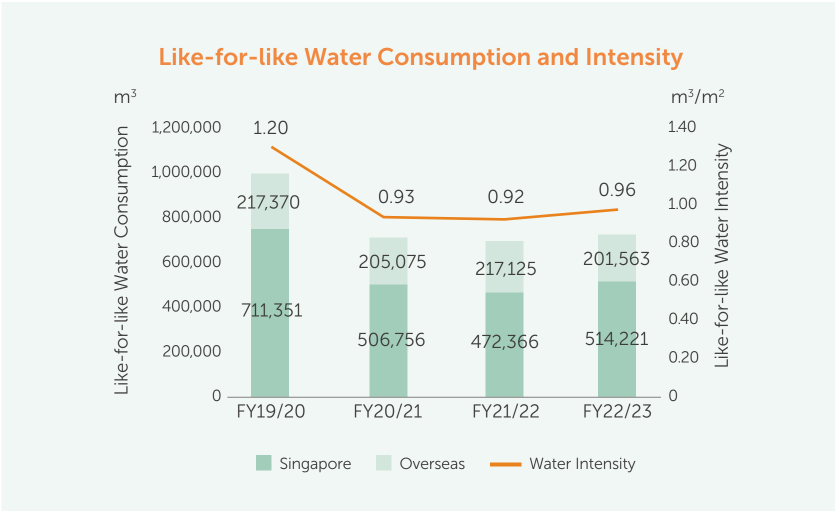
We work closely with tenants to promote responsible water usage and encourage them to adopt our water-saving initiatives. We also provide tenants, where applicable, with a Green Fit-Out guide which recommends good sustainable practices for adoption by them and their employees.

Water is treated where applicable and discharged directly through municipal wastewater facilities across our properties. The Manger and the Property Managers seek to comply with local regulations where applicable by ensuring that the discharged water meets the allowable limits for trade effluent discharge to a watercourse or controlled watercourse. Across selected properties, the local government may conduct sampling tests, where applicable, to validate the effluent quality.

Performance Data

In FY21/22, the total water used from MPACT properties was 842,577 m^3. For Singapore properties, 612,220 m^3 of water was consumed while the overseas properties consumed 230,357 m^3 of water during the year.

On a like-for-like basis (excluding MBC II, Festival Walk Closure Period, Omori and MBP), the water consumption and intensity were 715,784 m^3 and 0.96 m^3/m^2, respectively. Water intensity in FY22/23 decreased by 20.4% from the FY19/20 baseline. While this reduction was due to water-saving initiatives such as water taps replacement, water leakage sensor installation and toilet upgrading with more efficient sanitary fittings, there was also a reduction in water usage due to COVID-19 lockdowns at Gateway Plaza and Sandhill Plaza in the beginning of FY22/23, work from home arrangements implemented by some tenants at the Singapore offices as well as lower footfall at Festival Walk. During the year, 404,738 m^3 of water was recycled across all properties.



SUSTAINABILITY REPORT

WASTE MANAGEMENT

(GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5)

Why is this important?

Poor waste management has been identified as a climate change accelerator, where waste sent to landfills releases methane which is a potent greenhouse gas. A growing concern of marine littering has also been identified which can cause harm to marine species, affecting their food chain and eventually human health. The Manager strives to continually explore waste minimisation initiatives, encourage sustainable use of resources, and play our part in moving the economy towards a low-carbon one.

Our Policies and Procedures

- Environmental, Health and Safety Policy
- Group Sustainable Development Policy
- Group Sustainable Investment Policy
- Group Sustainable Operations Policy

Contribution to SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Highlights of the Year

Recycled 1,421 tonnes

of waste from total waste collected

11.4 tonnes

of e-waste recycled in FY22/23 at our Singapore properties

Waste Collected and Recycling

A majority of waste generated at MPACT's properties is attributable to activities by tenants and shoppers. During FY22/23, the total amount of waste collected was 13,784 tonnes. The Manager and the Property Managers collaborate closely with tenants and other organisations to implement waste minimisation and recycling initiatives effectively. Our total amount of recycled waste was 1,421 tonnes.

Although the quantity of hazardous waste generated was not significant, the Manager takes great care in managing it. This includes any chemical waste generated by our operations, such as disused lubrication oil from the maintenance of equipment, and paint and paint thinner from decoration works. All hazardous waste, where required, was sent to the local licensed waste facilities for proper disposals. The Manager and the Property Managers ensure that all waste contractors engaged maintain compliance with all applicable regulations set out by the respective waste agencies where we operate in.

Tenants are provided with a Tenant Green Guide where applicable as part of the Fit-Out Manual to encourage sustainable practices such as reduce, reuse and recycle. Across our properties, waste sorting and recycling bins are provided in common areas to encourage tenants and shoppers to incorporate recycling into their living and working habits, and to practise segregation of waste at its source.

Spotlight: Engaging Tenants on E-waste Recycling in Singapore

In Singapore, the National Environment Agency ("NEA") has introduced a regulated e-waste management system that will ensure the proper collection and handling of e-waste, and the extraction of valuable resources from e-waste. In collaboration with NEA's partners, we have enhanced our e-waste recycling programme by setting up six e-waste bins – two at MBC and one each at Mapletree Anson, BOAHF, VivoCity and ARC. This enables office tenants to responsibly dispose electronic items such as personal computers, laptops, monitors and other devices conveniently. A total of 11.4 tonnes of e-waste was collected in FY22/23.

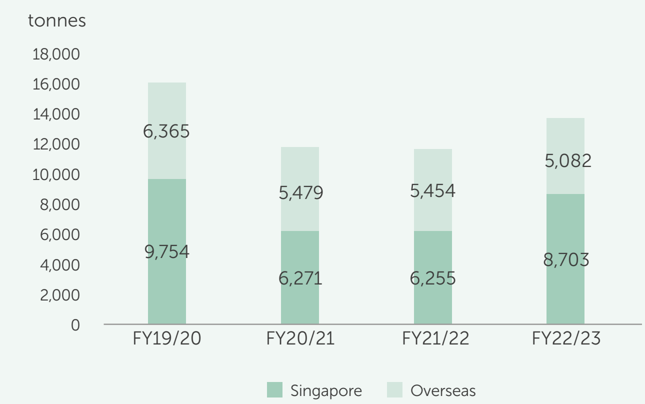
E-waste bin installed at ARC

Performance Data

In FY22/23, a total of 13,784[1] tonnes of waste was collected from MPACT's properties, with 10% being recycled. Out of the total waste collected, 8,703 tonnes were collected from the Singapore properties, while 5,082 tonnes were from the overseas properties.

Waste collected comprises paper, plastic, metal, glass, food waste and e-waste.

Waste Collected



The discharge of trade effluent into public sewerage systems and open drains, canals and rivers is strictly regulated by the government authorities. The Property Managers work closely with its partners to monitor the quality of grease and oil readings in the trade effluent, where applicable, ensuring that they do not exceed legal limits. In the event where readings are exceeded, prompt corrective actions are taken to rectify the issue.

[1] Total does not add up due to rounding differences.

SUSTAINABILITY REPORT

Spotlight: Responsible Waste Management

Food Waste Recycling

Our properties have implemented action plans to manage and reduce food waste, recognising that it is one of the biggest waste streams globally. Aligned with NEA's commitment to reduce food wastage, VivoCity is in the process of installing an onsite food composter that is expected to reduce approximately 120 tonnes or 23% of waste per month.

Under a programme organised by Hong Kong's Environmental Protection Department, food waste was collected from tenants at Festival Walk and sent to a waste treatment plant for electricity generation. This provides a sustainable energy alternative to fossil fuels and reduces carbon footprint.

At Sandhill Plaza, close to 3.6 tonnes of food waste was recycled for landscaping purposes as waste compost instead of being sent to landfills.

Circularity at Singapore Office Properties

We strive to incorporate circularity across our properties wherever possible. During the year, old timber decks from VivoCity were upcycled into benches for use at MBC. In addition, we adopt the "Reduce, Reuse, Recycle" approach to replace light tubes in tenant spaces and common areas with energy-saving LED tubes while reusing the rest of the lighting fixtures. This extends the service life of the lighting fixtures, resulting in an estimated tonnage savings of approximately 10%. We plan to retrofit more lighting fixtures in the common areas and tenanted areas of our Singapore office properties.

Old timber decks from VivoCity were upcycled into benches for use at MBC

Implemented circularity principles by retrofitting light fixtures at MBC and BOAHF with LED tubes while reusing the rest of the lighting fixtures

SOCIAL PILLAR

HEALTH AND SAFETY

(GRI 3-3, 403-1 to 403-9)

Why is this Important?

Safeguarding the health and safety of our employees and all stakeholders at our properties remain our highest priority with our belief that every life matters. Safety lapses can threaten the well-being of our employees, workers and stakeholders, and expose MPACT to reputation and regulatory risks. Hence, we adopt a robust approach to health and safety management, by proactively mitigating safety hazards and enforcing strict safety controls. We also ensure strict adherence to all applicable local safety laws and regulations where we operate.

Our Policies and Procedures

- Environmental, Health and Safety Policy
- Pandemic Disease Plan

Contribution to SDGs

Highlights of the Year

75 eligible employees
participated in safety training programmes in FY22/23

0 incidences
resulting in employee permanent disability or fatality

100% relevant trainings
for eligible employees

Fostering a Safety-First Culture at MPACT

Our group-wide EHS policy guides all employees on safe work practices. We are committed to providing a safe and healthy environment for our employees and stakeholders, which includes TPSPs, tenants and visitors. They are required to acknowledge and abide by our requirements on health and safety prior to engagement. The same will be applied to tenants, who are required to adhere to the relevant standard fit-out and operation guidelines. The Manager works closely with the property management teams across the portfolio, with additional support provided by the Mapletree Group property management team, and has established a health and safety management system comprising policies and procedures, risk assessments, safety trainings and communication, and regular safety inspections.

Standard operating procedures have been established to guide employees and tenants on incident escalation, investigation and reporting in the event of an accident within our premises. These provide guidelines on the levels of escalation, monitoring and reporting based on the nature of incidents as well as the processes on responding to emergency situations.

SUSTAINABILITY REPORT

Hazard Identification, Risk Assessment and Mitigation of Health and Safety Impacts

We ensure strict compliance with all relevant safety-related regulations in the countries we operate in. We have put in place a risk management process to mitigate the risks from potential work-related hazards. The table below outlined the roles and responsibilities that our employees, tenants and TPSPs carry out to reduce potential risks that have been identified.

Stakeholders	Processes to Prevent and Mitigate Occupational Health and Safety Impacts
Employees	• Guided by the group-wide health and safety policy • Take ownership on safety issues and are proactive in reporting all safety-related incidences • Regular checks are conducted by the Property Managers on key building management components such as lifts, escalators, fire service installations, indoor air quality, proper lighting controls and thermal comfort in alignment with relevant guidelines where applicable • Risk assessment conducted to ensure potential hazards have been identified and relevant mitigation measures have been implemented
Tenants	• Where applicable, tenants are required to adhere to environmental or health and safety standards and regulations by familiarising themselves with the relevant tenant instruction manuals which includes: > A Fit-Out Manual where applicable that details minimum fit-out standards such as safety rules for additions and alterations works, a Fire Safety Manual and Evacuation Plan > A Tenant Handbook which details safety rules and "Dos and Don'ts" for tenants to conduct their business safely and responsibly > Fire and evacuation plans where applicable • Regular communications in the form of circulars are issued to tenants as and when heightened security and health risks arise (e.g. COVID-19)
Third-party service providers	• Similar to tenants, TPSPs are also furnished with a Fit-Out Manual and, where required, will sign the Fitting-Out Briefing Acknowledgement Form prior to any works • Health and safety performance of TPSPs are also monitored through regular meetings and spot checks where applicable to ensure best practices are being implemented and ensure compliance with the applicable health and safety regulations • TPSPs or contractors are required to conduct risk assessments prior to the commencement of works if activities contain hazards that may affect employees, tenants or visitors to the buildings • Our standard contract terms set out expectations of our main contractors, including requirements to comply with all prevailing laws and regulations. Onsite safety audits are conducted to ensure compliance as needed
Visitors	• Properties are installed with directional signages, emergency exits and emergency lightings for the safety of visitors • Annual checks of lifts and fire alarm systems are conducted to ensure compliance with building regulations • Site walkabouts are conducted by the Property Managers regularly to ensure that there are no potential safety and health hazards that may affect tenants and visitors

Spotlight: Safety Committee at Festival Walk

In FY22/23, Festival Walk reconvened a dedicated safety and health committee comprising department heads and employees. The committee meets regularly to review safety practices, including daily operations, project management, as well as marketing and promotion events held at Festival Walk. To enhance safety practices, a safety and health management system was implemented during the year. This system mitigates risk, raises awareness and well-being, reduces work injuries, and ensures compliance with statutory requirements.

A safety management training session attended by employees of Festival Walk

Competence and Training

We prioritise the health and safety of our employees by regularly organising trainings throughout the year to ensure that they are updated and sufficiently equipped to identify and handle potential workplace hazards and incidents. These training sessions are conducted either in-house or by external specialists, and include topics such as on-site safety, manual handling and prevention of back injuries, fire safety and emergency control, chemical safety and safety of working at height.

In FY22/23, 75 employees attended safety training programmes. New contractors are also required to attend safety briefings or trainings prior to the commencement of their work. Across the Singapore properties, new employees were reminded on the importance of safety during orientation sessions. New employees at Festival Walk also undergo safety training as part of their orientation programme. Since July 2022, monthly safety trainings have been conducted for Festival Walk employees by external safety consultants to raise safety awareness and ensure workplace safety.

Security, Emergency Preparedness and Response

At MPACT, safety and security are of utmost importance in maintaining high-quality spaces for our tenants and shoppers. We have implemented various security measures including visitor registration, card access system, gantry systems and closed-circuit television systems. In addition, security officers are deployed to further enhance the security of our buildings. Safety drills are held[1] regularly across all properties to ensure a high level of preparedness and enhance our employees' response to emergencies.

Conducting routine safety checks and briefings at Festival Walk

Business Continuity

To mitigate the impact of unexpected events on our operations, the Manager has in place business continuity plans and a crisis communication plan. Detailed response plans have been developed for various scenarios and covered areas such as emergency response, property damage and information technology ("IT") disaster recovery. With cybersecurity threats on the rise, we also test our IT disaster recovery plans annually, and all employees undergo mandatory online IT security training. In view of the COVID-19 pandemic, the Mapletree Pandemic Disease Plan provides guidelines to restore and maintain MPACT's activities to the pre-defined level of business continuity following an infectious disease crisis, establish preventive strategies to control disease spread among staff, as well as train and educate staff on policies and procedures.

1 For the Japan properties, in accordance with the local fire department policy and in line with COVID-19 measures, webinars in lieu of fire drills were held in FY22/23.

SUSTAINABILITY REPORT

Spotlight: Indoor Air Quality Improvement

Providing quality indoor air is essential to ensuring the well-being, health, safety, and comfort of our stakeholders. The importance of good indoor air quality and ventilation has been heightened in light of public health emergencies such as the COVID-19 pandemic.

Across our Singapore properties, we have implemented various initiatives to improve indoor air quality. These include the installation of the Ultraviolet Germicidal Irradiation ("UVGI") systems as part of the AHU upgrading project at MBC, mTower, Mapletree Anson and BOAHF. This will be expanded to VivoCity as part of its AHU upgrading project and will be completed by FY24/25.

Providing better air quality at VivoCity through the use of NanoeX, an ion-based air disinfection solution

NanoeX air purifiers, an ion-based air disinfection solution, were installed at the common restrooms at VivoCity and the office properties in Singapore. Other initiatives include the installation of fresh air damper actuators, CO_2 sensors and high efficiency MERV 13 filters for AHU systems to ensure that a regulated and optimum level of fresh air is constantly being circulated.

At Festival Walk, fresh air supply is maximised during cold weather and during the COVID-19 pandemic. In addition to installing high efficiency MERV 13 air filters, photocatalytic oxidation devices have been placed at some of the FCUs for air disinfection.

Across the China properties, ongoing initiatives include regular cleaning and replacement of filters in air conditioning systems and air quality monitoring.

Health and Safety Performance

In FY22/23, the Manager and the Property Managers maintained a record of zero reported incidents that resulted in employee permanent disability or fatality across the 985,530 man-hours worked by our employees. However, we had 7 work-related injuries, mainly associated with sprains, slips and falls and a finger injury. In response to these incidents, follow-up actions have been put in place and monitored for effectiveness and we have reminded employees to increase vigilance at the workplace.

In FY22/23, there were zero incidences of significant non-compliance with relevant health and safety regulatory requirements. In addition, all eligible employees under the Manager and the Property Managers have completed 100% of relevant trainings assigned to them. We aim to upkeep this track record and continue to inculcate a safety-first mindset in the organisation.

Work-Related Injuries	Employees	
	FY21/22	FY22/23
Number, Rate of fatalities	0, 0%	0, 0%
Number, Rate of recordable work-related injuries[1] (including high consequence work-related injuries)	8, 8%	7, 7%
• Number, Rate of high consequence work-related injuries[2]	3, 3%	4, 4%
Number of working hours	963,560	985,530

[1] Number of recordable work-related injuries relate to cases with at least four days of medical leave.

[2] A high consequence injury is one which a worker cannot, or is not expected to recover to pre-injury health status within 6 months.

EMPLOYEE ENGAGEMENT AND TALENT MANAGEMENT

(GRI 2-25, 2-26, 3-3, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3)

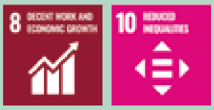
Why is this Important?

MPACT's growth and long-term success hinge upon a diverse and skilled workforce. Human capital is our most valuable asset, and we are committed to fostering an inclusive environment which values diversity, recognises and rewards talent through fair employment practices, upskills training, employees engagement and employee wellness initiatives. We are also committed to providing a positive and vibrant workplace that promotes personal development, employees' good health and well-being.

Our Policies and Procedures

- Code of Conduct and Discipline
- Compensation, Benefits and Leave Policy
- Group Employee Engagement Policy
- Learning and Development Policy
- Overseas Business Travel & International Assignment Policy
- Performance Management Policy
- Resourcing and Employment Policy
- Talent Management Policy

Contribution to SDGs



Highlights of the Year

447 employees as at end FY22/23

44 learning hours on the average for each employee

1.9% new hire rate in FY22/23

0.9% average turnover rate in FY22/23

Fair Employment Practices and Talent Retention

The Manager and the Property Managers continue to commit to fair employment practices by ensuring that we adopt the best practices in our hiring process and offer equal opportunities to all potential candidates. To attract high-calibre talent, the Manager and Property Managers publicise employment opportunities through various channels, including online job portals with selections based on fair and objective criteria, such as skills, experience and qualifications, in accordance with the Group's policies on non-discriminatory hiring practices. These measures ensure that our hiring practices are equitable, based on merit, and free from discrimination.

Additionally, the Mapletree Group has different platforms, including the Mapletree Associate Programme, Mapletree Executive Programme, and Mapletree Internship Programme that help to recruit talents at different points in their career path.

To help new hires assimilate to the Mapletree Group's operations, they are also given the opportunity to undergo the Mapletree Immersion Programme.

Beyond attracting talent, the Mapletree Group's Human Resource ("HR") policies are aimed at motivating and retaining employees. This holistic approach allows the Mapletree Group to work towards a common goal of recruiting suitable employees, retaining talent, promoting a culture of continuous learning and development, providing equal benefits and opportunities, as well as ensuring compliance with the relevant local labour laws. To guide our employees on general conduct and discipline to foster a conducive work environment, the Employee Handbook, alongside

SUSTAINABILITY REPORT

the Mapletree Group's Code of Conduct and Discipline, is made available to every employee whereby information on hiring, equal opportunity, learning and development, and remuneration are detailed.

As at 31 March 2023, there were 447 employees at the Manager and Property Managers. For more information on the gender breakdown, please refer to the charts within the section on Diversity and Equal Opportunity. For FY22/23, we observed an average monthly new hire rate at 1.9% and an average monthly turnover rate was recorded at 0.9%.

Competitive and Fair Remuneration System

We adopt a fair and competitive remuneration and a reward system that is performance-driven. Equal opportunities are offered to all employees to grow and develop during their time with us. The Group engages independent human resource consultants to benchmark remuneration packages across different markets. Beyond base salaries, other components of the compensation packages include short-term cash bonuses. Selected employees at managerial levels are also eligible to receive performance-based long-term incentive awards. Key performance indicators and employees' personal achievements are tracked via the group-wide e-Performance Appraisal system. This enables all employees to communicate their development and career goals. All employees also receive regular and timely feedback about their performance throughout the year from their managers.

Annually, all employees are assessed against a core competencies framework and are provided feedback on their performance based on three key areas – proficiency and quality of work, collaboration and leadership, and business growth. To engage our people in our ESG commitment, we have incorporated non-financial targets such as environmental, CSR and employee well-being into the MPACT scorecard for employees. We employ an ePerformance Appraisal system to ensure that 100% of our employees receive performance and career development reviews.

In Mapletree Group, all our full-time and contract/part-time employees have access to a comprehensive welfare and benefits scheme that provides insurance coverage, medical and dental benefits, employee assistance, various types of leave, staff engagement initiatives and wellness programmes, where applicable. Temporary employees (on contracts more than 12 months) receive similar benefits to permanent employees. We make monthly contributions to our employees' social securities in compliance with the applicable local legislated social security policies. Throughout the year, we regularly review and update employment, insurance and medical benefits for employees. There are also long-service awards and activities to show appreciation to employees' contribution and service.

Parental Leave (GRI 401-3)

The Manager offers parental leave to all its 214 employees in Singapore, comprising 117 females and 97 males. In FY22/23, a total of 4 male and 5 female employees took parental leave during the year.

80% of those employees returned to work after the conclusion of their parental leaves (comprising three females and four males) while the remaining were still on parental leave as at 31 March 2023

67% of those employees who have returned from parental leave in FY21/22 remained employed at MPACT (comprising four females and two males) during the reporting year

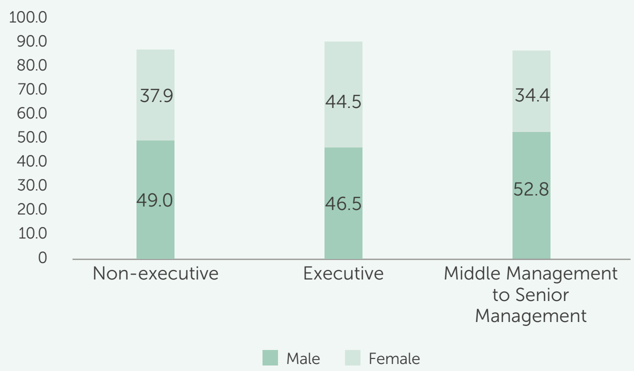
Career Development Opportunities

The Mapletree Group continued to enhance our learning and development opportunities by leveraging on physical training sessions and e-learning resources and online platforms, such as the Mapletree Learning Management System ("LMS") and LinkedIn Learning, which comprises a digital library of over 16,000 courses covering a wide range of topics. Employees can also participate in certified skills training programmes, personal development courses, and industry seminars and conferences including the Singapore Management University ("SMU") Real Estate Forum and SMU Real Estate Lecture which are organised by SMU as part of the real estate programme supported by the Mapletree Group. We also support ongoing development of our full-time employees who wish to pursue further academic qualifications at their own initiatives by providing education assistance and course sponsorships. For talents, we continually identify and groom them internally within the organisation, where further training would be provided to enhance their career progression.

An employee self-development scheme is in place to support employees who desire to upgrade themselves professionally. The scheme allows employees to claim for expenses related to professional and academic courses, MBA and degree programmes, as well as personal development or enrichment courses such as financial planning.

In FY22/23, all of our employees attended a total of 2,318 courses. The average training hours per female and male employee were 39 and 49 hours, respectively, giving an average of 44 training hours per employee for FY22/23. During FY22/23, 100% of our employees have received ESG-specific training.

Average Training Hours[1] by Employee Category and Gender



Training Categories	Examples of Training Programmes	Number of Programmes Conducted
Building and Safety	• Mandatory Basic Safety Training (Revalidation) (Green Card) • Fire Safety and Emergency Control	37
Digital Transformation	• Effectively Leading Digital Transformation • The Digital Transformation of Learning	57
Finance, Accounting and Audit	• BPC Budget Training • Understanding the MIPL Delegation of Authority and Procurement Training	28
Information and Technology	• Mapletree IT Security Awareness Training • Defend Yourself Against Cyber Attacks and Data Breach	20
Real Estate	• Various courses under the Mapletree Real Estate Programme • Online Rules & Ethics Course	29
Sustainability and Business Continuity	• Closing the Green Skills Gap to Power a Greener Economy and Drive Sustainability • Healthy Building Foundations	62
E-Learning (LinkedIn Learning, Cross Knowledge and webinars)	• Teamwork Foundations • Sales Negotiation	2,044
Others	• Mapletree Orientation Programme (SG) • Mapletree Immersion Programme	41

[1] The average headcount over a three-month period representing the beginning, middle and end of the financial year was used for the computation of the average training hours for the breakdown by the three employee categories.

SUSTAINABILITY REPORT

Employee Engagement

At MPACT, there are support channels in place for employees to provide valuable feedback and raise any grievances that may arise. It includes the practice of an open-door policy to encourage employees to voice out problems or concerns relating to any aspect of their work. There is also a grievance-handling mechanism that specifies the internal escalation procedures for work grievances to a higher level of management and the HR department.

Our management and employee representatives will work alongside Mapletree Group HR to introduce relevant measures to address the concerns of employees where possible. An employee town hall session was held in June 2022 for colleagues in Singapore, China, Hong Kong, Japan and South Korea to share company and human resource updates on the merger between MCT and MNACT as well as future plans. We conduct employee engagement surveys once every three years to identify areas of improvement in order to continually enhance the overall working environment and experience for our people. The next survey will be conducted in 2023.

Employee Well-Being

We strive to create a culture of inclusiveness and improved job satisfaction among employees by providing resources for physical, mental and financial health as well as promoting work-life balance. Wellness@Mapletree, a group-wide initiative to foster health and well-being among stakeholders, was launched in FY18/19. Under this initiative, employees of the Manager and Property Managers can participate in corporate activities, events and workshops focused on improving health and well-being. As at 31 March 2023, 88.8% of our employees have attended a minimum of four wellness activities, ranging from wellness talks to virtual and in-person activities, such as workshops on relaxation exercises, floral tea, healthy eating, aromatherapy massage, Chinese tea appreciation, as well as walks and classes on yoga and traditional Chinese fitness. Regular emails on mental wellness were also sent to increase employees' awareness on mental health. In addition, the Employee Assistance Programme, which was introduced in FY21/22, provides confidential and professional counselling and information services to employees in case they need to have someone to confide in.

A virtual talk on managing stress and emotions during COVID-19 for employees at Gateway Plaza

Aiming for the bullseye at the archery event held in Singapore

DIVERSITY AND EQUAL OPPORTUNITY

(GRI 2-7, 3-3, 405-1)

Why is this Important?

The International Labour Organisation ("ILO") reported that high levels of equality, diversity and inclusion correlate with greater innovation, productivity, performance and workforce well-being. The Manager aligns with the Mapletree Group's direction of embracing diversity and equal opportunity so that every employee can reach his or her best potential.

Our Policies and Procedures

- Board Diversity Policy
- Code of Conduct and Discipline
- Compensation, Benefits and Leave Policy
- Employee Handbook - General Terms and Conditions
- Resourcing and Employment Policy
- Talent Management Policy

Contribution to SDGs

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Highlights of the Year

63% Female
in management (Vice President and above)

29% Female
board members as at 31 March 2023

Profile of our Workforce

Our people matter to us, and we recognise that our employees' diverse backgrounds, talents and skillsets give us a competitive edge. We strive to ensure that all employees are included and represented regardless of their gender, race, nationality and family status. The Manager and the Property Managers commit to fair employment practices by ensuring that we adopt best practices in our hiring process and offer equal opportunities to all potential candidates. In FY22/23, there were 447 employees at the Manager and the Property Managers who were based in Singapore, Hong Kong, Beijing and Shanghai in China[1]. There were no non-guaranteed hours employees[2] hired in FY22/23. Female and male employees accounted for 50% and 50% of the entire staff population, respectively, (FY21/22: 50% and 50%, respectively).

Across both genders, 13% of our employees were under 30 years of age (FY21/22: 15%), 62% were between 30 to 50 years of age (FY21/22: 60%) and 25% were above 50 years of age (FY21/22: 25%).

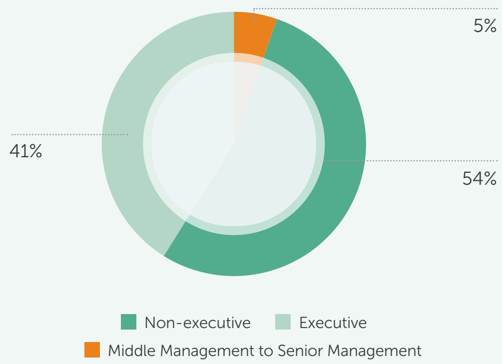
[1] The Manager's headcount does not include employees managing the Japan properties and The Pinnacle Gangnam. The Japan properties are managed by the local management team from MIJ, an indirect wholly-owned subsidiary of the Mapletree Group. The Pinnacle Gangnam is managed by IGIS Asset Management Co., Ltd., a licensed asset management company in South Korea. There are a total of 4 property managers employed at MPACT.

[2] Non-guaranteed hours refer to employees who are not guaranteed a minimum or fixed number of working hours per month but who may need to make themselves available for work as required.

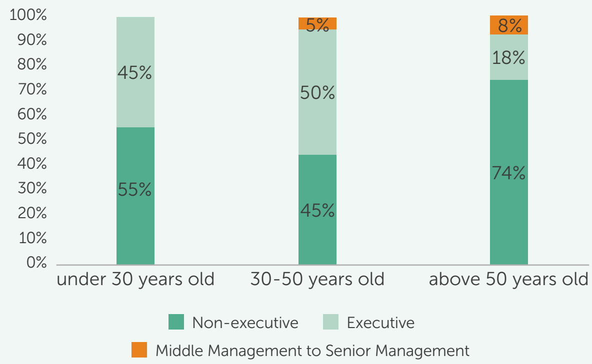
SUSTAINABILITY REPORT

63% of Management (Vice President and above) were females, with most of them within the 30 to 50 years old range. Across the employee categories, female employees were the most represented in the Executive category at 52%.

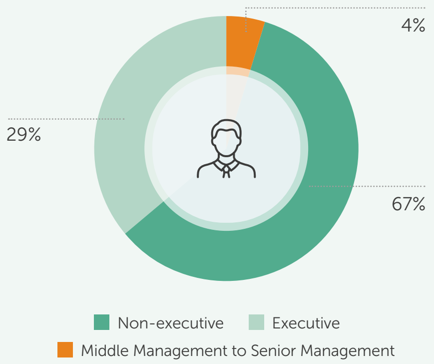
Breakdown of Employees by Employee Category



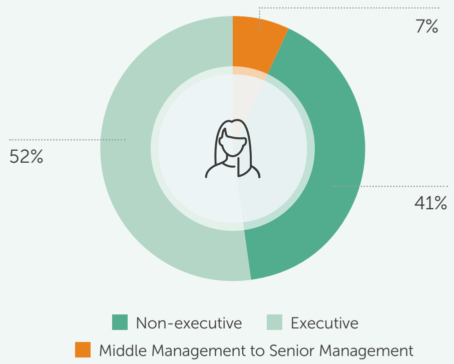
Total Employees by Category and Age Group (%)



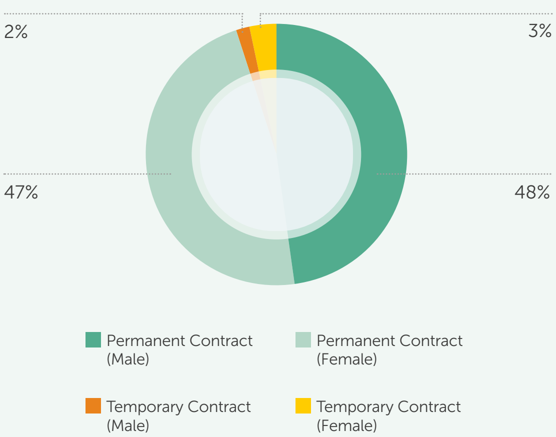
Breakdown of Male Employees by Employee Category



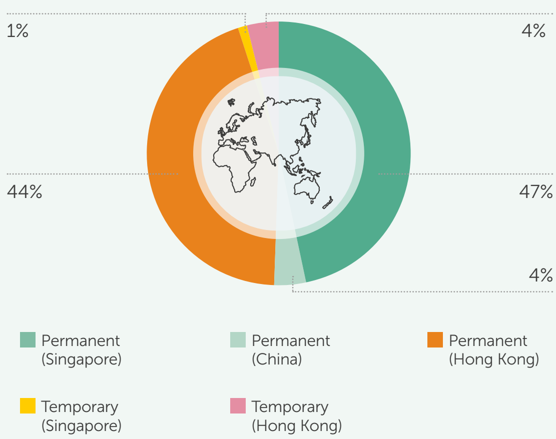
Breakdown of Female Employees by Employee Category

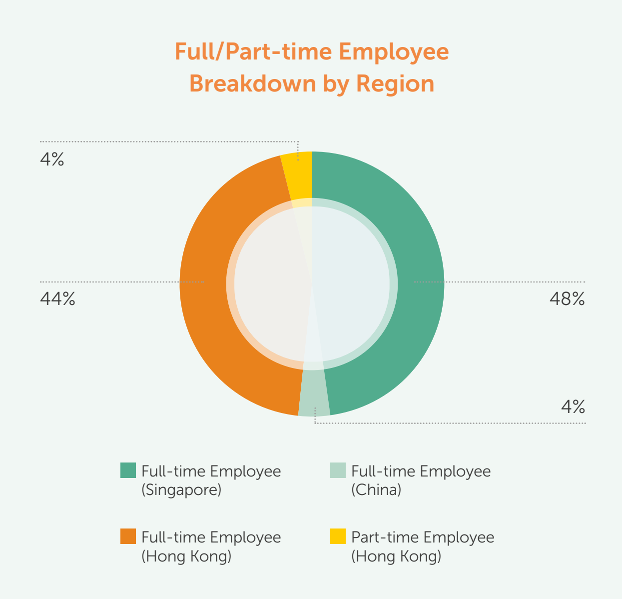


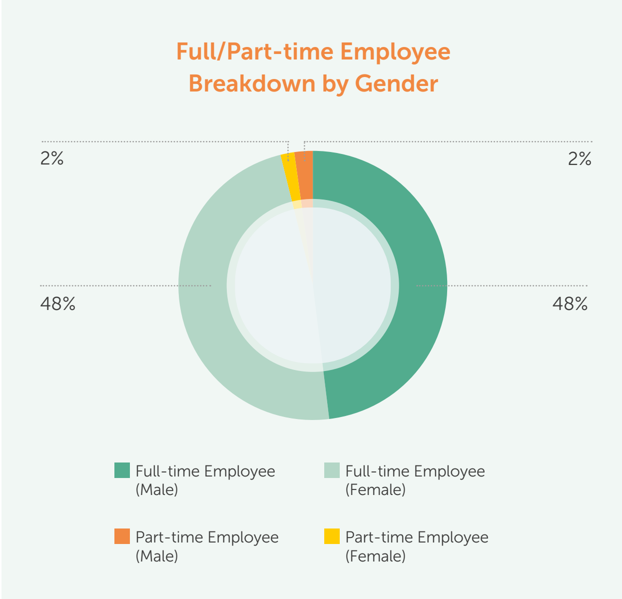
Permanent/Temporary Employee Breakdown by Gender



Permanent/Temporary Employee Breakdown by Region



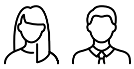




Board Diversity

Diversity at the Board level is complementary to the Mapletree Group's strategy. Our Board comprises business leaders and distinguished professionals with diverse professional backgrounds including in finance, banking, legal, accounting, real estate and general management. As disclosed in our Corporate Governance report, each Director is appointed on the strength of his or her business and industry experience, skills, educational background, as well as other distinguishing qualities, while also giving due consideration to the needs and business of MPACT. In line with the focus on diversity, the Mapletree Group has formalised its Board Diversity Policy, incorporating additional aspects of diversity such as age, gender and cultural ethnicity. In a further commitment, we have also set a target to aspire to maintain at least 25% of female representation on the MPACT Board and achieve 30% by 2030. As at 31 March 2023, after the board reconstitution as a result of the merger between MCT and MNACT, we are pleased to have already achieved 29% female representation on our Board. The Manager will work towards achieving the target of 30% female board representation.

29%
Female representation on Board



Distribution of Board Members by Gender	
Male	Female
10	4
71%	29%

Distribution of Board Members by Age Group		
<30 years old	30 – 50 years old	> 50 years old
0	0	14
0%	0%	100%

SUSTAINABILITY REPORT

COMMUNITY IMPACT

(GRI 2-25, 3-3, 413-1)

Why is this Important?

The Manager believes in giving back to the community by providing a helping hand to those in need. Where possible, we endeavour to engage in activities that promote positive impact on our local communities across four key pillars – the arts, education, environment and healthcare. We pledge to build positive relationships with our local communities and work together towards building an ecosystem that is inclusive, responsible and sustainable.

Our Policies and Procedures

- Mapletree CSR Framework

Contribution to SDGs

Highlights of the Year

~S$**456,000**
of venue and publicity sponsorships provided in FY22/23

Six CSR events
participated by employees from Singapore, Hong Kong and China in FY22/23

Corporate Social Responsibility

The Mapletree Group's CSR framework focuses on four key pillars – the arts, education, environment and healthcare. Our CSR commitment is closely aligned to the Group's business performance. For every S$500 million of profit after tax and minority interests ("PATMI"), or part thereof, S$1 million is set aside by the Mapletree Group annually to fund CSR projects. A dedicated five-member CSR Board Committee provides strategic oversight of the Mapletree Group's CSR efforts and demonstrates Mapletree's group commitment to CSR. To ensure good governance and a diverse representation of views, the committee members representing Mapletree REITs, private platforms or private funds are rotated every three years.

The proposed community engagement programmes are evaluated by the Manager and the Property Managers based on the guidelines stipulated by the Mapletree CSR Framework, with priority given to activities with specific social outcomes, long-term engagement as well as opportunities for self-volunteerism. We collaborate with non-profit and government organisations to promote various causes, In line with the Mapletree Group's efforts to promote volunteerism, employees from Singapore, Shanghai and Hong Kong participated in six CSR events in FY22/23. These events include activities such as fund-raising events, "Project Deliver Me" in collaboration with the National Library Board in Singapore, and production of meal packs with Food Angel involving Festival Walk employees.

In FY22/23, with the stabilising COVID-19 situation, we have organised more community events and performances. This year, we provided venue sponsorships and advertising spaces totalling approximately S$456,000 for philanthropic causes.

Spotlight: CSR and Sponsorship Events Held during the Year

Distributing books and Mapletree care packs to beneficiaries at the "Project Deliver Me" initiative, a collaboration between NLB and MPACT

Staff volunteers from Festival Walk cleaned and prepared 240kg of vegetables to make 6,953 meal boxes for Food Angel and their charity partners

Former Miss Hong Kong winners helping to raise funds for the needy at the Wai Yin Association's 'Mooncake Charity Sales' held at Festival Walk

Community Engagement

The Manager and the Property Managers constantly strive to understand the needs, feedback, and concerns of our local communities so as to improve service standards at our properties and build close community ties. We continuously monitor our impact to the community through various avenues. Tenants can contact on-site representatives of the Property Managers and members of the public can send their feedback to the corporate email found on MPACT's website or contact customer service counters at the properties. For our assets, we have considered the safety and well-being of stakeholders and the wider community. Our team adopts safety measures in their daily operations and during asset enhancement works. For example, during renovation works, we put up hoarding boards, monitor noise level and ensure the safety of our stakeholders. Where possible, we time our works to start or end earlier to minimise disruptions to our stakeholders and the wider community.

Promoting Accessibility

MPACT's properties are conveniently located near local transportation hubs and well-connected to public transit systems. This fulfils our social integration criteria of providing community spaces such as public gathering points and enhancing connectivity to public transport, roads and amenities, while ensuring accessibility for people of all ages and mobility levels. We also encourage the use of green transportation by providing 863 bicycle racks and 109 electric vehicle charging stations across our properties.

VivoCity is a shopping mall with direct linkage to the HarbourFront MRT station and has barrier-free access throughout its premises, including wheelchair-friendly ramps, lifts and restrooms. Festival Walk is a shopping mall located atop the Kowloon Tong MTR station. For the convenience of wheelchair users, Festival Walk and the office premises are also equipped with barrier-free access, accessible toilets and parking lots.

SUSTAINABILITY REPORT

GOVERNANCE PILLAR

ETHICAL BUSINESS CONDUCT AND COMPLIANCE WITH LAWS AND REGULATIONS

(GRI 2-16, 2-25, 2-26, 2-27, 3-3, 205-1, 205-2, 205-3, 416-2, 417-3, 418-1)

Why is this Important?

Corruption is a business risk recognised as a major threat that impacts all aspects of the society. It is thus imperative that we pursue good governance and leadership in stemming out corruption in all forms.

We are committed to upholding the highest standards of corporate governance and transparency across our operations. This commitment includes ensuring full compliance to local laws and regulations and adopting a zero-tolerance approach against all forms of bribery, corruption and anti-competitive practices.

Our Policies and Procedures

- Acceptable Use Policy
- Annual Employee Declaration
- Anti-Money Laundering policy
- Code of Conduct and Discipline
- Confidentiality of Information
- Contract Review Policy
- Dealing in units of the Mapletree Group's REITs
- Enterprise Risk Management Framework
- Group Gifts and Entertainment Policy and Procedures
- Group Procurement Policy and Procedures
- Personal Data Policy
- Securities Trading Policy
- Whistleblowing Policy

Contribution to SDGs

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Highlights of the Year

0 incidences
of non-compliance with anti-corruption laws and regulations

0 material incidences
of non-compliance with relevant laws and regulations

Anti-Corruption

The Mapletree Group recognises that our operations in various geographies and engagement with multiple stakeholders in our business activities expose us to the risks of bribery and corruption. The Mapletree Group has a zero-tolerance policy toward bribery and corruption, and we take precautionary measures to address such risks.

To mitigate this risk, the Mapletree Group has in place a suite of anti-corruption policies and procedures covering procurement practices, gift giving and entertainment, securities trading, code of conduct, whistleblowing, contract review and anti-money laundering checks on tenants. The Mapletree Group has established robust controls and procedures within Mapletree's Group Procurement Policy and Procedures, including having clear delegation of authority limits for expenditures and segregation of duties.

The Mapletree Group's anti-corruption policies are regularly reviewed and updated to ensure that they remain current and effective in mitigating potential risk, and the Board of Directors are made aware of updates to such policies. In FY22/23, the Group

Procurement Policy and Procedures and Group Gifts and Entertainment Policy and Procedures were updated, and communicated to all employees. All employees are required to undergo anti-corruption training as part of their orientation onboarding, and as such all employees would have undergone anti-corruption training at least once during their employment. In FY22/23, 144 employees, representing 32% of our employee population underwent anti-corruption training.

In FY22/23, there were zero incidences of non-compliance with anti-corruption laws and regulations.

Number of Employees Trained in Anti-Corruption Policies & Procedures	Non-Executive	Executive	Middle Management to Senior Management	Total
Singapore	22	92	14	128
Other markets	3	12	1	16
Total	**25**	**104**	**15**	**144**

It is mandatory for all new employees who are licensed representatives to attend anti-money laundering trainings within a year of joining. Employees who are licensed representatives are also required to attend courses (which may include anti-money laundering/counter terrorism financing/ethics/rules and regulations topics) each year as part of their continuing professional development requirements. As part of the training during orientation, new full-time employees are also reminded on the various ethical policies including but not limited to receiving and giving of gifts, whistleblowing and insider trading.

Whistleblowing Policy

Our Whistleblowing Policy further provides an avenue for employees and external parties to raise concerns on any illegal, unethical or otherwise inappropriate behaviour observed in the course of our business. The policy is published on staff intranet and reports can be made via a dedicated e-mail address (reporting@mapletree.com.sg). Strict confidentiality standards are established to ensure that whistle-blowers are protected from reprisals or victimisations.

Where there are cases of threatened or pending litigation, they are carefully monitored and escalated to the CEO of the Manager and the Group Chief Corporate Officer and Group General Counsel of the Mapletree Group in the interest of overall risk management.

Code of Conduct

Our internal code of General Conduct and Discipline sets out the framework and guidelines for employees on ethical values such as honesty and responsibility, as well as appropriate conduct for our employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with competitors, customers, suppliers, other employees and key stakeholders. All employees are required to declare potential conflicts of interest and avoid any conflict in their dealings with suppliers, customers and other third parties.

Anti-Money Laundering and Countering the Financing of Terrorism

As a Mapletree Group-sponsored REIT, the Manager follows the Mapletree Group's anti-money laundering ("AML") policy that guides the lease management staff on their obligations to carry out AML checks for selected prospective tenants. Once they go beyond certain monetary thresholds, such prospective tenants will be subjected to checks against a comprehensive AML checklist to ensure that all necessary steps are duly carried out prior to the signing of new leases or lease renewals. In addition, every three years, refresher checks are carried out on all existing leases.

SUSTAINABILITY REPORT

Compliance with Laws and Regulations

The Manager strives to be fully compliant with all relevant statutory and regulatory requirements in our business activities and operations. Any case of non-compliance could potentially expose us to reputational risks and liabilities such as financial repercussions, litigations or even revocation of our licence to operate.

To provide assurance on the effectiveness of internal controls, we have various governance processes in place such as external audit, internal audit, and a Control Self-Assessment programme. The Manager is also supported by the Group's Enterprise Risk Management Framework which sets out guidelines and processes to identify, monitor and mitigate risk of non-compliance. We have identified applicable laws and regulatory obligations for MPACT which include, but are not limited to, listing rules stipulated by SGX-ST, Code on Collective Investment Schemes (in particular Appendix 6 – Investment: Property Funds) by the MAS and the Securities and Futures Act 2001 of Singapore. Any non-compliance pertaining to environmental, safety, security and marketing issues are carefully monitored and reported to the Mapletree Group. Strict disciplinary action, including termination, will be taken where an employee is found guilty of misconduct or incidents of non-compliance. These will be assessed by the Manager's CEO and the Group Chief Corporate Officer and Group General Counsel of the Mapletree Group for review and resolution. All personal data collected are handled in accordance with the requirements of the Personal Data Protection Act. Stakeholders can reach out to the Data Protection Officer at _MPACTM_dpo@mapletree.com.sg on privacy matters or concerns.

The MAS has introduced guidelines on Environmental Risk Management for Asset Managers to ensure assessment and management of potential environmental risks. As a responsible REIT manager, the Manager adheres to these guidelines and integrates environmental risk considerations into the investment decision process to drive sustainability and to improve the climate resilience of MPACT's portfolio.

In line with the recommendations of the TCFD, the Manager has conducted an environmental risk assessment and identified the environmental risks, including climate-related risks, that MPACT's properties may be exposed to. The assets are evaluated under different scenarios to analyse their resilience, and appropriate mitigation measures are developed to reduce risk.

For more information on the potential climate risk and mitigation measures that have been implemented, please refer to the Energy and Climate Change section in this SR.

Directors and employees go through regular training to ensure that compliance awareness continues throughout the year. Additionally, Directors are updated on any material changes to relevant laws, regulations and accounting standards through briefings by professionals or updates from the Manager. For relevant employees, they are also kept informed of recent developments and changes to applicable laws and regulations through specific training and communication. This year, our employees continued to attend courses and conferences conducted by REITAS, including the REITAS Conference 2022 as well as the online Rules and Ethics Course and Accounting Ethics course.

In FY22/23, there were no material incidences of non-compliance relating to applicable laws and regulations, including environmental, health and safety, marketing communications and customer privacy and data.

Responsible Marketing and Communication

In upholding responsible marketing and advertising practices, we strive to be fully compliant with the Singapore Code of Advertising Practice. All marketing collaterals are reviewed prior to circulation to ensure that they remain within regulated boundaries. Additionally, we ensure that the application and renewal of licences for the use of music in building premises and the setting up of temporary structures within VivoCity are carried out in a timely manner. At Festival Walk, we strive to be fully compliant with the Hong Kong Code of Advertising Practice. In addition to ensuring that marketing collaterals comply to regulated boundaries prior to circulation, we ensure that licences are applied and renewed for temporary places of public entertainment and the use of music in building premises in a timely manner.

SUPPLEMENTARY INFORMATION

Methodology

This section explains the boundaries, methodologies and assumptions used in the computation of MPACT's sustainability data and information.

Employees Data

"Employees" refer to all employees of the Manager and the Property Managers. They include permanent and temporary contract staff for FY21/22 and FY22/23. The employee data does not include TPSPs engaged to perform certain property management services. The Mapletree Group continues to support the Manager in managing the Japan properties and The Pinnacle Gangnam as well as for functions such as Human Resource, Information Systems & Technology, Internal Audit, Legal and Risk Management.

Permanent employees include employees who start their employment with the Manager on fixed-term contracts, who may then continue on to permanent contracts, and they enjoy the same benefits as permanent employees.

New Hires and Turnovers

New hires are defined as employees who joined the organisation during the financial year. The average monthly new hire rate is represented as the average number of new hires over the average number of employees, and expressed as a percentage.

Turnover is defined as employees who left the organisation during the financial year. The average monthly turnover rate is represented as the average number of employees who left the organisation over the average number of employees and expressed as a percentage.

Occupational Health and Safety

Work-related injuries are defined as a negative impact on an employee's health arising from exposure to hazards at work. Injuries as a result of commuting incidents are only included if the transport has been organised by the Manager. The rate of work-related injuries is computed based on 1,000,000 man-hours worked. Total working hours are computed by taking the weekly working hours (this varies by jurisdiction) multiplied by 52 weeks, multiplied by the headcount as at end of the fiscal year.

Environmental Data

Actual data relates to the properties that are within the direct control of the Property Managers namely VivoCity, MBC, mTower, Mapletree Anson, BOAHF, Festival Walk, Gateway Plaza, Sandhill Plaza, MON, Omori, TSI, HNB, MBP and ASY, whereas like-for-like data excludes MBC II, Omori, MBP and the Festival Walk Closure Period.

Energy Consumption and Intensity

Energy consumed across MPACT's properties includes diesel, natural gas, heating, purchased electricity and solar energy, while The Pinnacle Gangnam's energy consumption is not included due to a lack of available data. Diesel is used primarily for lunch-hour shuttle bus service for MBC tenants (to travel between MBC and VivoCity) and gensets during scheduled shutdowns and maintenance at the other properties. Natural gas is used for cooling and heating purposes.

Energy consumption also includes all tenants' energy consumption for air-conditioning within the leased premises as well as the renewable energy generated at the properties.

Like-for-like energy consumption and intensity included only properties with full-year data for FY19/20, FY20/21, FY21/22 and FY22/23. It excludes MBC II, Omori and MBP where full-year data is unavailable for FY19/20 and the Festival Walk Closure Period.

Energy intensity is derived by taking total energy consumption divided by the GFA, including common and tenants' areas, less unoccupied lettable area. For MON, Omori, TSI, HNB and ASY, energy intensity is derived by taking total energy consumption divided by common areas only.

GHG Emissions and Intensity

GHG emissions are reported in line with the guidance from the GHG Protocol Corporate Accounting and Reporting Standard. The operational control approach is applied, and MPACT accounts for GHG emissions from operations over which it has operational control. Like-for-like energy (Scope 1 and 2) GHG and intensity includes only properties with full-year data for FY19/20, FY20/21, FY21/22 and FY22/23. It excludes MBC II, Omori and MBP where full-year data is unavailable for FY19/20 and the Festival Walk Closure Period.

Direct (Scope 1) GHG emissions are calculated using emission factors and global warming potential rates from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the IPCC Fifth Assessment Report.

A location-based method is adopted for the calculation of energy indirect (Scope 2) GHG emissions. Grid emission factors used are obtained from authoritative release data from all regions of operation, including Singapore Energy Statistics published by the Energy Market Authority of Singapore, grid electricity emission factor published by Ministry of Ecology and Environment of the People's Republic of China and country-specific Electricity Grid Greenhouse Gas Emission Factors. We adopt the latest available emission factor using the average operating margin ("OM") method for the reporting period. The emission factors for Scope 2 GHG emission from purchased heating are obtained from country-specific heating greenhouse gas emission factor, such as purchased heating emission factor published by National Development and Reform Commission of People's Republic of China and purchased heating emission factor from Tokyo Gas Group.

The GHG intensity is derived by taking total energy direct (Scope 1) GHG and energy indirect (Scope 2) GHG emissions divided by the GFA, including common and tenants' areas, less unoccupied lettable area.

Water Consumption and Intensity

Water consumption includes landlord's usage, while The Pinnacle Gangnam's water usage is not included due to a lack of available data. Like-for-like water consumption included only properties with full-year data for FY19/20, FY20/21, FY21/22 and FY22/23. It excludes MBC II, Omori and MBP where full-year data is unavailable for FY19/20 and the Festival Walk Closure Period. Water intensity is derived on a similar basis as energy intensity.

Waste

Waste generated and disposed is for MPACT's portfolio. As part of the service contract, refuse disposal service companies are required to provide waste-related data to the Manager.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI 2021 Standards Disclosure Reference	Description	Section of Report / Reasons for Omission
General Disclosures		
Organisational Profile		
2-1	Organisational details	Mapletree Pan Asia Commercial Trust Corporate Overview, Page 1 Trust Structure, Page 18
2-2	Entities included in the organisation's sustainability reporting	About the Report, Page 105
2-3	Reporting period, frequency and contact point	About the Report, Page 105
2-4	Restatements of information	No restatements were made in FY22/23.
2-5	External assurance	The Manager has engaged a consultant and completed an initial internal process design review before the formal internal review process commencing in the upcoming internal audit cycle
2-6	Activities, value chain and other business relationships	Strong Partnerships, Page 118 - 122
2-7	Employees	Diversity and Equal Opportunity, Page 143 - 145
2-8	Workers who are not employees	*Information unavailable*: The Manager is looking to progressively report the disclosure when such capabilities are available.
2-9	Governance structure and composition	Corporate Governance, Page 159 - 181 Sustainability Governance, Page 107
2-10	Nomination and selection of the highest governance body	Corporate Governance, Page 159 - 181
2-11	Chair of the highest governance body	Board of Directors, Page 20 - 25
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, Page 107
2-13	Delegation of responsibility for managing impacts	Sustainability Governance, Page 107
2-14	Role of the highest governance body in sustainability reporting	Board Statement, Page 103 - 104 Sustainability Governance, Page 107
2-15	Conflicts of interest	Corporate Governance, Page 159 - 181 Interested Person Transactions, Page 280 - 281
2-16	Communication of critical concerns	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150 *Confidentiality constraints*: In regard to the total number and nature of critical concerns, these are not disclosed due to confidentiality reasons.
2-17	Collective knowledge of the highest governance body	Sustainability Governance, Page 107
2-18	Evaluation of the performance of the highest governance body	Corporate Governance, Page 159 - 181
2-19	Remuneration policies	Corporate Governance, Page 159 - 181

GRI 2021 Standards Disclosure Reference	Description	Section of Report / Reasons for Omission
General Disclosures		
Organisational Profile		
2-20	Process to determine remuneration	Corporate Governance, Page 159 - 181
2-21	Annual total compensation ratio	*Confidentiality constraints*: The Manager regards compensation information of employees to be of a confidential and sensitive nature, thus the annual total compensation ratio is not disclosed in this report.
2-22	Statement on sustainable development strategy	Board Statement, Page 103 - 104
2-23	Policy commitments	Sustainability Approach, Page 106
2-24	Embedding policy commitments	Sustainability Approach, Page 106
2-25	Processes to remediate negative impacts	Corporate Governance, Page 159 - 181 Employee Engagement and Talent Management, Page 139 - 142 Strong Partnerships, Page 118 - 122 Community Impact, Page 146 - 147 Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150
2-26	Mechanisms for seeking advice and raising concerns	Employee Engagement and Talent Management, Page 139 - 142 Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150
2-27	Compliance with laws and regulations	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150
2-28	Membership associations	Strong Partnerships, Page 118 - 122
2-29	Approach to stakeholder engagement	Strong Partnerships, Page 118 - 122
2-30	Collective bargaining agreements	The Manager has collective bargaining agreements in place covering employees up to senior executive designation in Singapore (actual union membership not disclosed by the union). 34% of total employees are covered by collective bargaining agreements. Working conditions and terms of employment of employees not covered by collective bargaining agreements are not limited by collective bargaining agreements.
GRI 3 (2021): Material Topics		
3-1	Process to determine material topics	Materiality, Page 108 - 109
3-2	List of material topics	Sustainability Matters, Targets and Performance, Page 110 - 113
3-3	Management of material topics	Sustainability Matters, Targets and Performance, Page 110 - 113 This will be reflected under each material topic.

SUSTAINABILITY REPORT

GRI 2021 Standards Disclosure Reference	Description	Section of Report / Reasons for Omission
Material Topic: Economic Performance		
GRI 201 (2016): Economic Performance		
3-3	Management of material topics	Economic Performance, Page 114 - 116
201-1	Direct economic value generated and distributed	Economic Performance, Page 114 - 116 Financial Statements, Page 189 - 279
201-2	Financial implications and other risks and opportunities due to climate change	Energy and Climate Change, Page 123 - 129 *Information unavailable/incomplete*: The Manager is currently in the process of quantifying its climate risk assessments and will disclose such information once available.
Material Topic: Quality, Sustainable Products and Services		
GRI-G4 Sector Disclosures: Construction and Real Estate		
3-3	Management of material topics	Quality, Sustainable Products and Services, Page 117
CRE8	Type and number of sustainability certification, rating and labelling schemes	Economic Performance, Page 114 - 116 Quality, Sustainable Products and Services, Page 117
Material Topic: Strong Partnerships		
GRI 308 (2016) Supplier Environmental Assessment		
3-3	Management of material topics	Strong Partnerships, Page 118 - 122
308-1	New suppliers that were screened using environmental criteria	Strong Partnerships, Page 118 - 122
308-2	Negative environmental impacts in the supply chain and actions taken	*Information unavailable/incomplete*: The Manager does not currently have full visibility of the environmental impacts in the supply chain. The Manager is looking to progressively report the disclosure when such capabilities are available
GRI 414 (2016) Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Strong Partnerships, Page 118 - 122
414-2	Negative social impacts in the supply chain and actions taken	*Information unavailable/incomplete*: The Manager does not currently have full visibility of the social impacts in the supply chain. The Manager is looking to progressively report the disclosure when such capabilities are available
Material Topic: Energy and Climate Change		
GRI 302 (2016): Energy		
3-3	Management of material topics	Energy and Climate Change, Page 123 - 129
302-1	Energy consumption within the organisation	Energy and Climate Change, Page 123 - 129
302-2	Energy consumption outside of the organisation	*Information unavailable / incomplete*: The Manager is working to improve engagement throughout our value chain, in order to obtain energy consumption data from our tenants, suppliers, and other stakeholders. Data availability is currently not within the organisation's control, and we aim to disclose energy consumption within our value chain once the relevant information is made available to us.
302-3	Energy intensity	Energy and Climate Change, Page 123 - 129
302-4	Reduction of Energy Consumption	Energy and Climate Change, Page 123 - 129

GRI 2021 Standards Disclosure Reference	Description	Section of Report / Reasons for Omission
GRI 305 (2016): Emissions		
305-1	Direct (Scope 1) GHG emissions	Energy and Climate Change, Page 123 - 129
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Climate Change, Page 123 - 129 *Information unavailable*: The Manager is working to obtain complete information on supplier specific emissions rates for our market-based emission calculations and we will disclose this information in the future once it is made available.
305-3	Other indirect (Scope 3) GHG emissions	*Information unavailable/incomplete*: The Manager is working to improve engagement throughout our value chain, in order to obtain emissions data from our tenants, suppliers, and other stakeholders. Data availability is currently not within the organisation's control, and we aim to disclose our Scope 3 GHG emissions once the relevant information is made available to us.
305-4	GHG emissions intensity	Energy and Climate Change, Page 123 - 129
305-5	Reduction of GHG emissions	Energy and Climate Change, Page 123 - 129
GRI-G4 Sector Disclosures: Construction and Real Estate		
CRE1	Building energy intensity	Energy and Climate Change, Page 123 - 129
CRE3	GHG emissions intensity from buildings	Energy and Climate Change, Page 123 - 129
Material Topic: Water Management		
GRI 303 (2018): Water and Effluents		
3-3	Management of material topics	Water Management, Page 130 - 131
303-1	Interactions with water as a shared resource	Water Management, Page 130 - 131
303-2	Management of water discharge-related impacts	Water Management, Page 130 - 131
303-3	Water withdrawal	Water Management, Page 130 - 131
303-4	Water discharge	*Information unavailable / incomplete*: The Manager does not currently track its water discharge for all countries of operation, and is working to disclose in the future when such information is available

SUSTAINABILITY REPORT

GRI 2021 Standards Disclosure Reference	Description	Section of Report / Reasons for Omission
Material Topic: Water Management		
GRI 303 (2018): Water and Effluents		
303-5	Water consumption	*Information unavailable / incomplete*: The Manager does not currently track its water consumption for all countries of operation, and is working to disclose in the future when such information is available
CRE2	Building water intensity	Water Management, Page 130 - 131
Material Topic: Waste Management		
GRI 306 (2020): Waste		
3-3	Management of material topics	Waste Management, Page 132 - 134
306-1	Waste generation and significant waste-related impacts	Waste Management, Page 132 - 134
306-2	Management of significant waste-related impacts	Waste Management, Page 132 - 134
306-3	Waste generated	Waste Management, Page 132 - 134
306-4	Waste directed to a disposal	Waste Management, Page 132 - 134
306-5	Waste diverted from disposal	Waste Management, Page 132 - 134
Material Topic: Occupational health and safety		
GRI 403 (2018): Occupational Health and Safety		
3-3	Management of material topics	Health and Safety, Page 135 - 138
403-1	Occupational health and safety management system	Health and Safety, Page 135 - 138
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety, Page 135 - 138
403-3	Occupational health services	Health and Safety, Page 135 - 138
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety, Page 135 - 138
403-5	Worker training on occupational health and safety	Health and Safety, Page 135 - 138
403-6	Promotion of worker health	Health and Safety, Page 135 - 138
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety, Page 135 - 138
403-8	Workers covered by an occupational health and safety management system	Health and Safety, Page 135 - 138
403-9	Work-related injuries	Health and Safety, Page 135 - 138 *Information unavailable / incomplete*: Disclosure relating to workers who are not employees was not included as the information is unavailable

GRI 2021 Standards Disclosure Reference	Description	Section of Report / Reasons for Omission
Material Topic: Employee Engagement and Talent Management		
GRI 401 (2016): Employment		
3-3	Management of material topics	Employee Engagement and Talent Management, Page 139 - 142
401-1	New employee hires and employee turnover	Employee Engagement and Talent Management, Page 139 - 142 *Not Applicable*: The Manager does not view the breakdown by age group, gender and region as material as the rates do not vary significantly across age group, gender and region.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Engagement and Talent Management, Page 139 - 142
401-3	Parental Leave	Employee Engagement and Talent Management, Page 139 - 142
GRI 404 (2016): Training and Education		
404-1	Average hours of training per year per employee	Employee Engagement and Talent Management, Page 139 - 142
404-2	Programmes for upgrading employee skills and transition assistance programmes	Employee Engagement and Talent Management, Page 139 - 142
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Engagement and Talent Management, Page 139 - 142
Material Topic: Diversity and Equal Opportunity		
GRI 405 (2016): Diversity and Equal Opportunity		
3-3	Management of material topics	Diversity and Equal Opportunity, Page 143 - 145
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity, Page 143 - 145
405-2	Ratio of basic salary and remuneration of women to men	*Confidentiality constraints*: The Manager regards compensation information of employees to be of a confidential and sensitive nature, thus the remuneration ratio of women to men is not disclosed in this report.
Material Topic: Community Impact		
GRI 413 (2016): Local Communities		
3-3	Management of material topics	Community Impact, Page 146 - 147
413-1	Operations with local community engagement, impact assessments, and development programmes	Community Impact, Page 146 - 147

SUSTAINABILITY REPORT

GRI 2021 Standards Disclosure Reference	Description	Section of Report / Reasons for Omission
Material Topic: Ethical Business Conduct		
GRI 205 (2016): Anti-Corruption		
3-3	Management of material topics	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150
205-1	Operations assessed for risks related to corruption	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150
205-2	Communication and training about anti-corruption policies and procedures	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150 *Information unavailable/incomplete*: The Manager does not communicate with all its business partners about anti-corruption policies and procedures and is working to extend such communication to all its business partners in the future.
205-3	Confirmed incidents of corruption and actions taken	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150
Material Topic: Compliance with Laws and Regulations		
GRI 416 (2016): Customer Health and Safety		
3-3	Management of material topics	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Ethical Business Conduct and Compliance with Laws and Regulation, Page 148 - 150
GRI 417 (2016): Marketing and Labelling		
417-3	Incidents of non-compliance concerning marketing communications	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150
GRI 418 (2016): Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethical Business Conduct and Compliance with Laws and Regulations, Page 148 - 150

CORPORATE GOVERNANCE

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

The Manager discharges its responsibility for the benefit of MPACT and Unitholders, in accordance with the applicable laws and regulations as well as the trust deed constituting MPACT (as amended) (the "Trust Deed")[1]. To this end, the Manager sets the strategic direction of the Group and gives recommendations to the trustee of MPACT, DBS Trustee Limited (the "Trustee"), on the acquisition, divestment and enhancement of assets of the Group.

The Manager's roles and responsibilities include:

- carrying on the Group's business to generate returns in a sustainable manner and conducting all transactions on normal commercial terms and on an arm's length basis;
- preparing annual budget proposals with forecast on gross revenue, property expenditure, capital expenditure and providing explanations on major variances against prior year's actual results and written commentaries on key issues and any other relevant assumptions. The purpose of such proposals and analysis is to chart the Group's business for the year ahead and to explain the performance of MPACT's properties compared to the prior year; and
- ensuring compliance with applicable laws and regulations, including the Securities and Futures Act 2001, the Listing Manual of SGX-ST, the Code on Collective Investment Schemes ("CIS Code") issued by the MAS (including Appendix 6 of the CIS Code, the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time and any tax rulings.

The Manager was appointed in accordance with the terms of the Trust Deed. The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting (with no Unitholders disenfranchised) at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Manager is committed to complying with the substance and spirit of the Code of Corporate Governance 2018 (the "Code"). The following describes the main corporate governance policies and practices of the Manager with reference to the Code and, where there are deviations from any of the provisions of the Code, explanations for such deviations are provided in this report including an explanation on how the practices adopted are consistent with the intent of the principles of the Code.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Effective Board

Our Policy and Practices

The Manager adopts the principle that the Board of Directors (the "Board") is collectively responsible for the long-term success of MPACT and an effective Board for the Manager is one constituted with the right core competencies and diversity of experience, so that the collective wisdom of the Board can give guidance and provide insights as well as strategic thinking to the management team of the Manager (the "Management").

The key roles of the Board are to:

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

In discharging their roles and responsibilities, all Directors of the Board are expected to act and have acted in the best interests of MPACT.

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

Note:

[1] A copy of the Trust Deed will be available for inspection, by prior appointment at the registered office of the Manager, in accordance with the relevant laws, regulations and guidelines.

CORPORATE GOVERNANCE

Following the merger ("Merger") of MCT and MNACT, MNACT has been delisted from the SGX-ST and MCT has been renamed Mapletree Pan Asia Commercial Trust, or MPACT, with effect from 3 August 2022.

Prior to the Merger, the Board comprised thirteen directors, of whom twelve were Non-Executive Directors and seven were Independent Directors. The following sets out the composition of the Board prior to the Merger:

- Mr Tsang Yam Pui, Non-Executive Chairman and Director;
- Ms Kwa Kim Li, Lead Independent Non-Executive Director and Chairperson of the NRC;
- Mr Premod Thomas, Independent Non-Executive Director and Chairman of the AC;
- Mr Kan Shik Lum, Independent Non-Executive Director and Member of the NRC;
- Mr Koh Cheng Chua, Independent Non-Executive Director and Member of the AC;
- Mr Wu Long Peng, Independent Non-Executive Director and Member of the AC;
- Mr Mak Keat Meng, Independent Non-Executive Director and Member of the AC;
- Mr Alvin Tay, Independent Non-Executive Director;
- Mr Samuel Tsien, Non-Executive Director;
- Mr Hiew Yoon Khong, Non-Executive Director and Member of the NRC;
- Ms Wendy Koh, Non-Executive Director;
- Ms Amy Ng, Non-Executive Director; and
- Ms Sharon Lim, Executive Director and CEO.

Post-Merger, the Board was reconstituted to comprise certain members from the Manager (formerly known as Mapletree Commercial Trust Management Ltd.) and Mapletree North Asia Commercial Trust Management Ltd. to provide assurance of continuity to Unitholders and achieve an optimal balance of experience, skills and knowledge relevant to the merged entity's business. As at 31 March 2023, the Board comprises fourteen directors (the "Directors"), of whom thirteen are Non-Executive Directors and ten are Independent Directors. The following sets out the composition of the Board:

- Mr Samuel Tsien, Non-Executive Chairman and Director;
- Ms Tan Su Shan, Lead Independent Non-Executive Director and Chairperson of the NRC;
- Mr Premod Thomas, Independent Non-Executive Director and Chairman of the AC;
- Ms Lilian Chiang, Independent Non-Executive Director and Member of the NRC;
- Mr Kan Shik Lum, Independent Non-Executive Director and Member of the NRC;
- Mr Chua Kim Chiu, Independent Non-Executive Director and Member of the AC;
- Mr Lawrence Wong, Independent Non-Executive Director and Member of the AC;
- Mr Wu Long Peng, Independent Non-Executive Director and Member of the AC;
- Mr Pascal Lambert, Independent Non-Executive Director;
- Mr Mak Keat Meng, Independent Non-Executive Director;
- Mr Alvin Tay, Independent Non-Executive Director;
- Mr Chua Tiow Chye, Non-Executive Director and Member of the NRC;
- Ms Wendy Koh, Non-Executive Director; and
- Ms Sharon Lim, Executive Director and CEO.

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

The diverse professional backgrounds of the Directors enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. The profiles of the Directors are set out in pages 20 to 25 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient to inform Unitholders of their principal commitments. The Board meets regularly, at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any significant acquisitions, disposals, fund-raisings and development projects undertaken by the Group. When exigencies prevent a Director from attending a Board or Board committee meeting in person, such Director can participate by audio or video conference.

The meeting attendance of the Board, the AC and the NRC for FY22/23 prior to the Merger is as follows:

Number of meetings held in FY22/23 (prior to the Merger)[1]		Board 2	AC 2	NRC 1	EGM[2] 1	AGM[3] 1
Board Members	**Membership**					
Mr Tsang Yam Pui[6] (Appointed on 1 November 2007) *(Last reappointment on 16 September 2021)*	Non-Executive Chairman and Director	2	N.A.[4]	N.A.[4]	1	1
Ms Kwa Kim Li[6] (Appointed on 30 April 2014) *(Last reappointment on 30 September 2019)*	Lead Independent Non-Executive Director and Chairperson of the NRC	2	N.A.[4]	1	1	1
Mr Premod Thomas (Appointed on 15 June 2015) *(Last reappointment on 28 September 2020)*	Independent Non-Executive Director and Chairman of the AC	2	2	N.A.[4]	1	1
Mr Kan Shik Lum (Appointed on 1 December 2015) *(Last reappointment on 16 September 2021)*	Independent Non-Executive Director and Member of the NRC	2	N.A.[4]	1	1	1
Mr Koh Cheng Chua[6] (Appointed on 9 June 2014) *(Last reappointment on 30 September 2019)*	Independent Non-Executive Director and Member of the AC	2	2	N.A.[4]	1	1
Mr Wu Long Peng (Appointed on 15 December 2018) *(Last reappointment on 16 September 2021)*	Independent Non-Executive Director and Member of the AC	2	2	N.A.[4]	1	1
Mr Mak Keat Meng (Appointed on 15 December 2019) *(Last reappointment on 28 September 2020)*	Independent Non-Executive Director and Member of the AC	2	2	N.A.[4]	1	1
Mr Alvin Tay (Appointed on 15 December 2018) *(Last reappointment on 16 September 2021)*	Independent Non-Executive Director	2	N.A.[4]	N.A.[4]	1	1
Mr Samuel Tsien (Appointed on 5 July 2022)	Non-Executive Director	1	N.A.[4]	N.A.[4]	N.A.[4]	1
Mr Hiew Yoon Khong[6] (Appointed on 18 May 2007) *(Last reappointment on 28 September 2020)*	Non-Executive Director and Member of the NRC	2	N.A.[4]	1	1	1
Ms Wendy Koh (Appointed on 15 December 2019) *(Last reappointment on 28 September 2020)*	Non-Executive Director	2	2[5]	N.A.[4]	1	1
Ms Amy Ng[6] (Appointed on 1 April 2010) *(Last reappointment on 28 September 2020)*	Non-Executive Director	2	N.A.[4]	N.A.[4]	1	1
Ms Sharon Lim (Appointed on 1 August 2015) *(Last reappointment on 28 September 2020)*	Executive Director and CEO	2	2[5]	1[5]	1	1

Notes:
1 For the period from 1 April 2022 to 2 August 2022.
2 Held on 23 May 2022.
3 Held on 29 July 2022.
4 N.A. means not applicable.
5 Attendance was by invitation.
6 Stepped down from the Board on 3 August 2022 as part of the Board reconstitution exercise in connection with the Merger.

CORPORATE GOVERNANCE

The meeting attendance of the Board, the AC and the NRC for FY22/23 after the Merger is as follows:

Number of meetings held in FY22/23 (after the Merger)[1]		Board	AC	NRC
		4	4	1
Board Members	**Membership**			
Mr Samuel Tsien (Appointed as Director on 5 July 2022 and redesignated as Non-Executive Chairman on 3 August 2022) *(Last reappointment on 30 September 2022)*	Non-Executive Chairman and Director	4	N.A.[2]	N.A.[2]
Ms Tan Su Shan (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Lead Independent Non-Executive Director and Chairperson of the NRC	4	N.A.[2]	1
Mr Premod Thomas (Appointed on 15 June 2015) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director and Chairman of the AC	4	4	N.A.[2]
Ms Lilian Chiang (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director and Member of the NRC	4	N.A.[2]	1
Mr Kan Shik Lum (Appointed on 1 December 2015) *(Last reappointment on 16 September 2021)*	Independent Non-Executive Director and Member of the NRC	4	N.A.[2]	1
Mr Chua Kim Chiu (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director and Member of the AC	4	4	N.A.[2]
Mr Lawrence Wong (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director and Member of the AC	4	4	N.A.[2]
Mr Wu Long Peng (Appointed on 15 December 2018) *(Last reappointment on 16 September 2021)*	Independent Non-Executive Director and Member of the AC	4	4	N.A.[2]
Mr Pascal Lambert (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director	4	N.A.[2]	N.A.[2]
Mr Mak Keat Meng (Appointed on 15 December 2019) *(Ceased as AC Member on 3 August 2022)* *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director	4	N.A.[2]	N.A.[2]
Mr Alvin Tay (Appointed on 15 December 2018) *(Last reappointment on 16 September 2021)*	Independent Non-Executive Director	4	N.A.[2]	N.A.[2]
Mr Chua Tiow Chye (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Non-Executive Director and Member of the NRC	4	N.A.[2]	1
Ms Wendy Koh (Appointed on 15 December 2019) *(Last reappointment on 28 September 2020)*	Non-Executive Director	4	4[3]	N.A.[2]
Ms Sharon Lim (Appointed on 1 August 2015) *(Last reappointment on 30 September 2022)*	Executive Director and CEO	4	4[3]	1[3]

Notes:
1 For the period from 3 August 2022 to 31 March 2023.
2 N.A. means not applicable.
3 Attendance was by invitation.

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

The Board has prescribed certain limits on transactions to be undertaken by the Group, above which approval from the Board is required. The Board's approval is required for material transactions undertaken by the Group. Such material transactions are also included in the set of delegations of authority which has been clearly communicated to Management in writing. These include:

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

The Board recognises that the Directors are fiduciaries who are obliged at all times to act objectively in the best interests of MPACT and hold Management accountable for performance. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to MPACT and his or her own interests. The Manager has a policy which provides that where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

The Manager has in place an internal code on general conduct and discipline which sets out the framework and guidelines on ethical values such as honesty and responsibility as well as the appropriate conduct expected of Management and employees. The Board sets the appropriate tone from the top in respect of the desired organisational culture and ensure proper accountability within the Manager.

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

Management provides the Board with timely and complete information prior to Board meetings, as well as when the need arises.

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

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

The appointment and removal of the Company Secretary is subject to the approval of the Board.

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

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

Board Composition and Guidance

Principle 2: Appropriate level of independence and diversity of thought

Our Policy and Practices

The Board reviews from time to time the size and composition of the Board and each Board committee, to ensure that the size of the Board and each Board committee is appropriate in facilitating effective decision making.

CORPORATE GOVERNANCE

The Manager adopts the principle that a board composition with a strong and independent element as well as diversity of thought and background will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his or her business and industry experience, skills and functional and domain expertise to give proper guidance to Management on the business of the Group. In addition, the Board considers other aspects of diversity including age, gender, cultural ethnicity and international experience of its members to ensure a balanced and effective composition of the Board.

Towards this end, the Board had in 2022 adopted a Board Diversity Policy which takes into account the abovementioned aspects of diversity and outlines its commitment and approach towards achieving an effective and diverse Board. The NRC will review the policy from time to time and will recommend changes to the Board for approval, if necessary, so as to ensure that the policy remains effective and relevant and to achieve greater diversity. Among the various aspects of diversity, gender diversity is an important aspect and the Board recognises this. Therefore, the Board is committed to achieving a target of at least 25% female representation on the Board by 2025, and 30% by 2030. As of 31 March 2023, the Board has achieved its target of at least 25% female representation on the Board as there are four female Directors out of a total of 14 Directors on the Board and the Board aspires to maintain at least 25% female representation on the Board.

The Non-Executive Directors will also conduct periodic review of the investment mandate as well as the strategic focus of MPACT with Management. Furthermore, such a board composition, and the separation of the roles of the Chairman and the CEO, provide oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

The Board is of the opinion that its current size is appropriate with an appropriate balance and diversity of skills, experience and knowledge, taking into account the targets and objectives of the Board Diversity Policy and the scope and nature of operations of the Manager and MPACT, for effective decision-making and constructive debate. The Board comprises Directors who collectively have the core competencies, such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board to be effective in all aspects of its roles.

The Board assesses the independence of each Director in accordance with the requirements of the Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCB Regulations"). A Director is considered to be independent if he or she (i) is independent in conduct, character and judgement and:

(a) has no relationship with the Manager, its related corporations, its substantial shareholders, MPACT's substantial unitholders (being unitholders who have interests in voting units with 5% or more of the total votes attached to all voting units) or the Manager's officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of MPACT;

(b) is independent from the management and any business relationship with the Manager and MPACT, every substantial shareholder of the Manager and every substantial unitholder of MPACT;

(c) is not a substantial shareholder of the Manager or a substantial unitholder of MPACT;

(d) is not employed and has not been employed by the Manager or MPACT or their related corporations in the current or any of the past three financial years;

(e) does not have an immediate family member who is employed or has been employed by the Manager or MPACT or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board and/or NRC; and

(f) and has not served on the Board for a continuous period of nine years or longer.

For FY22/23, each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact his or her independent status. Accordingly, each of the Independent Directors had either made a negative declaration or disclosed such relationships or circumstances as applicable. The declarations or disclosures made by each Independent Director had been reviewed by the NRC.

The Board of the Manager, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations and the Code, wishes to set out its views in respect of each of the Directors as follows:

Name of Director	(i) had been independent from the management of the Manager and MPACT during FY22/23	(ii) had been independent from any business relationship with the Manager and MPACT during FY22/23	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT during FY22/23	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of MPACT during FY22/23	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY22/23
Mr Samuel Tsien [1,10]	√			√	√
Ms Tan Su Shan [2,10]	√			√	√
Mr Premod Thomas [3,10]	√			√	√
Ms Lilian Chiang [4, 10]	√		√	√	√
Mr Kan Shik Lum [5,10]	√			√	√
Mr Chua Kim Chiu [6, 10]	√		√	√	√
Mr Wu Long Peng [10]	√	√	√	√	√
Mr Alvin Tay [10]	√	√	√	√	√
Mr Lawrence Wong [10]	√	√	√	√	√
Mr Mak Keat Meng [10]	√	√	√	√	√
Mr Pascal Lambert [10]	√	√	√	√	√
Mr Chua Tiow Chye [7, 10]				√	√
Ms Wendy Koh [8, 10]				√	√
Ms Sharon Lim [9, 10]				√	√

Notes:

1 Mr Samuel Tsien is a Director and a member of the Investment Committee of the Sponsor which wholly-owns the Manager and is a substantial unitholder of MPACT. He was also the Group Chief Executive Officer and Executive Director of the Board of Oversea-Chinese Banking Corporation Limited ("OCBC") from 15 April 2012 until 14 April 2021, and subsequently Adviser to the Board of OCBC until April 2022. The amounts paid or incurred by MPACT to OCBC in FY22/23 for banking services exceeded S$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY22/23, Mr Tsien is deemed not to be (a) independent from any business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT, by virtue of his directorship on the Sponsor and previous appointment at OCBC. The Board is satisfied that, as at 31 March 2023, Mr Tsien was able to act in the best interests of all Unitholders of MPACT as a whole.

2 Ms Tan Su Shan is currently the Group Head of Institutional Banking of DBS Bank Ltd, a related corporation of Temasek. The amounts paid or incurred by MPACT to DBS Bank Ltd in FY22/23 for trustee fees and banking services fees, including financial advisory fees, exceeded S$200,000. In addition, the amounts received as rental by MPACT from DBS Group in FY22/23 for leases of MPACT's premises exceeded S$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY22/23, Ms Tan is deemed not to be (a) independent from a business relationship with the Manager and MPACT, by virtue of the payments made to the Trustee and DBS Bank Ltd by MPACT and the payments received by MPACT from DBS Group; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MPACT by virtue of her employment with DBS Bank Ltd. Notwithstanding the foregoing, the Board takes the view that Ms. Tan's Independent Director status is not affected as (a) the trustee arrangement was entered into before Ms Tan was appointed as a Director of the Manager; (b) the fees, rental and other charges were agreed on an arm's length basis and on normal commercial terms; and (c) she serves on the Manager's Board in her personal capacity and not as a representative or nominee of Temasek and neither is she under any employment relationship with Temasek. She is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is satisfied that, as at 31 March 2023, Ms Tan was able to act in the best interests of all Unitholders of MPACT as a whole.

3 Mr Premod Thomas is the Independent Director of Gemstone Asset Holdings Pte. Ltd., which is a related corporation of both the Manager and the Sponsor. Until his retirement on 31 March 2023, Mr Premod Thomas was also the Chief Executive Officer and Executive Director of Bayfront Infrastructure Management Pte. Ltd. ("Bayfront") and the Executive Director of BIM Asset Management Pte. Ltd. ("BIM") and Bayfront Instructure Capital II Pte. Ltd. ("Bayfront Capital"), both of which are subsidiaries of Bayfront. Bayfront, BIM and Bayfront Capital are companies in which Temasek Holdings (Private) Limited ("Temasek"), a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MPACT, has an effective interest of more than 20%.

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Pursuant to the SFLCB Regulations, during FY22/23, Mr Thomas is deemed not to be (a) independent from a business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of his directorship in Gemstone Asset Holdings Pte. Ltd., his employment with Bayfront and directorships in BIM and Bayfront Capital.

However, in the abovementioned capacities, Mr Thomas is not under an obligation to act in accordance with the directions, instructions or wishes of the Sponsor or Temasek (as the case may be) and therefore, the Board, in consultation with the NRC, takes the view that his Independent Director status is not compromised.

The Board is satisfied that, as at 31 March 2023, Mr Thomas is able to act in the best interests of all Unitholders of MPACT as a whole.

4 Ms Lilian Chiang is a Senior Partner of Deacons, one of the leading law firms in Hong Kong.

Pursuant to the SFLCB Regulations, during FY22/23, Ms Chiang is deemed not to be independent from a business relationship with the Manager and MPACT, by virtue of the payments made by MPACT to Deacons for legal services provided by Deacons to MPACT. The payments made for such legal services do not exceed S$200,000 in total.

Notwithstanding the foregoing, the Board takes the view that Ms Chiang's Independent Director status is not affected as (a) she serves on the Board in her personal capacity and not as a representative of Deacons; (b) she has no involvement in the engagement of Deacons to provide legal services; and (c) the legal services have been provided on an arm's length basis and on normal commercial terms. The Board is satisfied that, as at 31 March 2023, Ms Chiang was able to act in the best interests of all Unitholders of MPACT as a whole.

5 Mr Kan Shik Lum is the Independent Director of Astrea IV Pte. Ltd., Astrea V Pte. Ltd and Astrea 7 Pte. Ltd., all of which are related corporations of Temasek. Temasek is a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MPACT.

Pursuant to the SFLCB Regulations, during FY22/23, Mr Kan is deemed not to be (a) independent from a business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of his directorships in the abovementioned related corporations of Temasek.

However, in the abovementioned capacities, Mr Kan is not under an obligation to act in accordance with the directions, instructions or wishes of Temasek and therefore, the Board takes the view that Mr Kan's Independent Director status is not affected.

The Board is satisfied that, as at 31 March 2023, Mr Kan is able to act in the best interests of all Unitholders of MPACT as a whole.

6 Mr Chua Kim Chiu is currently a Non-Executive and Independent Director, and thus not an executive officer, of Oversea-Chinese Banking Corporation Limited ("OCBC"). The amounts paid or incurred by MPACT to OCBC in FY22/23 for banking services exceeded S$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY22/23, Mr Chua is deemed not to be independent from any business relationship with the Manager and MPACT by virtue of his appointment at OCBC. Notwithstanding the foregoing, the Board takes the view that Mr Chua's Independent Director status is not affected as the fees were agreed on an arm's length basis and on normal commercial terms. The Board is satisfied that, as at 31 March 2023, Mr Chua was able to act in the best interests of Unitholders of MPACT as a whole.

7 Mr Chua Tiow Chye is currently the Deputy Group Chief Executive Officer of the Sponsor which wholly-owns the Manager and is a substantial unitholder of MPACT. Mr Chua is also a Non-Executive Director of Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust) and was a Non-Executive Director of Mapletree North Asia Commercial Trust Management Ltd. (the manager of Mapletree North Asia Commercial Trust) up until the Merger, both of which are related corporations of the Sponsor. Pursuant to the SFLCB Regulations, during FY22/23, Mr Chua is deemed not to be (a) independent from a management relationship with the Manager and MIT by virtue of his employment with the Sponsor; (b) independent from any business relationship with the Manager and MIT as the Sponsor had received payments from the Manager and/or the trustee of MIT during FY22/23; and (c) independent from every substantial shareholder of the Manager and substantial unitholder of MIT by virtue of his employment with the Sponsor and his directorships in the abovementioned related corporation of the Sponsor. The Board is satisfied that, as at 31 March 2023, Mr Chua was able to act in the best interests of all Unitholders of MPACT as a whole.

8 Ms Wendy Koh is currently the Group Chief Financial Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MPACT. She is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust) and Mapletree Industrial Trust Management Ltd. (the manager of Mapletree Industrial Trust) and was a Non-Executive Director of Mapletree North Asia Commercial Trust Management Ltd. (the manager of Mapletree North Asia Commercial Trust) up until the Merger, all of which are related corporations of the Sponsor.

Pursuant to the SFLCB Regulations, during FY22/23, Ms Koh is deemed not to be (a) independent from the management of the Manager and MPACT by virtue of her employment with the Sponsor; (b) independent from any business relationship with the Manager and MPACT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MPACT during FY22/23; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of her employment with the Sponsor and her directorships in the abovementioned related corporations of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2023, Ms Koh was able to act in the best interests of all Unitholders of MPACT as a whole.

9 Ms Sharon Lim is currently the Executive Director and CEO of the Manager, which is a related corporation of the Sponsor.

Pursuant to the SFLCB Regulations, during FY22/23, Ms Lim is deemed not to be (a) independent from the management of the Manager and MPACT by virtue of her employment with the Manager; (b) independent from any business relationship with the Manager and MPACT by virtue of the payments which the Manager had made to the Sponsor and/or received from the trustee of MPACT during FY22/23; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of her employment with and directorship in the Manager which is a related corporation of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2023, Ms Lim was able to act in the best interests of all Unitholders of MPACT as a whole.

10 For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 March 2023, each of the abovementioned Directors was able to act in the best interests of all Unitholders of MPACT as a whole.

Based on a review of the relationships between the Directors and the Group in accordance with the requirements of the Code and the SFLCB Regulations and declarations of independence by the Independent Directors, the Board considers the following ten Directors to be independent:

- Ms Tan Su Shan;
- Mr Premod Thomas;
- Ms Lilian Chiang;
- Mr Kan Shik Lum;
- Mr Chua Kim Chiu;
- Mr Lawrence Wong;
- Mr Wu Long Peng;
- Mr Pascal Lambert;
- Mr Mak Keat Meng; and
- Mr Alvin Tay.

In view of the above, more than half of the Board comprises Independent Directors. There are thirteen Non-Executive Directors which make up a majority of the Board.

Chairman and CEO

Principle 3: Clear division of responsibilities

Our Policy and Practices

The Board and the Manager adopt the principle of clear separation of the roles and division of responsibilities between the Chairman of the Board and the CEO of the Manager (which has been set out in writing) and that no one individual has unfettered powers of decision-making. The Chairman and the CEO are not related to each other so as to maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman is a Non-Executive Director who is responsible for the overall management of the Board as well as ensuring that the Directors and Management work together with integrity and competency, and he guides the Board in constructive debates on the Group's strategic direction, management of its assets and governance matters.

The CEO is responsible for the running of the Manager's business operations. She has full executive responsibilities over the business and operational decisions of the Group. The CEO is also responsible for ensuring the Group's compliance with the applicable laws and regulations in its day-to-day operations.

As the Chairman is not an independent director, in accordance with Provision 3.3 of the Code, Ms Tan Su Shan has been appointed as the Lead Independent Director of the Manager. The principal responsibilities of the Lead Independent Director are to act as Chairperson of the Board when matters concerning the Chairman are to be considered, and to be available to the Board and Unitholders for communication of Unitholders' concerns when other channels of communication through the Chairman or CEO are inappropriate, as well as to lead all deliberations on feedback regarding performance of the CEO and any interested party transactions. Ms Tan also has the discretion to hold meetings with the other Independent Directors without the presence of Management as she deems appropriate or necessary and to provide feedback to the Chairman after such meetings.

Board Membership

Principle 4: Formal and transparent process for appointments

Our Policy and Practices

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

The Board established the NRC in January 2016 and it comprises four Directors, being Ms Tan Su Shan, Ms Lilian Chiang, Mr Kan Shik Lum and Mr Chua Tiow Chye, all of whom are non-executive and the majority of whom (including the Chairperson) are independent. Ms Tan Su Shan is the Chairperson of the NRC and also the Lead Independent Non-Executive Director of the Manager.

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

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

CORPORATE GOVERNANCE

The composition of the Board is determined based on the following principles:

- the Chairman of the Board should be a non-executive director of the Manager;
- the Board should comprise directors with a broad range of commercial experience including expertise in fund management, law, finance, audit, accounting and real estate;
- independent directors make up a majority of the Board if the Chairman is not an independent director; and
- non-executive directors make up a majority of the Board.

The Board adheres to the principle of progressive renewal and seeks to ensure its composition provides for appropriate level of independence and diversity of thought and background. In identifying suitable candidates for appointment to the Board, the Board prioritises the needs of the Group and takes into account the industry and business experience, skills, expertise and background of the candidates. In addition, the Board will give due regard to the requirements in the Listing Manual and the Code. The Board will also consider the candidate's ability to commit sufficient time to the affairs of the Group so as to diligently fulfil director's duties. The Board has the option to engage external consultants if necessary to assist the Board in identifying suitable candidates.

As at least half of the Board comprises Independent Directors, the Manager will not be voluntarily subjecting any appointment or reappointment of directors to voting by Unitholders. The NRC also determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code. Directors disclose to the Board their relationships with the Manager, its related corporations, its substantial shareholders, MPACT's substantial Unitholders or the Manager's officers, if any, which may affect their independence. For further information on the Board's assessment, please refer to "Principle 2: Board Composition and Guidance" in this CG Report.

The listed company directorships and principal commitments of the Directors are disclosed on pages 20 to 25 of this Annual Report. The Manager does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Group, including attending Board and Board committee meetings and contributing constructively to the management of the Manager and the Group. The Manager believes that each Director is best placed to decide whether he or she has sufficient capacity to discharge his or her duties and responsibilities as Director in the best interests of the Manager and Unitholders. Taking into account the meeting attendance records of the Directors in FY22/23 as well as the contribution and performance of each individual Director at such meetings, the Board is satisfied that all the Directors have been able to adequately carry out their duties as Director notwithstanding their principal commitments.

In keeping with the principle that a Director must be able to commit his or her time and attention to the affairs of the Group, the Board will generally not approve the appointment of alternate directors. There were no alternate directors appointed in FY22/23.

The NRC reviews and makes recommendations of nominations and/or re-nominations of directors on the Board and Board committees to the Board for approval. As a principle of good corporate governance, all Board members are required to submit themselves for re-nomination and re-election at regular intervals during the annual general meeting of the Manager.

In FY 22/23, all Directors underwent training on sustainability matters as prescribed under the Listing Manual.

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board

Our Policy and Practices

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

To assess the performance of the Board and the Board committees, the Manager conducts annual confidential board effectiveness surveys. The survey of the effectiveness of the Board, AC and NRC in respect of FY22/23 has been carried out.

To this end, the NRC will assist the Board in the assessment of the effectiveness of the Board, its Board committees, as well as the contribution by the Chairman and each Director, by reviewing the performance evaluation process and making recommendations to the Board. The evaluation results will be reviewed by the NRC and then shared with the Board. As part of the assessment, the NRC considers the adequacy of the Board composition, the Board's performance and areas of improvement, the level of strategic guidance to Management and the overall effectiveness of the Board, as well as each individual Director's attendance, contribution and participation at the Board and Board committee meetings. The Board also believes that performance evaluation is an ongoing process and strives to maintain regular feedback and interactions between the Directors and Management.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: Formal and transparent procedure for fixing the remuneration of Directors and key management personnel

Level and Mix of Remuneration

Principle 7: Appropriate level of remuneration

Disclosure on Remuneration

Principle 8: Clear disclosure of remuneration matters

Our Policy and Practices

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

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

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

Additional information on remuneration matters are disclosed in compliance with the requirements of the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) ("AIFMR").

Nominating and Remuneration Committee

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

The current members are: Ms Tan Su Shan, Lead Independent Non-Executive Director and Chairperson of NRC, Ms Lilian Chiang, Independent Non-Executive Director, Mr Kan Shik Lum, Independent Non-Executive Director and Mr Chua Tiow Chye, Non-Executive Director. The current NRC met once during FY22/23 (after the Merger) and was guided by an independent remuneration consultant, Willis Tower Watson Consulting (Singapore) Pte. Ltd., who has no relationship with the Manager, the controlling shareholders of the Manager or its related entities and the Board of Directors that would interfere with its ability to provide independent advice to the NRC.

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

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

Decision-Making Process for Determining the Remuneration Policy

The NRC is responsible for the annual review of remuneration policy (including termination terms), its implementation and ensuring that such terms of remuneration are fair and in compliance with relevant legislation and regulation. The NRC makes remuneration decisions for employees annually in May following the end of the performance year. This timing allows the full-year financial results of the Group to be considered along with the

CORPORATE GOVERNANCE

other non-financial goals and objectives. The NRC developed the Manager's remuneration policy with a number of principles in mind (the "Remuneration Principles"). The overarching principle is to promote sustainable long-term success of MPACT. The remuneration policy should:

- **Align with Unitholders:** A proportion of variable remuneration is deferred and delivered in the form of deferred awards over MPACT phantom units, thereby aligning the interests of employees and Unitholders;
- **Align with performance and value creation:** Total variable compensation is managed and structured taking into consideration the level of performance and value creation attained which is being assessed holistically and determined based on financial performance and achievement of non-financial goals;
- **Encourage retention:** Deferred variable compensation does not give rise to any immediate entitlement. Awards normally require the participant to be employed continuously by the Manager until at least the third anniversary of the grant in order to vest in full; and
- **Be competitive:** Employees receive competitive compensation and benefits packages, which are reviewed annually and benchmarked by an independent remuneration consultant to the external market.

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

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its Directors are as follow:

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

Directors' fees are paid entirely in cash.

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its executives are as follow:

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

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

The remuneration of the Board and the employees of the Manager is paid by the Manager, and not paid by MPACT.

The Manager has set out in the table below information on the fees paid to the Directors for FY22/23 prior to the Merger:

Board Members	Membership	Fees Paid for FY22/23[1]
Mr Tsang Yam Pui[3]	Non-Executive Chairman and Director	S$54,502
Ms Kwa Kim Li[3]	Lead Independent Non-Executive Director and Chairperson of the NRC	S$40,334
Mr Premod Thomas	Independent Non-Executive Director and Chairman of the AC	S$44,284
Mr Kan Shik Lum	Independent Non-Executive Director and Member of the NRC	S$34,873
Mr Koh Cheng Chua[3]	Independent Non-Executive Director and Member of the AC	S$39,139
Mr Wu Long Peng	Independent Non-Executive Director and Member of the AC	S$39,139
Mr Mak Keat Meng	Independent Non-Executive Director and Member of the AC	S$39,139
Mr Alvin Tay	Independent Non-Executive Director	S$27,191
Mr Samuel Tsien	Non-Executive Director	S$7,567
Mr Hiew Yoon Khong[3]	Non-Executive Director and Member of the NRC	Nil[2]
Ms Wendy Koh	Non-Executive Director	Nil[2]
Ms Amy Ng[3]	Non-Executive Director	Nil[2]
Ms Sharon Lim	Executive Director and CEO	Nil[4]

Notes:
1 For the period from 1 April 2022 to 2 August 2022.
2 Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors.
3 Stepped down from the Board on 3 August 2022 as part of the Board reconstitution exercise in connection with the Merger.
4 The CEO does not receive any director's fees in her capacity as a Director.

The Manager has set out in the table below information on the fees paid to the Directors for FY22/23 after the Merger:

Board Members	Membership	Fees Paid for FY22/23[1]
Mr Samuel Tsien	Non-Executive Chairman and Director	S$130,887
Ms Tan Su Shan	Lead Independent Non-Executive Director and Chairperson of the NRC	S$78,443
Mr Premod Thomas	Independent Non-Executive Director and Chairman of the AC	S$83,216
Ms Lilian Chiang	Independent Non-Executive Director and Member of the NRC	S$67,862
Mr Kan Shik Lum	Independent Non-Executive Director and Member of the NRC	S$65,127
Mr Chua Kim Chiu	Independent Non-Executive Director and Member of the AC	S$76,129
Mr Lawrence Wong	Independent Non-Executive Director and Member of the AC	S$76,129
Mr Wu Long Peng	Independent Non-Executive Director and Member of the AC	S$73,361
Mr Pascal Lambert	Independent Non-Executive Director	S$52,983
Mr Mak Keat Meng	Independent Non-Executive Director	S$50,309
Mr Alvin Tay	Independent Non-Executive Director	S$50,309
Mr Chua Tiow Chye	Non-Executive Director and Member of the NRC	Nil[2]
Ms Wendy Koh	Non-Executive Director	Nil[2]
Ms Sharon Lim	Executive Director and CEO	Nil[3]

Notes:
1 For the period from 3 August 2022 to 31 March 2023.
2 Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors.
3 The CEO does not receive any director's fees in her capacity as a Director.

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Link between Pay, Performance and Value Creation

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

Variable incentive is a material component of total remuneration and comprises Performance Target Bonus ("PTB"), Variable Bonus ("VB") and Long-term Incentive ("LTI") award. The PTB amount is determined based on the achievement of non-financial Key Performance Indicators ("KPIs") which are critical to improving people capability, building organisational culture, contributing to the Environment, Social and Governance ("ESG") factors, as well as managing stakeholders of the Manager, e.g. raising the capability of the employees through increased participation in learning and development, and with specific focus on digitalisation and ESG so as to raise their awareness and improve their general skills and knowledge in these areas, building organisational culture by engaging employees and improving their well-being through regular participation in wellness initiatives, connecting with investors and tenants through regular engagement meetings, and encouraging active contribution to environmental targets such as reducing electricity usage. The VB amount is assessed based on the achievement of financial KPIs such as NPI, DPU and NAV which measure the financial metrics essential to Unitholders. KPIs and their weightages may change from year to year. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MPACT's Total Shareholder Return ("TSR") targets.

To this end, the NRC has reviewed the performance of the Manager for FY22/23 and is satisfied that all KPIs have been achieved.

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

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

The Manager will continue to be guided by the objective of delivering long term sustainable returns to Unitholders. The remuneration of Management will continue to be aligned with the goal of value creation for Unitholders. The performance will be measured over a five-year period, with an interim review at the end of the third year.

All fixed pay, variable incentives and allowances are payable wholly in cash. All payments are entirely paid by the Manager and not as an additional expense imposed on MPACT.

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

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

Total Remuneration Bands of CEO and Key Management Personnel for FY22/23

	Salary, Allowances and Statutory Contributions	Bonus[1]	Long-term Incentives[2]	Benefits	Total
Above S$1,500,000 to S$1,750,000					
Ms Sharon Lim	28%	46%	26%	N.M.[4]	100%
Other Key Management Personnel					
Ms Janica Tan	38%	41%	21%	N.M.[4]	100%
Mr Chow Mun Leong	49%	35%	16%	N.M.[4]	100%
Mr Koh Wee Leong	46%	37%	17%	N.M.[4]	100%
Ms Charissa Wong[3]	52%	36%	12%	N.M.[4]	100%
Ms Wendy Lee[3]	73%	27%	–	N.M.[4]	100%

Notes:
1 The amounts disclosed are bonuses declared during the financial year.
2 The amounts disclosed include the grant of the LTI award. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MPACT's TSR targets and fulfillment of vesting period of up to five years.
3 Ms Charissa Wong and Ms Wendy Lee are employees of the Property Managers and are deemed key management personnel who have responsibility for the management of VivoCity and Festival Walk, respectively, which are material to the performance of MPACT.
4 Not meaningful.

The total remuneration for the CEO and the key management personnel in FY22/23 was S$4.6 million.

The Manager is cognisant of the requirements as set out under Provision 8.1 of the Code and the "*Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management*" to disclose: (a) the remuneration of its CEO and each individual Director on a named basis; (b) the remuneration of at least its top five executive officers (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (c) in aggregate the total remuneration paid to its top five key management personnel (who are not Directors or the CEO), and in the event of non-disclosure, the Manager is required to provide reasons for such non-disclosure.

The Board had assessed and decided not to disclose (i) the remuneration of the CEO in exact quantum; (ii) the remuneration of at least its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (iii) the aggregate remuneration paid to its top five key management personnel (who are not Directors or the CEO), as the Manager is of the view that remuneration details are commercially sensitive due to the confidential nature of remuneration matters and with keen competition for management staff in the REIT industry, such disclosure may result in talent retention issues. The Board is of the view that despite the deviation from Provision 8.1 of the Code, the Manager has been transparent on remuneration matters in line with the intent of Principle 8 of the Code, as information on the Manager's remuneration policies, level and mix of remuneration, procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

Since the remuneration of the CEO and key management personnel of the Manager are not separately billed to MPACT but instead paid by the Manager, the Manager is also of the view that the interest of Unitholders would not be prejudiced as the indicative range of the CEO's remuneration, as well as the total remuneration for the CEO and key management personnel of the Manager, have been provided.

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There were no employees of the Manager who were substantial shareholder of the Manager, substantial unitholder of MPACT or immediate family members of a Director, the CEO or a substantial shareholder of the Manager or substantial unitholder of MPACT and whose remuneration exceeded S$100,000 during FY22/23.

Quantitative Remuneration

Disclosure under AIFMR

The Manager is required under the AIFMR to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of MPACT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies.

The aggregate amount of remuneration awarded by the Manager to its staff in respect of the Manager's financial year ended 31 March 2023 was S$11.0 million. This figure comprised fixed pay of S$5.9 million, variable pay of S$4.6 million and allowances/ benefits-in-kind of S$0.5 million. There were a total of 52 beneficiaries of the remuneration described above.

In respect of the Manager's financial year ended 31 March 2023, the aggregate amount of remuneration awarded by the Manager to its senior management (who are also members of staff whose actions have a material impact on the risk profile of MPACT) was S$6.1 million, comprising eleven individuals identified having considered, among others, their roles and decision making powers.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: Sound system of risk management and internal controls

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

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

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

Operating Structure

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

Procedures and Practices

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

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

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

The Group's procedures and practices are regularly reviewed and revised where necessary to enhance controls and efficiency.

The internal audit function, which is outsourced to the Sponsor, reviews the Group's compliance with the control procedures and policies established within the internal controls and risk management systems.

Whistle-blowing Policy

To reinforce a culture of good business ethics and governance, the Manager has a Whistle-blowing Policy to encourage the reporting, in good faith, of any suspected misconduct or wrongdoing, including possible financial irregularities, while protecting the whistle-blowers from reprisals and detrimental or unfair treatment by, among others, ensuring that the identity of the whistle-blower is kept confidential. Any reporting concerning the Group or the Manager is notified to the AC Chairman of the Sponsor as well as the AC Chairman of the Manager for further investigation. The findings will then be reported to the AC of the Manager which is responsible for oversight and monitoring of the Whistle-blowing reports received.

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

Risk Management

Risk management is an integral part of the Manager's business strategy to deliver regular and steady distributions. To safeguard and create value for Unitholders, the Manager proactively manages risks and embeds risk management process into the planning and decision-making processes.

The Manager's Enterprise Risk Management ("ERM") framework is adapted from International Organisation for Standardisation (ISO) 31000 Risk Management and is benchmarked against other relevant best practices and guidelines. It is also reviewed annually to ensure its continued relevance and practicality in identifying, assessing, treating, monitoring, and reporting of key risks. For example, portfolio risk profile, key risk indicators/limits and other significant risk matters (if applicable) are reported to the AC and the Board independently on a quarterly basis.

The risk management system established by the Manager, which encompasses the ERM framework and risk management processes, is dynamic and evolves with the business. The Manager identifies key risks, assesses their likelihood and impact on MPACT's business and establishes mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The Manager, supported by the Sponsor's RM department, also conducts control self-assessment (CSA) on an annual basis to ensure that key risks are being effectively managed. The CSA programme also serves to raise risk awareness and foster risk and control ownership.

The Manager's policies and procedures relating to risk management can be found on pages 182 to 185 of this Annual Report.

Information Technology Controls

As part of the Group's risk management process, information technology (including cybersecurity) controls have been put in place and are periodically reviewed to ensure that information technology risks (including cybersecurity threats) are identified and mitigated. As part of the periodic review, regulatory requirements, such as the MAS Cyber Hygiene Notice and the MAS Technology Risk Management Guidelines (January 2021), are monitored and complied with, where applicable.

On an annual basis, the Manager conducts the IT Disaster Recovery ("ITDR") Tests, as well as engages external specialists to perform a Vulnerability and Penetration Test ("VAPT") on the Group's networks, systems and devices. The ITDR ensures that information technology systems remain functional in a system failure, and the VAPT ensures that cybersecurity measures deployed continue to be effective.

The Sponsor's Internal Audit Department conducted an annual review of information technology controls. The audit findings were submitted to the AC and the Board for review and appropriate remedial actions were identified and taken as at 31 March 2023.

Financial Reporting

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

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

The Group's financial results are prepared in accordance with the Singapore Financial Reporting Standards (International) and are reported to Unitholders in accordance with the requirements of the SGX-ST. These results

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announcements provide analyses of significant variances in financial performance and commentary on the industry's competitive conditions in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next twelve months.

Detailed disclosure and analysis of the full year financial performance of the Group can be found in the Financial & Capital Management Review section from pages 30 to 37 and the Financial Statements from pages 189 to 279 of this Annual Report.

Financial Management

As a matter of financial and operational discipline, Management reviews on a monthly basis the performance of MPACT's portfolio properties.

The key financial risks which the Group is exposed to include interest rate risk, foreign currency risk, liquidity risk and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest rate and foreign exchange rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found from pages 30 to 37 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

Internal Audit

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

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

External Audit

The external auditor also provides an independent perspective on certain aspects of the internal financial controls system arising from their work and report their findings to the AC on an annual basis. The external auditor is also updated on the findings of the CSA programme.

Interested Person Transactions

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

The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of the Group's net tangible assets will be subject to review by the AC at regular intervals;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the AC (which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers). Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by Unitholders at a meeting of Unitholders.

The interested person transactions undertaken by the Group in FY22/23 are set out from pages 280 to 281 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the value of the transaction where the interested person transaction has a fixed term and contract value, while the annual amount incurred and/or accrued is taken as the value of the transaction where an interested person transaction has an indefinite term or where the contract sum is not specified.

Dealing in MPACT units

The Manager has adopted a securities dealing policy for its officers and employees which applies the best practices on dealings in securities set out in the Listing Manual. Under the policy, all Directors are required to disclose their interests in MPACT and are also provided with disclosures of interests by other Directors as well as reminders on trading restrictions.

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

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

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

Role of the Board and the AC

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

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

The Board and the AC also take into account the results from the CSA programme, which requires the various departments to review and report on compliance with key control processes. As part of the CSA programme, the Sponsor's Internal Audit and Risk Management Departments validate Management's self-assessment responses on a sampling basis, after which the validated self-assessment results are reported to the AC and the Board.

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

The Board has received written assurance from the CEO and the CFO that the Group's financial records have been properly maintained and the Group's financial statements give a true and fair view of the Group's operations and finances. It has also received assurance from the CEO and other relevant key management personnel, who have responsibility regarding various aspects of the risk management and internal controls systems, that the systems of risk management and internal controls in place for the Group are adequate and effective to address the risks (including financial, operational, compliance and information technology risks) that the Manager considers relevant and material to the current business environment.

Comment and Opinion on Internal Controls

Based on the internal control and risk management systems established and maintained by the Manager and the Sponsor, the work performed by the Sponsor's Internal Audit and Risk Management Departments as well as by the external auditor, reviews performed by Management and the above-mentioned assurance from the CEO, the CFO and other key management personnel, the Board is of the opinion that the Group's internal controls and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considered relevant and material to its operations, were adequate and effective to

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meet the needs of the Group in its business as at 31 March 2023. However, the Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be significantly affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The AC concurs with the Board's comments provided in the foregoing. For the financial year ended 31 March 2023, the Board and the AC have not identified any material weaknesses in the Group's internal control and risk management systems.

Audit and Risk Committee

Principle 10: The Board has an AC which discharges its duties objectively.

Our Policy and Practices

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

The Manager adopts the principle that the AC shall have at least three members, all of whom must be non-executive and the majority of whom, including the AC Chairman, must be independent. The Board is of the view that the AC members collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities.

The AC consists of four members, all of whom are independent and are appropriately qualified to discharge their responsibilities. They are:

- Mr Premod Thomas, Chairman;
- Mr Chua Kim Chiu, Member;
- Mr Lawrence Wong, Member; and
- Mr Wu Long Peng, Member.

None of the AC members is or has been a partner or director of the incumbent external auditor, PricewaterhouseCoopers LLP ("PwC"), within the previous two years, and neither do any of them have any financial interest in PwC.

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

- examination of interested person transactions;
- review and approval of the scope of internal and external audit plans and activities;
- review of the adequacy, effectiveness, independence, scope and audit findings of internal and external auditors as well as Management's responses to them and the implementation of remedial actions to address such findings;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY22/23, MPACT paid S$547,551 to PwC, of which S$487,551 was for annual audit services for the Group and S$60,000 was for non-audit services for the Group. The S$60,000 fee comprised S$55,000 for non-audit services rendered as reporting accountant with regards to the establishment of the S$5.0 billion Euro Medium Term Securities Programme and S$5,000 for the performance of agreed upon procedures with regards to the review of service charge rate for mTower. The AC has undertaken a review of all non-audit services provided by PwC and is of the opinion that such services would not affect the independence of PwC as the external auditor;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- authority to investigate any matters within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- making recommendation to the Board on the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

- reviews significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of MPACT and any formal announcements relating to MPACT's financial performance;
- reviews at least annually the adequacy and effectiveness of MPACT's internal controls and risk management systems;
- reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- meets with the external and internal auditors, without the presence of Management, at least once a year to review and discuss the financial reporting

process, system of internal controls (including financial, operational, compliance and information technology controls), significant comments and recommendations;
- reviews and, if required, investigates the matters reported via the whistle-blowing mechanism, by which employees may, in confidence, raise concerns about suspected improprieties including financial irregularities. The objective of the whistle-blowing mechanism is to ensure that arrangements are in place for independent investigations of any reported matters and reviews of such investigations, to ensure appropriate follow-up actions are taken; and
- discusses during the AC meetings, any changes to accounting standards and issues which have a direct impact on the financial statements.

In the review of the financial statements, the AC has discussed with Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements.

As part of its oversight role over financial reporting, the AC reviewed the financial statements before recommending them to the Board for approval. The process involved discussions with Management and the external auditor on significant accounting matters. The AC reviewed among other matters, the valuation of investment properties, being the key audit matter identified by the external auditor.

The AC evaluated the valuers' objectivity and competency, reviewed the outputs from the process of valuing the investment properties and had robust discussions with Management and the professional valuers, focusing on the reasonableness of the methodologies and critical assumptions used in deriving the valuation of the investment properties.

The AC also considered the work performed by the external auditor, including their assessment of the appropriateness of the valuation methodologies and the key assumptions applied in the valuation of investment properties.

The AC is satisfied with the valuation process, methodologies used and valuation of the investment portfolio as adopted and disclosed in the financial statements.

A total of six AC meetings were held in FY22/23.

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

Internal Audit

Our Policy and Practices

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

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

The Chairman of the AC is consulted and provides objective feedback to the AC of the Sponsor on the hiring, removal, remuneration and evaluation of the performance of the Head of Internal Audit. The Sponsor's Internal Audit Department (including the Head of Internal Audit) has unfettered access to all of the Group's documents, records, properties and personnel, including access to the AC and has appropriate standing within the Group.

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

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

The IIA Standards cover requirements on:

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

The Sponsor's Internal Audit Department employees involved in information technology audits are Certified Information System Auditors and members of the

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Information System Audit and Control Association (the "ISACA") in the United States. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to apply in information technology audits.

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

In compliance with the IIA Standards, an external quality assessment review ("QAR") of the Sponsor's Internal Audit Department is conducted at least once every five years by a qualified, independent reviewer. The last external QAR of the Sponsor's Internal Audit Department was completed in 2018 and it was assessed that the Group's internal audit function is in conformance with the IIA standards. The next external QAR will be conducted in 2023.

For FY22/23, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

(D) UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder Rights

Principle 11: Fair and equitable treatment of all Unitholders

Engagement with Unitholders

Principle 12: Regular, effective and fair communication with Unitholders

Our Policy and Practices

The Manager adopts the principle that all Unitholders should be treated fairly and equitably in order to enable them to exercise their ownership rights arising from their unitholdings and have the opportunity to communicate their views on matters affecting MPACT. The Manager provides Unitholders with regular, balanced and understandable assessment of MPACT's performance, position and prospects.

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

The public can access the electronic copy of the Annual Report via SGXNET as well as MPACT's website, and printed copies of the Annual Report are also available upon request. Under normal circumstances, Unitholders will receive the notices of general meetings and proxy forms with instructions on the appointment of proxies and may also download these documents from MPACT's website. Notices of general meetings are also published in the newspaper, SGXNET and MPACT's website. The Manager will be conducting the upcoming annual general meeting by hybrid means and arrangements will be put in place to allow Unitholders to participate in the meeting in-person and virtually. Please refer to the notice of the annual general meeting dated 6 July 2023 for further information.

An annual general meeting is held once a year to provide a platform for Unitholders to interact with the Board and Management, in particular the Chairman of the Board, the Chairman of the AC, the CEO and the CFO. The external auditor is also present to address Unitholders' queries about the audit and the financial statements of the Group. A record of the Directors' attendance at the annual general meeting can be found in the record of their attendance of meetings set out from pages 161 to 162 of this Annual Report.

Provision 11.4 of the Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Trust Deed currently does not provide for absentia voting but the Manager is of the view that despite the deviation from Provision 11.4 of the Code, its current practice remains consistent with Principle 11 of the Code as a whole because Unitholders nevertheless have opportunities to communicate their views on matters affecting the Group even when they are not in attendance at general meetings. For example, in an ordinary meeting setting (i.e. physical meetings), Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. Unitholders such as nominee companies which provide custodial services for securities are able to appoint more than two proxies to attend, speak and vote at general meetings.

Where a general meeting is convened, all Unitholders are entitled to a proxy form with instructions on the appointment of proxies, instructions on how to access an electronic copy of the circular on SGXNET as well as MPACT's website, and a form to request for a printed copy of the circular. The Manager informs Unitholders of the rules governing the general meetings; prior to voting at an annual general meeting or any other general meeting, the voting procedures will be made known to Unitholders to facilitate them in exercising their votes.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at an annual general meeting and any other general meeting. Each resolution proposed at an annual general meeting and any other general meeting will be voted on by way of electronic polling or submission of proxy forms depending on the format of the general meeting. An independent scrutineer is also appointed to validate the vote tabulation and procedures. The Manager will announce the results of the votes cast for and against each resolution and the respective percentages and prepare minutes of such meetings.

The Manager has an Investor Relations Department which works with the Legal and Corporate Secretariat Department of the Sponsor to ensure the Group's compliance with the legal and regulatory requirements applicable to listed REITs, as well as to incorporate best practices in its investor relations programme. To keep the Board abreast of market perception and concerns, the Investor Relations Department provides regular updates on analyst and investor feedback.

The Manager's investor relations policy prioritises proactive engagement, and timely and effective communication with its stakeholders.

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

The Manager also communicates with MPACT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. Investor presentation slides used during such conferences and roadshows are also uploaded to SGXNET and MPACT's website to ensure Unitholders are kept up-to-date on material information. In addition to the Investor Relations team, the Manager's CEO and CFO, as well as the Co-Heads of Investments & Asset Management, are present at briefings and communication sessions where practicable to answer questions from investors, and analyst briefings are also conducted. Stakeholders can subscribe for email alerts to receive the latest updates on the Group and also contact the Investor Relations Department via a dedicated email address. Further details on the Manager's investor relations activities and efforts are found from pages 186 to 188 of this Annual Report.

Minutes of general meetings recording the substantive and relevant comments made and questions raised by Unitholders are available to Unitholders for their inspection upon request. Minutes of general meetings (which record substantial and relevant comments and queries from Unitholders and the response from the Board and Management) are also available on MPACT's website at www.mapletreepact.com.

MPACT's distribution policy is to distribute at least 90% of its taxable income, as well as its tax-exempt income (if any). For FY22/23, MPACT made four distributions to Unitholders, including the clean-up distribution for the period from 1 April 2022 to 20 July 2022 paid on 25 August 2022. Following the announcement on 27 October 2022, MPACT has adopted a quarterly reporting framework with effect from 3Q FY22/23. Consequently, any distributions to Unitholders has also been changed to a quarterly basis with effect from 3Q FY22/23.

(E) MANAGING STAKEHOLDER RELATIONSHIP

Engagement with Stakeholders

Principle 13: Balance needs and interests of various stakeholders

Our Policy and Practices

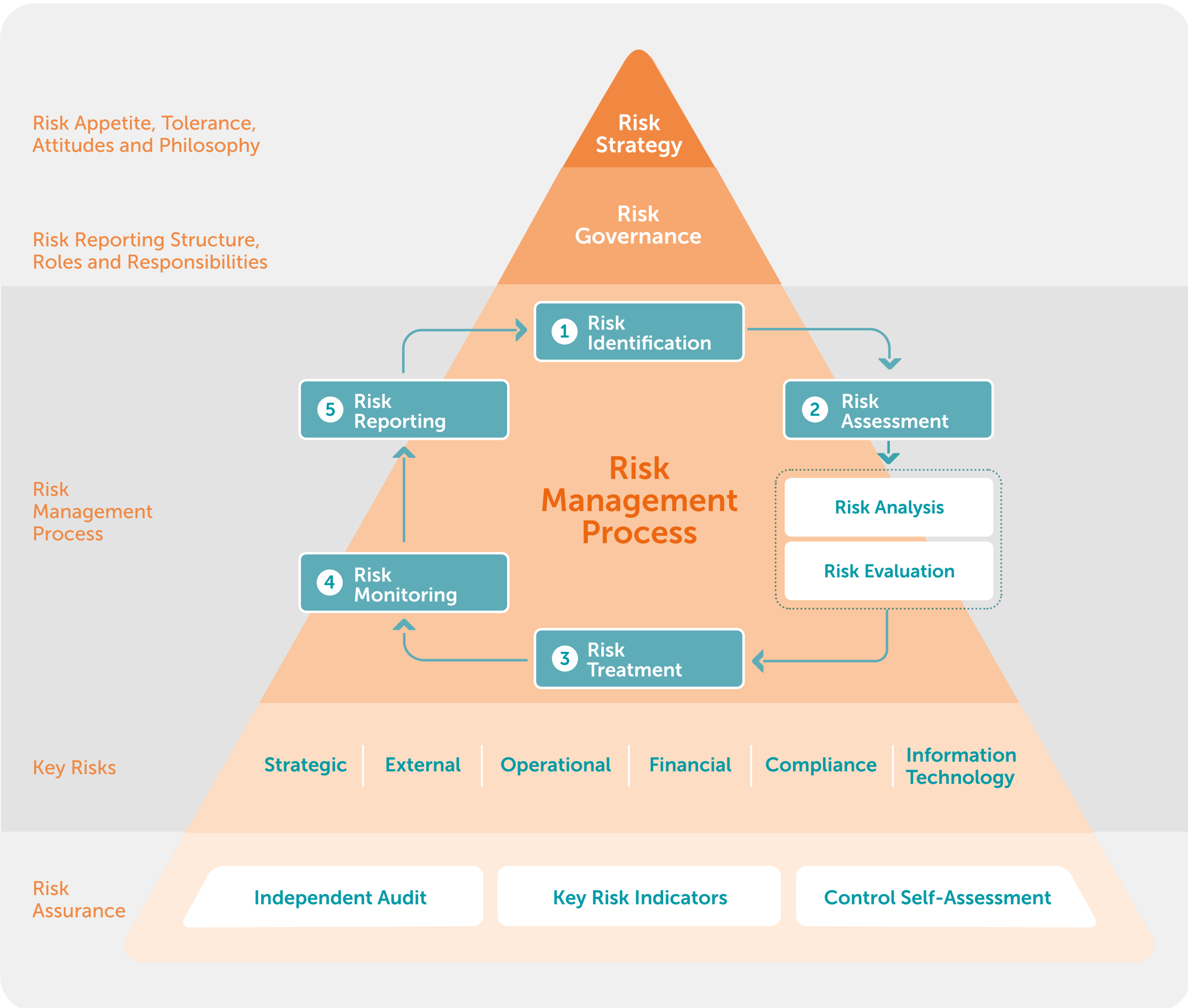
The Manager adopts the principle that to build confidence among stakeholders, there is a need to balance the needs and interests of various stakeholders. The Sustainability Report from pages 102 to 158 in the Annual Report provides the Group's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report also sets out the key areas of focus in relation to the management of stakeholder relationships for the financial year ended 31 March 2023.

RISK MANAGEMENT

Risk management ("RM") is an integral part of the Manager's business strategy to deliver regular and steady distributions. To safeguard and create value for Unitholders, the Manager proactively takes steps to anticipate and manage potential risks, and incorporates risk management into the planning and decision-making process.

Enterprise Risk Management Framework

The Manager's ERM framework is adapted from the International Organisation for Standardisation (ISO) 31000 Risk Management and benchmarked against other relevant best practices and guidelines. The ERM framework is also reviewed annually to ensure that it is up to date, relevant and practical in identifying, assessing, treating, monitoring, and reporting on key risks.



Risk Governance and Assurance

The Board is responsible for overseeing the governance of risks and ensuring that the Manager implements sound risk management and internal control practices. The Board also approves the risk appetite, which sets out the types and levels of material risks that can be taken to achieve MPACT's business objectives. The Board, with support from the Audit & Risk Committee ("AC"), reviews the risk strategy, material risks and risk profile.

The Manager is responsible for directing and monitoring the implementation of the ERM framework and practices. The Manager adopts a top-down and bottom-up approach to systematically identify and assess material risks based on the business objectives and strategies. They also maintain continuous communication and consultation with internal and external stakeholders.

The RM department of the Sponsor works closely with the Manager to design, implement and improve the ERM framework in accordance with market practices and regulatory requirements, under the guidance and direction of the Board and the AC. The Manager, supported by the Sponsor's RM department, conducts control self-assessment ("CSA") on an annual basis to ensure that material risks are being effectively managed. The CSA programme also serves to raise risk awareness and foster risk and control ownership.

The Internal Audit ("IA") department provides independent assurance on the effectiveness of the risk management and internal control systems, as well as the effectiveness of the controls in place to manage material risks.

Risk-Aware Culture

A strong "risk-aware" culture is essential for the successful implementation of a risk management programme. Therefore, the Manager is committed to inculcate a strong risk-aware culture by setting the right tone at the top and providing continuous support for risk management. The RM department, through its engagements with various stakeholders, raises awareness of risks and facilitates the management of material risks.

Robust Measurement and Analysis

The Manager's risk measurement framework is based on Value-at-Risk ("VaR"), a methodology which measures the volatility of market and property risks, such as rental and occupancy rates, as well as treasury risks, such as capital values, interest rates and foreign exchange rates. It takes into consideration changes in the market environment and asset cashflows, enabling the Manager to quantify the benefits of diversification across the portfolio. The framework also assesses, measures and monitors other risks, such as refinancing and tenant-related risks, where feasible.

The Manager recognises the limitations of statistically-based analyses that rely on historical data. Therefore, MPACT's portfolio is subject to stress tests and scenario analyses to ensure that the business remains resilient in the event of unexpected market shocks.

Risk Identification and Assessment

The Manager's risk management process includes identifying key risks, assessing their likelihood and potential impact on the business, and establishing mitigating controls, while considering the cost-benefit trade-off. The information is maintained in a risk register that is reviewed and updated regularly. The key risks identified include but are not limited to:

Property Market

MPACT's portfolio is subject to various key market factors and conditions such as competition, supply and demand dynamics, and changing trends such as the shifts towards hybrid/flexible work arrangements. The Manager monitors market developments and trends, assesses their implications and formulates plans and pre-emptive strategies accordingly. In addition, the Manager monitors the performance of existing tenants and adopts a flexible leasing strategy to maintain high portfolio occupancy.

Economic and Geopolitical

Given the geographical diversity of our business, MPACT's portfolio is subject to various macroeconomic and geopolitical factors and events such as interest rate hikes, prolonged inflation, trade wars, rising geopolitical

RISK MANAGEMENT

tension, and political leadership changes. The Manager actively monitors macroeconomic and political development in key markets, conducts rigorous real estate market research to assess the implications on the business and formulates pre-emptive strategies and plans accordingly. To manage economic and geopolitical risks, the Manager maintains a well-diversified portfolio across different geographies, focusing on markets where the Manager has operational scale and where the underlying economic fundamentals are more robust.

Investment

The Manager manages risks arising from investment activities through a rigorous and disciplined investment approach, with a focus on asset evaluation and pricing. All acquisitions are aligned with MPACT's investment strategy, with sensitivity analysis performed for each acquisition on all key project variables to test the robustness of assumptions used. For significant acquisitions, independent risk assessments are conducted by the Sponsor's RM department and included in the investment proposal submitted to the Board for approval. All investment proposals are subject to rigorous scrutiny by Management in accordance with the Board's approved delegation of authority.

Upon receiving approval from the Board, investment proposals are submitted to the Trustee, which serves as the final approving authority for all investment decisions. The Trustee also monitors compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited, the MAS' Property Funds Appendix, and the provisions in the Trust Deed to ensure that of the Manager's executed investment transactions are in line with relevant regulations and provisions.

Credit

Prior to making investments (where relevant) or onboarding of sizeable tenants, credit assessments are conducted on tenants to assess and mitigate credit risks. On an ongoing basis, tenants' credit worthiness is closely monitored by the Manager's asset management team and arrears are managed by the Manager's Credit Control Committee, who meets regularly to review debtor balances. To further mitigate credit risks, security deposits in the form of cash or banker's guarantees are collected from prospective tenants prior to the commencement of leases where applicable.

Climate Change

MPACT is exposed to climate-related physical risks such as rising sea levels, violent storms, extreme heat and cold, and flash floods, as well as transition risks that can result in stricter emission standards, increased carbon tax and water pricing, and stricter building design requirements.

The Manager works closely with the Sponsor's Sustainability team to implement the "net zero by 2050" roadmap to mitigate the business impact on the environment, and to minimise any potential impact of climate change on our business. This entails developing and implementing robust climate mitigation strategies to shift towards a low carbon business model. The Manager also sets energy efficiency targets and will continue in its efforts of adopting renewable energy sources and attaining green building certifications, wherever feasible. Environmental risk due diligence is incorporated as part of the investment considerations and exposure scans to physical risks of existing properties are conducted periodically. The Manager also monitors evolving changes in climate regulations and engages various stakeholders in ESG initiatives and discussions proactively.

For more information, please refer to the Sustainability Report on page 102 to 158 of this Annual Report.

Property Damage and Business Disruption

In the event of unforeseen catastrophic events such as COVID-19, the Manager has a business continuity plan as well as a crisis communication plan to resume business operations with minimal disruption and loss. MPACT's properties are insured in accordance with industry norms in their respective jurisdictions and benchmarked against those in Singapore.

Health and Safety

The Manager places utmost importance on the health and safety of stakeholders. Safety practices such as fire emergency plan and regular checks on fire protection system, have been incorporated in MPACT's standard operating procedures. Checks on required certificates and permits are also performed regularly to ensure compliance to regulatory requirements.

Interest Rate

The Manager actively reviews and manages the level of interest rate risk by borrowing at fixed rate or hedging through interest rate derivatives where appropriate. At the portfolio level, the risk impact of interest rate volatility on value is quantified, monitored and reported quarterly using the VaR methodology.

Foreign Exchange

Where feasible, after taking into account cost, tax and other relevant considerations, the Manager borrows in the same currency as the underlying assets to provide a natural hedge. To mitigate foreign exchange rate risk and to provide investors with a reasonable degree of income stability, a large proportion of income receivable from overseas assets is hedged into SGD using forward contracts.

Liquidity

The Manager actively monitors MPACT's cashflow position and funding requirements to ensure sufficient liquid reserves to fund operations, meet short-term obligations and achieve a well-staggered debt maturity profile. For more information, please refer to the Financial & Capital Management Review section on pages 30 to 37 of this Annual Report.

The Manager also maintains sufficient financial flexibility and adequate debt headroom for MPACT to partially finance future acquisitions. In addition, the Manager monitors and mitigates bank concentration risks by having a well-diversified funding base. The limit on MPACT's aggregate leverage ratio is observed and monitored to ensure compliance with the MAS' Property Funds Appendix.

Regulatory & Policy

The Manager is committed to complying with the applicable laws and regulations of the various jurisdictions in which MPACT operates. Non-compliance may result in litigation, penalties, fines or revocation of business licenses. The Manager identifies applicable laws and regulatory obligations and ensures compliance with these laws and regulations in its day-to-day business processes. The Manager also keep track of and assess upcoming changes in applicable laws and regulations of the various jurisdictions in which MPACT operates.

Fraud

The Manager maintains a zero-tolerance policy towards unethical business practices or conduct, fraud and bribery. The Manager also has a whistleblowing policy that allows employees and stakeholders to raise any serious unethical concerns, suspected fraudulent activities and bribery, dangers, risks, malpractices or wrongdoings in the workplace while protecting them from reprisals.

Compliance with the policies and procedures is required at all times. This includes policies on ethics and code of conduct, safe work practices and professional conduct. If an employee is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment, the Manager reserves the rights to take appropriate disciplinary action, including termination of employment.

Cybersecurity and Information

Concerns over the threat posed by cybersecurity attacks are on the rise as such attacks become increasingly prevalent and sophisticated. The Mapletree Group has in place comprehensive policies and procedures governing information availability, control and governance, as well as data security. A disaster recovery plan is in place and tested annually to ensure business recovery objectives are met. All employees are required to complete mandatory online training on cybersecurity awareness to ensure that they are aware of potential cybersecurity threats such as phishing campaign. On top of the constant monitoring of internet gateways to detect potential security incidents, network vulnerability assessments and penetration testing are also conducted regularly to identify potential security gaps.

Rigorous Monitoring and Control

The Manager has developed key risk indicators that serve as an early-warning system to highlight risks that have exceeded agreed thresholds.

Every quarter, the Sponsor's RM department presents a comprehensive report to the Board and the AC, highlighting key risk exposures, portfolio risk profile, results of stress testing scenarios, and status of key risk indicators.

INVESTOR RELATIONS

Commitment to High Standards of Disclosure and Corporate Transparency

The Manager is committed to upholding high standards of disclosure and corporate transparency, as we believe in fostering openness and trust with our investors. Our goal is to instil stakeholder confidence and provide them with the necessary information to make informed decisions about MPACT. To achieve this, we prioritise accurate and timely disclosure of financial results, announcements and relevant information related to MPACT. We strive to use clear language and maintain transparency and consistency in all our disclosures. We proactively engage investors and analysts, and the media to communicate our business case and to understand and address their concerns whenever possible. To facilitate regular and frequent interactions with the investment community, we have established various communication channels:

- Financial news releases and announcements are published and accessible on the SGX-ST website.
- Announcements, press releases, investor presentations, and related general information are regularly updated and available on MPACT's website at www.mapletreepact.com.
- Investors and the public can subscribe to MPACT's electronic mailing list to receive email notifications of news and updates related to MPACT.
- Enquiries and feedback can be easily submitted to the Manager through the "Contact Us" link on our website.

Proactive Engagement of Investors

We prioritise quality interactions with the investment community by utilising multiple platforms, including AGMs, briefings, face-to-face investor meetings, teleconferences, investor conferences, roadshows and property visits. Analysts' briefings are conducted at least every six months to provide timely updates on MPACT's financial results and operational performance.

These platforms create opportunities for the Manager to engage directly with Unitholders, understand their perspectives, gather feedback and address any concerns. To keep the Board and the senior management abreast of ongoing market perceptions and concerns, the Investor Relations Department regularly shares updates on analysts' views and estimates, analysis of Unitholders' registers, and key feedback from the market.

In FY22/23, we engaged over 400 fund managers, institutional investors and analysts. With Singapore's re-opening and the lifting of COVID-19 restrictions, on-site meetings, property visits and physical events gradually resumed over the course of the year. We continue to conduct these engagements over a combination of virtual and in-person meetings to strengthen understanding with analysts and existing investors, as well as reach out to new ones.

Ensuring Unitholder Participation at the EGM and AGM amid COVID-19 Restrictions

The EGM pertaining to the proposed merger with MNACT was held on 23 May 2022. Due to prevailing COVID-19 measures, the EGM was conducted via electronic means. Pre-registered Unitholders who have been verified were given access to the live audio-visual EGM webcast. Before the EGM, Unitholders were invited and encouraged to submit questions relating to the tabled resolutions and to vote by appointing the Chairman of the meeting as proxy. Responses to substantial and relevant questions received were published on SGXNET and MPACT's website prior to the EGM. During the live audio-visual EGM webcast, Unitholders could further submit text-based questions.

To specially help retail investors better understand the merger and gather their feedback ahead of the EGM, we held a virtual information session on 10 May 2022. This was facilitated by SIAS and well-attended by over 120 retail investors. The proposed merger was subsequently approved by Unitholders at the EGM.

With the easing of COVID-19 restrictions in Singapore, our 11th AGM was held in a hybrid meeting format, allowing a limited number of in-person attendees while also providing an option for others to participate online in accordance with the relevant regulations and measures.

Aside from voting by appointing the Chairman of the AGM as proxy, Unitholders who attended the physical or virtual meeting were also able to cast their votes "live" during the AGM. Pre-registered Unitholders who have been verified were given user details and instructions on accessing and participating in the AGM.

Similar to the EGM, Unitholders were invited to submit questions ahead of the AGM and responses to substantial and relevant questions received were published on SGXNET and MPACT's website before the AGM. With the hybrid meeting format, Unitholders could further ask questions in person or use the online chat box during the meeting.

All tabled resolutions at both the EGM and AGM were approved by Unitholders. The results were published on SGXNet and MPACT's website on the same day, and the minutes of the EGM and AGM were also published subsequently.

Research Coverage

As at 31 March 2023, MPACT was actively covered by 15 research houses:

- BofA Securities
- CGS-CIMB
- Citigroup
- CLSA
- Credit Suisse
- Daiwa Capital Markets
- DBS
- Goldman Sachs
- HSBC
- JP Morgan
- Macquarie Bank
- Maybank Kim Eng
- Morgan Stanley
- OCBC
- UOB KayHian

Investor Relations Activities in FY22/23

	Key Investor Relation Events
First Quarter (1 April 2022 to 30 June 2022)	2H and FY21/22 Post-Results Analysts' Results Briefing Call with 'Live' Webcast
	2H and FY21/22 Results Investors Teleconference hosted by DBS
	Virtual Information Session for Unitholders with SIAS for the Proposed Merger with MNACT
	Virtual Briefings to Trading Representatives of Maybank Kim Eng, CGS-CIMB and Phillip Securities on the Proposed Merger with MNACT
	EGM for the Proposed Merger with MNACT
Second Quarter (1 July 2022 to 30 September 2022)	11th AGM
	1Q FY22/23 Business Updates Investors Teleconference hosted by Credit Suisse
	Presentation and Property Tour for Korean Institutional Investors for the NH-SGX Singapore REITs Roadshow in Singapore
	Mapletree Bangkok Day hosted by DBS, Bangkok
	CITIC CLSA Flagship Investors' Forum 2022 (Virtual)
Third Quarter (1 October 2022 to 31 December 2022)	1H FY22/23 Post-Results Analysts' Results Briefing with 'Live' Webcast
	1H FY22/23 Results Investors Teleconference hosted by HSBC
	Non-Deal Fixed Income Investor Meetings hosted by DBS and OCBC, Singapore
	Morgan Stanley 21st Asia Pacific Summit, Singapore
Fourth Quarter (1 January 2023 to 31 March 2023)	Credit Suisse 14th ASEAN Conference, Singapore
	3Q and YTD FY22/23 Results Investors Tea hosted by Citigroup, Singapore

Financial Results, Business Updates and Distributions Calendar

Following the announcement on 27 October 2022, MPACT has adopted a quarterly reporting framework with effect from 3Q FY22/23. Consequently, distribution to Unitholders have also been changed to a quarterly basis with effect from 3Q FY22/23.

20 April 2022	2H and FY21/22 Results Announcement
3 June 2022	Payment of 2H FY21/22 Distribution
29 July 2022	1Q FY22/23 Business Updates
25 August 2022	Payment of Clean-up Distribution for the period from 1 April 2022 to 20 July 2022
27 October 2022	1H FY22/23 Results Announcement
7 December 2022	Payment of 1H FY22/23 Distribution
31 January 2023	3Q and YTD FY22/23 Results Announcement
15 March 2023	Payment of 3Q FY22/23 Distribution
27 April 2023	4Q and FY22/23 Results Announcement
15 June 2023	Payment of 4Q FY22/23 Distribution

INVESTOR RELATIONS

Financial and Distribution Calendar for FY23/24

(Tentative and subject to changes)

July 2023	12th AGM
July 2023	1Q FY23/24 Results Announcement
August 2023	Payment of 1Q FY23/24 Distribution
October 2023	2Q and 1H FY23/24 Results Announcement
November 2023	Payment of 2Q FY23/24 Distribution
January 2024	3Q and YTD FY23/24 Results Announcement
February 2024	Payment of 3Q FY23/24 Distribution
April 2024	4Q and FY23/24 Results Announcement
June 2024	Payment of 4Q FY23/24 Distribution

For the latest news on MPACT, please visit www.mapletreepact.com.

If you have any enquiries or would like to find out more about MPACT, please contact:

The Manager

Ms Teng Li Yeng
Director, Investor Relations

T : +65 6377 6111
F : +65 6274 3185
E : mpact@mapletree.com.sg

Substantial Unitholder's Notifications and Related Enquiries

E : MPACTdisclosure@mapletree.com.sg

Unitholder Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

T : +65 6536 5355
F : +65 6438 8710
E : srs.teamd@boardroomlimited.com

Unitholder Depository

For depository-related matters, such as change of personal details and unitholding records, please contact directly:

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07
The Metropolis Tower 2
Singapore 138589

T : +65 6535 7511
F : +65 6535 0775
E : asksgx@sgx.com
W : https://investors.sgx.com

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

For the financial year ended 31 March 2023

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Pan Asia Commercial Trust ("MPACT") and its subsidiaries (the "Group") in trust for the holders of units in MPACT ("Unitholders"). In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of MPACT 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 MPACT and the Group during the financial year covered by these financial statements, set out on pages 197 to 279, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim Puay Yuen
Director

Singapore, 18 May 2023

STATEMENT BY THE MANAGER

For the financial year ended 31 March 2023

In the opinion of the directors of MPACT Management Ltd., the accompanying financial statements of Mapletree Pan Asia Commercial Trust ("MPACT") and its subsidiaries (the "Group") as set out on pages 197 to 279, comprising the Statements of Financial Position and Portfolio Statement of MPACT and the Group as at 31 March 2023, the Statements of Profit or Loss, Statements of Comprehensive Income, Distribution Statements and Statements of Movements in Unitholders' Funds of MPACT and the Group, the Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements for the financial year then ended are drawn up so as to present fairly, in all material respects, the financial position of MPACT and of the Group as at 31 March 2023 and the financial performance, amount distributable and movements of Unitholders' funds of MPACT and the Group and consolidated cash flows of the Group for the financial year then ended in accordance with Singapore Financial Reporting Standards (International) and relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that MPACT and the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
MPACT Management Ltd.

Lim Hwee Li Sharon
Director

Singapore, 18 May 2023

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

(Formerly known as Mapletree Commercial Trust)
(Constituted under a Trust Deed in the Republic of Singapore)

Report on the Audit of the Financial Statements

OUR OPINION

In our opinion, the accompanying consolidated financial statements of Mapletree Pan Asia Commercial Trust ("MPACT") and its subsidiaries (the "Group") and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement, Statement of Movements in Unitholders' Funds and Portfolio Statement of MPACT are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code"), so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MPACT as at 31 March 2023 and the consolidated financial performance of the Group and the financial performance of MPACT, the consolidated amount distributable of the Group and the amount distributable of MPACT, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of MPACT, the consolidated portfolio holdings of the Group and portfolio holdings of MPACT and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MPACT and the Group comprise:

- the statements of profit or loss of the Group and MPACT for the financial year ended 31 March 2023;
- the statements of comprehensive income of the Group and MPACT for the financial year then ended;
- the statements of financial position of the Group and MPACT as at 31 March 2023;
- the distribution statements of the Group and MPACT for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended;
- the statements of movements in unitholders' funds for the Group and MPACT for the financial year then ended;
- the portfolio statement for the Group and MPACT for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

BASIS FOR OPINION

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

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

Independence

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

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST

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OUR AUDIT APPROACH

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2023. 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 14 – Investment properties As at 31 March 2023, the carrying value of the Group's investment properties of $16.3 billion accounted for 97% 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, discount rates, term and reversion rates and adjusted price per square metre and are dependent on the nature of each investment property and the prevailing market conditions. The key inputs are disclosed in Note 14 to the accompanying financial statements.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques and inputs used by the external valuers in determining the valuations of individual investment properties; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; • assessed the reasonableness of the capitalisation rates, discount rates, term and reversion rates and adjusted price per square feet by benchmarking these inputs against those of comparable properties and prior year inputs. Where the inputs and estimates were beyond the expected range, we performed procedures to understand the reasons and therefore the validity of these inputs and estimates; and • challenged the projected cash flows used against the current and historical lease rates. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. The external valuers are members of recognised bodies for professional valuers. The valuation techniques used were in line with generally accepted market practices and the key assumptions used were within the range used by valuers of similar investment properties.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST
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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 MPACT's Annual Report 2022/23 ("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 SFRS(I)s, applicable requirements of the CIS Code and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST

(Formerly known as Mapletree Commercial Trust)
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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST

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

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 18 May 2023

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 March 2023

	Note	Group		MPACT	
		2023	2022	**2023**	2022
		$'000	$'000	**$'000**	$'000
Gross revenue	3	**826,185**	499,475	**448,494**	410,713
Property operating expenses	4	**(194,243)**	(110,794)	**(103,679)**	(93,475)
Net property income		**631,942**	388,681	**344,815**	317,238
Dividend income		**–**	–	**202,159**	57,773
Finance income		**1,603**	284	**392**	4,768
Finance expenses	5	**(163,762)**	(72,575)	**(85,152)**	(64,096)
Manager's management fees					
– Base fees		**(43,416)**	(22,218)	**(34,795)**	(18,304)
– Performance fees		**(5,217)**	(15,547)	**(4,254)**	(12,690)
Trustee's fees		**(1,652)**	(1,039)	**(1,647)**	(1,039)
Other trust expenses	6	**(2,823)**	(1,388)	**(2,842)**	(1,319)
Foreign exchange (loss)/gain		**(3,746)**	8,926	**(3,201)**	8,926
Net change in fair value of financial derivatives		**19,159**	(8,390)	**3,694**	(8,390)
Profit before tax and fair value change in investment properties and share of profit of a joint venture		**432,088**	276,734	**419,169**	282,867
Net change in fair value of investment properties	7	**43,511**	70,290	**21,303**	49,670
Share of profit of a joint venture	18	**9,425**	–	**–**	–
Profit for the financial year before tax		**485,024**	347,024	**440,472**	332,537
Income tax credit/(expense)	8(a)	**1,725**	(5)	**–**	–
Profit for the financial year after tax before distribution		**486,749**	347,019	**440,472**	332,537
Attributable to:					
– Unitholders		**482,596**	347,019	**440,472**	332,537
– Perpetual securities holders		**3,602**	–	**–**	–
– Non-controlling interest		**551**	–	**–**	–
Profit for the financial year after tax		**486,749**	347,019	**440,472**	332,537
Earnings per unit (cents)					
– Basic	9	**10.45**	10.45		
– Diluted	9	**10.45**	10.45		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2023

	Note	Group		MPACT	
		2023	2022	**2023**	2022
		$'000	$'000	**$'000**	$'000
Profit for the financial year after tax before distribution		**486,749**	347,019	**440,472**	332,537
Other comprehensive income – items that may be reclassified subsequently to profit or loss					
Cash flow hedges					
– Fair value gain, net of tax		**15,943**	29,459	**15,330**	15,839
– Reclassification to profit or loss		**(4,499)**	15,032	**(8,852)**	10,539
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans		**(228,226)**	–	**–**	–
Share of currency translation differences relating to a foreign joint venture		**(5,755)**	–	**–**	–
Net currency translation differences on hedge of net investment in foreign operation		**3,684**	–	**–**	–
Net currency translation differences reclassified to profit or loss		**2,174**	–	**–**	–
Other comprehensive income, net of tax		**(216,679)**	44,491	**6,478**	26,378
Total comprehensive income for the financial year		**270,070**	391,510	**446,950**	358,915
Attributable to:					
– Unitholders		**265,948**	391,510	**446,950**	358,915
– Perpetual securities holders		**3,602**	–	**–**	–
– Non-controlling interest		**520**	–	**–**	–
Total comprehensive income		**270,070**	391,510	**446,950**	358,915

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

		Group		MPACT	
		31 March		31 March	
	Note	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
ASSETS					
Current assets					
Cash and bank balances	10	**216,147**	124,170	**54,597**	113,051
Trade and other receivables	11	**13,359**	2,725	**9,420**	3,157
Tax recoverable	8(c)	**5,849**	5,849	**–**	–
Other assets	12	**3,525**	649	**1,122**	475
Inventories		**410**	–	**–**	–
Derivative financial instruments	13	**57,577**	–	**4,443**	–
		296,867	133,393	**69,582**	116,683
Non-current assets					
Investment properties	14	**16,321,443**	8,821,000	**7,327,000**	7,270,000
Plant and equipment	16	**2,195**	162	**55**	116
Investments in subsidiaries	17	**–**	–	**4,969,433**	910,964
Investment in a joint venture	18	**119,943**	–	**–**	–
Other assets	12	**–**	2,227	**–**	2,227
Derivative financial instruments	13	**88,372**	27,741	**38,733**	27,741
		16,531,953	8,851,130	**12,335,221**	8,211,048
Total assets		**16,828,820**	8,984,523	**12,404,803**	8,327,731
LIABILITIES					
Current liabilities					
Trade and other payables	19	**223,496**	102,919	**96,699**	87,046
Borrowings	20	**754,365**	460,547	**114,838**	263,894
Lease liabilities		**66**	–	**–**	–
Loans from a subsidiary	20	**–**	–	**84,974**	196,653
Current income tax liabilities	8(c)	**7,528**	–	**–**	–
Derivative financial instruments	13	**103**	4,570	**2,204**	4,570
		985,558	568,036	**298,715**	552,163
Non-current liabilities					
Other payables	19	**139,076**	53,923	**53,445**	49,915
Borrowings	20	**6,029,193**	2,543,787	**1,826,144**	1,179,815
Lease liabilities		**76**	–	**–**	–
Loans from a subsidiary	20	**–**	–	**793,832**	728,522
Deferred tax liabilities	21	**182,379**	24,974	**–**	–
Derivative financial instruments	13	**10,158**	266	**20,516**	12,887
		6,360,882	2,622,950	**2,693,937**	1,971,139
Total liabilities		**7,346,440**	3,190,986	**2,992,652**	2,523,302
NET ASSETS		**9,482,380**	5,793,537	**9,412,151**	5,804,429
Represented by:					
– Unitholders' funds		**9,220,257**	5,793,537	**9,412,151**	5,804,429
– Perpetual securities holders	22	**249,437**	–	**–**	–
– Non-controlling interest		**12,686**	–	**–**	–
		9,482,380	5,793,537	**9,412,151**	5,804,429
UNITS IN ISSUE ('000)	22	**5,239,332**	3,323,514	**5,239,332**	3,323,514
NET ASSET VALUE PER UNIT ($)		**1.76**	1.74	**1.80**	1.75

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

DISTRIBUTION STATEMENTS

For the financial year ended 31 March 2023

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Amount available for distribution to Unitholders at beginning of financial year	**207,296**	212,540	**194,725**	198,975
Profit for the financial year after tax before distribution attributable to Unitholders	**482,596**	347,019	**440,472**	332,537
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**(36,998)**	(45,790)	**16,518**	(30,314)
Income available for distribution	**445,598**	301,229	**456,990**	302,223
Capital distribution	**–**	15,753	**–**	15,753
Amount available for distribution for the year	**445,598**	316,982	**456,990**	317,976
Distribution to Unitholders:				
Distribution of 5.14 cents per unit for the period from 1 October 2021 to 31 March 2022	**(170,829)**	–	**(170,829)**	–
Distribution of 3.04 cents per unit for the period from 1 April 2022 to 20 July 2022	**(101,173)**	–	**(101,173)**	–
Distribution of 1.90 cents per unit for the period from 21 July 2022 to 30 September 2022	**(99,435)**	–	**(99,435)**	–
Distribution of 2.42 cents per unit for the period from 1 October 2022 to 31 December 2022	**(126,713)**	–	**(126,713)**	–
Distribution of 5.32 cents per unit for the period from 1 October 2020 to 31 March 2021	**–**	(176,422)	**–**	(176,422)
Distribution of 4.39 cents per unit for the period from 1 April 2021 to 30 September 2021	**–**	(145,804)	**–**	(145,804)
Total Unitholders' distribution (including capital distribution) (Note B)	**(498,149)**[1]	(322,226)	**(498,149)**[1]	(322,226)
Amount available for distribution to Unitholders at end of financial year	**154,745**	207,296	**153,566**	194,725

[1] Total does not sum up due to rounding differences.

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

DISTRIBUTION STATEMENTS
For the financial year ended 31 March 2023

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Note A:				
Adjustment for net effect of non-tax chargeable items and other adjustments comprise:				
Major non-tax deductible/(chargeable) items:				
– Trustee's fees	**1,652**	1,039	**1,647**	1,039
– Financing fees	**7,354**	3,436	**3,028**	2,620
– Management fees paid/payable in units	**19,521**	15,497	**19,521**	15,497
– Net change in fair value of financial derivatives	**(6,225)**	8,390	**(3,694)**	8,390
– Net change in fair value of investment properties	**(43,648)**	(70,290)	**(21,303)**	(49,670)
– Net unrealised foreign exchange loss/(gain)	**2,708**	(8,926)	**3,201**	(8,926)
– Share of net change in fair value of investment property of a joint venture	**(5,430)**	–	**–**	–
– Deferred tax expense	**4,018**	–	**–**	–
– Income tax credit	**(24,155)**	–	**–**	–
Other non-tax deductible items and other adjustments	**7,207**	5,064	**14,118**	736
	(36,998)	(45,790)	**16,518**	(30,314)
Note B:				
Taxable income distribution	**(392,445)**	(292,692)	**(392,445)**	(292,692)
Capital distribution	**(41,840)**	(18,906)	**(41,840)**	(18,906)
Tax-exempt income distribution	**(63,864)**	(10,628)	**(63,864)**	(10,628)
	(498,149)	(322,226)	**(498,149)**	(322,226)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Profit for the financial year after tax before distribution		**486,749**	347,019
Adjustments for:			
– Income tax (credit)/expense	8(a)	**(1,725)**	5
– Depreciation	16	**831**	148
– Plant and equipment written off		**11**	–
– Adjustments for rental incentives amortisation		**3,564**	4,595
– Impairment of trade receivables	27(c)	**14**	256
– Net unrealised foreign exchange loss/(gain)		**2,708**	(8,926)
– Net change in fair value of investment properties	7	**(43,511)**	(70,290)
– Net change in fair value of financial derivatives		**(19,159)**	8,390
– Finance income		**(1,603)**	(284)
– Finance expenses	5	**163,762**	72,575
– Manager's management fees paid/payable in units		**19,521**	15,497
– Share of profit of a joint venture	18	**(9,425)**	–
		601,737	368,985
Change in working capital:			
– Trade and other receivables		**6,417**	4,595
– Other assets		**2,866**	(121)
– Inventories		**134**	–
– Trade and other payables		**18,610**	(9,829)
Cash generated from operations		**629,764**	363,630
– Income tax paid	8(c)	**(24,456)**	(5)
Net cash provided by operating activities		**605,308**	363,625
Cash flows from investing activities			
Net cash outflow on acquisition of interest in investment properties	17	**(2,254,149)**	–
Prepayments of transaction costs directly attributable to the Merger – Note A		**–**	(453)
Additions to investment properties		**(43,122)**	(18,682)
Additions to plant and equipment	16	**(459)**	(44)
Proceeds from disposal of plant and equipment		**5**	–
Dividend received from a joint venture		**2,838**	–
Finance income received		**1,538**	339
Net cash used in investing activities		**(2,293,349)**	(18,840)
Cash flows from financing activities			
Proceeds from borrowings		**2,141,485**	137,900
Proceeds from notes		**150,000**	–
Repayment of borrowings		**(1,153,627)**	(86,800)
Redemption of notes		**(661,162)**	(70,000)
Principal payment of lease liabilities		**(45)**	–
Payment of financing fees		**(13,986)**	(147)
Finance expenses paid		**(145,790)**	(71,885)
Payment of distribution to Unitholders		**(498,150)**	(322,226)
Payment of distribution to MNACT ex-Unitholders		**(67,712)**	–
Payment of transaction cost related to issuance of new units		**(638)**	–
Proceeds from preferential offering		**2,040,737**	–
Payment of distributions to perpetual securities holders		**(2,599)**	–
Capital return to non-controlling interest		**(250)**	–
Change in restricted cash		**(21,492)**	–
Net cash provided by/(used in) financing activities		**1,766,771**	(413,158)
Net increase/(decrease) in cash and cash equivalents		**78,730**	(68,373)
Cash and cash equivalents			
Beginning of financial year		**124,170**	192,543
Effects of currency translation		**(7,698)**	–
End of financial year	10	**195,202**	124,170

Note A – As at 31 March 2022, the Group incurred transaction costs directly attributable to the merger of Mapletree Commercial Trust ("MCT") and Mapletree North Asia Commercial Trust ("MNACT") (the "Merger") of $2,227,000 (Note 12).

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2023

Reconciliation of liabilities arising from financing activities

	Borrowings, lease liabilities and interest payable	
	2023	2022
	$'000	$'000
Beginning of financial year	**3,014,811**	3,042,094
Additions through Merger	**3,421,612**	–
Proceeds from borrowings	**2,141,485**	137,900
Proceeds from notes	**150,000**	–
Repayments of borrowings	**(1,153,627)**	(86,800)
Redemption of notes	**(661,162)**	(70,000)
Principal payment of lease liabilities	**(45)**	–
Finance expenses paid	**(145,790)**	(71,885)
Payments of financing fees	**(13,986)**	(147)
Non-cash changes:		
– Finance expenses	**163,762**	72,575
– Unrealised foreign exchange gain	**(110,627)**	(8,926)
End of financial year	**6,806,433**	3,014,811

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2023

		Group		MPACT	
	Note	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
Operations					
Balance at beginning of financial year		**1,792,513**	1,767,720	**1,816,026**	1,805,715
Profit for the financial year		**482,596**	347,019	**440,472**	332,537
Distributions to Unitholders		**(498,149)**	(322,226)	**(498,149)**	(322,226)
Transfer to General Reserve		**(896)**	–	**–**	–
Balance at end of financial year		**1,776,063**[1]	1,792,513	**1,758,348**[1]	1,816,026
Unitholders' Contribution					
Balance at beginning of financial year		**3,974,425**	3,959,140	**3,974,425**	3,959,140
Issue of new units arising from:					
– Manager's management fees paid in units		**21,040**	15,285	**21,040**	15,285
– Preferential offering	22	**2,040,737**	–	**2,040,737**	–
– Settlement of Scheme Consideration	22	**1,597,865**	–	**1,597,865**	–
Issue expenses		**(720)**	–	**(720)**	–
Balance at end of financial year		**7,633,347**	3,974,425	**7,633,347**	3,974,425
General Reserve					
Balance at beginning of financial year		**–**	–	**–**	–
Transfer from Operations		**896**	–	**–**	–
Balance at end of financial year	23	**896**	–	**–**	–
Hedging Reserve					
Balance at beginning of financial year		**26,599**	(17,892)	**13,978**	(12,400)
Fair value gain, net of tax		**15,939**	29,459	**15,330**	15,839
Reclassification to profit or loss, net of tax		**(4,510)**	15,032	**(8,852)**	10,539
Balance at end of financial year	24	**38,028**	26,599	**20,456**	13,978
Foreign Currency Translation Reserve					
Balance at beginning of financial year		**–**	–	**–**	–
Net currency translation differences reclassified to profit or loss		**2,174**	–	**–**	–
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans		**(228,180)**	–	**–**	–
Share of currency translation differences relating to a foreign joint venture		**(5,755)**	–	**–**	–
Net currency translation differences on hedges of net investment in foreign operation		**3,684**	–	**–**	–
Balance at end of financial year	25	**(228,077)**	–	**–**	–
Total Unitholders' funds at end of financial year		**9,220,257**	5,793,537	**9,412,151**	5,804,429

[1] Total does not sum up due to rounding differences.

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2023

		Group		MPACT	
	Note	**2023**	2022	**2023**	2022
		$'000	$'000	**$'000**	$'000
Perpetual Securities					
Balance at beginning of financial year		**–**	–	**–**	–
Acquisition of subsidiaries	17	**248,434**	–	**–**	–
Profit attributable to perpetual securities holders		**3,602**	–	**–**	–
Coupon paid		**(2,599)**	–	**–**	–
Balance at end of financial year	22	**249,437**	–	**–**	–
Non-Controlling Interest					
Balance at beginning of financial year		**–**	–	**–**	–
Acquisition of subsidiaries	17	**12,416**	–	**–**	–
Profit attributable to non controlling interest		**551**	–	**–**	–
Fair value changes on hedge, net of tax		**4**	–	**–**	–
Reclassification to profit or loss, net of tax		**11**	–	**–**	–
Net translation differences relating to financial statements of foreign subsidiaries		**(46)**	–	**–**	–
Capital return to non controlling interest		**(250)**	–	**–**	–
Balance at end of financial year		**12,686**	–	**–**	–

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

PORTFOLIO STATEMENT
As at 31 March 2023

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
Investment properties held under MPACT					
VivoCity	N.A[2]	Leasehold	99 years	73 years	1 HarbourFront Walk Singapore
Mapletree Business City I ("MBC I")	25 August 2016[3]	Leasehold[3]	99 years	73 years	10, 20, 30 Pasir Panjang Road Singapore
mTower (excludes 17th-21st, 33rd and 39th storeys)	27 April 2011[4]	Leasehold	99 years	73 years	460 Alexandra Road Singapore
Mapletree Anson	4 February 2013[4]	Leasehold	99 years	83 years	60 Anson Road Singapore
Bank of America HarbourFront ("BOAHF")	27 April 2011[4]	Leasehold	99 years	73 years	2 HarbourFront Place Singapore
Sub-Total – MPACT					
Investment property held under Mapletree Business City LLP ("MBC LLP")					
Mapletree Business City II ("MBC II")	1 November 2019[3]	Leasehold[3]	99 years	73 years	Part 20, 40, 50, 60, 70, 80 Pasir Panjang Road Singapore
Sub-Total – MBC LLP					

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

	Gross revenue for the financial year ended 31/03/2023 $'000	Gross revenue for the financial year ended 31/03/2022 $'000	Occupancy rate as at 31/03/2023 %	Occupancy rate as at 31/03/2022 %	At valuation as at 31/03/2023 $'000	At valuation as at 31/03/2022 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2023 %	Percentage of total net assets attributable to Unitholders as at 31/03/2022 %
	220,248	183,888	**93.2**	98.6	**3,232,000**	3,182,000	**35.1**	54.9
	128,786	127,154	**92.0**	89.9	**2,250,000**	2,249,000	**24.4**	38.8
	43,750	45,623	**86.5**	84.7	**753,000**	747,000	**8.2**	12.9
	35,087	33,987	**99.0**	95.0	**752,000**	752,000	**8.2**	13.0
	20,623	20,061	**99.0**	100.0	**340,000**	340,000	**3.7**	5.9
	448,494	410,713			**7,327,000**	7,270,000	**79.6**	125.5
	96,736	88,762	**99.2**	99.8	**1,552,000**	1,551,000	**16.8**	26.8
	96,736	88,762			**1,552,000**	1,551,000	**16.8**	26.8

PORTFOLIO STATEMENT

As at 31 March 2023

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
Investment properties held under MNACT and its subsidiaries ("MNACT Group")					
Festival Walk	21 July 2022[5]	Leasehold	54 years	24 years	No. 80 Tat Chee Avenue, Kowloon Tong, Hong Kong SAR
Gateway Plaza	21 July 2022[5]	Leasehold	50 years	30 years	No. 18 Xiaguangli, East 3rd Ring Road North, Chaoyang District, Beijing, China
Sandhill Plaza	21 July 2022[5]	Leasehold	50 years	37 years	Blocks 1 to 5 and 7 to 9, No. 2290 Zuchongzhi Road, Pudong New District, Shanghai, China
IXINAL Monzen-nakacho Building ("MON")[7]	21 July 2022[5]	Freehold	–	–	5-4, Fukuzumi 2-chome, Koto-ku, Tokyo, Japan
Higashi-nihonbashi 1-chome Building ("HNB")[7]	21 July 2022[5]	Freehold	–	–	4-6, Higashi-Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan
TS Ikebukuro Building ("TSI")[7]	21 July 2022[5]	Freehold	–	–	63-4, Higashi-Ikebukuro 2-chome, Toshima-ku, Tokyo, Japan
ABAS Shin-Yokohama Building ("ASY")[7]	21 July 2022[5]	Freehold	–	–	6-1, Shin-Yokohama 2-chome, Yokohama City, Kanagawa, Japan
SII Makuhari Building ("SMB")[7]	21 July 2022[5]	Freehold	–	–	8, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan
Fujitsu Makuhari Building ("FJM")[7]	21 July 2022[5]	Freehold	–	–	9-3, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan
Omori Prime Building ("OPB")[7]	21 July 2022[5]	Freehold	–	–	21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan

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

Gross revenue for the financial year ended 31/03/2023 $'000	Gross revenue for the financial year ended 31/03/2022 $'000	Occupancy rate as at 31/03/2023 %	Occupancy rate as at 31/03/2022 %	At valuation as at 31/03/2023 $'000	At valuation as at 31/03/2022 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2023 %	Percentage of total net assets attributable to Unitholders as at 31/03/2022 %
146,172[6]	–	99.6	–	4,299,043	–	46.6	–
49,677[6]	–	86.1	–	1,220,634	–	13.2	–
16,990[6]	–	84.5	–	473,691	–	5.1	–
3,344[6]	–	100.0	–	86,663	–	0.9	–
906[6]	–	100.0	–	26,210	–	0.3	–
1,986[6]	–	100.0	–	56,637	–	0.6	–
1,346[6]	–	100.0	–	30,026	–	0.3	–
12,557[6]	–	100.0	–	198,834	–	2.2	–
7,997[6]	–	100.0	–	199,838	–	2.2	–
2,614[6]	–	87.3	–	77,625	–	0.8	–

PORTFOLIO STATEMENT

As at 31 March 2023

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
Investment properties held under MNACT Group (continued)					
mBAY POINT Makuhari ("MBP")[7]	21 July 2022[5]	Freehold	–	–	6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan
Hewlett-Packard Japan Headquarters Building ("HPB")[7]	21 July 2022[5]	Freehold	–	–	2-1, Ojima 2-chome, Koto-ku, Tokyo, Japan
Sub-Total – MNACT Group					
Gross revenue/Investment properties – Group					
Other assets and liabilities (net) – Group					
Net assets					
Less: Non-controlling interest					
Less: Perpetual securities					
Net assets attributable to Unitholders – Group					

Notes:
1 Refers to the leasehold tenure of the land.
2 VivoCity was owned by MPACT prior to Listing Date.
3 MBC I was acquired from Mapletree Business City Pte. Ltd. ("MBC PL") on 25 August 2016 and MBC II was acquired from Heliconia Realty Pte Ltd ("HRPL") on 1 November 2019. Mapletree Business City ("MBC") comprises MBC I and MBC II. MBC is on a single leasehold land title, with MBC I on strata lease from 25 August 2016 to 29 September 2096.
4 mTower, Mapletree Anson and BOAHF were acquired from HRPL, Mapletree Anson Pte. Ltd. and HarbourFront Place Pte. Ltd. respectively, which are direct and indirect wholly-owned subsidiaries of Mapletree Investments Pte Ltd.
5 The investment properties held under MNACT Group was acquired upon the completion of the Merger on 21 July 2022.
6 The gross revenue from these properties are from 21 July 2022 to 31 March 2023.
7 The nine freehold properties in Japan, MON, HNB, TSI, ASY, SMB, FJM, OPB, MBP and HPB, are collectively known as the Japan Properties.

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 as at 31 March 2023 were based on independent valuations conducted by CBRE Pte. Ltd. ("CBRE") for VivoCity, Jones Lang LaSalle Property Consultants Pte Ltd for MBC I and II, mTower, Mapletree Anson and BOAHF, Knight Frank Petty Limited for Festival Walk, Gateway Plaza and Sandhill Plaza, and Colliers International Japan KK for the Japan Properties (2022: the carrying amounts of the investment properties as at 31 March 2022 were based on independent valuations conducted by CBRE Pte. Ltd. for VivoCity and Jones Lang LaSalle Property Consultants Pte Ltd for MBC I and II, mTower, Mapletree Anson and BOAHF). All valuers are assessed to be independent and have appropriate professional qualifications and experience in the locations and category of the properties being valued. As at 31 March 2023, the valuations of the investment properties were based on the income capitalisation method, term and reversion method, discounted cash flow method and direct comparison method where applicable (2022: 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 31/03/2023	Gross revenue for the financial year ended 31/03/2022	**Occupancy rate as at 31/03/2023**	Occupancy rate as at 31/03/2022	**At valuation as at 31/03/2023**	At valuation as at 31/03/2022	**Percentage of total net assets attributable to Unitholders as at 31/03/2023**	Percentage of total net assets attributable to Unitholders as at 31/03/2022
	$'000	$'000	**%**	%	**$'000**	$'000	**%**	%
	25,385[6]	–	**92.3**	–	**357,499**	–	**3.9**	–
	11,981[6]	–	**100.0**	–	**415,743**	–	**4.5**	–
	280,955	–			**7,442,443**	–	**80.6**	–
	826,185	499,475			**16,321,443**	8,821,000	**177.0**	152.3
					(6,839,063)	(3,027,463)	**(74.2)**	(52.3)
					9,482,380	5,793,537	**102.8**	100.0
					(12,686)	–	**(0.1)**	–
					(249,437)	–	**(2.7)**	–
					9,220,257	5,793,537	**100.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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

1. GENERAL

Mapletree Pan Asia Commercial Trust ("MPACT") (formerly known as 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 ("MIPL") 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 MIPL 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.

On 31 December 2021, 28 January 2022 and 21 March 2022, the Manager and the manager of MNACT jointly announced the proposed merger of MCT and MNACT to be effected through the acquisition by MCT of all the issued and paid-up units of MNACT by way of a trust scheme of arrangement ("Trust Scheme") in accordance with the Singapore Code on Take-overs and Mergers. On 23 May 2022, unitholders of both MCT and MNACT voted in favour of the Merger and the Trust Scheme (as the case may be) at their respective extraordinary general meeting. The Trust Scheme was sanctioned by the High Court on 7 June 2022 and became effective and binding in accordance with its terms on 21 July 2022. Following the completion of the Merger, on 3 August 2022, MNACT was delisted from SGX-ST and MCT and the Manager was renamed MPACT and MPACT Management Ltd. respectively.

The Manager had expanded the investment mandate of MPACT to take into account the geographic focus of the enlarged portfolio post-merger.

The principal investment activity of MPACT under the expanded investment mandate is to invest on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong, Japan and South Korea) with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. The principal activities of its significant subsidiaries are set out in Note 17.

MPACT has entered into several service agreements in relation to the management of MPACT 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).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

1. GENERAL (continued)

(b) Manager's Management fees

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

Before Merger from 1 April 2022 to 20 July 2022

(i) a base fee not exceeding 0.25% per annum of the value of the Group's Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

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

After Merger with effect from 21 July 2022

(i) a base fee comprising 10.0% of the distributable income of the Group (calculated before accounting for the base fee and performance fee) or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) a performance fee comprising 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Group's units in issue for such financial year or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

In relation to the Japan Properties, the asset management services are provided by Mapletree Investments Japan Kabushiki Kaisha (the "Japan Asset Manager"). In consideration of the asset management services provided, the Japan Asset Manager is entitled to receive a fee amounting to 10.0% per annum of distributable income derived from the Japan Properties (the "Japan Asset Management Fee"). For as long as the Manager and the Japan Asset Manager continues to receive the Japan Asset Management Fee, the Manager will offset the amount equivalent to the Japan Asset Management Fee from the base fees. Accordingly, there will be no double payment for services provided.

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.

For the period 1 April 2022 to 30 June 2022, the Manager has elected to receive 50% of its base fees in units and the balance in cash from MPACT and 100% of its base fees in cash from MBC LLP. For the period 1 July 2022 to 31 March 2023, the Manager has elected to receive 40% of its base fees in units and the balance in cash from the Group.

The Manager has elected to receive 40% of its performance fee in units from the Group for the financial year ended 31 March 2023.

The Manager has elected to receive 50% of its management fees in units and the balance in cash from MPACT and 100% of its management fees in cash from MBC LLP for the financial year ended 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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 MPACT, pro-rated if applicable to the proportion of MPACT'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 MPACT's interest. For the purpose of this divestment fee, real estate-related assets include all classes and types of securities relating to real estate.

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

(d) Fees under the Property Management Agreement

(i) Property management fees

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

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

The Trustee will pay Mapletree North Asia Property Management Limited ("MNAPML") and Mapletree Management Services Japan Kabushiki Kaisha ("MMSJ"), for each fiscal year (as defined in the respective Property Management Agreement), the following fees:

- 2.0% per annum of Gross Revenue for the relevant property;
- 2.0% per annum of the NPI for the relevant property (calculated before accounting for the property management fee in that financial period); and
- where any service is provided by a third party service provider, MNAPML and MMSJ will be entitled to receive a fee equal to 20% of all fees payable to such third party service provider for supervising and overseeing the services rendered by the third party service provider. Such services shall include, but not limited to, master planning work, retail planning work and environmental impact studies.

The property management fees are payable to MPMPL, MNAPML and MMSJ (collectively, the "Property Managers") monthly in arrears and in the form of cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

1. GENERAL (continued)

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

(ii) Project management fees

The Trustee will pay MPMPL, MNAPML and MMSJ, for each development or redevelopment of a property located in Singapore, Greater China or Japan respectively, a project management fee subject to:

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

The project management fees are payable to the Property Managers in the form of cash.

(iii) Marketing services

The Trustee will pay MNAPML and MMSJ, the following commissions:

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

MNAPML and MMSJ are not entitled to the marketing services commissions if the service is (i) performed by staff of the asset holding company or (ii) performed by third party service providers.

The marketing services commissions are payable to MNAPML and MMSJ in the form of cash.

(iv) Staff costs

MNAPML employs the centre management team and the persons to run the ice rink business of Festival Walk. MNAPML is entitled to the following:

- reimbursement for the cost of employing the centre management team of Festival Walk and the persons to run the ice rink business of Festival Walk; and
- 3% of such employment cost.

The staff costs reimbursements are payable to MNAPML in the form of cash.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

The area involving a higher degree of judgement, where estimates and assumptions are significant to the financial statements is disclosed in Note 14 – Investment properties.

Notwithstanding the net current liabilities position, based on the Group's existing financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due. Specifically, the Group has sufficient credit facilities available to refinance the portion of the borrowings due within the next 12 months.

Interpretations and amendments to published standards effective in 2022

The Group has adopted new or amended SFRS(I)s and Interpretations to SFRS(I)s ("INT SFRS(I)") that are mandatory for application from 1 April 2022. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s.

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

Interest Rate Benchmark Reform ("IBOR reform") – Phase 2

In the previous financial year, the Group has adopted the amendments to SFRS(I) 9 and SFRS(I) 7 Interest Rate Benchmark Reform – Phase 2 effective 1 April 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the prior year opening reserves amounts on adoption.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2022 (continued)

Interest Rate Benchmark Reform – Phase 2 (continued)

Hedge relationships

The Phase 2 amendments address issues arising during IBOR reform, including specifying when hedge designations and documentation should be updated, and when amounts accumulated in cash flow hedge reserve should be recognised in profit or loss.

No changes were required to any of the amounts recognised in the current or prior year as a result of these amendments.

For the financial year ended 31 March 2023, the Group and MPACT have adopted the following hedge accounting reliefs provided by the Phase 2 amendments to existing cash flow hedges (notional amount of USD80,000,000 and $nil respectively) that have transited to alternative benchmark rates required by IBOR reform:

- **Hedge designation**: When the 'Phase 1' amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- **Amounts accumulated in the cash flow hedge reserve**: When the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate.

Financial instruments measured at amortised cost

The Phase 2 amendments requires that, for financial instruments measured using amortised cost, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

For the financial year ended 31 March 2023, the Group and MPACT have applied the practical expedients provided under the Phase 2 amendments to total gross borrowing of $387,686,000 and $280,000,000 respectively.

Effect of IBOR reform

The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate bank borrowings and related hedging instruments used in cash flow hedges that are linked to the Singapore Swap Offer Rate ("SOR"), which will cease to be effective after 30 June 2023.

The Group has completed its transition to alternative benchmark rates for borrowings and related interest rate swaps and cross currency interest rate swaps contracts maturing after the IBOR cessation date.

The transition to alternative benchmark rates had no effect on the amounts reported for the current and prior financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition

(a) *Rental income and service charges from operating leases*

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

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

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

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

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

(b) *Car parking income*

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

(c) *Finance income*

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

(d) *Dividend income*

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

2.3 Government grants

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Expenses

(a) Trustee's fees

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

(b) Manager's management fees

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

(c) Property operating expenses

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

2.5 Borrowing costs

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

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

2.6 Income taxes

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Income taxes (continued)

Deferred income tax is measured:

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

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

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

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of MPACT 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 MPACT, the Trustee will not be taxed on the portion of taxable income of MPACT 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 MPACT 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 MPACT 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 MPACT (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 MPACT's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A Singapore branch of a company incorporated outside Singapore;
- A body of persons (excluding companies or partnerships) registered or constituted in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948;
- A real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment; or
- An agent bank or Supplementary Retirement Scheme ("SRS") operator which act as the nominee of the individual under the CPF Investment Scheme or the SRS respectively.

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 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

Non-controlling interest comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the Unitholders of the Trust. They are shown separately in the consolidated statement of profit and loss, statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non controlling interest based on their respective interests in a subsidiary, even if this results in the non-controlling interest having a deficit balance.

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Group accounting (continued)

(a) *Subsidiaries* (continued)

(iii) *Disposals*

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

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

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

(b) *Transactions with non-controlling interest*

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 MPACT. 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 MPACT.

(c) *Joint ventures*

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investment in a joint venture is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisition*

An investment in a joint venture is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint ventures over the Group's share of the fair value of the net identifiable assets of the joint ventures and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in a joint venture equals to or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in a joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Group accounting (continued)

(c) Joint ventures (continued)

(ii) Equity method of accounting (continued)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in joint ventures are derecognised when the Group loses joint control. If the retained interest in the former joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substances of the restriction and whether they meet the definition of cash and cash equivalent.

2.9 Non-derivative financial assets

(a) Classification and measurement

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

Financial assets at amortised cost

(i) At initial recognition

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

(ii) At subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Non-derivative financial assets (continued)

(b) Impairment

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

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

(c) Recognition and derecognition

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

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

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

2.10 Investment properties

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

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

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

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

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

2.11 Plant and equipment

(a) Measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Plant and equipment (continued)

(b) Depreciation

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

	Useful lives
Plant and equipment	2 – 10 years

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

(c) Subsequent expenditure

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

(d) Disposal

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

2.12 Investments in subsidiaries

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

2.13 Impairment of non-financial assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost represents average unit cost of purchase and net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Borrowings

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

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

2.16 Trade and other payables

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

2.17 Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures arising from operational, financing and investment activities. The Group does not hold or issue derivative financial instruments for trading purposes.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

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

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27(f). The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Derivative financial instruments and hedging activities (continued)

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

(b) Cash flow hedge – Cross currency interest rate swaps

The Group has entered into cross currency interest rate swaps that are cash flow hedges and are used to reduce the Group's exposure to interest rate risk and currency risk on its borrowings and interest.

The fair value changes on the effective portion of cross currency interest rate swaps designated as cash flow hedges are recognised in other comprehensive income and transferred to profit or loss when the hedged interest expense on the borrowings and/or the exchange differences arising from the translation of the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of cross currency interest rate swaps are recognised immediately in profit or loss.

(c) Net investment hedge

The Group has entered into cross currency interest rate swaps that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The fair value changes on the effective portion of cross currency interest rate swaps designated for hedging are recognised in other comprehensive income and accumulated in the foreign currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The fair value changes on the ineffective portion of cross currency interest rate swaps are recognised immediately in profit or loss.

(d) Derivatives that are not designated or do not qualify for hedge accounting

Fair value changes on cross currency interest rate swaps and forward currency contracts which do not qualify for hedge accounting are recognised in the profit or loss when the changes arise. The carrying amounts of such derivatives are presented as current assets or liabilities if they are expected to be realised within 12 months after the balance sheet date.

2.18 Fair value estimation of financial assets and liabilities

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

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

The fair values of currency forwards are determined using banks' quoted forward rates and foreign exchange spot rates at the balance sheet date. The fair value of interest rate swaps and cross currency interest rate swaps are calculated as the present value of the estimated future cash flows.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Leases

When the Group is the lessee

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

Right-of-use assets

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

Right-of-use assets which meet the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2.10. Right-of-use assets which meet the definition of plant and equipment are presented within "Plant and equipment" and are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities

Lease liability is initially measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease liability is subsequently measured at amortised cost using the effective interest method.

Short-term and low-value leases

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

2.20 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, except for currency translation differences on the net investment in foreign operations, borrowings in foreign currencies and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and included in the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the balance sheet date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in other comprehensive income and taken to the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

(d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies, and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and taken to the foreign currency translation reserve.

When a foreign operation is sold or any loan forming part of the net investment in foreign operation is repaid, such currency translation differences recorded in the foreign currency translation reserve are recognised in profit and loss as part of the gain or loss on sale.

2.21 Financial guarantees

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

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

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

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

2.22 Units in MPACT and perpetual securities

Proceeds from the issuance of units in MPACT and perpetual securities are recognised as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or exchange financial assets or liabilities with another person or entities that are potentially unfavourable to the issuer.

Issue expenses relate to expenses incurred in issuance of units in MPACT and perpetual securities. The expenses relating to issuance of units in MPACT and perpetual securities are deducted directly from the net assets attributable to the Unitholders and carrying amount of the perpetual securities respectively. Upon redemption of perpetual securities, the incidental costs directly attributable to its issuance are reclassified to Unitholders' funds within equity.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Segment reporting

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

2.24 Distribution policy

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

From 1 April 2020 to 30 September 2022, the distributions were paid out on a half-yearly basis and with effect from 1 October 2022, the distribution is on a quarterly basis.

3. GROSS REVENUE

	Group		MPACT	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Gross rental income (a)	**756,099**	465,749	**422,907**	381,962
Car parking income	**20,235**	9,750	**10,416**	7,753
Other operating income	**49,851**	23,976	**15,171**	20,998
	826,185	499,475	**448,494**	410,713
Government grant income	**–**	48	**–**	48
Less: Government grant expense	**–**	(48)	**–**	(48)
	826,185	499,475	**448,494**	410,713

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

(a) Gross rental income

The turnover rental for the financial year ended 31 March 2023 were $15,388,000 and $12,478,000 (2022: $8,738,000 and $8,718,000) for the Group and MPACT respectively.

Rental rebates (on top of government support) of $1,959,000 and $1,825,000 (2022: $23,399,000 and $22,731,000) were provided to eligible tenants by the Group and MPACT respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

4. PROPERTY OPERATING EXPENSES

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Operation and maintenance	**33,827**	22,386	**18,300**	18,443
Utilities	**25,233**	7,392	**13,411**	6,532
Property tax	**58,613**	44,610	**36,338**	36,948
Other taxes	**3,667**	–	**–**	–
Property and lease management fees	**32,533**	20,212	**18,041**	16,559
Staff costs (a)	**24,457**	12,115	**12,667**	11,241
Marketing and professional expenses	**9,142**	2,540	**3,672**	2,508
Depreciation (Note 16)	**831**	148	**93**	119
Other operating expenses	**5,940**	1,391	**1,157**	1,125
	194,243	110,794	**103,679**	93,475

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

(a) Staff costs

Except for Festival Walk, the Group and MPACT do not have any employee on its payroll because its daily operations and administrative functions are provided by the Manager and the Property Managers. Staff costs relate to employees of Festival Walk and reimbursements paid/payable to the Property Managers in respect of agreed employee expenditure incurred by the Property Managers for providing the services as provided for in the respective property management agreement.

5. FINANCE EXPENSES

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Interest expense				
– Bank loans	**153,540**	26,954	**62,589**	19,291
– Medium term notes	**31,622**	25,970	**–**	–
– Loans from a subsidiary	**–**	–	**25,452**	25,970
– Non-hedging derivative instruments	**2,893**	1,143	**2,893**	5,636
	188,055	54,067	**90,934**	50,897
Derivative hedging instruments				
– Cash flow hedges, reclassified from hedging reserve (Note 24)	**(35,357)**	15,032	**(8,852)**	10,539
Financing fees	**11,064**	3,476	**3,070**	2,660
	163,762	72,575	**85,152**	64,096

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

6. OTHER TRUST EXPENSES

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Audit fees paid/payable to				
– auditors of MPACT	**139**	115	**116**	111
– other auditors[1]	**241**	–	**–**	–
Consultancy and professional fees	**751**	357	**686**	314
Valuation fees	**169**	225	**105**	193
Other trust expenses	**1,523**	691	**1,935**	701
	2,823	1,388	**2,842**	1,319

[1] Auditors of the Group comprise member firms of PricewaterhouseCoopers International Limited.

Included in consultancy and professional fees of the Group and MPACT was an amount of $60,000 (2022: $nil) paid/payable to the auditor of MPACT for non-audit services rendered in relation to the establishment of $5,000,000,000 Euro Medium Term Securities Programme and review of service charge rate for mTower.

Included in other trust expenses of MPACT was an amount of $12,000 (2022: $12,000) paid/payable to MPACT Treasury Company Pte. Ltd. ("MPACT TCo") in undertaking the treasury functions in relation to the Group's Medium Term Notes Programmes ("MTN Programmes").

7. NET CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Change in fair value of investment properties	**(102,432)**	65,696	**20,305**	49,986
Excess of fair value of investment properties acquired over fair value of consideration transferred (Note 17)	**142,175**	–	**–**	–
Net change in fair value of investment properties (Note 14)	**39,743**	65,696	**20,305**	49,986
Effects of recognising rental incentives on a straight-line basis over the lease terms	**3,768**	4,594	**998**	(316)
Net change in fair value of investment properties recognised in the profit or loss	**43,511**	70,290	**21,303**	49,670

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

8. INCOME TAXES

(a) Income tax (credit)/expense

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Tax expense/(credit) attributable to current financial year's profit is made up of:				
Current income tax				
– Current financial year	**9,575**	4	**–**	–
– (Over)/under provision in prior years	**(24,043)**	1	**–**	–
Withholding tax	**6,514**	–	**–**	–
Deferred tax (Note 21)	**6,229**	–	**–**	–
	(1,725)	5	**–**	–

(b) Tax reconciliation

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

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Profit before tax	**485,024**	347,024	**440,472**	332,537
Less: share of profit of a joint venture	**(9,425)**	–	**–**	–
	475,599	347,024	**440,472**	332,537
Tax calculated at a tax rate of 17% (2022: 17%)	**80,852**	58,994	**74,880**	56,531
Effects of:				
– Expenses not deductible for tax purposes	**31,242**	5,038	**9,127**	4,870
– Income not subject to tax due to tax transparency ruling (Note 2.6)	**(53,892)**	(48,710)	**(44,306)**	(39,845)
– Income not subject to tax	**(35,503)**	(15,318)	**(39,701)**	(21,556)
– Different tax rates in other countries	**(373)**	–	**–**	–
– (Over)/under provision in prior years	**(24,043)**	1	**–**	–
– Others	**(8)**	–	**–**	–
	(1,725)	5	**–**	–

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

8. INCOME TAXES (continued)

(c) Movement in the net current income tax recoverable/(liabilities)

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**5,849**	5,849	**–**	–
Additions through Merger (Note 17)	**(41,691)**	–	**–**	–
Income tax paid	**24,456**	5	**–**	–
Income tax expense	**(16,089)**	(4)	**–**	–
Over/(under) provision in prior years	**24,043**	(1)	**–**	–
Translation difference on consolidation	**1,753**	–	**–**	–
End of financial year	**(1,679)**	5,849	**–**	–

The amounts of current income tax recoverable/(liabilities) presented gross in the balance sheet are as follows:

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Current assets				
Tax recoverable	**5,849**	5,849	**–**	–
Current liabilities				
Current income tax liabilities	**7,528**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

8. INCOME TAXES (continued)

(d) Tax credit relating to each component of other comprehensive income

	Group					
	2023			2022		
	Before Tax $'000	**Tax credit $'000**	**After tax $'000**	Before Tax $'000	Tax credit $'000	After tax $'000
Cash flow hedges						
– Fair value gain	**15,046**	**897**	**15,943**	29,459	–	29,459
– Reclassification to profit or loss	**(7,866)**	**3,367**	**(4,499)**	15,032	–	15,032
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	**(228,226)**	**–**	**(228,226)**	–	–	–
Share of currency translation differences relating to a foreign joint venture	**(5,755)**	**–**	**(5,755)**	–	–	–
Net currency translation differences on hedge of net investment in foreign operation	**3,684**	**–**	**3,684**	–	–	–
Net currency translation differences reclassified to profit or loss	**2,174**	**–**	**2,174**	–	–	–
Other comprehensive income	**(220,943)**	**4,264**	**(216,679)**	44,491	–	44,491

9. EARNINGS PER UNIT

	Group	
	2023	2022
Profit attributable to Unitholders of MPACT ($'000)	**482,596**	347,019
Weighted average number of units outstanding during the financial year ('000)	**4,615,981**	3,321,054
Basic and diluted earnings per unit (Singapore cents)	**10.45**	10.45

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

10. CASH AND CASH BALANCES

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**118,694**	36,170	**13,597**	25,051
Short-term bank deposits	**97,453**	88,000	**41,000**	88,000
	216,147	124,170	**54,597**	113,051

For purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	31 March	
	2023	2022
	$'000	$'000
Cash and bank balances	**216,147**	124,170
Less: Restricted cash[1]	**(20,945)**	–
Cash and cash equivalents per consolidated statement of cash flows	**195,202**	124,170

[1] Restricted cash relates to the amount of cash reserves for the Japan Properties which is required to be maintained based on the agreements with the banks. Restricted cash is reserved for use in capital expenditure, interest expense and certain property related expenses to ensure these liabilities can be met when incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

11. TRADE AND OTHER RECEIVABLES

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Trade receivables:				
– related parties	**22**	19	**9**	5
– non-related parties	**1,630**	668	**582**	532
Trade receivables – net	**1,652**	687	**591**	537
Non-trade receivables due from subsidiaries	**–**	–	**–**	10
Interest receivable:				
– subsidiary	**–**	–	**–**	793
– non-related parties	**952**	32	**14**	32
Dividend receivables:				
– subsidiary	**–**	–	**6,753**	–
– joint venture	**2,735**	–	**–**	–
Other receivables	**5,322**	128	**263**	132
Accrued revenue	**2,698**	1,878	**1,799**	1,653
	13,359	2,725	**9,420**	3,157

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

12. OTHER ASSETS

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Current				
Deposits	**182**	128	**71**	71
Prepayments	**3,343**	521	**1,051**	404
	3,525	649	**1,122**	475
Non-current				
Prepayments	**–**	2,227[1]	**–**	2,227[1]

[1] Relates to directly attributable transaction costs, namely legal and professional fees incurred in relation to the Merger (Note 17), of which $175,000 was paid/payable to the auditor of MPACT for the services rendered as independent accountant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
Group				
31 March 2023				
Hedge accounting – cash-flow hedges:				
Interest rate swaps	April 2023 – February 2027	**3,698,489**	**62,878**	**(9,605)**
Cross currency interest rate swaps	May 2023 – August 2026	**434,886**	**50,467**	**–**
Hedge accounting – net investment hedges:				
Cross currency interest rate swaps	June 2026	**250,000**	**27,141**	**–**
Non-hedge accounting:				
Cross currency interest rate swap	February 2025	**50,000**	**–**	**(553)**
Currency forwards	April 2023 – March 2024	**140,908**	**5,463**	**(103)**
Total		**4,574,283**	**145,949**	**(10,261)**
Represented by:				
Current portion			**57,577**	**(103)**
Non-current portion			**88,372**	**(10,158)**
			145,949	**(10,261)**
Derivative financial instruments as a percentage of net assets				**1.43%**
31 March 2022				
Hedge accounting – cash-flow hedges:				
Interest rate swaps	April 2022 – February 2027	1,590,000	27,741	(1,142)
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	100,000	–	(3,694)
Total		1,690,000	27,741	(4,836)
Represented by:				
Current portion			–	(4,570)
Non-current portion			27,741	(266)
			27,741	(4,836)
Derivative financial instruments as a percentage of net assets				0.40%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

13. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
MPACT				
31 March 2023				
Hedge accounting – cash-flow hedges:				
Interest rate swaps	April 2023 – February 2027	**1,259,000**	**24,956**	**(4,500)**
Non-hedge accounting:				
Interest rate swaps[1]	December 2023 – April 2026	**620,000**	**18,220**	**(18,220)**
Total		**1,879,000**	**43,176**	**(22,720)**
Represented by:				
Current portion			**4,443**	**(2,204)**
Non-current portion			**38,733**	**(20,516)**
			43,176	**(22,720)**
Derivative financial instruments as a percentage of net assets				**0.22%**
31 March 2022				
Hedge accounting – cash-flow hedges:				
Interest rate swaps	April 2022 – February 2027	1,020,000	15,120	(1,142)
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	100,000	–	(3,694)
Interest rate swaps[1]	December 2023 – December 2025	570,000	12,621	(12,621)
Total		1,690,000	27,741	(17,457)
Represented by:				
Current portion			–	(4,570)
Non-current portion			27,741	(12,887)
			27,741	(17,457)
Derivative financial instruments as a percentage of net assets				0.18%

[1] Relates to the back-to-back interest rate swaps entered into to hedge against a subsidiary's borrowings. As at 31 March 2023, the notional amounts of these interest rate swaps were $620,000,000 (2022: $570,000,000), while the fair value of the derivative financial assets arising from the interest rate swaps with the banks are $18,220,000 (2022: $12,621,000). For the financial year ended 31 March 2023, MPACT recorded related finance expense of $7,066,000 (2022: finance income of $4,492,000).

As at 31 March 2023, the notional amount of cash-flow hedges of the Group and MPACT that are directly impacted by IBOR reform amounted to $nil (2022: $1,590,000,000) and $nil (2022: $1,020,000,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

13. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

		Carrying Amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount $'000	Assets $'000	Liabilities $'000	Financial statement line item	Hedging instruments $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000	Weighted average hedged rate	Maturity date
Group									
31 March 2023									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**3,698,489**	**62,878**	**(9,605)**	**Derivative financial instruments**	**24,303**	**(24,303)**	**–**	**1.63%**	**April 2023 – February 2027**
Interest rate risk/foreign exchange risk									
– Cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings	**434,886**	**50,467**	**–**	**Derivative financial instruments**	**(9,257)**	**9,257**	**–**	*****	**May 2023 – August 2026**
Net investment hedge									
Foreign exchange risk									
– Cross currency interest rate swaps to hedge net investments in foreign operations	**250,000**	**27,141**	**–**	**Derivative financial instruments**	**3,684**	**(3,684)**	**–**	**2.52% SGD1: JPY82.98**	**June 2026**
31 March 2022									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	1,590,000	27,741	(1,142)	Derivative financial instruments	29,459	(29,459)	–	1.26%	April 2022 – February 2027
MPACT									
31 March 2023									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**1,259,000**	**24,956**	**(4,500)**	**Derivative financial instruments**	**15,330**	**(15,330)**	**–**	**2.00%**	**April 2023 – February 2027**
31 March 2022									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	1,020,000	15,120	(1,142)	Derivative financial instruments	15,839	(15,839)	–	1.33%	April 2022 – February 2027

* At 31 March 2023, the Group's weighted average hedge rates for cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings was 0.87% (USD1: HKD7.79, SGD1: JPY81.67 and HKD1: JPY17.45).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

14. INVESTMENT PROPERTIES

(a) Investment properties

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**8,821,000**	8,737,000	**7,270,000**	7,202,000
Additions	**52,741**	18,304	**36,695**	18,014
Additions through Merger (Note 17)	**7,747,580**	–	**–**	–
Change in fair value of investment properties (Note 7)	**39,743**	65,696	**20,305**	49,986
Translation difference on consolidation	**(339,621)**	–	**–**	–
End of financial year	**16,321,443**	8,821,000	**7,327,000**	7,270,000

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 15(b)).

The Tokutei Mokuteki Kaisha ("TMK") bonds and certain bank loans are secured on the Group's portfolio of Japan investment properties with carrying amounts on the balance sheet of $1,449,075,000 (2022: $nil) (Note 20).

(b) Fair value hierarchy

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

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

The fair value of the investment properties within the Group's and MPACT's portfolio are classified within Level 3 of the fair value measurement hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

14. INVESTMENT PROPERTIES (continued)

(c) Reconciliation of movement in Level 3 fair value measurements

The reconciliation between the balances at the beginning and end of the financial year is disclosed within the investment properties movement table presented in Note 14(a).

(d) Valuation techniques and significant unobservable inputs

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

The fair values are generally derived using the following methods:

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

- Term and reversion – Properties are valued by capitalising the amount of net income receivable from existing tenancies, after deducting any specific costs which must be borne by the recipient. Both the term and reversion are capitalised by the market capitalisation rates, which reflect the rate of investment, alienation restrictions, effect of inflation and prospect of rental growth, if any.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

14. INVESTMENT PROPERTIES (continued)

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

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

Geographical regions	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Singapore	Income capitalisation	Capitalisation rate	**3.35% – 4.85%** (2022: 3.35% – 4.85%)
	Discounted cash flow	Discount rate	**6.50% – 7.25%** (2022: 6.50% – 7.25%)
Hong Kong	Term and reversion	Term and reversion rate	**4.15%**
	Discounted cash flow	Discount rate	**7.80%**
China	Term and reversion	Term and reversion rate	**5.00% – 5.50%**
	Discounted cash flow	Discount rate	**7.50% – 9.25%**
	Direct comparison	Adjusted price per square feet	**RMB37,991 – RMB61,499**
Japan	Discounted cash flow	Discount rate	**3.20% – 4.20%**

Relationship of key unobservable inputs to fair value

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

There were no significant inter-relationships between unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

15. LEASES

(a) The Group and MPACT as a lessee

Leasehold land

The right-of-use of leasehold land is secured during acquisition of investment properties and is recognised within investment properties (Note 14).

There are no externally imposed covenants on these lease arrangements.

(b) The Group and MPACT as a lessor

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

Rental income from investment properties is disclosed in Note 3.

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

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Less than one year	**797,509**	477,006	**400,985**	387,245
One to two years	**579,260**	383,900	**314,235**	301,132
Later than two to three years	**409,261**	264,933	**217,181**	204,909
Later than three to four years	**226,004**	180,619	**99,547**	128,065
Later than four to five years	**130,581**	77,655	**61,387**	42,880
Later than five years	**189,408**	108,993	**124,390**	105,151
Total undiscounted lease payments	**2,332,023**	1,493,106	**1,217,725**	1,169,382

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

16. PLANT AND EQUIPMENT

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Cost				
Beginning of financial year	**666**	622	**562**	550
Additions through Merger	**9,456**	–	**–**	–
Additions	**459**	44	**36**	12
Written off	**(74)**	–	**(42)**	–
Translation difference on consolidation	**(383)**	–	**–**	–
End of financial year	**10,124**	666	**556**	562
Accumulated depreciation				
Beginning of financial year	**504**	356	**446**	327
Additions through Merger	**6,952**	–	**–**	–
Depreciation charge (Note 4)	**831**	148	**93**	119
Written off	**(58)**	–	**(38)**	–
Translation difference on consolidation	**(300)**	–	**–**	–
End of financial year	**7,929**	504	**501**	446
Net book value				
End of financial year	**2,195**	162	**55**	116

17. INVESTMENTS IN SUBSIDIARIES AND ACQUISITION OF NET ASSETS ARISING FROM THE MERGER

	MPACT	
	31 March	
	2023	2022
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**910,964**	910,964
Additions through Merger	**4,058,469**	–
End of financial year	**4,969,433**	910,964

On 21 July 2022, MPACT completed the Merger for a total consideration of $4,052,404,000 and was settled as follows on 29 July 2022: (i) $2,454,538,000 in cash; and (ii) allotment and issuance of 885,734,587 consideration units. MPACT incurred total transaction costs of $7,540,000, of which $6,065,000 were capitalised under investments in subsidiaries. The Manager has waived its acquisition fee entitlement in respect of the Merger.

The Merger was accounted for as an asset acquisition on completion of the transaction. The related transaction costs and the differences between the scheme consideration and the acquired net assets (collectively "discount over net assets acquired") were initially capitalised/allocated to the investment properties and investment in joint venture, which were subsequently re-measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

17. INVESTMENTS IN SUBSIDIARIES AND ACQUISITION OF NET ASSETS ARISING FROM THE MERGER (continued)

The scrip component of the scheme consideration was based on $2.0039 per consideration unit, being the scheme issue price. In determining the fair value of the scheme consideration, the 1-day Volume-Weighted Average Price ("VWAP") of $1.804 per consideration unit was used. The movement in unit price resulted in a discount over net assets acquired of $146,993,000, of which $142,175,000 and $4,818,000 were attributable to the investment properties acquired and investment in joint venture respectively.

The following table summarises the recognised amounts of assets and liabilities assumed as at the date of acquisition after the allocation of the discount over the net assets acquired.

	Group 2023 $'000
Assets acquired	
Cash and bank balances	206,862
Trade and other receivables	15,093
Other assets	5,742
Inventories	544
Derivative financial instruments	125,095
Investment properties	7,747,580
Plant and equipment	2,504
Investment in a joint venture	121,846
	8,225,266
Liabilities assumed	
Trade and other payables	(286,878)
Borrowings	(3,411,825)
Lease liabilities	(194)
Current income tax liabilities	(41,691)
Deferred tax liabilities	(162,842)
Derivative financial instruments	(2,518)
	(3,905,948)
Total identifiable net assets	4,319,318
Less: Non-controlling interest	(12,416)
Less: Perpetual securities	(248,434)
Identifiable net assets acquired	4,058,469[1]
Consideration transferred	
Cash paid	2,454,538
Fair value of consideration units issued	1,597,865
Total consideration	4,052,404[1]
Effect of the Merger on cash flows	
Cash and bank balances acquired	206,862
Less: Cash paid	(2,454,538)
Less: Acquisition costs incurred and paid	(6,473)
	(2,254,149)

1 Total does not sum up due to rounding differences.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

17. INVESTMENTS IN SUBSIDIARIES AND ACQUISITION OF NET ASSETS ARISING FROM THE MERGER (continued)

The Group has the following significant subsidiaries as at 31 March 2023 and 2022:

Name of company	Principal activities	Country of business/ incorporation	Effective interest held by Group		Effective interest held by MPACT	
			31 March		31 March	
			2023	2022	**2023**	2022
			%	%	**%**	%
Mapletree Business City LLP[a]	Property development and investment	Singapore/ Singapore	**100**	100	**99.9**	99.9
MNACT[b]	Investment holding	Singapore/ Singapore	**100**	–	**100**	–
Festival Walk (2011) Limited[c]	Property investment	Hong Kong/ Hong Kong	**100**	–	**–**	–
HK Gateway Plaza Company Limited[d]	Property investment	China/ Hong Kong	**100**	–	**–**	–
Shanghai Zhan Xiang Real Estate Company Limited[d]	Property investment	China/China	**100**	–	**–**	–
Tsubaki Tokutei Mokuteki Kaisha[e]	Property investment	Japan/Japan	**98.47**	–	**–**	–
Godo Kaisha Makuhari Blue[e]	Property investment	Japan/Japan	**98.47**	–	**–**	–

[a] There is no statutory requirement for the financial statements of Mapletree Business City LLP to be audited.
[b] Audited by PricewaterhouseCoopers LLP, Singapore
[c] Audited by PricewaterhouseCoopers, Hong Kong
[d] Audited by PricewaterhouseCoopers Zhong Tian LLP, China
[e] Audited by PricewaterhouseCoopers Aarata LLC, Japan

As at 31 March 2023, the Group had only two subsidiaries with non-controlling interest of 1.53%. The non-controlling interest is not material to the Group. Accordingly, no summarised financial information of subsidiaries with non-controlling interest is presented.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

18. INVESTMENT IN A JOINT VENTURE

	Group 31 March 2023 $'000	Group 31 March 2022 $'000
Beginning of financial year	–	–
Additions through Merger (Note 17)	121,846	–
Share of net profit after tax	4,607[1]	–
Excess of fair value of investment property acquired over fair value of consideration transferred (Note 17)	4,818	–
Share of profit	9,425	–
Share of other comprehensive income	(5,755)	–
Dividends received/receivable	(5,573)	–
End of financial year	119,943	–

1 Includes the Group's share of net change in fair value of investment property of $612,000 (2022: $nil).

The Group's investment in a joint venture owns a freehold high-performing office building with retail amenities, The Pinnacle Gangnam ("TPG"), located in Gangnam Business District, Seoul.

The Group's interest in the joint venture is as follows:

Name of joint venture	Principal activities	Country of business/ incorporation	Proportion of shares held by Group 2023 %	Proportion of shares held by Group 2022 %
IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6*	Property investment	South Korea/ South Korea	50.0	–

* Audited by Hanil Accounting Corporation

There is no joint venture as at 31 March 2023 and 2022 which is individually material to the Group. Thus, summarised financial information of the joint venture is not presented.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

19. TRADE AND OTHER PAYABLES

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Current				
Trade payables				
– non-related parties	**5,159**	1,816	**2,775**	1,654
– related parties	**9,447**	–	**33**	–
Non-trade payables due to subsidiaries	**–**	–	**–**	77
Accrued capital expenditure	**11,395**	3,113	**11,013**	3,057
Accrued operating expenses	**70,793**	42,116	**35,725**	36,877
Interest payable				
– subsidiary	**–**	–	**6,603**	5,029
– non-related parties	**22,733**	10,477	**6,414**	4,235
Tenancy related deposits	**57,859**	19,463	**18,790**	16,399
Other deposits	**1,807**	401	**312**	313
Rental received in advance	**25,748**	9,795	**4,656**	4,865
Net Goods and Services Tax payable	**7,836**	6,425	**5,748**	5,438
Other payables	**10,719**	9,313	**4,630**	9,102
	223,496	102,919	**96,699**	87,046
Non-current				
Tenancy related deposits	**139,076**	53,923	**53,445**	49,915
	362,572	156,842	**150,144**	136,961

The amounts due to related parties and subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

20. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Borrowings				
Current				
Bank loans (unsecured)	**602,561**	264,000	**115,000**	264,000
Medium term notes (unsecured)	**152,762**	196,788	**–**	–
Transaction costs to be amortised	**(958)**	(241)	**(162)**	(106)
	754,365	460,547	**114,838**	263,894
Non-current				
Bank loans (secured)	**722,188**	–	**–**	–
Bank loans (unsecured)	**4,447,758**	1,820,000	**1,835,000**	1,182,000
Medium term notes (unsecured)	**814,299**	730,000	**–**	–
TMK bonds (secured)	**64,169**	–	**–**	–
Transaction costs to be amortised	**(19,221)**	(6,213)	**(8,856)**	(2,185)
	6,029,193	2,543,787	**1,826,144**	1,179,815
Loans from a subsidiary				
Current				
Loans from a subsidiary	**–**	–	**85,000**	196,788
Transaction costs to be amortised	**–**	–	**(26)**	(135)
	–	–	**84,974**	196,653
Non-current				
Loans from a subsidiary	**–**	–	**795,000**	730,000
Transaction costs to be amortised	**–**	–	**(1,168)**	(1,478)
	–	–	**793,832**	728,522
	6,783,558	3,004,334	**2,819,788**	2,368,884

The above bank loans and borrowings are unsecured except for the TMK bonds and certain bank loans amounting to $786,357,000 (2022: $nil) which are secured over the Japan Properties. In accordance with the various facility agreements, VivoCity, MBC I, MBC II, Mapletree Anson, Festival Walk and Gateway Plaza (2022: VivoCity, MBC I, MBC II and Mapletree Anson) are subject to a negative pledge.

As at 31 March 2023, the Trustee has provided guarantees amounting to $638,000,000 (2022: $638,000,000) to the bank in respect to bank loans outstanding in its subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(a) Maturity of borrowings

Group

The non-current bank loans mature between 2024 and 2028 (2022: 2023 and 2027). The non-current medium term notes will mature between 2024 and 2030 (2022: 2023 and 2029). The non-current TMK bonds mature between 2024 and 2025.

MPACT

The non-current bank loans mature between 2024 and 2028 (2022: 2023 and 2027). The non-current loans from a subsidiary will mature between 2024 and 2030 (2022: 2023 and 2029).

(b) Medium term notes

In August 2012, the Group established a $1,000,000,000 MTN Programme ("2012 MTN Programme") via its subsidiary, MPACT TCo. The Programme limit has been increased to $3,000,000,000 with effect from 29 June 2018.

In May 2013, MNACT established a USD1,500,000,000 Euro Medium Term Securities Programme ("2013 EMTN Programme") via its subsidiaries, Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd. ("MPACT Spore-TCo") and Mapletree North Asia Commercial Treasury Company (HKSAR) Limited ("MPACT HK-TCo").

In September 2022, the Group established a $5,000,000,000 Euro Medium Term Securities Programme ("2022 EMTN Programme") via its subsidiaries, MPACT TCo, MPACT Spore-TCo and MPACT HK-TCo.

Under the 2012 MTN Programme, 2013 EMTN Programme and 2022 EMTN Programme, the issuers may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes ("Notes") and senior or subordinated perpetual securities ("Perpetual Securities and, together with the Notes, the "Securities") in series or tranches in SGD or any other currency.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(b) Medium term notes (continued)

Total notes outstanding as at 31 March 2023 under the 2012 MTN Programme, 2013 EMTN Programme and 2022 EMTN Programme was $967,061,000 (2022: $926,788,000), consisting of:

Maturity date	Interest rate per annum	Interest payment in arrears	31 March 2023 '000	31 March 2022 '000
2012 MTN Programme				
(i) 3 February 2023[1]	3.25%	Semi-annually	–	$100,000
(ii) 24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(iii) 15 November 2023	2.795%	Semi-annually	**$85,000**	$85,000
(iv) 27 August 2027	3.045%	Semi-annually	**$100,000**	$100,000
(v) 23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(vi) 22 November 2029	3.05%	Semi-annually	**$250,000**	$250,000
(vii) 16 March 2023[2]	3 month JPY TONA + 0.30835%	Quarterly	–	JPY8,700,000
2013 EMTN Programme				
(viii) 20 April 2023	3.25%	Semi-annually	**HKD69,000**	–
(ix) 20 September 2023	3.00%	Semi-annually	**HKD326,000**	–
(x) 11 March 2027	3.65%	Semi-annually	**HKD112,500**	–
2022 EMTN Programme				
(xi) 29 March 2030	4.25%	Semi-annually	**$150,000**	–

1 The $100,000,000 notes maturing on 3 February 2023 were fully redeemed on the maturity date.

2 A cross currency interest rate swap was entered into to hedge the JPY8,700,000,000 Floating Rate Notes into notional principal amount of $100,000,000 at a floating rate SGD basis payable semi-annually in arrears. The cross currency interest rate swap is an economic hedge and no hedge accounting is adopted. The JPY8,700,000,000 notes maturing on 16 March 2023 were fully redeemed on the maturity date.

(c) TMK Bonds

The TMK bonds of JPY6,390,000,000 as at 31 March 2023 bear floating interest rate of 3 Month JPY Tibor plus spread (0.32% and 0.36%) per annum and mature between 2024 and 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(d) Loans from a subsidiary

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

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

Maturity date		Interest rate per annum	Interest payment in arrears	**31 March 2023 '000**	31 March 2022 '000
2012 MTN Programme					
(i)	3 February 2023[1]	3.25%	Semi-annually	**–**	$100,000
(ii)	24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(iii)	15 November 2023	2.795%	Semi-annually	**$85,000**	$85,000
(iv)	27 August 2027	3.045%	Semi-annually	**$100,000**	$100,000
(v)	23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(vi)	22 November 2029	3.05%	Semi-annually	**$250,000**	$250,000
(vii)	16 March 2023[2]	3 month JPY TONA + 0.30835%	Quarterly	**–**	JPY8,700,000
2022 EMTN Programme					
(viii)	29 March 2030	4.25%	Semi-annually	**$150,000**	–

[1] The $100,000,000 notes maturing on 3 February 2023 were fully redeemed on the maturity date.

[2] A cross currency interest rate swap was entered into to hedge the JPY8,700,000,000 Floating Rate Notes into notional principal amount of $100,000,000 at a floating rate SGD basis payable semi-annually in arrears. The cross currency interest rate swap is an economic hedge and no hedge accounting is adopted. The JPY8,700,000,000 notes maturing on 16 March 2023 were fully redeemed on the maturity date.

(e) Effective interest rates

The weighted average all-in cost of borrowings, including amortised cost charged on the outstanding loans as at 31 March 2023 and 2022 were as follows:

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
Bank loans (secured)	**0.96%**	–	**–**	–
Bank loans (unsecured)	**3.73%**	2.29%	**3.78%**	2.37%
Medium term notes (unsecured)	**3.30%**	3.01%	**–**	–
TMK bonds (secured)	**0.72%**	–	**–**	–
Loans from a subsidiary	**–**	–	**3.30%**	3.01%

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(f) Carrying amount and fair value

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

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

	Carrying amount 31 March		Fair value 31 March	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Group				
Medium term notes (non-current)	**813,131**	728,522	**781,329**	722,597
MPACT				
Loans from a subsidiary (non-current)	**793,832**	728,522	**763,078**	722,597

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

	31 March	
	2023	2022
Group		
Medium term notes (non-current)	**4.19% – 5.26%**	2.53% – 3.46%
MPACT		
Loans from a subsidiary (non-current)	**4.19% – 4.32%**	2.53% – 3.46%

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

(g) Undrawn committed borrowing facilities

	Group 31 March		MPACT 31 March	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000
Expiring beyond one year	**1,380,229**	375,000	**752,000**	375,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

21. DEFERRED TAX LIABILITIES

	Group	
	31 March	
	2023	2022
	$'000	$'000
Beginning of financial year	**24,974**	24,974
Additions through Merger (Note 17)	**162,842**	–
Tax charge to profit or loss (Note 8(a))	**6,229**	–
Tax credit to other comprehensive income (Note 8(d))	**(4,264)**	–
Translation difference on consolidation	**(7,402)**	–
End of financial year	**182,379**	24,974

The movement in deferred income tax liabilities is as follows:

	Accelerated tax depreciation	Change in fair value of investment properties	Change in fair value of derivative financial instruments	Unremitted earnings	Total
	$'000	$'000	$'000	$'000	$'000
Group					
2023					
Beginning of the financial year	**24,974**	**–**	**–**	**–**	**24,974**
Additions through Merger	**96,133**	**55,184**	**7,363**	**4,162**	**162,842**
Tax charge to profit or loss	**7,309**	**(6,672)**	**–**	**5,592**	**6,229**
Tax charge to other comprehensive income	**–**	**–**	**(4,264)**	**–**	**(4,264)**
Translation difference on consolidation	**(3,834)**	**(3,344)**	**–**	**(224)**	**(7,402)**
End of the financial year	**124,582**	**45,168**	**3,099**	**9,530**	**182,379**
2022					
Beginning and end of the financial year	24,974	–	–	–	24,974

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

22. UNITS IN ISSUE AND PERPETUAL SECURITIES

(a) Units in issue

	Note	Group and MPACT 2023 '000	2022 '000
Units at beginning of financial year		**3,323,514**	3,316,204
Units issued as settlement of Manager's management fees	(i)	**11,702**	7,310
Units issued pursuant to preferential offering	(ii)	**1,018,383**	–
Units issued pursuant to settlement of Scheme Consideration	(iii)	**885,735**	–
Units at end of financial year	(iv)	**5,239,332**	3,323,514

(i) During the financial year, 11,701,705 new units (2022: 7,309,536 new units) were issued at the issue price range of $1.6526 to $1.8989 (2022: $1.9833 to $2.1473) per unit, in respect of the payment of management fees to the Manager in units. The issue prices were determined based on the VWAP 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.

(ii) On 28 July 2022, 1,018,382,531 new units were issued at an issue price of $2.0039 per unit pursuant to the preferential offering.

(iii) On 29 July 2022, 885,734,587 new units were issued at an issue price of $2.0039 per unit, being the scheme issue price, pursuant to settlement of scheme consideration in relation to the Merger. In determining the fair value of the scheme consideration, the 1-day VWAP of $1.804 per consideration unit was used.

(iv) Total does not sum up due to rounding differences.

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

22. UNITS IN ISSUE AND PERPETUAL SECURITIES (continued)

(b) Perpetual securities

Perpetual securities are issued by MNACT on 8 June 2021 to partially finance the purchase of a property in Japan.

Key terms of the perpetual securities are as follows:

- These perpetual securities have no fixed redemption date;
- Redemption is at the discretion of MNACT ("issuer redemption option") with the first issuer redemption option being exercisable on 8 June 2026 and thereafter semi-annually on 8 June and 8 December.
- The perpetual securities shall confer a right to the holders to receive a distribution at a rate of 3.50%* per annum with the first distribution reset on 8 June 2026 and subsequent resets every five years thereafter;
- The distribution will be payable semi-annually at the discretion of MNACT and will be non-cumulative;
- MNACT shall not declare or pay any distributions to the Unitholders, or make redemption, unless MNACT declares or pays any distributions to the holders of the perpetual securities.

In the event of winding-up of MNACT:

- These perpetual securities rank pari passu with the holders of preferred units (if any) and rank ahead of the Unitholders of MNACT, but junior to the claims of all other present and future creditors of MNACT.

These perpetual securities are classified as equity instruments and recorded in equity in the Statements of Movements in Unitholders' Funds. The carrying amount of $249,437,000 (2022: $nil) in the Statements of Financial Position represents the perpetual securities issued net of issue costs plus profit attributable to perpetual securities holders from the last distribution date to the balance sheet date.

* MNACT has entered into cross currency interest rate swaps whereby it will pay fixed JPY amounts and receive fixed SGD amounts to fund the distributions to the perpetual securities holders in SGD.

23. GENERAL RESERVE

Shanghai Zhan Xiang Real Estate Company Limited, an entity incorporated in China, is required to transfer 10% of its profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders. This general reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

24. HEDGING RESERVE

	Group					
	2023			2022		
	Interest rate/ foreign exchange risk	Interest rate risk	Total	Interest rate/ foreign exchange risk	Interest rate risk	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Beginning of financial year	–	26,599	26,599	–	(17,892)	(17,892)
Fair value (loss)/gain	(9,257)	24,303	15,046	–	29,459	29,459
Tax credit (Note 8(d))	2,943	1,321	4,264	–	–	–
Reclassification to profit or loss						
– Finance expenses (Note 5)	(15,889)	(19,468)	(35,357)	–	15,032	15,032
– Foreign exchange	27,491	–	27,491	–	–	–
Less: non-controlling interest	–	(15)	(15)	–	–	–
End of financial year	5,288	32,740	38,028	–	26,599	26,599

	MPACT	
	Interest rate risk	
	2023	2022
	$'000	$'000
Beginning of financial year	13,978	(12,400)
Fair value gain	15,330	15,839
Reclassification to profit or loss		
– Finance expenses (Note 5)	(8,852)	10,539
End of financial year	20,456	13,978

Hedging reserve is non-distributable.

25. FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2023	2022
	$'000	$'000
Beginning of financial year	–	–
Translation differences relating to:		
– foreign subsidiaries and quasi equity loans	(228,226)	–
– a foreign joint venture	(5,755)	–
– hedges of net investment in foreign operation	3,684	–
Reclassification to profit or loss	2,174	–
Less: non-controlling interest	46	–
End of financial year	(228,077)	–

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

25. FOREIGN CURRENCY TRANSLATION RESERVE (continued)

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities and the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities. The Group's foreign currency translation reserve arises from HKD, RMB, JPY and KRW.

As at 31 March 2023, $3,684,000 (2022: $nil) of the foreign currency translation reserve relates to continuing hedges. None of the foreign currency translation reserve relates to hedging relationships for which hedge accounting is no longer applied.

26. COMMITMENTS

Capital commitments

Capital expenditures contracted for by the Group and MPACT at the balance sheet date but not recognised in the financial statements amounted to $23,016,000 (2022: $34,197,000) and $15,833,000 (2022: $33,913,000) respectively.

27. 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. The Group uses financial instruments such as currency forwards, cross currency interest rate swaps, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as policies covering specific areas, such as interest rate risk, currency risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate bank borrowings, medium term notes and TMK bonds. The Group is exposed mainly to SORA, SOR, SOFR, HIBOR, LPR, JPY TONA and JPY TIBOR (2022: SORA, SOR and JPY TONA). The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps. The interest rate swaps and cross currency interest rate swaps have reference rates that are indexed to SORA, SOR, SOFR, HIBOR, JPY TONA or JPY TIBOR (2022: SORA, SOR or JPY TONA), which are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s Master Agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

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

Hedging relationships for which 'Phase 2' amendments apply

The Group has judged that IBOR uncertainty is no longer present with respect to its cash flow hedges of IBOR-linked borrowings which have been transitioned to the new alternative benchmark rates, once both the hedging instruments and the hedged items have been amended to the alternative benchmark rates with fixed adjustment spreads.

In the current year, the Group has applied the following hedge accounting reliefs provided by the Phase 2 amendments for its hedging relationships that have already transited to the new alternative benchmark rates:

- Hedge designation: When the Phase 1 amendments cease to apply, the Group has amended its hedge designation to reflect the following changes which are required by IBOR reform:

  (i) designating SORA and SOFR as hedged risks;

  (ii) the contractual benchmark rates of the hedged borrowings has been amended from SOR to SORA and USD LIBOR to SOFR plus an adjustment spread; and

  (iii) the variable rate of the hedging interest rate swaps and cross currency interest rate swaps has been amended from SOR to SORA and USD LIBOR to SOFR, with an adjustment spread added to the fixed rate.

  These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group amended its hedge designation for changes to its SOR referenced and USD LIBOR referenced floating rate borrowings that is required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve was deemed to be based on SORA and SOFR.

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

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
6 months or less:				
Revolving credit facilities	**270,179**	45,000	**–**	27,000
Term loans	**1,433,121**	449,000	**691,000**	399,000
Medium term notes	**–**	100,000	**–**	–
Loans from a subsidiary	**–**	–	**–**	100,000
	1,703,300	594,000	**691,000**	526,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

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

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

(i) Interest rate swaps, with notional contract amounts of $1,909,000,000 (2022: $1,590,000,000) whereby it receives variable rates equal to the Singapore swap offer rate or SORA on the notional amounts and pays fixed interest rates ranging from 0.36% to 4.09% (2022: 0.26% to 1.99%) per annum.

(ii) Interest rate swaps, with notional contract amounts of HKD6,665,000,000 (2022: nil) whereby it receives variable rates equal to the Hong Kong swap offer rate or HIBOR on the notional amounts and pays fixed interest rates ranging from 0.32% to 4.42% (2022: nil) per annum.

(iii) Interest rate swaps, with notional contract amounts of JPY64,340,000,000 (2022: nil) whereby it receives variable rates equal to the Hong Kong swap offer rate or HIBOR on the notional amounts and pays fixed interest rates ranging from 0.10% to 0.34% (2022: nil) per annum.

(iv) Cross currency interest rate swap, with a notional contract amount of JPY8,158,343,000 (2022: $nil) whereby it receives a variable rate of HKD HIBOR + 1.50% (2022: Nil) per annum on the notional amount.

(v) Cross currency interest rate swap, with a notional contract amount of HKD623,200,000 (2022: $nil) whereby it receives a variable rate of USD SOFR + 1.36% (2022: nil) per annum on the notional amount and pays a fixed rate of 2.49% (2022: nil) per annum.

(vi) Cross currency interest rate swap, with a notional contract amount of JPY3,713,470,000 (2022: $nil) whereby it receives a variable rate of SOR + 0.65% (2022: Nil) per annum on the notional amount and pays a fixed rate of 0.42% (2022: Nil) per annum.

(vii) Cross currency interest rate swap, with a notional contract amount of JPY16,460,000,000 (2022: $nil) whereby it receives a fixed rate of 2.99% (2022: Nil) per annum on the notional amount and pays a fixed rate of 0.59% (2022: Nil) per annum.

Hedge effectiveness

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

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

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition. For the financial years ended 31 March 2023 and 2022, there are no such mismatch and hence no material hedge ineffectiveness recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. 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 mainly in SGD, HKD, RMB and JPY (2022: SGD and JPY). If the SGD/HKD/RMB/JPY (2022: SGD/JPY) interest rates increase/(decrease) by 50 basis points ("b.p.") (2022: 50 b.p.) with all other variables including tax rate being held constant, the profit after tax and hedging reserve attributable to Unitholders will (decrease)/increase by the amounts as follows, as a result of higher/lower interest expenses and higher/lower fair value of interest rate swaps and cross currency interest rate swaps respectively.

	Increase/(Decrease)			
	Profit after tax		Hedging Reserve	
	Increase by 50 b.p. $'000	Decrease by 50 b.p. $'000	Increase by 50 b.p. $'000	Decrease by 50 b.p. $'000
Group				
31 March 2023				
Interest bearing borrowings	**(13,696)**	**13,696**	**–**	**–**
Interest rate swaps	**–**	**–**	**32,657**	**(29,653)**
Cross currency interest rate swaps	**(10)**	**10**	**–**	**–**
31 March 2022				
Interest bearing borrowings	(2,970)	2,970	–	–
Interest rate swaps	–	–	16,961	(16,983)
Cross currency interest rate swap	(434)	481	–	–
MPACT				
31 March 2023				
Interest bearing borrowings	**(3,455)**	**3,455**	**–**	**–**
Interest rate swaps	**–**	**–**	**11,250**	**(11,267)**
31 March 2022				
Interest bearing borrowings	(2,630)	2,630	–	–
Interest rate swaps	–	–	9,852	(9,867)
Cross currency interest rate swap	(434)	481	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk

The Manager's investment strategy includes investing in the key gateway markets of Asia. In order to manage the currency risk involved in investing in assets outside Singapore, the Manager adopts strategies that may include:

- the use of foreign currency denominated borrowings to match the currency of the investment asset as a natural currency hedge;
- the use of cross currency interest rate swaps to swap a portion of borrowings and interest in another currency into the currency of the investment asset to reduce the underlying currency exposure on the borrowings and interest; and
- entering into currency forward contracts to hedge the foreign currency income receivables from the offshore assets back into SGD.

The Group's currency exposure to financial assets and financial liabilities is as follows:

	SGD $'000	HKD $'000	RMB $'000	JPY $'000	USD $'000	KRW $'000	Total $'000
Group							
31 March 2023							
Financial assets							
Cash and bank balances	68,585	8,831	74,328	64,298	105	–	216,147
Trade and other receivables	3,089	947	196	6,392	–	2,735	13,359
Other current assets[1]	131	51	–	–	–	–	182
Derivative financial instruments	76,702	22,706	–	46,541	–	–	145,949
	148,507	32,535	74,524	117,231	105	2,735	375,637
Financial liabilities							
Trade and other payables[2]	(164,922)	(79,629)	(31,338)	(52,909)	(190)	–	(328,988)
Lease liabilities	–	(142)	–	–	–	–	(142)
Derivative financial instruments	(5,155)	(4,355)	–	(751)	–	–	(10,261)
Borrowings	(3,852,169)	(2,017,464)	(22,073)	(784,387)	(107,465)	–	(6,783,558)
	(4,022,246)	(2,101,590)	(53,411)	(838,047)	(107,655)	–	(7,122,949)
Net financial (liabilities)/ assets	(3,873,739)	(2,069,055)	21,113	(720,816)	(107,550)	2,735	(6,747,312)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	3,577,537	1,989,048	(20,917)	749,666	–	–	
Currency forwards	–	(49,083)	(55,941)	(31,384)	–	(4,500)	
Cross currency interest rate swaps[3]	297,000	80,200	–	–	107,686	–	
Net currency exposure	798	(48,890)[4]	(55,745)[4]	(2,534)[4]	136	(1,765)[4]	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk (continued)

	SGD $'000	JPY $'000	Total $'000
Group			
31 March 2022			
Financial assets			
Cash and bank balances	124,170	–	124,170
Trade and other receivables	2,725	–	2,725
Other current assets[1]	128	–	128
Derivative financial instruments	27,741	–	27,741
	154,764	–	154,764
Financial liabilities			
Trade and other payables[2]	(140,622)	–	(140,622)
Derivative financial instruments	(4,836)	–	(4,836)
Borrowings	(2,907,640)	(96,694)	(3,004,334)
	(3,053,098)	(96,694)	(3,149,792)
Net financial liabilities	(2,898,334)	(96,694)	(2,995,028)
Less: Net financial liabilities denominated in the respective entities' functional currencies	2,898,334	–	
Cross currency interest rate swaps[5]	–	96,788	
Net currency exposure	–	94	

1 Excludes prepayment.
2 Excludes rental received in advance and net Goods and Service Tax payable.
3 At 31 March 2023, the Group had cross currency interest rate swaps to swap borrowings of HKD467,500,000, USD80,000,000 and $247,000,000 to JPY8,158,343,000, HKD 623,200,000 and JPY20,173,470,000 respectively.
4 Net currency exposure of $48,890,000, $55,745,000, $2,534,000 and $1,765,000 for HKD, RMB and JPY (subsidiaries) and KRW (joint venture) respectively mainly relates to currency forward contracts entered into to hedge future foreign currency income receivable in FY2023/2024 back into SGD.
5 At 31 March 2022, the Group had cross currency interest rate swaps to swap medium term notes of JPY8,700,000,000 to $100,000,000.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk (continued)

MPACT's currency exposure to financial assets and financial liabilities is as follows:

	SGD $'000	JPY $'000	Total $'000
MPACT			
31 March 2023			
Financial assets			
Cash and bank balances	**54,597**	**–**	**54,597**
Trade and other receivables	**9,420**	**–**	**9,420**
Other current assets[1]	**71**	**–**	**71**
Derivative financial instruments	**43,176**	**–**	**43,176**
	107,264	**–**	**107,264**
Financial liabilities			
Trade and other payables[2]	**(139,740)**	**–**	**(139,740)**
Derivative financial instruments	**(22,720)**	**–**	**(22,720)**
Borrowings	**(2,819,788)**	**–**	**(2,819,788)**
	(2,982,248)	**–**	**(2,982,248)**
Net financial liabilities	**(2,874,984)**	**–**	
Less: Net financial liabilities denominated in MPACT's functional currency	**2,874,984**	**–**	
Net currency exposure	**–**	**–**	
31 March 2022			
Financial assets			
Cash and bank balances	113,051	–	113,051
Trade and other receivables	3,157	–	3,157
Other current assets[1]	71	–	71
Derivative financial instruments	27,741	–	27,741
	144,020	–	144,020
Financial liabilities			
Trade and other payables[2]	(126,658)	–	(126,658)
Derivative financial instruments	(17,457)	–	(17,457)
Borrowings	(2,272,190)	(96,694)	(2,368,884)
	(2,416,305)	(96,694)	(2,512,999)
Net financial liabilities	(2,272,285)	(96,694)	(2,368,979)
Less: Net financial liabilities denominated in MPACT's functional currency	2,272,285	–	
Cross currency interest rate swaps[3]	–	96,788	
Net currency exposure	–	94	

1 Excludes prepayment.
2 Excludes rental received in advance and net Goods and Service Tax payable.
3 At 31 March 2022, the Company had cross currency interest rate swaps to swap loans from a subsidiary of JPY8,700,000,000 to $100,000,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk (continued)

The Group's main foreign currency exposure to financial assets and financial liabilities is in HKD, RMB, JPY and KRW (2022: JPY). If the HKD, RMB and KRW change against the SGD by 3.5% (2022: nil) and JPY change against the SGD by 7% (2022: 5%) with all other variables including tax being held constant, the effects on profit after tax for the year arising from the net financial asset/liability position will be as follows:

	Group	
	Increase/(decrease)	
	2023	2022
	$'000	$'000
HKD against SGD		
– strengthened	**(1,711)**	–
– weakened	**1,711**	–
RMB against SGD		
– strengthened	**(1,951)**	–
– weakened	**1,951**	–
JPY against SGD		
– strengthened	**(177)**	5
– weakened	**177**	(5)
KRW against SGD		
– strengthened	**(62)**	–
– weakened	**62**	–

MPACT has insignificant foreign currency exposure as at 31 March 2023 and 2022.

(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 MPACT are cash and bank balances and trade receivables. Cash and bank deposits are placed with financial institutions which are regulated. For trade receivables, the Group's credit risk policy is to deal only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing with high credit quality counterparties.

As at 31 March 2023 and 2022, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statements of Financial Position, except for the guarantees provided by the Trustee in relation to certain borrowings of MPACT's subsidiaries (Note 20) amounting $1,518,000,000 (2022: $1,568,000,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The expected credit losses also incorporate forward looking information such as forecast of macro-economic conditions. In computing the expected credit loss rate, the Group has considered the volatility of the forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables. The loss allowance for trade receivables as at 31 March 2023 and 2022 was assessed as not material.

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

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

	Gross carrying amount $'000	Loss allowance $'000
Group		
31 March 2023		
Past due 3 months or less	**1,381**	**–**
Past due over 3 months	**30**	**–**
	1,411	**–**
31 March 2022		
Past due 3 months or less	641	–
Past due over 3 months	126	(80)
	767	(80)
MPACT		
31 March 2023		
Past due 3 months or less	**592**	**–**
Past due over 3 months	**–**	**–**
	592	**–**
31 March 2022		
Past due 3 months or less	511	–
Past due over 3 months	106	(80)
	617	(80)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

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

	Group		MPACT	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Expected credit loss allowance				
Beginning of financial year	**80**	80	**80**	80
Allowance made	**14**	256	**3**	256
Allowance utilised	**(94)**	(256)	**(83)**	(256)
End of financial year	**–**	80	**–**	80

Cash and bank balances

The Group and MPACT held cash and bank balances of $216,147,000 and $54,597,000 respectively (2022: $124,170,000 and $113,051,000). The Group and MPACT considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Financial guarantee contracts

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

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

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

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group			
As at 31 March 2023			
Trade and other payables	**167,179**	**135,765**	**3,311**
Lease liabilities	**66**	**76**	**–**
Borrowings and interest payable	**1,018,060**	**5,507,895**	**1,142,252**
	1,185,305	**5,643,736**	**1,145,563**
As at 31 March 2022			
Trade and other payables	76,222	51,031	2,892
Borrowings and interest payable	515,500	2,328,204	381,425
	591,722	2,379,235	384,317
MPACT			
As at 31 March 2023			
Trade and other payables	**73,278**	**51,913**	**1,532**
Borrowings and interest payable	**205,294**	**1,367,054**	**714,270**
Loans from a subsidiary	**113,872**	**477,243**	**427,982**
	392,444	**1,896,210**	**1,143,784**
As at 31 March 2022			
Trade and other payables	67,479	47,044	2,871
Borrowings and interest payable	284,273	1,215,805	7,027
Loans from a subsidiary	222,751	450,058	374,398
	574,503	1,712,907	384,296

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Group's and MPACT's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group			
As at 31 March 2023			
Net-settled interest rate swaps			
– Net cash outflows	**4,197**	**6,551**	**–**
Gross-settled cross currency interest rate swap			
– Cash inflows	**(1,771)**	**(1,589)**	**–**
– Cash outflows	**498**	**447**	**–**
Gross-settled currency forwards			
– Cash inflows	**(5,839)**	**–**	**–**
– Cash outflows	**5,942**	**–**	**–**
	3,027	**5,409**	**–**
MPACT			
As at 31 March 2023			
Net-settled interest rate swaps			
– Net cash outflows	**771**	**1,968**	**–**
	771	**1,968**	**–**
Group and MPACT			
As at 31 March 2022			
Net-settled interest rate swaps			
– Net cash outflows	12,215	18,045	–
Gross-settled cross currency interest rate swap			
– Cash inflows	(97,063)	–	–
– Cash outflows	101,849	–	–
	17,001	18,045	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

27. 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 Code to fund acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in the Appendix 6 of the CIS Code ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund on or after 1 January 2022 should not exceed 45% of its Deposited Property. The Aggregate Leverage may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowing. As at the balance sheet date, the Group's corporate family rating is Baa1 (2022: rating under review) by Moody's Investors Service.

The Group has complied with the Aggregate Leverage requirements for the financial years ended 31 March 2023 and 2022.

	Group	
	31 March	
	2023	2022
	$'000	$'000
Total gross borrowings[1]	**6,928,724**	3,014,000
Total deposited property[1]	**16,954,665**	8,984,523
Aggregate leverage ratio	**40.9%**	33.5%
Interest coverage ratio[2] ("ICR")	**3.5 times**	4.8 times
Adjusted ICR[3]	**3.5 times**	4.8 times
Percentage of the Group's total borrowings (Note 20) to the Group's net asset value	**71.5%**	51.9%

[1] Excludes share attributable to non-controlling interest and includes the Group's proportionate share of joint venture's gross borrowings and deposited property value.

[2] Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation) ("EBITDA"), by the trailing 12 months interest expense and borrowing-related fees.

[3] Computed by dividing the trailing 12 months EBITDA, by the trailing 12 months interest expense and borrowing-related fees and distribution of hybrid securities. There are no hybrid securities issued by the Group as at 31 March 2022.

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

The Group is in compliance with the borrowing limit requirement imposed by the CIS Code and all externally imposed capital requirements for the financial years ended 31 March 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

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

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Level 2				
Assets				
Derivative financial instruments				
– Interest rate swaps	**62,878**	27,741	**43,176**	27,741
– Cross currency interest rate swaps	**77,608**	–	**–**	–
– Currency forwards	**5,463**	–	**–**	–
	145,949	27,741	**43,176**	27,741
Liabilities				
Derivative financial instruments				
– Interest rate swaps	**(9,605)**	(1,142)	**(22,720)**	(13,763)
– Cross currency interest rate swaps	**(553)**	(3,694)	**–**	(3,694)
– Currency forwards	**(103)**	–	**–**	–
	(10,261)	(4,836)	**(22,720)**	(17,457)

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

The carrying values of trade and other receivables, other current assets and trade and other payables (including non-current tenancy related deposits) approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes as disclosed in Note 20(f) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

27. FINANCIAL RISK MANAGEMENT (continued)

(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 13 to the financial statements, except for the following:

	Group		MPACT	
	31 March		31 March	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost	**229,688**	127,023	**64,088**	116,279
Financial liabilities at amortised cost	**7,112,688**	3,144,956	**2,959,528**	2,495,542

28. INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

For financial reporting purposes in accordance with SFRS(I) 10 *Consolidated Financial Statements*, MPACT 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.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals and entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the intermediate holding company.

During the financial year, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2023	2022
	$'000	$'000
Manager's management fees paid/payable to the Manager	**45,625**	37,765
Japan asset management fee paid/payable to Mapletree Investments Japan Kabushiki Kaisha	**3,008**	–
Acquisition of MNACT Group through Trust Scheme from related entities	**1,460,034**	–
Project management fees paid/payable to the Manager	**861**	119
Property management fees paid/payable to the Property Managers	**32,126**	20,212
Staff costs paid/payable to the Manager and Property Managers	**21,384**	12,115
Rental and other related income received/receivable from related parties	**33,229**	13,896
Finance income received/receivable from a related company of the Manager	**562**	–
Professional fees, other products and service fees paid/ payable to related parties	**6,514**	2,847
Interest expenses, financing fees and fees related to the issue of units paid/payable to a related party	**48,485**	15,523

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

30. FINANCIAL RATIOS

	Group	
	2023	2022
	%	%
Ratio of expenses to weighted average net assets[1]		
– including performance component of asset management fees	**0.61**	0.71
– excluding performance component of asset management fees	**0.55**	0.44
Ratio of total operating expenses to net asset value[2]	**2.61**	2.61
Portfolio Turnover Ratio[3]	**–**	–

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

[2] The ratio is computed based on the total operating expenses expressed as a percentage of net asset value as at the end of the financial year. The operating expenses include property operating expenses, manager's management fees, trustee's fee and other trust expenses amounting to $247,351,000 for the financial year ended 31 March 2023 (2022: $150,986,000).

[3] The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value in accordance with the formulae stated in the CIS Code. There were no sales of investment properties for the financial years ended 31 March 2023 and 2022.

31. SEGMENT REPORTING

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

The Manager 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.

The change in reportable segments during the financial year was due to the expansion of the investment mandate from Singapore to key gateway markets in Asia after the completion of the Merger.

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 2023

31. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2023 is as follows:

Geographical Market		**Singapore**		**Hong Kong**	**China**	**Japan**	**Korea**	
Property	**VivoCity**	**MBC**	**Other Singapore Properties**[1]	**Festival Walk**[2]	**China Properties**[2,3]	**Japan Properties**[2]	**TPG**[2]	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Gross revenue	220,248	225,522	99,460	146,172	66,667	68,116	–	826,185
Property operating expenses	(54,335)	(45,503)	(23,675)	(36,714)	(11,732)	(22,284)	–	(194,243)
Segment net property income	165,913	180,019	75,785	109,458	54,935	45,832	–	631,942
Finance income								1,603
Finance expenses								(163,762)
Manager's management fees								(48,633)
Trustee's fees								(1,652)
Other trust expenses								(2,823)
Foreign exchange gain								(3,746)
Net change in fair value of financial derivative								19,159
Profit before tax and fair value change in investment properties and share of profit of a joint venture								432,088
Net change in fair value of investment properties	21,735	2,820	(523)	(12,746)	11,685	20,540	–	43,511
Share of profit of a joint venture	–	–	–	–	–	–	9,425	9,425
Profit for the financial year before tax								485,024
Income tax credit								1,725
Profit for the financial year after tax before distribution								486,749

Major tenant

There was no tenant (2022: one) that contributed more than 10% of the gross revenue of the Group.

1 Include mTower, Mapletree Anson and BOAHF.
2 The contributions from these properties are from 21 July 2022 to 31 March 2023.
3 Include Sandhill Plaza and Gateway Plaza.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2023 is as follows:

Geographical Market	Singapore			Hong Kong	China	Japan	Korea	
Property	VivoCity	MBC	Other Singapore Properties	Festival Walk	China Properties	Japan Properties	TPG	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment assets								
– Investment properties	3,232,000	3,802,000	1,845,000	4,299,043	1,694,325	1,449,075	–	16,321,443
– Plant and equipment	34	21	19	2,115	6	–	–	2,195
– Investment in a joint venture	–	–	–	–	–	–	119,943	119,943
– Trade and other receivables	2,385	509	173	947	196	6,392	2,735	13,337
– Inventories	–	–	–	392	18	–	–	410
	3,234,419	3,820,530	1,845,192	4,302,497	1,694,545	1,455,467	122,678	16,457,328
Unallocated assets[1]								371,492
Total assets								16,828,820
Segment liabilities	58,386	22,219	20,082	85,739	33,522	63,863	1,670	285,481
Unallocated liabilities[2]								7,060,959
Total liabilities								7,346,440
Other segmental information								
Additions to:								
– Investment properties[3]	28,325	2,083	6,730	3,788	(139)	11,954	–	52,741
– Plant and equipment	20	–	16	423	–	–	–	459

1 Unallocated assets include cash and bank balances, other receivables, tax recoverable, other assets and derivative financial instruments.
2 Unallocated liabilities include trade and other payables, borrowings, current income tax liabilities, deferred tax liabilities and derivative financial instruments.
3 Additions to investment properties include capitalised expenditure and amortisation of capitalised expenditure during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2022 is as follows:

Geographical Market			**Singapore**				
Property	**VivoCity**	**MBC**	**mTower**	**Mapletree Anson**	**BOAHF**	**Other Singapore Properties**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Gross revenue	183,888	215,916	45,623	33,987	20,061	99,671	499,475
Property operating expenses	(48,030)	(40,869)	(11,888)	(6,794)	(3,213)	(21,895)	(110,794)
Segment net property income	135,858	175,047	33,735	27,193	16,848	77,776	388,681
Finance income							284
Finance expenses							(72,575)
Manager's management fees							(37,765)
Trustee's fees							(1,039)
Other trust expenses							(1,388)
Foreign exchange gain							8,926
Net change in fair value of financial derivative							(8,390)
Profit before tax and fair value change in investment properties							276,734
Net change in fair value of investment properties	20,541	42,793	2,530	3,736	690	6,956	70,290
Profit for the financial year before tax							347,024
Income tax expense							(5)
Profit for the financial year after tax before distribution							347,019

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

31. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2022 is as follows:

Geographical Market	**Singapore**						
Property	**VivoCity $'000**	**MBC $'000**	**mTower $'000**	**Mapletree Anson $'000**	**BOAHF $'000**	**Other Singapore Properties $'000**	**Total $'000**
Segment assets							
– Investment properties	3,182,000	3,800,000	747,000	752,000	340,000	1,839,000	8,821,000
– Plant and equipment	69	73	14	4	2	20	162
– Trade and other receivables	1,843	499	79	85	42	206	2,548
	3,183,912	3,800,572	747,093	752,089	340,044	1,839,226	8,823,710
Unallocated assets[1]							160,813
Total assets							8,984,523
Segment liabilities	46,665	22,163	10,234	7,041	648	17,923	86,751
Unallocated liabilities[2]							3,104,235
Total liabilities							3,190,986
Other segmental information							
Additions to:							
– Investment properties	13,317	838	2,466	1,278	405	4,149	18,304
– Plant and equipment	8	32	4	–	–	4	44

1 Unallocated assets include cash and bank balances, other receivables, tax recoverable, other assets and derivative financial instruments.
2 Unallocated liabilities include trade and other payables, borrowings, deferred tax liabilities and derivative financial instruments.

32. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date, the Manager announced a distribution of 2.25 cents per unit for the period 1 January 2023 to 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATION

Below are the mandatory amendments to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2023 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)

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

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

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

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify that covenants of loan arrangements which an entity must comply with only after the balance sheet date would not affect classification of a liability as current or non-current at the balance sheet date. However, those covenants that an entity is required to comply with on or before the balance sheet date would affect the classification as current or non-current, even if the covenant is only assessed after the entity's balance sheet date.

The amendments also introduce additional disclosure requirements to enable users to understand the risk that the liability could be repayable within twelve months of the reporting period, when an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the balance sheet date.

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

34. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 18 May 2023.

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 March 2023

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

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Mapletree Investments Pte Ltd and its related companies	**Mapletree Investments Pte Ltd:** Controlling shareholder of the Manager and controlling unitholder, and its subsidiaries or associates		
– Settlement of scheme consideration in relation to the Merger		1,460,034	–
– Waiver of acquisition fee		78,898	–
– Manager's management fees		45,113	–
– Property and lease management fees		22,909	–
– Staff costs		14,622	–
– Project management fees		836	
– Lease related income		701	–
– Operating related expenses		418	–
DBS Group Holdings Ltd and its related companies	**DBS Trustee Limited:** Trustee of MPACT, its holding company and subsidiaries or associates		
– Merger related expenses		3,480	–
– Trustee's fees		1,652	–
– Lease related income		313	–

For the purpose of the disclosure, the full contract sum was used where an interested person transaction had a fixed term and contract value, while the annual amount incurred and accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

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

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

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 March 2023

As set out in MPACT's Prospectus dated 18 April 2011, fees and charges payable by MPACT to the Property Manager under the Property Management Agreement are not subject to Rule 905 and 906 of the Listing Manual. The Property Management Agreement was renewed with effect from 27 April 2021 and accordingly, the renewed Property Management Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual.

As set out in MNACT's Prospectus dated 27 February 2013, fees and charges payable by Festival Walk (2011) Limited, HK Gateway Plaza Company Limited and Shanghai Zhan Xiang Real Estate Company Limited to the Property Manager under the Property Management Agreement are not subject to Rule 905 and 906 of the Listing Manual. The Property Management Agreement was renewed with effect from 7 March 2023 and accordingly, the renewed Property Management Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual.

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

Please also see Significant Related Party Transactions on Note 29 in the financial statements.

MANAGER'S MANAGEMENT FEES PAID AND PAYABLE IN UNITS

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

For Period	Issue Date	Units Issued	Issue Price* (S$)
Manager's Base Management Fee			
1 April 2022 to 30 June 2022	12 August 2022	1,268,877	1.8202
1 July 2022 to 30 September 2022	11 November 2022	2,627,813	1.7942
1 October 2022 to 31 December 2022	13 February 2023	3,271,110	1.6526
1 January 2023 to 31 March 2023	26 May 2023	2,832,336	1.7667
Manager's Performance Fee			
1 April 2022 to 31 March 2023	26 May 2023	1,181,264	1.7667

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

STATISTICS OF UNITHOLDINGS

As at 7 June 2023

ISSUED AND FULLY PAID UNITS

5,243,346,008 units (voting rights: one vote per unit)
Market Capitalisation: S$8,756,387,833.36 (based on closing price of S$1.670 per unit on 7 June 2023)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	445	1.51	19,520	0.00
100 – 1,000	4,220	14.33	3,225,775	0.06
1,001 – 10,000	17,307	58.79	80,547,575	1.54
10,001 – 1,000,000	7,431	25.24	287,912,074	5.49
1,000,001 and above	39	0.13	4,871,641,064	92.91
Total	**29,442**	**100.00**	**5,243,346,008**	**100.00**

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	28,835	97.94	5,173,828,576	98.67
Malaysia	395	1.34	6,205,831	0.12
Others	212	0.72	63,311,601	1.21
Total	**29,442**	**100.00**	**5,243,346,008**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1.	Sienna Pte. Ltd.	1,055,831,233	20.14
2.	Citibank Nominees Singapore Pte Ltd	610,539,795	11.64
3.	Kent Assets Pte. Ltd.	464,449,105	8.86
4.	HarbourFront Place Pte. Ltd.	442,846,329	8.45
5.	HarbourFront Eight Pte Ltd	352,238,977	6.72
6.	Raffles Nominees (Pte.) Limited	324,470,433	6.19
7.	HSBC (Singapore) Nominees Pte Ltd	319,047,079	6.08
8.	DBS Nominees (Private) Limited	271,398,064	5.18
9.	DBSN Services Pte. Ltd.	234,726,283	4.48
10.	Suffolk Assets Pte. Ltd.	164,129,263	3.13
11.	The HarbourFront Pte Ltd	137,699,999	2.63
12.	Mapletree North Asia Commercial Trust Management Ltd.	121,127,133	2.31
13.	MPACT Management Ltd.	119,681,507	2.28
14.	Mapletree North Asia Property Management Limited	59,625,815	1.14
15.	BPSS Nominees Singapore (Pte.) Ltd.	53,082,797	1.01
16.	United Overseas Bank Nominees (Private) Limited	18,987,977	0.36
17.	DB Nominees (Singapore) Pte Ltd	14,780,262	0.28
18.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	12,079,108	0.23
19.	Phillip Securities Pte Ltd	11,879,849	0.23
20.	iFAST Financial Pte. Ltd.	10,761,470	0.21
	Total	**4,799,382,478**	**91.55**

STATISTICS OF UNITHOLDINGS

As at 7 June 2023

SUBSTANTIAL UNITHOLDINGS AS AT 7 JUNE 2023

No.	Name of Company	No. of Units Direct Interest	No. of Units Deemed Interest	% of Total Issued Capital
1.	Temasek Holdings (Private) Limited[1]	–	2,946,267,510	56.19
2.	Fullerton Management Pte Ltd[1]	–	2,917,629,361	55.64
3.	Mapletree Investments Pte Ltd[2]	–	2,917,629,361	55.64
4.	Sienna Pte. Ltd.	1,055,831,233	–	20.14
5.	The HarbourFront Pte Ltd[3]	137,699,999	795,085,306	17.80
6.	Kent Assets Pte. Ltd.	464,449,105	–	8.86
7.	HarbourFront Place Pte. Ltd.	442,846,329	–	8.45
8.	HarbourFront Eight Pte Ltd	352,238,977	–	6.72

Notes:

1 Each of Temasek Holdings (Private) Limited ("**Temasek**") and Fullerton Management Pte Ltd ("**Fullerton**") is deemed to be interested in the 1,055,831,233 units held by Sienna Pte. Ltd. ("**Sienna**"), 137,699,999 units held by The HarbourFront Pte Ltd ("**THFPL**"), 442,846,329 units held by HarbourFront Place Pte. Ltd. ("**HFPlace**"), 352,238,977 units held by HarbourFront Eight Pte Ltd ("**HF8**"), 464,449,105 units held by Kent Assets Pte. Ltd. ("**Kent Assets**"), 164,129,263 units held by Suffolk Assets Pte. Ltd. ("**Suffolk Assets**"), 121,127,133 units held by Mapletree North Asia Commercial Trust Management Ltd. ("**MNACTM**"), 59,625,815 units held by Mapletree North Asia Property Management Limited ("**MNAPML**") and 119,681,507 units held by MPACT Management Ltd. ("**MPACTM**"). In addition, Temasek is deemed to be interested in the 28,638,149 units in which its other subsidiaries and associated companies have direct or deemed interests. Sienna, THFPL, HFPlace, HF8, Kent Assets, Suffolk Assets, MNACTM, MNAPML and MPACTM are wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("**MIPL**"). MIPL is a wholly-owned subsidiary of Fullerton which is in turn a wholly-owned subsidiary of Temasek. Each of MIPL and such other subsidiaries and associated companies referred to above is an independently-managed Temasek portfolio company. Neither Temasek nor Fullerton are involved in their business or operating decisions, including those regarding their unitholdings.

2 MIPL is deemed to be interested in the 1,055,831,233 units held by Sienna, 137,699,999 units held by THFPL, 442,846,329 units held by HFPlace, 352,238,977 units held by HF8, 464,449,105 units held by Kent Assets, 164,129,263 units held by Suffolk Assets, 121,127,133 units held by MNACTM, 59,625,815 units held by MNAPML and 119,681,507 units held by MPACTM.

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

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER AS AT 21 APRIL 2023

No.	Name	No. of Units Direct Interest	No. of Units Deemed Interest
1.	Samuel Tsien	–	–
2.	Tan Su Shan	–	–
3.	Premod Thomas	–	–
4.	Lilian Chiang	–	64,000
5.	Kan Shik Lum	–	–
6.	Chua Kim Chiu	–	–
7.	Lawrence Wong	100,000	–
8.	Wu Long Peng	–	–
9.	Pascal Lambert	–	–
10.	Mak Keat Meng	–	–
11.	Alvin Tay	–	–
12.	Chua Tiow Chye	–	3,585,596
13.	Wendy Koh	–	1,128,699
14.	Sharon Lim	–	20,200

FREE FLOAT

Based on the information made available to the Manager as at 7 June 2023, approximately 43.72% of the units in MPACT were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

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CORPORATE DIRECTORY

Manager

MPACT Management Ltd.

Registered Office

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

T: +65 6377 6111
F: +65 6274 3185
W: www.mapletreepact.com
E: mpact@mapletree.com.sg

Board of Directors

Mr Samuel Tsien
Non-Executive Chairman and Director

Ms Tan Su Shan
Lead Independent Non-Executive Director

Mr Premod Thomas
Independent Non-Executive Director

Ms Lilian Chiang
Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director

Mr Chua Kim Chiu
Independent Non-Executive Director

Mr Lawrence Wong
Independent Non-Executive Director

Mr Wu Long Peng
Independent Non-Executive Director

Mr Pascal Lambert
Independent Non-Executive Director

Mr Mak Keat Meng
Independent Non-Executive Director

Mr Alvin Tay
Independent Non-Executive Director

Mr Chua Tiow Chye
Non-Executive Director

Ms Wendy Koh
Non-Executive Director

Ms Sharon Lim
Executive Director and Chief Executive Officer

Nominating and Remuneration Committee

Ms Tan Su Shan
Chairperson

Ms Lilian Chiang

Mr Kan Shik Lum

Mr Chua Tiow Chye

Audit and Risk Committee

Mr Premod Thomas
Chairman

Mr Chua Kim Chiu

Mr Lawrence Wong

Mr Wu Long Peng

Management

Ms Sharon Lim
Chief Executive Officer

Ms Janica Tan
Chief Financial Officer

Mr Chow Mun Leong
Co-Head, Investments & Asset Management

Mr Koh Wee Leong
Co-Head, Investments & Asset Management

Corporate Services

Mr Wan Kwong Weng
Joint Company Secretary

Ms See Hui Hui
Joint Company Secretary

Unit Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

T: +65 6536 5355
F: +65 6438 8710
E: srs.teamd@boardroomlimited.com

Trustee

DBS Trustee Limited
12 Marina Boulevard
Level 44
DBS Asia Central @ Marina Bay
Financial Centre Tower 3
Singapore 018982

T: +65 6878 8888
F: +65 6878 3977

External Auditor

PricewaterhouseCoopers LLP
(since financial year ended 31 March 2012)

7 Straits View
Marina One
East Tower
Level 12
Singapore 018936

T: +65 6236 3388

Ms Rebekah Khan
Partner-in-charge
(since financial year ended 31 March 2020)

MPACT Management Ltd.
(as Manager of Mapletree Pan Asia Commercial Trust)
Co. Reg. No.: 200708826C

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

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