mapletree
commercial

BUILDING ON VALUE GROWING FROM STRENGTH

Annual Report 2017/18
Mapletree Commercial Trust

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Key Highlights

DISTRIBUTABLE INCOME
S$260.4 million ▲ 14.6%

DISTRIBUTION PER UNIT
9.04 cents ▲ 4.9%

MARKET CAPITALISATION
S$4.5 billion ▲ 2.9%

INVESTMENT PROPERTIES
S$6.7 billion ▲ 5.4%

NET ASSET VALUE PER UNIT
S$1.49 ▲ 8.0%

GEARING RATIO
34.5 % ▼ 1.8p.p

CREDIT RATING (MOODY'S INVESTORS SERVICES)
Baa1 (Stable) unchanged

PORTFOLIO COMMITTED OCCUPANCY RATE
99.5 % ▲ 0.7p.p

VIVOCITY SHOPPER TRAFFIC
55.0 million ▼ 1.4%

VIVOCITY TENANT SALES
S$958.2 million ▲ 0.7%

Corporate Overview

Mapletree Commercial Trust ("MCT") is a Singapore-focused real estate investment trust ("REIT") established with the principal investment objective of investing 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, whether wholly or partially, as well as real estate-related assets.

MCT was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 April 2011 and is the third REIT sponsored by Mapletree Investments Pte Ltd ("MIPL" or the "Sponsor"), a leading real estate development, investment, capital and property management company headquartered in Singapore.

As at 31 March 2018, MCT's portfolio comprised five properties located in Singapore, namely:

- **VivoCity**, Singapore's largest mall, located in the HarbourFront Precinct;
- **Mapletree Business City I** ("MBC I"), a large-scale integrated office and business park complex with Grade-A building specifications, located in the Alexandra Precinct;
- **PSA Building**, an established integrated development with a 40-storey office block and a three-storey retail centre known as the Alexandra Retail Centre ("ARC"), located in the Alexandra Precinct;
- **Mapletree Anson**, a 19-storey premium office building located in Singapore's Central Business District ("CBD"); and
- **Bank of America Merrill Lynch HarbourFront** ("MLHF"), a premium office building located in the HarbourFront Precinct.

The portfolio has a total Net Lettable Area ("NLA") of 3.9 million square feet, valued at S$6,682 million[1].

MCT is managed by Mapletree Commercial Trust Management Ltd. ("MCTM" or the "Manager"), a wholly-owned subsidiary of MIPL. The Manager aims to provide unitholders of MCT ("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 for MCT.

1 Based on the independently appraised values by Knight Frank Pte Ltd ("Knight Frank") and CBRE Pte Ltd ("CBRE") as at 31 March 2018 as disclosed in MCT's announcement dated 24 April 2018.


VivoCity

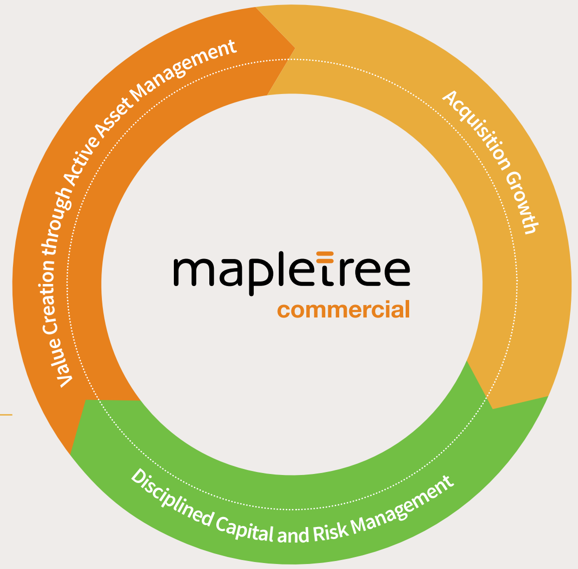

Mapletree Business City I


PSA Building


Mapletree Anson


Bank of America Merrill Lynch HarbourFront

Strategy



KEY OBJECTIVES

The Manager's key objectives are to provide unitholders of MCT 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, while maintaining an appropriate capital structure for MCT.

KEY STRATEGIES

VALUE CREATION THROUGH ACTIVE ASSET MANAGEMENT

The Manager's strategy for organic growth is to actively manage the portfolio and foster strong understanding and relationships with tenants. Through such active asset management, the Manager seeks to maintain high occupancy levels and stable rental income. The Manager also seeks to improve efficiency and manage costs through various aspects of its operations.

The Manager aims to improve the performance of the properties through the following measures:

- Improving rentals while maintaining healthy occupancy rates and sustainable occupancy costs;
- Achieving high tenant retention, particularly for the office portfolio;
- Optimising tenant mix, particularly for the retail portfolio;
- Rejuvenating and reconfiguring retail space;
- Maximising yields through selective asset enhancements; and
- Improving overall costs and operational efficiencies.

ACQUISITION GROWTH

The Manager will pursue potential asset acquisitions that will provide attractive cash flows and yields relative to MCT's weighted average cost of capital, and opportunities for future income and capital growth.

In evaluating acquisition opportunities for MCT, the Manager will focus primarily on the following investment criteria:

- Value accretions;
- Yield thresholds; and
- Quality of the asset, including
  - Location;
  - Asset enhancement potential;
  - Building and facilities specifications; and
  - Tenant mix and occupancy characteristics.

The Manager intends to hold acquired properties on a long-term basis. However, where the Manager considers that any property has reached a stage that offers limited scope for income contribution or growth in the future, the Manager may consider selling it and use the sales proceeds for other purposes, such as alternative investments in properties that meet its investment criteria.

DISCIPLINED CAPITAL AND RISK MANAGEMENT

The Manager will endeavour to:

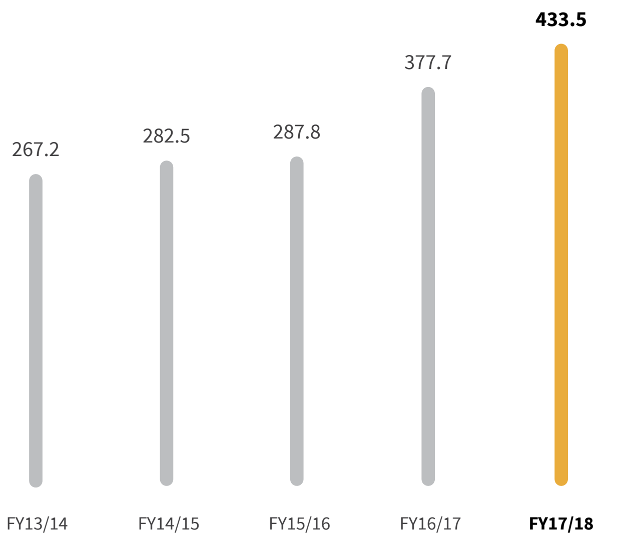
- Maintain a strong balance sheet;
- Employ an appropriate mix of debt and equity in financing acquisitions;
- Secure diversified funding sources to access both financial institutions and capital markets;
- Optimise its cost of debt financing; and
- Adopt appropriate interest rates hedging strategies to manage exposure to market volatility.

Financial Highlights

GROSS REVENUE

Year-on-year

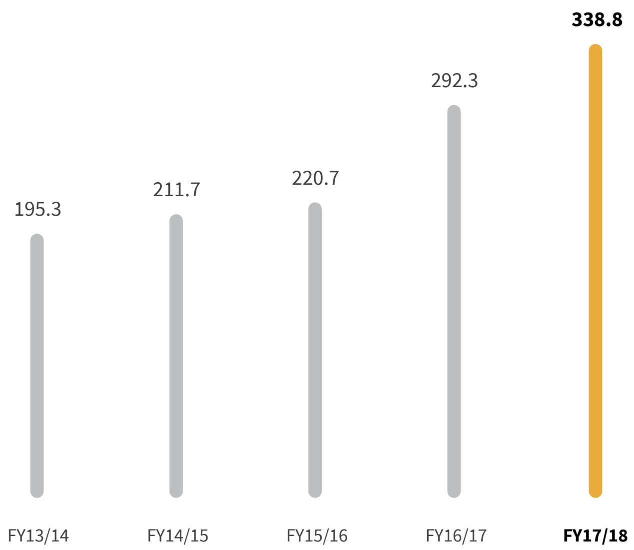
S$433.5m ▲14.8%



NET PROPERTY INCOME

Year-on-year

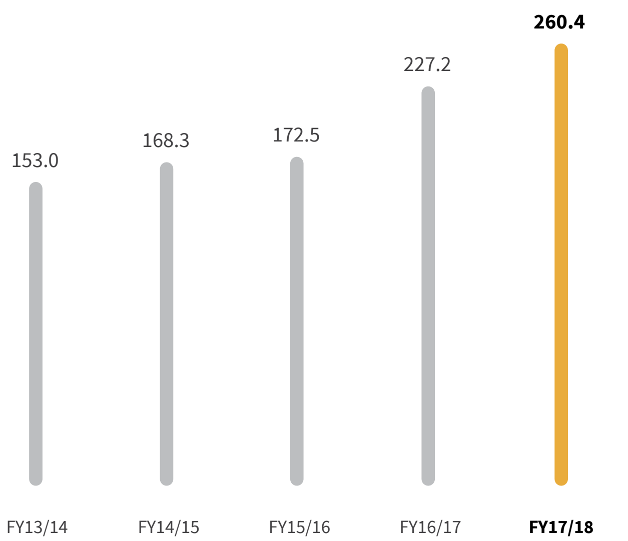
S$338.8m ▲15.9%



DISTRIBUTABLE INCOME

Year-on-year

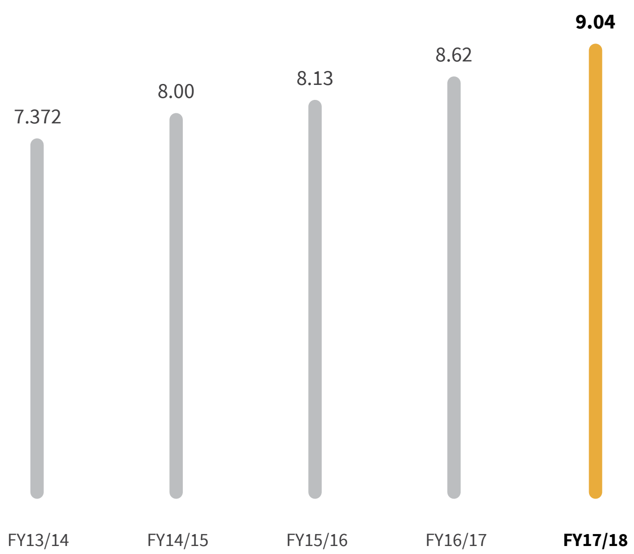
S$260.4m ▲14.6%



DISTRIBUTION PER UNIT

Year-on-year

9.04 cents ▲4.9%



DELIVERED HEALTHY RETURNS ON INVESTMENT TO UNITHOLDERS SINCE IPO

78.4%
Capital Appreciation

60.1%
Total Distributions

138.5%
Total Return[1]

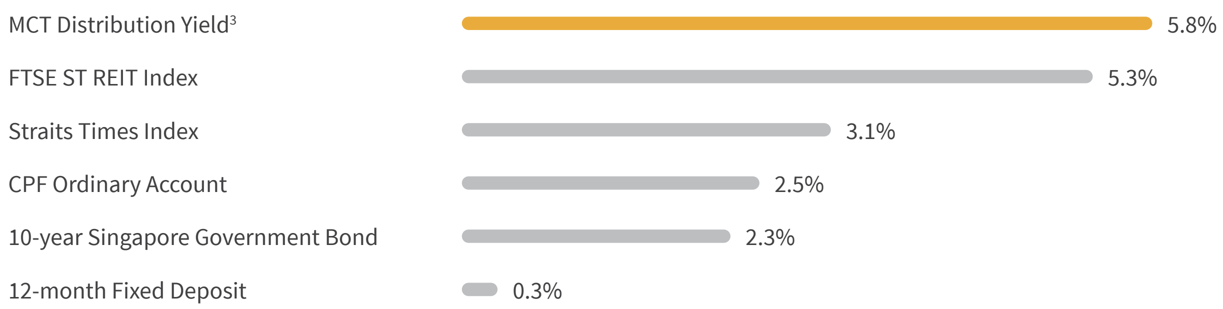
SELECTED BALANCE SHEET DETAILS

As at 31 March	2014	2015	2016	2017	2018
Total Assets (S$ million)	4,109.6	4,262.8	4,415.2	6,405.7	6,740.8
Investment Properties (S$ million)	4,034.0	4,199.0	4,341.8	6,337.0	6,682.0
Total Debt Outstanding (S$ million)	1,590.5	1,550.5	1,550.5	2,327.6	2,327.6
Unitholders' Funds (S$ million)	2,425.6	2,617.0	2,764.0	3,957.5	4,283.4
NAV per Unit (S$)	1.16	1.24	1.30	1.38	1.49
Market Capitalisation (S$ million)	2,541.0	3,379.1	3,003.3	4,392.8	4,521.8

KEY FINANCIAL INDICATORS

As at 31 March	2014	2015	2016	2017	2018
% of Fixed Rate Debt	64.3%	68.2%	73.8%	81.2%	78.9%
Gearing Ratio	38.7%	36.4%	35.1%	36.3%	34.5%
Interest Coverage Ratio (times)	5.0	5.3	5.0	4.9	4.8
Average Term to Maturity of Debt (years)	2.5	3.6	3.4	4.0	3.9
Weighted Average All-in Cost of Debt (per annum)	2.17%	2.28%	2.52%	2.66%	2.75%

YIELD COMPARISONS[2]



1 Based on unit issue price at IPO of S$0.88 and closing unit price of S$1.57 as at 31 March 2018, as well as total DPU of 52.92 Singapore cents paid out since IPO.

2 As at 31 March 2018. Sources: Bloomberg, Central Provident Fund ("CPF") Board (for the CPF Ordinary Account's yield) and the Monetary Authority of Singapore (for the 10-year Singapore Government Bond yield).

3 Based on closing unit price of S$1.57 as at 31 March 2018 and DPU of 9.04 Singapore cents for FY17/18.

EXECUTING TODAY'S STRATEGIES **NURTURING TOMORROW'S RESILIENCE**

In today's volatile environment, astute management and steady leadership are vital. This is how MCT has remained strong and stable. By keeping our eye on the long term, we establish today's roots for tomorrow's resilience. Indeed, this vision is the backbone of what we do, and ensures that MCT stays at the forefront of the industry.

Featured art piece
Flower Tree by Choi Jeong-Hwa

Letter to Unitholders

DEAR UNITHOLDERS,

On behalf of the Board and management, we thank you for your continued support in FY17/18.

The year has been challenging for most given persisting macro-economic uncertainties and structural shifts. In the previous letters to our Unitholders, we have shared MCT's constant pursuit of strength and long-term resilience. In uncertain times like this, MCT has stood out – we continued to deliver solid performance in a changing landscape.

SOLID PERFORMANCE IN A CHANGING LANDSCAPE

We are pleased to report a total DPU of 9.04 Singapore cents for the full year, up 4.9% from the previous year. This was driven by a full year contribution from MBC I which was acquired on 25 August 2016, and higher revenue from VivoCity and MLHF.

MCT's gross portfolio revenue grew 14.8% year-on-year to S$433.5 million for FY17/18. NPI was S$338.8 million, surpassing last year's record high by 15.9%. Correspondingly, distributable income rose 14.6% year-on-year to S$260.4 million.

As at 31 March 2018, MCT's investment properties were valued at S$6.7 billion by independent valuers, an increase of 5.4% from a year ago. NAV per unit rose by 8.0% from S$1.38 (as at 31 March 2017) to S$1.49 (as at 31 March 2018).

Since MCT's public listing on 27 April 2011 at S$0.88 per unit, we have paid out a total distribution of 52.92 Singapore cents per unit. MCT's unit price closed at S$1.57 as at 31 March 2018. Therefore, Unitholders who have invested in MCT from the start would have received a total return exceeding 138%. These are commendable accomplishments.

VIVOCITY – A CONSTANT EVOLUTION

VivoCity continued to perform well in FY17/18. Despite a 1.4% decline in shopper traffic, FY17/18 tenant sales grew 0.7% to reach a new record of S$958.2 million. This is noteworthy against a strong FY16/17 and in spite of the downtime from the ongoing asset enhancement initiatives ("AEIs").

Notwithstanding these results, MCT is not resting on its laurels. Right from the start, VivoCity's physical attributes have always been conducive: it enjoys an exceptional location with sizeable shopper catchment from its immediate office and residential vicinity, linkages such as direct connection to the public train network via two main lines, proximity to the Sentosa Island, a main tourist destination, and features a 300-metre waterfront promenade. In addition, VivoCity has more than a million square feet of NLA which can house a complete trade mix.

VivoCity's continued success, however, is also about how we anticipate retail trends and developments in the landscape, and systematically implement value-adding changes.

In 2015, we completed our first AEI which created about 15,000 square feet of retail space on Basement 1 of the mall. Located astride the vertical link from the HarbourFront MRT Station to VivoCity's main atrium, this AEI allowed us to capitalise on the flow of commuter traffic and to deliver a seamless experience for our shoppers.

A year later, we embarked on a second AEI that improved the layout and ambience of Basement 2 to increase the number of food kiosks from 13 to 21, and to improve the line of sight of some restaurants. This AEI also included the change of trade for a portion of space on

MCT's gross portfolio revenue grew 14.8% year-on-year to S$433.5 million for FY17/18. NPI was S$338.8 million, surpassing last year's record high by 15.9%. Correspondingly, distributable income rose 14.6% year-on-year to S$260.4 million.

Letter to Unitholders

Level 3 and this allowed us to introduce a popular steamboat restaurant, thus strengthening VivoCity's F&B offering.

During FY17/18, we continued to execute our active asset management strategy. To make VivoCity more productive, about 9,200 square feet of anchor space on Level 1 and Level 2 was converted into specialty space for existing tenants who were expanding as well as new-to-mall brands. This S$3 million enhancement work was fully completed in July 2017 and would contribute approximately 29% in annual returns when stabilised. Additionally, on Basement 2, enhancement was made to improve the line of sight of some food kiosks.

We have started to see the benefits of these ongoing transformations. The last two completed AEIs, together with new and renewed leases and rental step-ups, drove VivoCity's FY17/18 NPI up by 4.1% to S$156.7 million.

An ongoing initiative is the addition of a 32,000 square feet public library on Level 3. This is a significant AEI on many counts. Given VivoCity's convenient location and accessibility, the library is a meaningful addition that helps to foster a culture of reading and learning. From MCT's perspective, the library is an added draw which complements VivoCity's positioning and will boost repeated visitorship from the targeted shopper segment of families with children.

This AEI entails several physical transformations: part of Level 3 will be converted to make space for the library and bonus GFA granted under the Community/Sports Facility Scheme ("CSFS") will be used to extend Basement 1 by adding about 24,000 square feet of new contiguous retail floor area. The Basement 1 extension has already been fully committed with new and exciting Lifestyle and Athleisure offerings, and will open in June 2018. In conjunction with this AEI, we are implementing a series of upgrading works. One highlight is the addition of a set of escalators connecting Basement 2 and Level 1 through the new Basement 1 space, which will considerably improve vertical connectivity and mobility within the mall.

The entire AEI is smoothly underway and is slated for completion in phases by the second half of FY18/19. On a stabilised basis, it is estimated to deliver approximately 10% of annual return on investment[1].

Across the industry, we have observed how retailers are consolidating their portfolios to focus on flagship stores in the best locations. VivoCity is ideal to meet this demand for new, larger format concept stores.

Timezone, a family-oriented video amusement arcade, is one example of this trend when it relocated from Level 3 to Level 2 and enlarged its footprint by about 80%. Spanning almost 12,000 square feet of floor area in VivoCity, Timezone's flagship arcade features dazzling new attractions like bumper cars and bowling alleys, and has been operational since January 2018.

Spanish fashion giant, Zara, is another tenant that has decided on VivoCity to establish its concept store in Singapore. Zara's expansion from 16,000 square feet to 33,000 square feet is a strong endorsement of VivoCity's appeal. The store, which was closed since February 2018 for expansion work, has reopened with much anticipation in May 2018 and carries Zara's complete collections for women, men and kids.

Following the successful revamp of the 20,000 square feet Play Court on Level 2 in FY16/17, we launched the VivoCity Kids Club in June 2017 to overwhelming response where more than 5,500 children signed up as members over the launch weekend. As at 31 March 2018, the club had more than 12,000 registered kid members. This brand new membership programme, which offers exclusive fun-filled activities and promotions to members, is targeted at families with young children, and will give shoppers even more reasons to visit VivoCity.

RESILIENT PERFORMANCE FROM OUR OFFICE AND BUSINESS PARK PROPERTIES

We have consistently adopted a proactive leasing strategy with an emphasis on preserving cashflow. Operationally, this translates into a focus on retaining quality tenants and engaging tenants early to secure renewals.

At MBC I, we secured a replacement tenant for approximately 104,000 square feet of pre-terminated space with more than 20% of upside[2]. With this, MBC I ended the financial year with 99.4% committed occupancy, and we can expect this 1.7 million square feet premium office and business park complex to continue to provide a substantial and steady stream of income.

1 Based on estimated capital expenditure of approximately S$16 million. This includes expenditure for related works such as the addition of escalator and carpark deck, installation of solar panels on the new carpark shelter and various M&E upgrading works.

2 Refer to the SP Variation Letter as disclosed in the Circular dated 5 July 2016 for details on the pre-terminated space. The upside is based on the average fixed rent of the replacement lease compared to the expiring fixed rent of the pre-terminated lease.

Notwithstanding some tenant turnover, Mapletree Anson achieved full committed occupancy as at 31 March 2018. Likewise, PSA Building demonstrated resilience and closed FY17/18 with 98.7% committed occupancy.

At MLHF, the lease with Bank of America Merrill Lynch ("BoAML") was renewed and restructured for Level 1 to Level 5 with effect from January 2017. Level 6 of MLHF had since been filled up by two new tenants during the year. With its full occupancy, MLHF will continue to deliver stable returns.

Altogether, our office and business park properties contributed S$226.9 million of gross revenue and S$182.2 million of NPI in FY17/18.

BUILDING A STRONG CAPITAL STRUCTURE

Building a strong capital structure while balancing financial costs is a key objective of our capital management. Since listing, MCT had benefitted from relatively low interest costs. In today's rising interest rate environment, the approach is to maintain a healthy fixed rate debt ratio and a well-distributed debt maturity profile without losing sight of the overall cost of debt.

In August 2017, we issued S$100.0 million of 10-year notes at 3.045% per annum coupon rate under the S$1.0 billion Multicurrency Medium Term Note ("MTN") Programme for refinancing. We further tapped the debt capital market in March 2018 by issuing S$120.0 million of 6.5-year notes at 3.28% per annum. Both issuances were rated Baa1 by Moody's and enabled us to maintain an even spread on MCT's loan maturity profile where no more than 20% of debt are due for refinancing in any financial year.

We closed the financial year with a robust balance sheet. With the upward revaluation of our portfolio, aggregate leverage was lowered to 34.5% (as at 31 March 2018) from 36.3% (as at 31 March 2017). This is comfortably below the 45% regulatory limit. As at 31 March 2018, approximately 78.9% of MCT's total debt of S$2,327.6 million was fixed by way of fixed rate debt or interest rate swaps. We maintained a healthy interest cover ratio of approximately 4.8 times for FY17/18, and the weighted all-in cost of debt stood at a prudent 2.75% per annum. Reflecting our assets' quality, operating strength and financial health, Moody's maintained MCT's Baa1 issuer rating with a stable outlook.

COMMITMENT TO SUSTAINABILITY

MCT is committed to upholding high corporate governance standards and to incorporating pragmatic sustainability practices into our day-to-day operations. This is because we believe that the well-being of our environment, employees and community has a positive impact on the longevity of our business. Underscoring this commitment, we are pleased to present our second Sustainability Report where we discuss MCT's material environmental, social and governance factors as well as our sustainability practices and performance. We will continue to integrate sustainability into various aspects of our business so as to enhance the long-term value to our stakeholders.

GAINING STRENGTH FOR TOMORROW

Singapore's economy improved by 3.6% in 2017 and has been forecast to grow at 1.5% to 3.5% in 2018[3]. Nonetheless, there could be downside risks arising from global political uncertainties and increasing protectionist trade sentiments.

We expect retail consolidations to continue as retailers rationalise their portfolios and cope with e-commerce trends. Although the retail market will benefit from stronger economic fundamentals, recovery will remain selective and will not be felt evenly across all malls.

MCT's winning strategy has been to stay focused on nurturing our fundamentals while keeping a keen eye on the long term. Stemming from our proactive management, VivoCity has successfully evolved over time to establish a clear value proposition for both retailers and shoppers. Similarly, MBC I is a best-in-class property and with its premium specifications and conducive spaces will continue to meet the highest demands of tenants.

Our experience and track record have given us the confidence and conviction that despite the challenges that exist today, we will continue to successfully navigate this ever-changing environment. As we have shared last year, and in our earlier letters to you, we are firmly committed to our Unitholders. We will continue our unwavering and disciplined approach to how we manage our assets and deploy our capital.

ACKNOWLEDGEMENTS

In closing, we would like to thank our Directors for their counsel and guidance, and our staff for their dedication and hard work. We would also like to express our sincerest appreciation to our Unitholders, tenants, shoppers, financiers and business partners for their continued confidence and strong support.

TSANG YAM PUI
Chairman and Non-Executive Director

SHARON LIM
Executive Director and Chief Executive Officer

3 Source: Ministry of Trade & Industry, Economic Survey of Singapore 2017 dated 14 February 2018.

Year in Review

MAY 2017

- MCT participated in the REITs Symposium 2017, reaching out to more than 1,200 retail investors.

JUNE 2017

- VivoCity was awarded the Certificate of Excellence 2017 by TripAdvisor.
- VivoCity launched the VivoCity Kids Club to overwhelming response where more than 5,500 children signed up as kid members over the launch weekend.

JULY 2017

- MCT held its 6th Annual General Meeting ("AGM"). The meeting was well-attended and all resolutions were approved by Unitholders.
- MCT announced a DPU of 2.23 Singapore cents for 1Q FY17/18, up 9.9% year-on-year.
- The AEI to convert 9,200 square feet of lower to higher yielding space on Level 1 and Level 2 of VivoCity was fully completed, catering for expanding tenants and new-to-mall brands.
- VivoCity continued to support Hair for Hope as venue sponsor and partner. This is the Children's Cancer Foundation's signature fundraising event where participants shave their heads in support for children with cancer.

AUGUST 2017

- MCT issued S$100.0 million of Baa1-rated Fixed Rate Notes due 2027 at 3.045% per annum for refinancing.

SEPTEMBER 2017

- Moody's reaffirmed MCT's Baa1 (Stable) issuer rating.

OCTOBER 2017

- MCT declared a DPU of 2.24 Singapore cents for 2Q FY17/18, up 9.3% year-on-year.
- MCT announced the addition of a 32,000 square feet public library in VivoCity and the extension of Basement 1 with bonus GFA granted under the CSFS. A series of tenant relocations and upgrading works would also be implemented in conjunction with this AEI. The Basement 1 extension would open in June 2018 while the rest of the AEI would complete in phases by the second half of FY18/19.

NOVEMBER 2017

- VivoCity hosted the Republic of Singapore Navy's Navy@Vivo events for the fifth consecutive year. Held as part of the RSN50 Golden Jubilee celebrations, the key attraction was the tour of a Formidable-class frigate, RSS Intrepid, which was docked at VivoCity's waterfront promenade. The exclusive five-day event welcomed more than 115,000 visitors.
- Batman's combat machine, Knightcrawler, arrived exclusively in VivoCity to commemorate the movie launch of Justice League. At 14 metres wide and 3.4 metres tall, this was the world's one and only built-to-scale model of the superhero's latest vehicle.

DECEMBER 2017

- VivoCity celebrated Christmas with shoppers with a plethora of lights and activities, as well as the iconic 107 feet musical Christmas tree at the Sky Park that lit up choreographically to a medley of festive tunes.

JANUARY 2018

- Timezone, a family-oriented video amusement arcade, reopened after relocating from Level 3 to Level 2 of VivoCity and enlarging its footprint by 80%. Spanning almost 12,000 square feet of floor area, this flagship arcade added dazzling new attractions such as bumper cars and bowling alleys.
- MCT announced DPU of 2.30 Singapore cents for 3Q FY17/18, up 0.9% year-on-year.

FEBRUARY 2018

- Spanish fashion giant, Zara, closed its VivoCity store temporarily to carry out expansion work. The new 33,000 square feet concept store, which has reopened in May 2018, carries Zara's complete collections for women, men and kids.

MARCH 2018

- MCT issued S$120.0 million of Baa1-rated Fixed Rate Notes due 2024 at 3.28% per annum for refinancing.
- VivoCity achieved a record S$958.2 million of sales in FY17/18, up 0.7% over the previous year. Shopper traffic also held strong at 55.0 million in spite of downtime from ongoing AEIs.
- MCT closed FY17/18 with solid results. DPU for 4Q FY17/18 was 2.27 Singapore cents, up 0.4% year-on-year. This brought full year DPU to 9.04 Singapore cents, up 4.9% from FY16/17. MCT's portfolio of properties was valued at S$6.7 billion, up 5.4% from a year ago. Correspondingly, NAV per unit rose by 8.0% to S$1.49.

1


2


3


4


5


Photo Captions
1 Fun-filled activities specially for VivoCity Kids Club
2 Batman's combat machine, Knightcrawler, exclusively at VivoCity
3 Iconic musical Christmas tree at VivoCity
4 Singapore Navy's Golden Jubilee at VivoCity
5 Supporting Hair for Hope

Unit Price Performance

The global financial market was mixed during the financial year. While stocks gained at the back of an improving global economy, volatilities persisted as a result of political uncertainties, rising protectionist sentiments and interest rate hikes by the US Federal Reserve. In Singapore, stronger economic data and growing optimism had led to stronger gains by cyclical stocks.

Against this backdrop, the FTSE Straits Times Index and the FTSE Straits Times REIT Index gained 8.0% and 8.3% respectively during the financial year. MCT's unit price closed at S$1.57 as at 31 March 2018, up 2.6% from the closing price of S$1.53 a year ago. Taking into account total distribution of 9.04 Singapore cents paid out for FY17/18, MCT delivered a total return of 8.5% to Unitholders.

Driven by consistent and steady performance since IPO, MCT's unit price has gained 78.4% from the IPO price of S$0.88. Including total distribution of 52.92 Singapore cents paid, MCT has delivered 138.5% of total return to Unitholders. MCT's market capitalisation has also grown from S$1.6 billion at IPO to S$4.5 billion as at 31 March 2018. Over the same period, the FTSE Straits Times Index and the ST REIT Index was up 7.7% and 22.5% respectively.

UNIT PRICE AND TRADING VOLUME

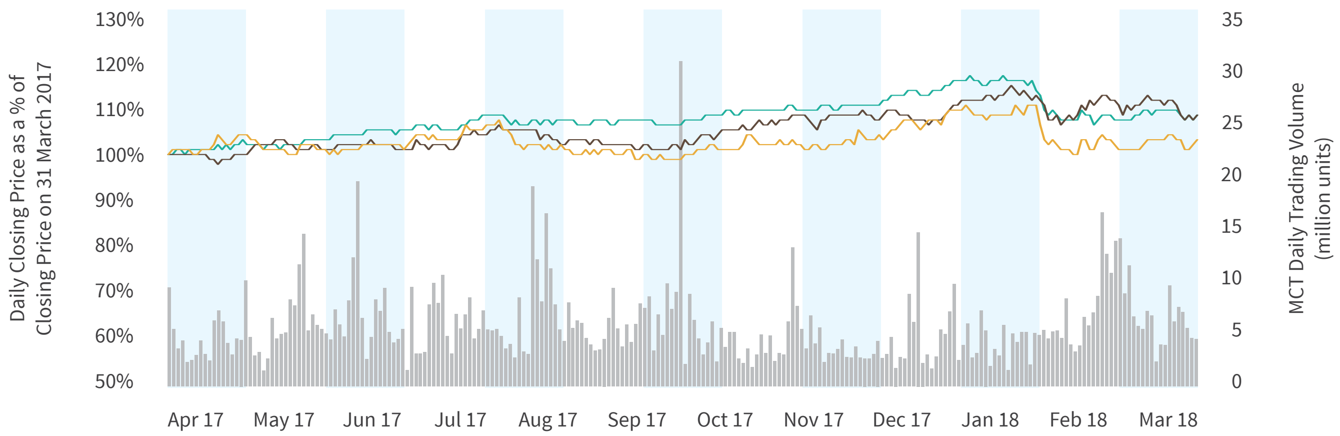
	FY17/18	FY16/17
Closing price on the last trading day prior to the financial year (S$)	1.530	1.410
Highest closing price (S$)	1.690	1.605
Lowest closing price (S$)	1.510	1.380
Volume weighted average price (S$)	1.572	1.492
Closing price for the financial year (S$)	1.570	1.530
Average daily trading volume (million units)	5.63	4.31
Total trading volume (million units)	1,402	1,096

RETURN ON INVESTMENT

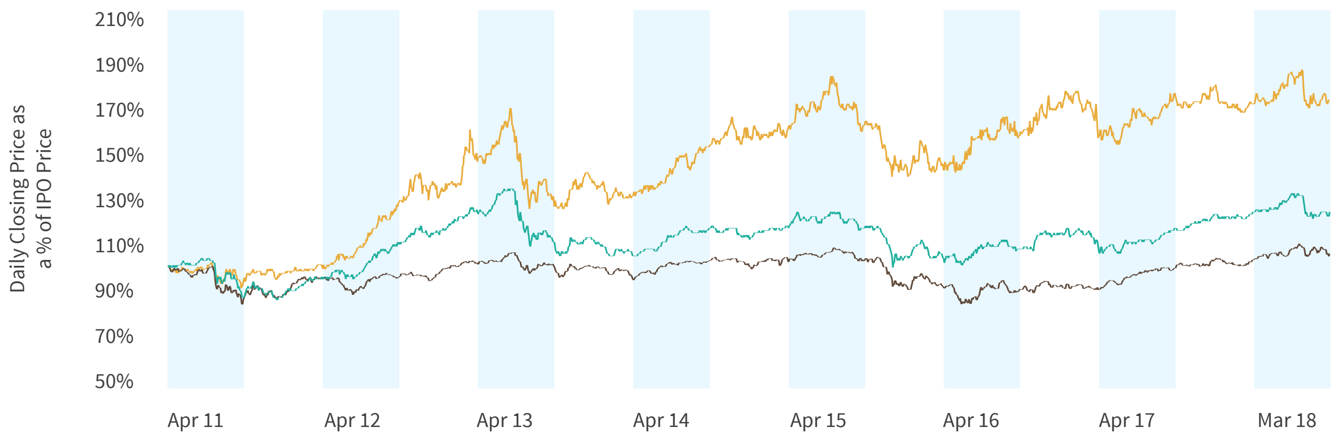
	1-year from 1 April 2017	3-year from 1 April 2015	5-year from 1 April 2013	Since Listing on 27 April 2011
Total Return as at 31 March 2018 (%)	8.5[1]	14.2[1]	47.3[1]	138.5[2]
Capital appreciation (%)	2.6	-1.9	16.7	78.4
Distribution yield (%)	5.9	16.1	30.6	60.1
Closing price on the last trading day prior to the period/Unit issue price at listing (S$)	1.530	1.600	1.345	0.880

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

COMPARATIVE TRADING PERFORMANCE AND TRADING VOLUME IN FY17/18



COMPARATIVE TRADING PERFORMANCE SINCE LISTING



MCT TRADING VOLUME — MCT — FTSE STRAITS TIMES INDEX — FTSE STRAITS TIMES REIT INDEX

Source: Bloomberg.

MCT is a constituent of these key indices[1]

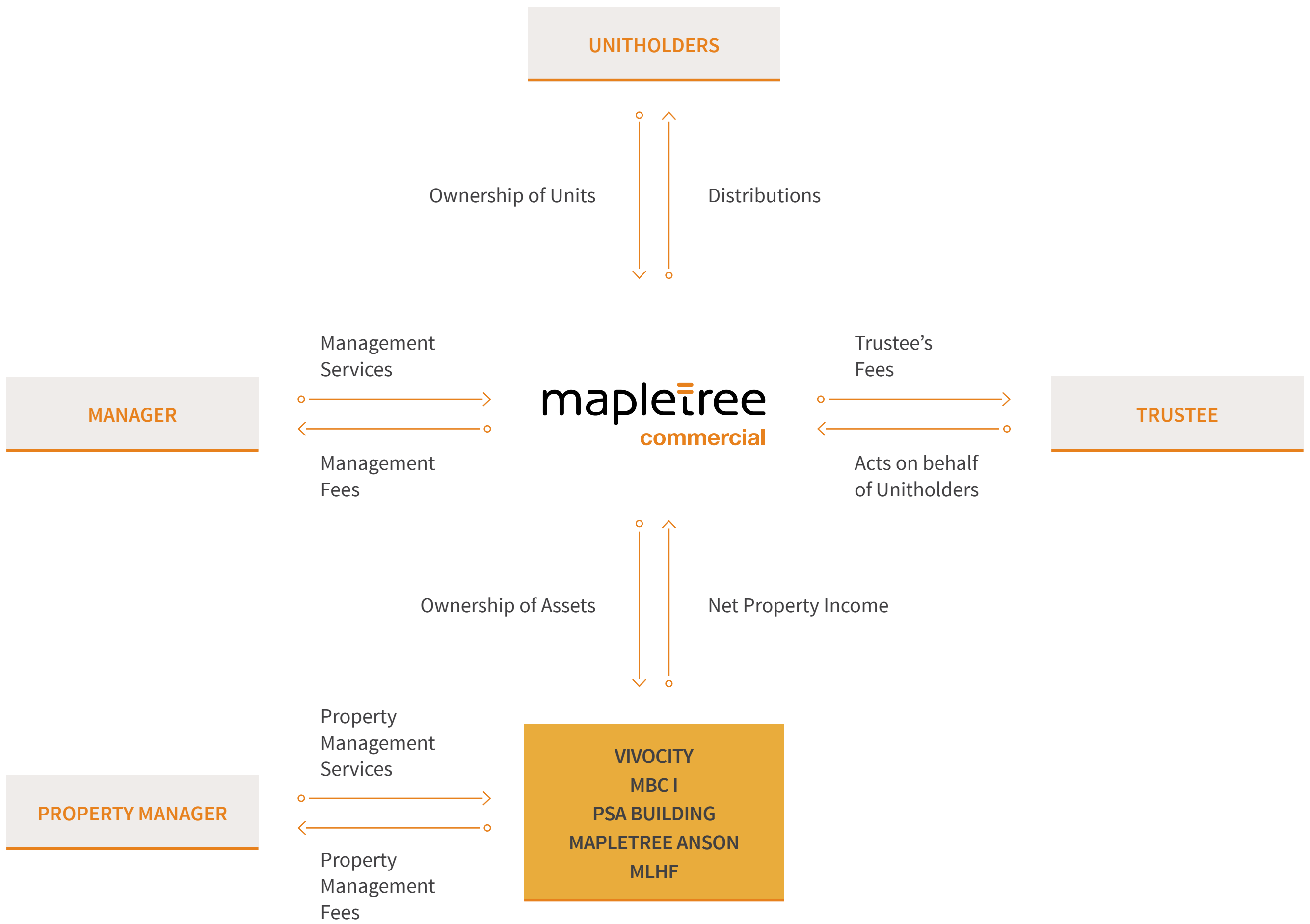
Bloomberg Asia Pacific Financial Index	Bloomberg Asia Pacific World Index	Bloomberg Asia REIT Index	Bloomberg World Financial Index	Bloomberg World Index
Bloomberg World REIT Index	Dow Jones Global Select REIT Index	FTSE Developed Asia Pacific All Cap Index	FTSE Developed Asia Pacific All Cap Total Return	FTSE Developed ex US All Cap Index
FTSE EPRA/NAREIT Developed Asia Index	FTSE EPRA/NAREIT Developed Index	FTSE EPRA/NAREIT Global Index	FTSE EPRA/NAREIT Global REITs Index	FTSE EPRA/NAREIT Singapore Index
GPR General (World) Index	GPR General ex-US Index	GPR General Singapore Index	MSCI Far East All Cap	MSCI Pacific All Cap
MSCI Singapore All Cap	MSCI World All Cap	S&P Developed REIT Index	S&P Global BMI	S&P Global REIT USD Index
S&P Pan Asia REIT Index	SGX APAC ex Japan Dividend Leaders REIT Index	SGX Real Estate Index	SGX S-REIT 20 Index	SGX S-REIT Index

1 The list of key indices is not exhaustive.

Trust Structure

Mapletree Commercial Trust Management Ltd. is the Manager of MCT. The Manager has general powers of management over the assets of MCT. The Manager's main responsibility is to manage MCT's assets and liabilities for the benefit of Unitholders. The Manager will set the strategic direction of MCT and give recommendations to the trustee of MCT ("Trustee") on acquisition, divestment, development and/or enhancement of the assets of MCT in accordance with its stated investment strategy. The Manager is a wholly-owned subsidiary of the Sponsor.

Mapletree Commercial Property Management Pte. Ltd. is the property manager of MCT (the "Property Manager"). The Property Manager is responsible for providing property management, lease management, project management, marketing and administration of property tax services for the properties in MCT's portfolio. The Property Manager is a wholly-owned subsidiary of the Sponsor. The following diagram illustrates the relationship between MCT, the Manager, the Property Manager, the Trustee and the Unitholders.



Organisation Structure

BOARD OF DIRECTORS

Mr Tsang Yam Pui
Non-Executive Chairman and Director

Ms Kwa Kim Li
Lead Independent Non-Executive Director

Mrs Jennifer Loh
Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director

Mr Koh Cheng Chua
Independent Non-Executive Director

Mr Premod P. Thomas
Independent Non-Executive Director

Mr Hiew Yoon Khong
Non-Executive Director

Mr Wong Mun Hoong
Non-Executive Director

Ms Amy Ng
Non-Executive Director

Ms Sharon Lim
Executive Director and Chief Executive Officer

AUDIT AND RISK COMMITTEE

Mrs Jennifer Loh
Chairperson

Mr Koh Cheng Chua

Mr Premod P. Thomas

NOMINATING AND REMUNERATION COMMITTEE

Ms Kwa Kim Li
Chairperson

Mr Kan Shik Lum

Mr Hiew Yoon Khong

CHIEF EXECUTIVE OFFICER

Ms Sharon Lim

JOINT COMPANY SECRETARIES

Mr Wan Kwong Weng
Ms See Hui Hui

FINANCE

Ms Janica Tan
Chief Financial Officer

INVESTMENTS & ASSET MANAGEMENT

Mr Koh Wee Leong
Head

FINANCE

Ms Seet Li Nah
Vice President

INVESTOR RELATIONS

Ms Teng Li Yeng
Vice President

INVESTMENTS & ASSET MANAGEMENT

Ms Goh Peck Cheng
Vice President

Property Overview

MCT's portfolio comprises five properties located in Singapore's Alexandra Precinct, HarbourFront Precinct and the CBD.

PORTFOLIO NET LETTABLE AREA

3.9 million sq ft

PORTFOLIO APPRAISED VALUE

S$6,682 million

VIVOCITY

Singapore's largest mall with 1,077,191 square feet of NLA spread over a three-storey shopping complex and two basement levels. 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. For the year ended 31 March 2018, VivoCity attracted 55.0 million visitors and S$958.2 million of record tenant sales.

MAPLETREE BUSINESS CITY I

An outstanding and large-scale integrated business hub located in the Alexandra Precinct. MBC I comprises four blocks of Grade-A office and business park space with an aggregate NLA of 1,707,280 square feet. The user-friendly features, recreational facilities and amenities, as well as wide public spaces and lush greenery, make this development a complete "work and play" environment. MBC I is conveniently located within an approximate 10-minute drive from the CBD and enjoys excellent linkages to the adjacent PSA Building, Mapletree Business City II, as well as the Labrador Park MRT Station. Its environmentally sustainable design and features have also garnered several local and international awards.

PSA BUILDING

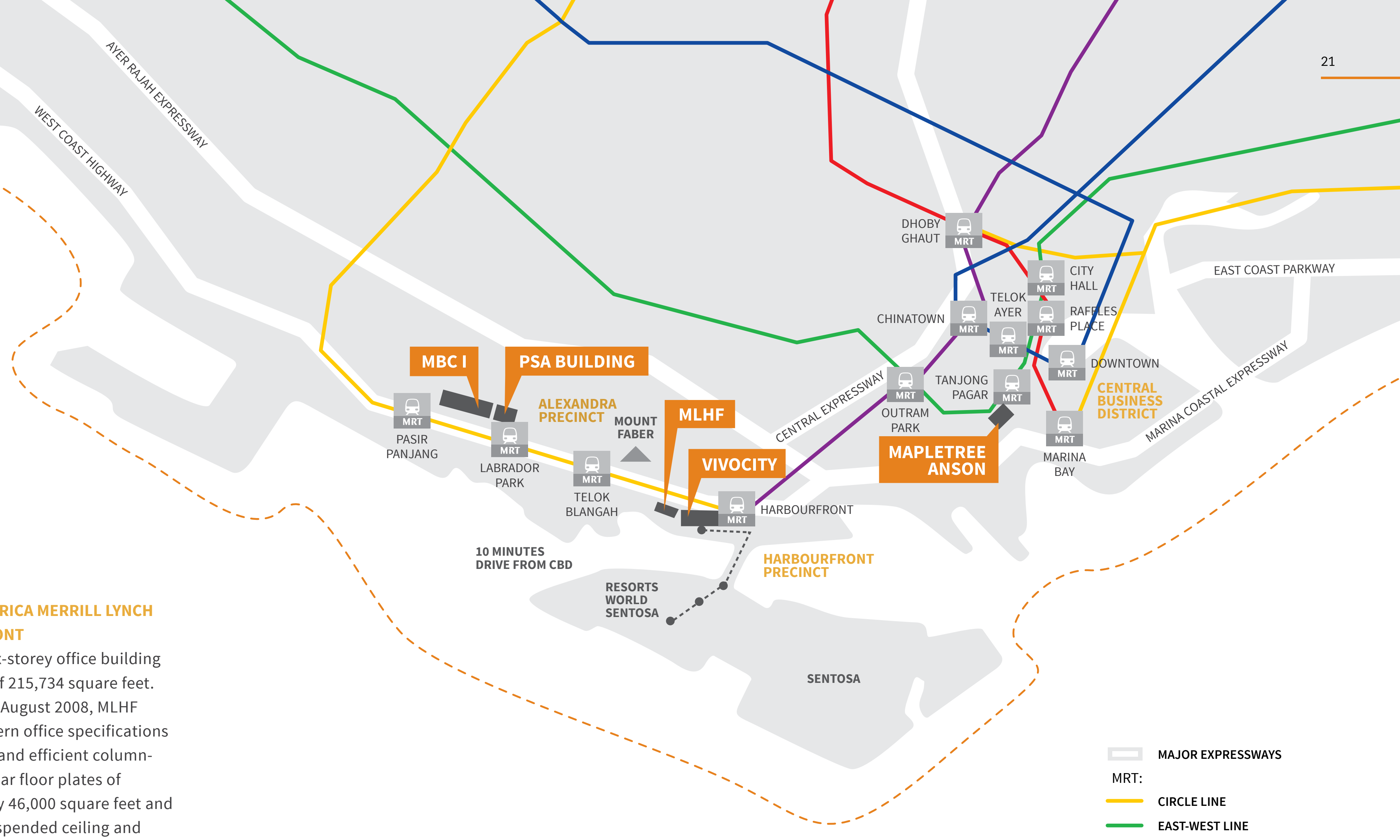
An established integrated development with a 40-storey office block and a three-storey retail centre, ARC, with an aggregate NLA of 523,781 square feet. PSA Building's excellent location within the Alexandra Precinct, a short distance from the CBD, makes it an ideal choice for companies who prefer a quality office location outside the CBD. ARC further offers a wide range of amenities and F&B offerings to the working population in the vicinity.

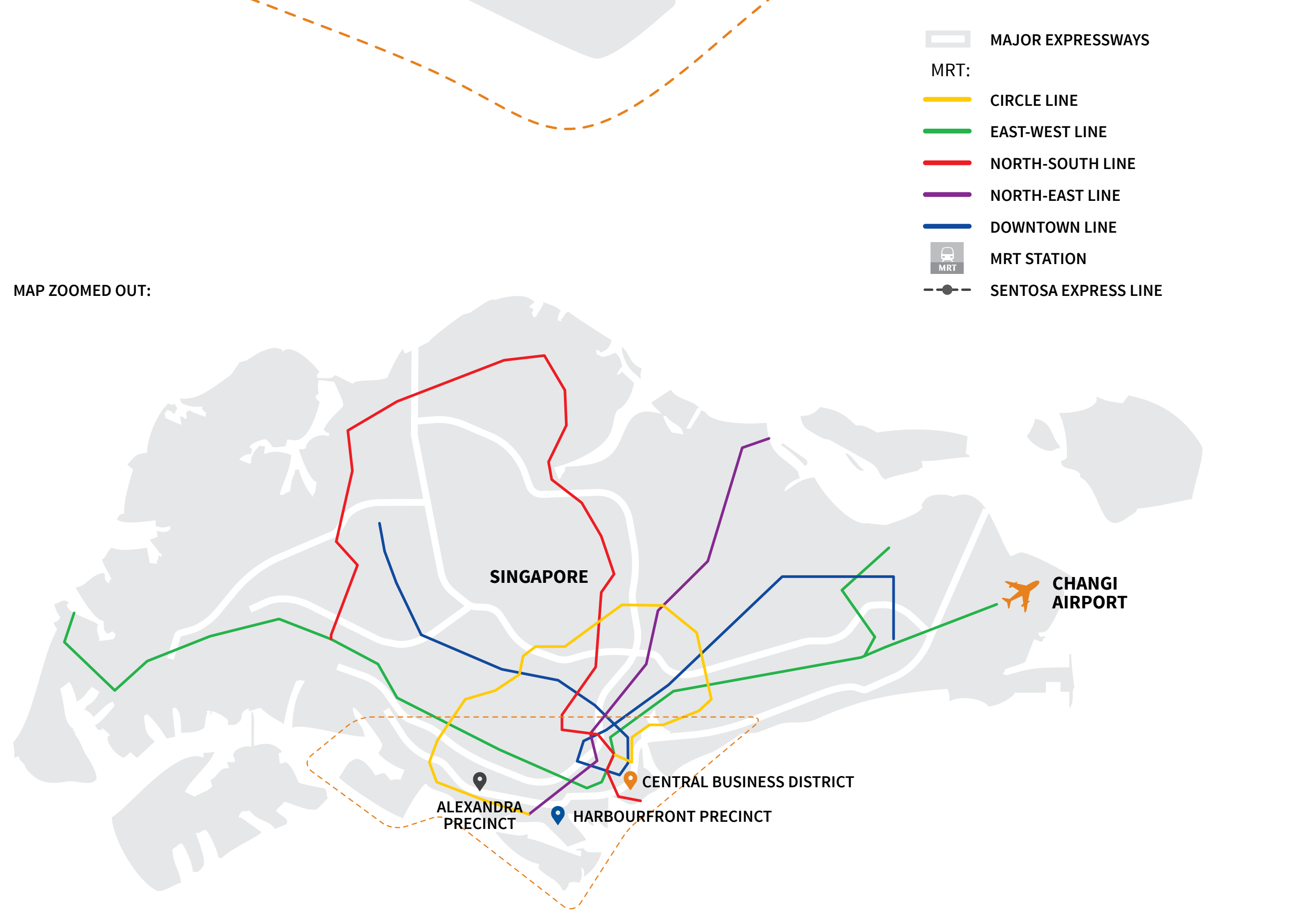
MAPLETREE ANSON

A 19-storey premium office building located in the Tanjong Pagar micro-market of the CBD with an NLA of 330,167 square feet. Mapletree Anson, built with Grade-A specifications, is one of the first buildings in Singapore to be awarded the Green Mark Platinum certification by the BCA. It is conveniently located within a two-minute walk from the Tanjong Pagar MRT Station and connected to major arterial roads and expressways.

BANK OF AMERICA MERRILL LYNCH HARBOURFRONT

A premium six-storey office building with an NLA of 215,734 square feet. Completed in August 2008, MLHF 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.





Property Overview
VivoCity

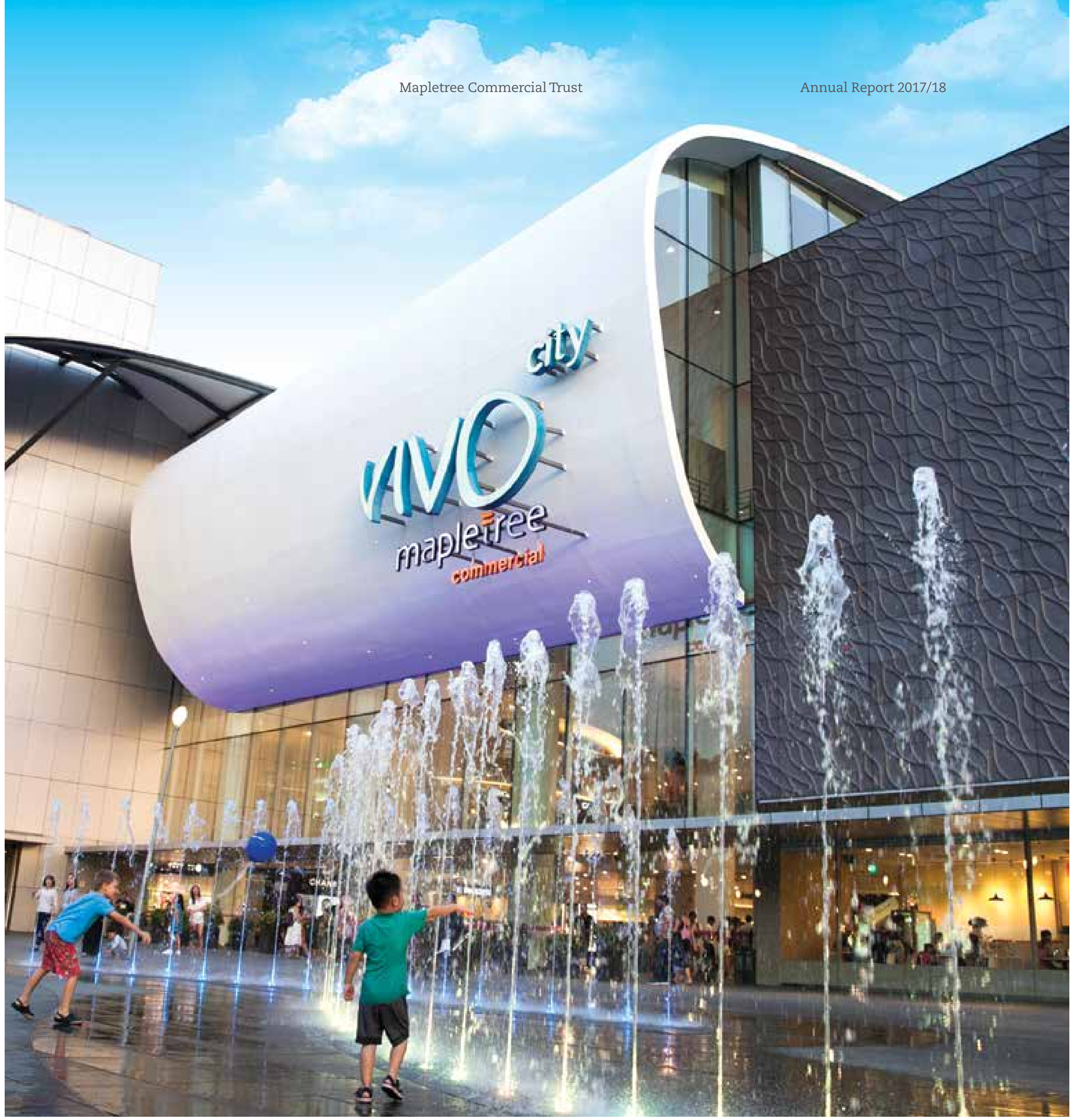
VivoCity's physical attributes have always been conducive. Stemming from our proactive management efforts, VivoCity has successfully evolved over time to become a key destination mall and its solid performance has stood out in today's changing landscape.

FY17/18 tenant sales grew 0.7% year-on-year to a record of S$958.2 million and shopper traffic held strong at 55.0 million in spite of downtime from ongoing AEIs. FY17/18 revenue and NPI grew 2.9% and 4.1% respectively to reach S$206.6 million and S$156.7 million.

GROSS REVENUE
S$206.6m

NET PROPERTY INCOME
S$156.7m

COMMITTED OCCUPANCY[1]
99.8%



A 3-storey shopping complex with 2 basement levels and a 7-storey annexe carpark

Net Lettable Area: 1,077,191 square feet

Number of Leases: 341

Car Park Lots: 2,179

Title: 99 years commencing from 1 October 1997

Gross Revenue: S$206.6 million

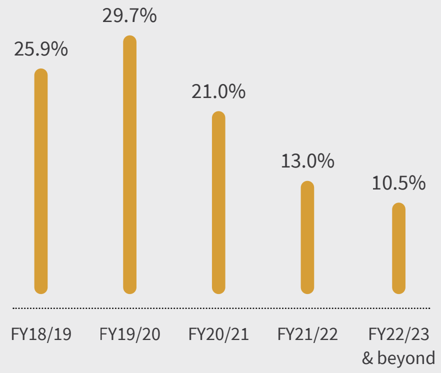
Net Property Income: S$156.7 million

Market Valuation: S$3,028.0 million

Committed Occupancy[1]: 99.8%

Key Tenants: VivoMart, Tangs, H&M, Golden Village, Kopitiam

VivoCity Lease Expiry Profile as a % of Gross Rental Revenue
(as at 31 March 2018)



Number of Leases

92	112	81	41	15

VivoCity Trade Mix by Gross Rental Revenue
(as at 31 March 2018)

Food & Beverage	31.3%
Fashion	22.0%
Fashion Related	10.6%
Departmental Store/Hypermart	9.6%
Beauty	6.5%
Lifestyle	5.3%
Electronics	4.6%
Sports	3.6%
Entertainment	3.1%
Others[2]	3.4%

2 Others includes Retail Bank, Optical, Medical, Services and Convenience.

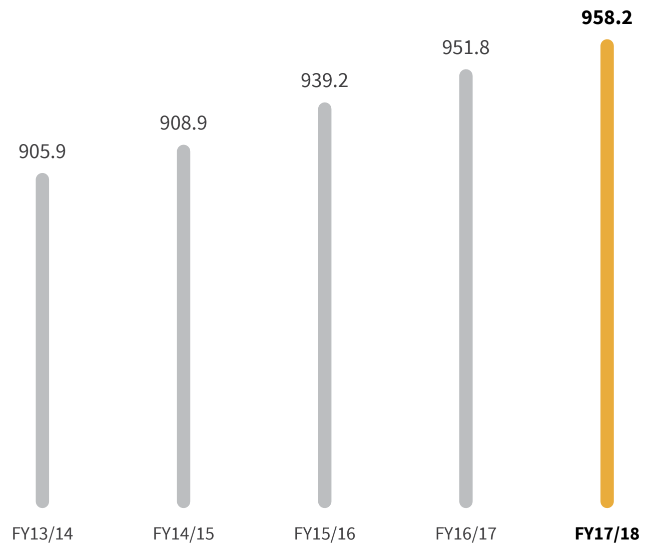
Data are as at 31 March 2018. Gross revenue, net property income, tenant sales and shopper traffic are for the financial year ended 31 March 2018.

1 Actual occupancy was 93.1%. Occupancy rates are based on VivoCity's enlarged NLA of 1,077,191 square feet resulting from the added public library on Level 3 and bonus GFA from the CSFS deployed to extend Basement 1. The additional NLA on Level 3 and Basement 1 has been fully committed but currently undergoing fitting-out.

Property Overview
VivoCity

TENANT SALES

S$958.2m



SHOPPER TRAFFIC

55.0m

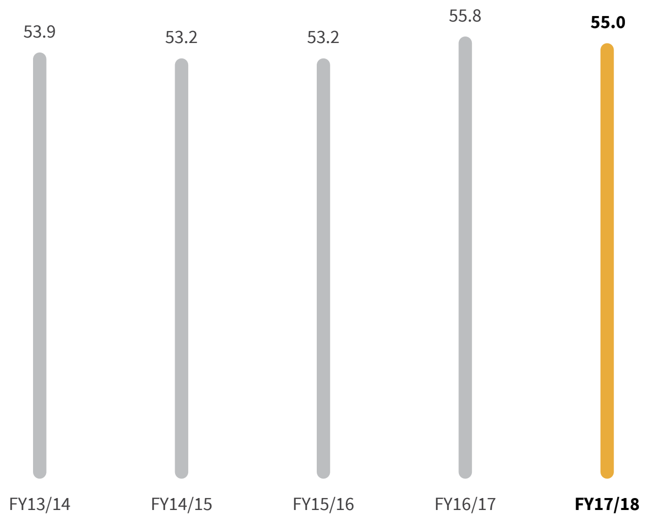


Photo Captions

1. *Exciting product launches with hands-on experience*
2. *Endless dining options*
3. *Hosting the Justice League Super Heroes and the world's only replica of Batman's Knightcrawler*
4. *Celebrating Chinese New Year with shoppers*
5. *Timezone's flagship arcade featuring new and dazzling attractions*
6. *VivoCity launched its Kids Club to overwhelming response*
7. *Continuous tenant remixing to enhance retail offerings*
8. *Meeting the demand for larger format concept stores*

Property Overview
Mapletree Business City I

MBC I is an outstanding and large-scale integrated office and business park complex located in the Alexandra Precinct, and counts many large MNCs as its tenants. Recognised by many as a best-in-class asset, MBC I reinforces MCT's long-term defensiveness and stability.

In FY17/18, MBC I made its maiden full-year NPI contribution of S$103.7 million, representing 30.6% of MCT's total NPI, and is one of the drivers to MCT's all-rounded performance.

GROSS REVENUE

S$126.0m

NET PROPERTY INCOME

S$103.7m

COMMITTED OCCUPANCY[1]

99.4%

MBC I is an integrated office and business park development comprising one 18-storey office tower (MBC 10) and three business park blocks (MBC 20E, 20W and MBC 30)

Net Lettable Area: 1,707,280 square feet

Number of Leases: 36

Title: Strata Lease commencing from 25 August 2016 to 29 September 2096

Gross Revenue: S$126.0 million

Net Property Income: S$103.7 million

Market Valuation : S$1,892.0 million

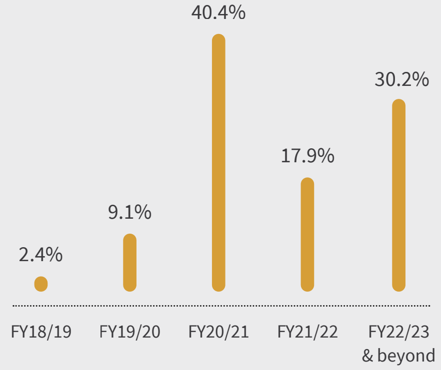
Committed Occupancy[1]: 99.4%

Purchase Price: S$1,780.0 million

Date of Purchase: 25 August 2016

Key Tenants: The Hongkong And Shanghai Banking Corporation Limited, Info-communications Media Development Authority, Samsung Asia Pte. Ltd., SAP Asia Pte. Ltd.

Lease Expiry Profile by Gross Rental Revenue
(as at 31 March 2018)



Number of Leases

FY18/19	FY19/20	FY20/21	FY21/22	FY22/23 & beyond
2	7	10	7	10

Trade Mix by Gross Rental Revenue
(as at 31 March 2018)

Banking & Financial Services	24.0%
Government Related	14.8%
Consumer Goods	13.1%
Electronics	12.4%
IT Services & Consultancy	10.5%
Shipping Transport	6.3%
Pharmaceautical	5.7%
Energy	4.0%
Real Estate	4.0%
Others[2]	5.2%

2 Others includes F&B, Education, Medical and Fitness.

Data are as at 31 March 2018. Gross revenue and net property income are for the financial year ended 31 March 2018.

1 Actual occupancy was 99.4%.

Property Overview
PSA Building

Tenants continue to recognise PSA Building's quality and the attractiveness of Alexandra Precinct as an alternative location to the CBD.

By providing a suite of F&B, convenience and services offerings, ARC serves as an essential amenities centre for the working population in the vicinity.

GROSS REVENUE
S$48.9m

NET PROPERTY INCOME
S$37.0m

COMMITTED OCCUPANCY[1]
98.7%

Integrated development comprising a 40-storey office building and a 3-storey retail centre

Net Lettable Area: 523,781 square feet

Number of Leases: 116

Car Park Lots: 749

Title: Leasehold 99 years wef 1 October 1997

Gross Revenue: S$48.9 million

Net Property Income: S$37.0 million

Market Valuation : S$740.0 million

Committed Occupancy[1]: 98.7%

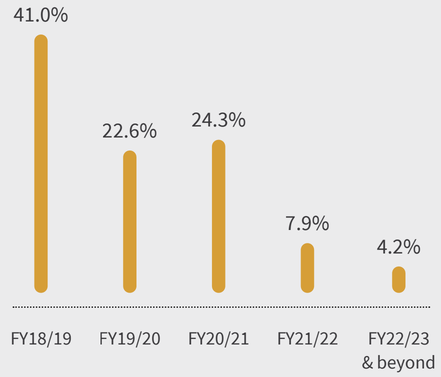
Purchase Price: S$477.2 million

Date of Purchase: 27 April 2011

Key Tenants:
Office:
PSA Corporation Limited, Casino Regulatory Authority, Mapletree Investments Pte Ltd, Bank of Singapore Limited

Retail:
FairPrice, McDonald's, Auntie Kim's Korean Restaurant, Ichiban Sushi

Lease Expiry Profile by Gross Rental Revenue
(as at 31 March 2018)



Number of Leases

FY18/19	FY19/20	FY20/21	FY21/22	FY22/23 & beyond
36	37	26	14	3

Trade Mix by Gross Rental Revenue[2]
(as at 31 March 2018)

Shipping Transport	30.0%
Government Related	16.6%
Food & Beverage	12.3%
Trading	10.4%
Real Estate	9.3%
Banking & Financial Services	5.0%
Energy	2.6%
Beauty	2.3%
Others[3]	11.3%

2 Total does not add up to 100% due to rounding.
3 Others includes Hypermarket / Departmental Store, Education, Medical, Insurance, Sports, Retail Bank, Consumer Services and IT Services & Consultancy.

Data are as at 31 March 2018. Gross revenue and net property income are for the financial year ended 31 March 2018.

1 Actual occupancy was 96.1%.

Property Overview
Mapletree Anson

Mapletree Anson remains an attractive premium office building in the Tanjong Pagar micro-market. With its Grade-A building specifications such as large floor-plate of over 20,000 square feet per floor, Mapletree Anson has garnered a strong tenant base comprising quality and well-known MNCs.

Mapletree Anson was fully committed as at 31 March 2018. The Manager will continue to pursue a proactive leasing strategy including early engagements to retain quality tenants and to attract new ones.

GROSS REVENUE
S$33.7m

NET PROPERTY INCOME
S$27.0m

COMMITTED OCCUPANCY[1]
100.0%

19-storey office building in the CBD with Grade-A building specifications

Net Lettable Area: 330,167 square feet

Number of Leases: 20

Car Park Lots: 80

Title: Leasehold 99 years wef 22 October 2007

Gross Revenue: S$33.7 million

Net Property Income: S$27.0 million

Market Valuation : S$701.0 mil

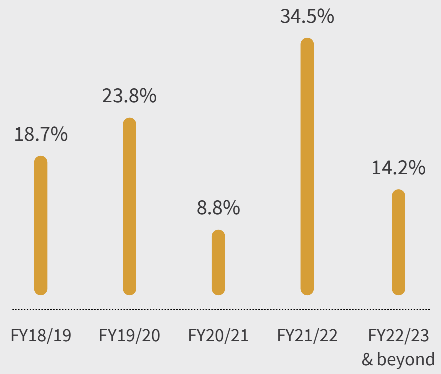
Committed Occupancy[1]: 100.0%

Purchase Price: S$680.0 million

Date of Purchase: 4 February 2013

Key Tenants: Goldman Sachs Services (Singapore) Pte. Ltd., Sumitomo Corporation Asia & Oceania Pte. Ltd., Yahoo! Asia Pacific Pte. Ltd., Allied World Assurance Company, Ltd.

Lease Expiry Profile by Gross Rental Revenue
(as at 31 March 2018)



Number of Leases

FY18/19	FY19/20	FY20/21	FY21/22	FY22/23 & beyond
4	5	3	5	3

Trade Mix by Gross Rental Revenue[2]
(as at 31 March 2018)

Trading	30.9%
IT Services & Consultancy	23.2%
Banking & Financial Services	21.6%
Insurance	7.3%
Electronics	5.8%
Energy	2.4%
Others	8.9%

2 Total does not add up to 100% due to rounding.

Data are as at 31 March 2018. Gross revenue and net property income are for the financial year ended 31 March 2018.

1 Actual occupancy was 86.6%.

Property Overview

Bank of America Merrill Lynch HarbourFront

MLHF has performed well in FY17/18. The lease with BoAML was renewed and restructured for Level 1 to Level 5 with effect from January 2017. Level 6 of MLHF had since been filled up by two new tenants during the year. With its full occupancy, MLHF will continue to deliver stable returns.

GROSS REVENUE

S$18.3m

NET PROPERTY INCOME

S$14.4m

OCCUPANCY

100.0%

A 6-storey office building with a basement carpark

Net Lettable Area: 215,734 square feet

Number of Leases: 3

Car Park Lots: 94

Title: Leasehold 99 years wef 1 October 1997

Gross Revenue: S$18.3 million

Net Property Income: S$14.4 million

Market Valuation : S$321.0 million

Occupancy: 100.0%

Purchase Price: S$311.0 million

Date of Purchase: 27 April 2011

Key Tenant: Merrill Lynch Global Services Pte. Ltd.

In terms of Lease Expiry Profile by Gross Rental Revenue, MLHF has 3 leases expiring in FY22/23 and beyond.

Data are as at 31 March 2018. Gross revenue and net property income are for the financial year ended 31 March 2018.

FOCUSING ON FUNDAMENTALS **REINFORCING OUR PRESENCE**

Because MCT's foundation is rock-solid, we can stay focused on our long-term targets, and work towards raising the performance of our portfolio. At MCT, active asset management is not merely about implementing asset enhancement initiatives to drive yields, but about anticipating the needs of our tenants and shoppers. This approach has guided us in developing MCT into a quality REIT and will continue to direct our efforts in future-proofing our properties.

Operations Review

PORTFOLIO PERFORMANCE

In FY17/18, MCT's portfolio gross revenue increased 14.8% year-on-year to S$433.5 million while portfolio NPI grew 15.9% to S$338.8 million. This was driven by a full year contribution from MBC I which was acquired on 25 August 2016, and improved performance of VivoCity and MLHF. For FY17/18's expiring leases, MCT achieved a high retention rate of 77.3% with a rental reversion of -2.1%. During the year, MCT secured a replacement tenant for approximately 104,000 square feet of pre-terminated space. The average fixed rent of the replacement lease was more than 20% higher than the expiring fixed rent of the pre-terminated lease. Including the effect with this replacement lease, MCT achieved a positive 0.6% rental uplift for the whole portfolio. As at 31 March 2018, MCT's investment properties were valued at S$6.7 billion by independent valuers, an increase of 5.4% from a year ago.

ACTIVE ASSET MANAGEMENT AND LEASING

Our active asset management approach has continued to add strength and resilience to MCT's portfolio. We have also consistently adopted a proactive leasing strategy with an emphasis on preserving cashflow.

The year has been trying for retailers and retail landlords given the increasingly challenging operating environment. The growth of e-commerce continued to exert downward pressure on the retail market and retailers are increasingly looking to rationalise and optimise physical retail space to improve effectiveness and efficiency.

Due to its excellent location, strong domestic catchment and exposure to tourist traffic, and together with our relentless effort to improve and future-proof the mall, VivoCity has remained a choice destination for both shoppers and retailers. While shopper traffic for the year declined slightly by 1.4% to 55.0 million, tenant sales remained resilient, growing by 0.7% to S$958.2 million. This is noteworthy against a strong FY16/17 and in spite of the downtime from the ongoing AEIs.

Regardless of headwinds, VivoCity achieved a positive 2.6% rental uplift, with 16.9% of the mall's NLA renewed and re-let. Occupancy cost maintained at a sustainable level of 19.6%.

In anticipation of new trends and to meet shoppers' changing needs, new and exciting retail concepts were also introduced into VivoCity throughout the year. A notable example is Timezone which has relocated from Level 3 to Level 2 of the mall and expanded about 80% in size. This new flagship arcade offers almost 12,000 square feet of amusement and entertainment space featuring bowling alleys, bumper cars and a party room, and has started operating since January 2018.

Spanish fashion giant, Zara, is another existing tenant that has picked VivoCity to establish its concept store in Singapore. The store has reopened in May 2018 and carries Zara's complete collections for women, men and kids. As at 31 March 2018, VivoCity's committed occupancy remained high at 99.8%.

To further reinforce the family-centric, lifestyle focus of VivoCity, and following the successful revamp of the 20,000 square feet Play Court on Level 2, we launched our VivoCity Kids Club in June 2017. This membership programme offers exclusive fun-filled events and promotions to members. This year, for example, members were treated to a movie screening, a hands-on tote bag design workshop and the mall's first-ever Halloween party. The Kids Club has been very well-received with 5,500 children signing up as kids members over the launch weekend, growing to over 12,000 as at 31 March 2018.

VivoCity hosted the Republic of Singapore Navy's Navy@Vivo events for the fifth consecutive year in November 2017. Held as part of the RSN50 Golden Jubilee celebrations, highlights included the tour of a Formidable-class frigate, RSS Intrepid, which was docked at the Promenade, rides on the Fast Craft Utility through Keppel Harbour and an exhibition on Maritime Singapore featuring weapon displays, simulators and performances. The five-day event received more than 115,000 visitors.

In November 2017, VivoCity welcomed the world's only full-scale model of Batman's Knightcrawler to commemorate the launch of Justice League, the latest movie in the DC Super Hero Universe. Spanning 14 metres and towering to a height of 3.4 metres, this model was the highlight of the event.

A diverse mix of events was organised to give shoppers the most complete and immersive shopping experience. During the year, VivoCity's signature Chinese New Year and Mid-Autumn festive fairs were held, along with a variety of wedding shows, car shows, travel fairs, product launches and atrium sales.

The year marked yet another successful AEI involving the conversion of about 9,200 square feet of anchor space into specialty stores on Levels 1 and 2 of VivoCity. Fully operational by July 2017, the AEI, which cost approximately S$3 million, not only brought in new-to-mall brands like Massimo Dutti and Calvin Klein Jeans, but also gave existing tenants the opportunity to expand their footprints. On a stabilised basis, the AEI would deliver an annual return on investment of approximately 29%.

As part of our continual efforts to rejuvenate and refresh VivoCity, enhancement works commenced in September 2017 to convert about 32,000 square feet of retail space on Level 3 into a public library under the CSFS. The library, scheduled to open in the second half of FY18/19, will enhance the mall's family-centric positioning and improve our offering to shoppers. In addition, the current retail area on Basement 1 will be extended into a full-fledged retail floor, giving shoppers a more complete shopping experience. As part of the AEI, a new set of escalators connecting Basement 2 to Level 1 will be added, further enhancing vertical connectivity and mobility within the mall. Other works that will be carried out in conjunction with this AEI include the addition of solar panels to the mall, addition of toilets on Basement 1 and upgrading of the water feature at the outdoor Plaza.

Our office/business park assets have maintained healthy occupancies throughout FY17/18. MBC I, which was acquired on 25 August 2016, made its maiden full year contribution to MCT in FY17/18. Its occupancy for the later part of the year was slightly lower due to the fitting-out period of a replacement tenant for a pre-terminated space. With the commencement of the lease for the replacement tenant, MBC I returned to a high occupancy of 99.4% as at 31 March 2018.

For PSA Building, the occupancy rate remained healthy at 96.1%, with committed occupancy at 98.7% as at 31 March 2018. The upgrading of the common areas and toilets at the office floors is currently in progress and is expected to be completed by the end of FY18/19.

At Mapletree Anson, a long term lease was secured for one floor with a major international co-working operator. As at 31 March 2018, the committed occupancy stood at 100.0%.

FY17/18 was a year of transitional vacancy at MLHF. The lease with BoAML was renewed and restructured for Level 1 to Level 5 with effect from January 2017. Level 6 of MLHF had since been filled up by two major MNCs. MLHF, back to full occupancy, will continue to deliver stable returns.

	Number of Leases Commited	Retention Rate (by NLA)	% Change in Fixed Rents[1]
Retail	107	77.0%	1.5%[2]
Office/Business Park	18	77.4%	-8.7%[3]
• Including replacement tenant for pre-terminated lease[4]	–	–	-0.7%
MCT Portfolio	**125**	**77.3%**	**-2.1%**
• Including replacement tenant for pre-terminated lease[4]	**–**	**–**	**0.6%**

1 Based on the average of the fixed rents over the lease period of the new leases divided by the preceding fixed rents of the expiring leases. Replacement of pre-terminated tenants are typically not included in the calculation of rental reversions.

2 Includes the effect from trade mix changes and units subdivided and/or amalgamated.

3 Excluding MBC I, office portfolio rental reversion was -4.2%. MBC I's rent reversion was -11.4% and would be +0.7% if the effect of change in tenant for the pre-terminated space were included.

4 Includes the effect of the replacement lease for approximately 104,000 square feet of pre-terminated space at MBC I (refer to the SP Variation Letter as disclosed in the Circular dated 5 July 2016) which was committed in 2Q FY17/18. The average fixed rent of the replacement lease was more than 20% higher than the expiring fixed rent of the pre-terminated lease.

Operations Review

PORTFOLIO OCCUPANCY

	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	
					Actual	Committed
VivoCity	98.7%	97.5%	99.6%	99.0%	93.1%[1]	99.8%[1]
MBC I	-	-	-	99.0%	99.4%	99.4%
PSA Building	99.4%	95.4%	92.8%	98.3%	96.1%	98.7%
Mapletree Anson	93.8%	87.5%	91.0%	100.0%	86.6%	100.0%
MLHF	100.0%	100.0%	100.0%	79.2%	100.0%	100.0%
MCT Portfolio	**98.2%**	**95.7%**	**96.6%**	**97.9%**	**96.1%**	**99.5%**

1 Based on VivoCity's enlarged NLA of 1,077,191 square feet resulting from the added public library on Level 3 and bonus GFA from the CSFS deployed to extend Basement 1. The additional NLA on Level 3 and Basement 1 has been fully committed but is currently undergoing fitting-out.

LEASE EXPIRY PROFILE

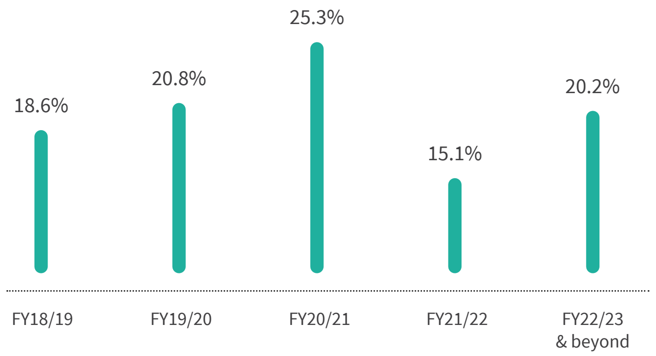
As at 31 March 2018, the lease expiry profile for MCT remained well balanced with a portfolio weighted average lease expiry ("WALE") of 2.7 years. With a typical retail lease term of 3 years, the WALE for the retail leases was 2.1 years. The office/business park WALE was healthy at 3.2 years largely contributed by the defensive lease profiles at MBC I and the long term leases secured at Mapletree Anson and MLHF.

MCT's overall portfolio had 516 committed leases, of which 18.6% of gross rental revenue would be expiring in FY18/19.

TENANT PROFILE

MCT's top 10 tenants contributed 24.8% of gross rental revenue as at 31 March 2018. With both retail and office/business park assets, MCT's tenants come from a wide variety of trade sectors providing good diversification. No single trade segment accounted for more than 16.0% of MCT's gross rental revenue.

LEASE EXPIRY PROFILE BY GROSS RENTAL REVENUE (AS AT 31 MARCH 2018)



Number of Leases

134	161	120	67	34

The leases entered into in FY17/18 contributed 16.8% of gross revenue as at 31 March 2018 and had a WALE of 4.0 years.

BREAKDOWN OF TENANTS IN MCT'S PORTFOLIO (AS AT 31 MARCH 2018)

Property	No. of Tenants
VivoCity	305
MBC I	28
PSA Building	107
Mapletree Anson	17
MLHF	3
Total	**441[2]**

2 Total does not add up due to common tenants between the properties.

MCT TOP TEN TENANTS BY GROSS RENTAL REVENUE (AS AT 31 MARCH 2018)

	Tenant	% of Gross Rental Revenue
1	Merrill Lynch Global Services Pte. Ltd.	3.7%
2	The Hongkong and Shanghai Banking Corporation Limited	3.4%
3	Samsung Asia Pte. Ltd.	2.8%
4	Unilever Asia Pte Ltd / Unilever Singapore Pte. Limited	2.4%
5	SAP Asia Pte. Ltd.	2.4%
6	Cold Storage Singapore (1983) Pte Ltd	2.4%
7	Mapletree Investments Pte Ltd	2.0%
8	Info-communications Media Development Authority	2.0%
9	BW Maritime Pte Ltd / BW Offshore Singapore Pte. Ltd.	1.9%
10	PSA Corporation Limited	1.8%
	Total	**24.8%**

MCT TRADE MIX BY GROSS RENTAL REVENUE (AS AT 31 MARCH 2018)

	Trade Mix	% of Gross Rental Income[1]
1	Food & Beverage	16.0%
2	Banking & Financial Services	13.3%
3	Fashion	10.2%
4	Government Related	6.4%
5	Shipping Transport	5.6%
6	IT Services & Consultancy	5.1%
7	Fashion Related	5.0%
8	Departmental Store / Hypermart	4.6%
9	Electronics	4.3%
10	Consumer Goods	4.1%
11	Beauty	3.5%
12	Trading	3.3%
13	Lifestyle	2.5%
14	Real Estate	2.3%
15	Electronics – Retail	2.2%
16	Others[2]	11.9%

1 Total may not add up due to rounding differences.

2 Others includes Pharmaceutical, Sports, Energy, Entertainment, Retail Bank, Optical, Insurance, Education, Medical, Consumer Services, Services and Convenience.

Financial Review & Capital Management

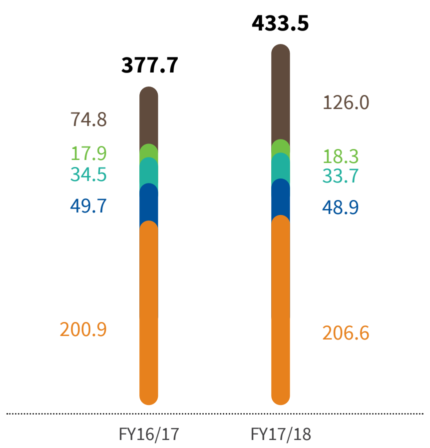
	FY17/18 (S$'000)	FY16/17 (S$'000)	Variance %
Gross revenue	**433,525**	377,747	14.8
Property operating expenses	**(94,680)**	(85,441)	(10.8)
Net property income	**338,845**	292,306	15.9
Finance income	**403**	463	(13.0)
Finance expenses	**(64,329)**	(54,168)	(18.8)
Manager's management fees			
- Base fees	**(16,087)**	(13,887)	(15.8)
- Performance fees	**(13,554)**	(11,692)	(15.9)
Trustee's fees	**(794)**	(706)	(12.5)
Other trust expenses	**(1,160)**	(1,445)	19.7
Foreign exchange gain/(loss)	**1,618**	(4,541)	N.M.
Net income	**244,942**	206,330	18.7
Adjustments			
- Unrealised foreign exchange (gain)/loss	**(1,618)**	4,541	N.M.
- Net effect of other non-tax deductible items and other adjustments	**17,035**	16,372	4.0
Income available for distribution to Unitholders	**260,359**	227,243	14.6
DPU (Singapore cents)	**9.04**	8.62	4.9

GROSS REVENUE

S$433.5m

▲14.8%

(S$ million)

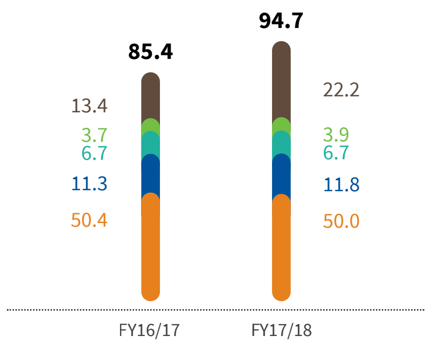


PROPERTY OPERATING EXPENSES

S$94.7m

▲10.8%

(S$ million)

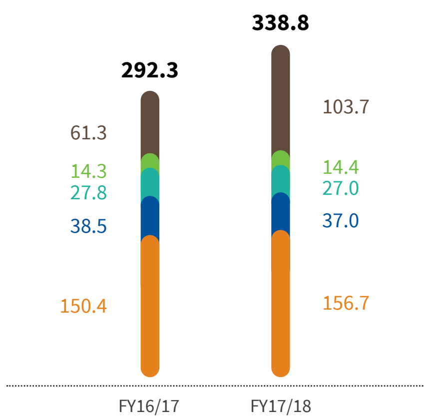


NET PROPERTY INCOME

S$338.8m

▲15.9%

(S$ million)



VivoCity PSA Building Mapletree Anson MLHF MBC I

Note: Figures for the above charts may not add up due to rounding differences.
N.M.: not meaningful

GROSS REVENUE

Gross revenue of S$433.5 million for FY17/18 was 14.8% higher compared to FY16/17. This was mainly due to the full year contribution from MBC I in FY17/18 as well as effects of the step-up rents in existing leases. Higher contributions were also achieved from VivoCity and MLHF. This was offset by lower contributions from PSA Building and Mapletree Anson.

Revenue for VivoCity was S$5.8 million higher than FY16/17 driven mainly by higher rental income from new and renewed leases, achieved together with the completed AEI on Basement 2, Level 1 and Level 3, and the effects of the step-up rents in existing leases. Revenue for MLHF was S$0.4 million higher than FY16/17 mainly due to higher occupancy and rental rates achieved.

The lower revenue from PSA Building and Mapletree Anson of S$0.8 million each was mainly due to their lower occupancies in FY17/18, partially offset by effects of the step-up rents in existing leases.

PROPERTY OPERATING EXPENSES

Property operating expenses of S$94.7 million for FY17/18 were 10.8% higher as compared to FY16/17 largely due to the full year effect of MBC I, higher property maintenance expenses, staff costs, property taxes and property management fees incurred by existing properties. The higher property taxes were due to higher annual values assessed and one-off property taxes reversal adjustments in FY16/17. The higher operating expenses incurred by existing properties were offset by lower utilities expenses due to lower tariff rates.

NET PROPERTY INCOME AND NET INCOME

Accordingly, NPI increased by 15.9% to S$338.8 million for FY17/18.

The higher NPI was offset by higher finance expenses and higher manager's management fees. Together with unrealised foreign exchange gain arising from the translation of the JPY MTN into MCTTC's functional currency in Singapore dollar, net income increased to S$244.9 million for FY17/18.

FINANCE EXPENSES

Finance expenses of S$64.3 million for FY17/18 were 18.8% higher as compared to FY16/17 mainly due to the interest incurred on the debt drawn down to part finance the acquisition of MBC I (full year effect for FY17/18) and the interest rate swaps entered to hedge floating interest rate loans as well as the refinancing of floating rate bank borrowings with fixed rate MTNs issued in FY16/17 and FY17/18.

INCOME AVAILABLE FOR DISTRIBUTION AND DISTRIBUTION PER UNIT

Income available for distribution of S$260.4 million for FY17/18 was 14.6% higher compared to FY16/17. Correspondingly, the DPU of 9.04 Singapore cents for FY17/18 was 4.9% higher than the DPU achieved in FY16/17 of 8.62 Singapore cents.

The table below shows MCT Group's total operating expenses in absolute terms and as a percentage of MCT's NAV as at the end of the financial year.

	As at 31 March 2018	As at 31 March 2017
Total Operating Expenses[1] (S$'000)	126,275	113,171
Net Assets Attributable to Unitholders (S$'000)	4,283,373	3,957,453
Total Operating Expenses as a Percentage of NAV	2.9%	2.9%

1 Includes property operating expenses, manager's management fees, trustee's fees and other trust expenses.

Breakdown of the DPU in cents for FY17/18 as compared to FY16/17 are as follows:

Financial Year	1Q	2Q	3Q	4Q	Full Year
FY17/18	2.23	2.24	2.30	2.27	9.04
FY16/17	2.03	2.05	2.28	2.26	8.62

Financial Review & Capital Management

MANAGEMENT FEES

Under the revised Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS"), the Manager's performance fees should be crystalised once a year. Accordingly, the Manager's performance fees for FY17/18 will be paid in the first quarter of FY18/19. The Manager has elected to receive 50% of its management fees in units and the balance in cash.

PROJECT MANAGEMENT FEE

During the financial year, project management fee of S$75,496 for the completed AEI at VivoCity payable to the Property Manager was capitalised in the investment properties.

The scope of the AEI includes the conversion of about 9,200 square feet of anchor space on Level 1 and Level 2 into specialty space, as well as enhancement work to some food kiosks on Basement 2 of VivoCity. The project management fee payable represent 3% of the total construction costs of the AEI. The quantum of the project management fee is within market norms and reasonable range as assessed by WT Partnership (S) Pte Ltd in its opinion issued on 10 May 2018. The fee and disclosure are in accordance to the Manager's undertaking as disclosed in the MCT IPO prospectus.

VALUATION OF ASSETS

As at 31 March 2018, MCT's properties were valued at S$6,682.0 million, mainly due to compression of capitalisation rates and discount rates and better operating performance by VivoCity.

	Valuation as at 31 March 2018[1]			Valuation as at 31 March 2017[2]
	S$ million	**S$ per sq ft NLA**	**Capitalisation Rate (%)**	**S$ million**
VivoCity	3,028.0	2,811 psf	4.75%	2,741.0
MBC I	1,892.0	1,109 psf	Office: 4.10% Business Park: 5.35%	1,853.0
PSA Building	740.0	1,413 psf	Office: 4.20% Retail: 5.00%	735.0
Mapletree Anson	701.0	2,123 psf	3.70%	690.0
MLHF	321.0	1,488 psf	4.10%	318.0
MCT Portfolio	**6,682.0**			**6,337.0**

1 The valuation for VivoCity was conducted by CBRE, while the valuations for MBC I, PSA Building, Mapletree Anson and MLHF were undertaken by Knight Frank.

2 The valuation for VivoCity was conducted by Knight Frank, MBC I by Edmund Tie and Company (SEA) Pte Ltd, while the valuations for PSA Building, Mapletree Anson and MLHF were conducted by CBRE.

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	As at 31 March 2018	**As at 31 March 2017**	**Change %**
Total Assets (S$'000)	6,740,813	6,405,653	5.2
Total Liabilities (S$'000)	2,457,440	2,448,200	0.4
Net Assets Attributable to Unitholders (S$'000)	4,283,373	3,957,453	8.2
NAV per Unit (S$)	1.49	1.38	8.0

Total assets increased by 5.2% to S$6,740.8 million as at 31 March 2018 as compared to S$6,405.7 million as at 31 March 2017, largely due to the increase in valuation of the investment properties.

Investment properties increased from S$6,337.0 million as at 31 March 2017 to S$6,682.0 million as at 31 March 2018 taking into account the capital expenditure of S$21.0 million incurred during the financial year and the higher appraised values of the properties by independent valuers as at 31 March 2018.

Correspondingly, net assets attributable to Unitholders increased by 8.2% to S$4,283.4 million over the previous financial year ended 31 March 2017, reflecting a higher NAV per unit of S$1.49 as at 31 March 2018. The adjusted NAV per unit (after excluding the distributable income payable for 4Q FY17/18) is S$1.46.

CAPITAL MANAGEMENT

The Manager continues to actively manage MCT's capital structure and takes a disciplined approach in addressing funding requirements and managing refinancing and interest rate risks.

In FY17/18, MCT issued two series of MTN under the S$1.0 billion MTN Programme. The series of notes issued were:

1. S$100.0 million 10-year Fixed Rate Notes at 3.045% per annum on 28 August 2017; and
2. S$120.0 million 6.5-year Fixed Rate Notes at 3.28% per annum on 23 March 2018.

This extended the average debt to maturity for MCT's gross borrowings to about 3.9 years as at 31 March 2018. The proceeds from MTN were used to repay the outstanding borrowing on the revolving credit facilities and to refinance the bank borrowings due in FY18/19.

In FY17/18, IRS of notional S$437.8 million had expired. In replacement, notional amount of S$164.0 million of IRS was contracted. Together with the S$220.0 million of fixed rate MTN issued during the financial year, about 78.9% (as at 31 March 2018) of the gross borrowings were on fixed interest rates, therefore mitigating volatility in interest rates.

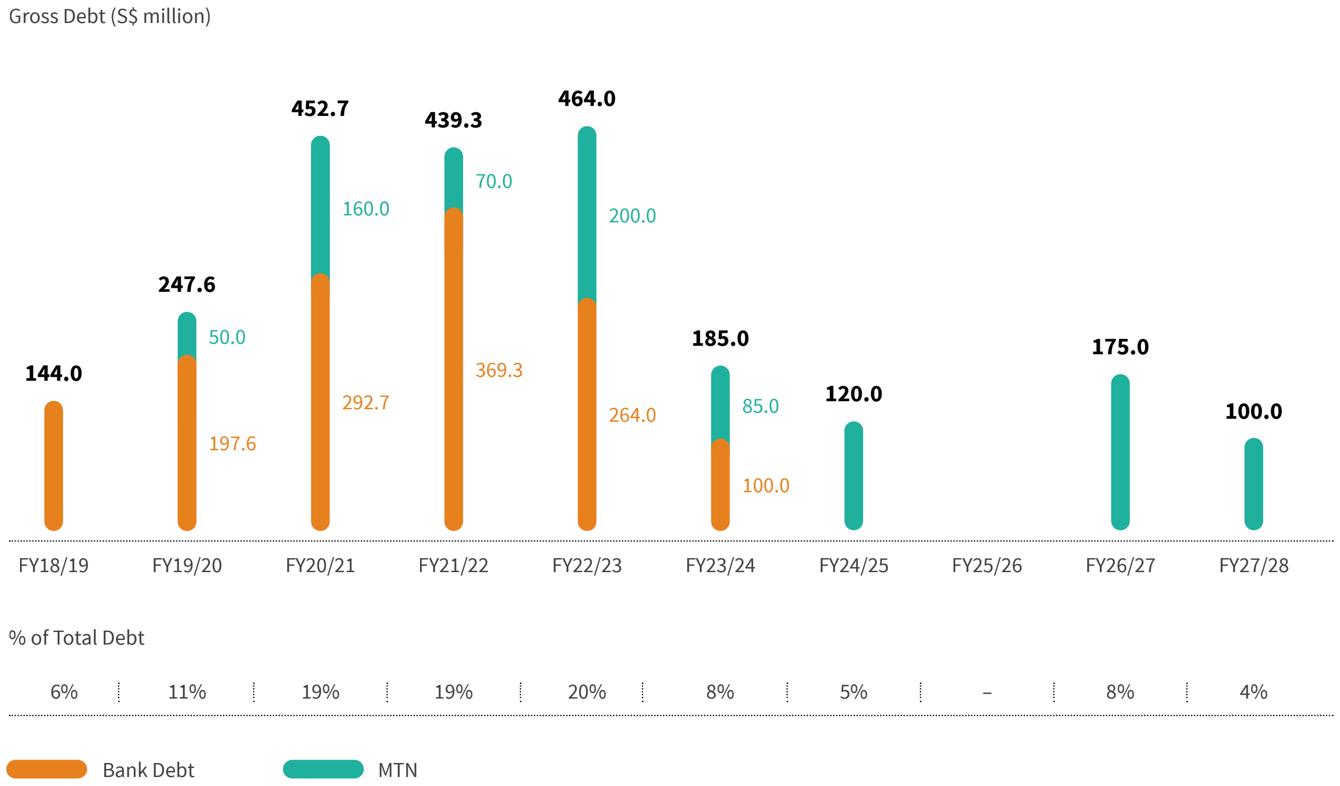
As at 31 March 2018, MCT's total gross debt was S$2,327.6 million. With the upward revaluation of the investment properties, the aggregate leverage ratio lowered from 36.3% as at 31 March 2017 to 34.5% as at 31 March 2018 based on total assets and was 54.3% based on net assets. MCT's weighted average all-in cost of debt remained prudent at 2.75% per annum. For the financial year ended 31 March 2018, MCT achieved a healthy interest coverage ratio of 4.8 times.

Overall, MCT has maintained a well-distributed debt maturity profile with no more than 20% of debt due for refinancing in any financial year.

All borrowings continue to be unsecured with minimal financial covenants.

Financial Review & Capital Management

DEBT MATURITY PROFILE (AS AT 31 MARCH 2018)



KEY FINANCIAL INDICATORS

	As at 31 March 2018	As at 31 March 2017
Total Debt Outstanding (S$ million)[1]	2,327.6	2,327.6
% of Fixed Rate Debt	78.9%	81.2%
Gearing Ratio	34.5%	36.3%
Interest Coverage Ratio	4.8 times	4.9 times
Average Term to Maturity of Debt (years)	3.9	4.0
Weighted Average All-In Cost of Debt (per annum)	2.75%	2.66%
Unencumbered Assets as % of Total Assets	100%	100%
MCT Corporate Rating (by Moody's)	Baa1 (Stable)	Baa1 (Stable)

1 Reflects total gross debt after taking into account the CCIRS taken to hedge the JPY8.7 billion floating rate medium term notes.

Independent Market Overview

By CBRE Pte Ltd

1. THE SINGAPORE ECONOMY

1.1 Economic Overview

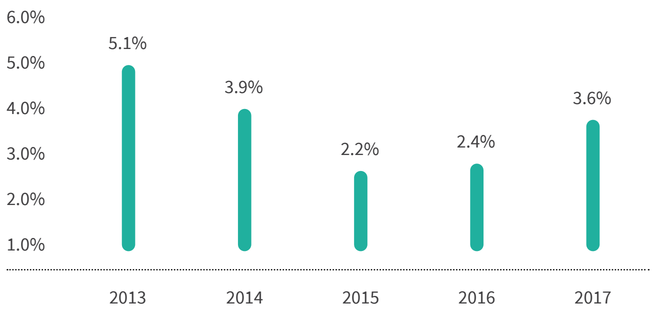
According to the Ministry of Trade & Industry ("MTI"), Singapore's economy expanded by 3.6% in 2017, an improvement from the 2.4% growth achieved in 2016. Growth was driven primarily by robust expansion in the manufacturing sector, which grew by 10.1%. It was led by the precision engineering and electronics clusters amidst a decline in output within the biomedical manufacturing, transport engineering and general manufacturing clusters. The services sector also saw an overall expansion of 2.8% in 2017 which was supported by the wholesale & retail trade, transportation & storage and finance & insurance sectors. Conversely, the construction sector contracted by 8.4% on the back of weaknesses in private sector construction activities.

According to the MAS, headline inflation for 2017 came in at 0.6%. Meanwhile, core inflation averaged 1.5% for the year. MAS expects core inflation to stay in the range of 1-2% in 2018.

In the current era of technological disruption and stiff competition, the Singapore government has been very supportive in pushing for the restructuring of the country's economy. The government is currently developing 23 Industry Transformation Maps which aim to formulate strategies to support companies move up the value chain, improve operational productivity and overseas expansion.

Overall, the outlook for global growth has improved, with the International Monetary Fund upgrading its forecast for 2018 to 3.9% amidst increased momentum brought about by changes in United States tax policy. Singapore's economy is expected to post moderate growth in 2018 and is expected to be slightly above the middle of the forecast range of 1.5-3.5%.

Chart 1: Singapore GDP Growth Rate at 2010 Prices



Sources: MTI and CBRE

2. THE OFFICE MARKET

2.1 Existing Office Supply

The total office stock in Singapore stood at 59.5 million sf in 1Q 2018, representing a 3.9% year-on-year increase. This is due largely to the completion of new developments such as UIC Building (277,540 sf) and Marina One East & West Tower (1,875,630 sf) in 2017.

Raffles Place, Shenton Way, Marina Centre and Marina Bay form the CBD Core submarket with approximately half of overall stock. Typical office tenants in the CBD Core submarket are in the Financial & Insurance, Information Technology ("IT"), Legal Services and Business Services industries. Tanjong Pagar, Beach Road/City Hall as well as Orchard Road make up the CBD Fringe submarket with 27.3% of total stock. The Decentralised submarket accounts for the remaining 22.7% of total stock.

In terms of net new office supply[1], the 5-year average was approximately 1.34 million sf (2013 - 2017 inclusive).

Tanjong Pagar and HarbourFront/Alexandra Micro-market

The office stock in the Tanjong Pagar[2] and HarbourFront/Alexandra[3] micro-market stands at 5.6 million sf and 3.6 million sf respectively. The Tanjong Pagar micro-market commands 9.4% of the overall market while the HarbourFront/Alexandra micro-market occupies a 6.0% market share of the island-wide office stock.

Both the Tanjong Pagar and HarbourFront/Alexandra micro-markets are characterised by a diverse set of assets with a wide range of age and specifications.

1 Net new supply is calculated as a sum of new completions, demolitions and conversions.
2 For confidentiality reasons, CBRE cannot provide the full list of buildings in the particular basket but to name a few projects. The key projects in the Tanjong Pagar basket are Guoco Tower, 79 Anson Road, AXA Tower, Mapletree Anson and Twenty Anson among others.
3 For confidentiality reasons, CBRE cannot provide the full list of buildings in the particular basket but to name a few projects. The key projects in the Habourfront/Alexandra basket are HarbourFront Tower 1 and Tower 2, HarbourFront Centre, MLHF, Keppel Bay Tower, the office component of MBC I, PSA Building, and Fragrance Empire Building among others.

Independent Market Overview

By CBRE Pte Ltd

2.2 Future Office Supply

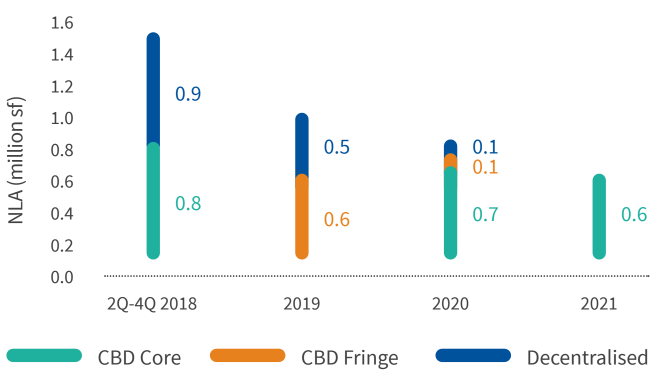
For the next four years (2Q 2018 – 2021 inclusive), there are currently plans for approximately 4.3 million sf of new office developments. Most of the future supply (48.8%) is in the CBD Core submarket while 35.2% and 15.9% of new office space are in the Decentralised and CBD Fringe submarkets respectively.

Three office developments totalling 1.7 million sf are slated for completion in 2Q-4Q 2018. Approximately 48.1%, totalling 0.8 million sf of new office space, will be in the CBD Core submarket. Major developments in the CBD Core submarket consist of 18 Robinson (145,000 sf) and Frasers Tower (663,000 sf). In the Decentralised submarket, the completion of Paya Lebar Quarter (872,000 sf) will further add to the office stock.

New office developments in 2019 will be in the CBD Fringe and Decentralised submarket. The redevelopment of Funan DigitaLife Mall (204,172 sf) and Park Mall (352,000 sf) will be in the CBD Fringe submarket, while the Woods Square development (534,500 sf) by Far East Organisation and Sekisui House will be in the Decentralised market.

2020 will see the completion of Centrium Square (107,041 sf) by Tong Eng in the Decentralised submarket, as well as the redevelopment of Afro-Asia Building (153,526 sf) and 79 Robinson Road (500,000 sf) in the CBD Core submarket. In 2021, the redevelopment of Golden Shoe Carpark into CapitaSpring will add 635,000 sf of office space into the CBD Core submarket.

Chart 2: Island-wide Future Office Supply



Source: CBRE

Tanjong Pagar and HarbourFront/Alexandra Micro-markets

The redevelopment of Hub Synergy Point is the only enbloc office development scheduled for completion in the Tanjong Pagar micro-market, and will add 128,456 sf of office space when completed in 2020.

There is currently no planned future office supply in the HarbourFront/Alexandra micro-market.

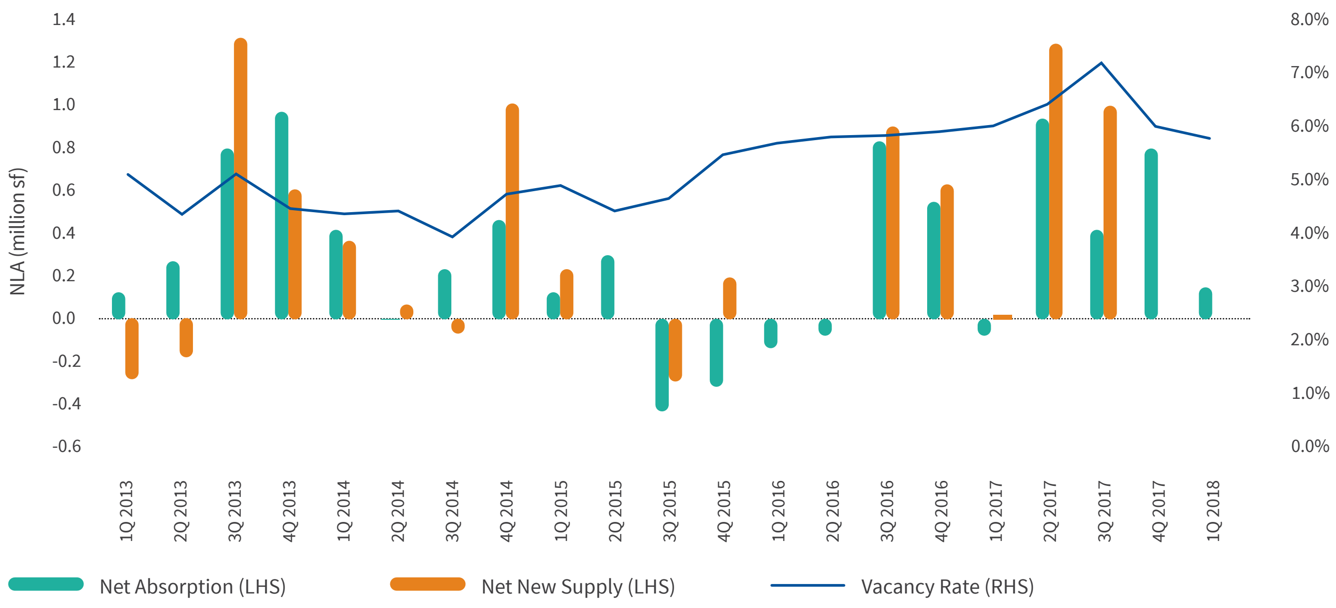
2.3 Demand & Occupancy

Total island-wide office net absorption continued to exhibit growth in 2017, coming in at 2.1 million sf against 1.2 million sf in 2016. This was attributable to stronger economic fundamentals, positive market sentiments and healthy pre-commitment in several recently completed buildings such as UIC Building and Marina One.

Flight-to-quality and flight-to-efficiency remained the common themes as firms took the opportunity to relocate to better quality buildings with higher specifications and floor-plate efficiencies. Sectors driving absorption included financial institutions, technology firms and co-working spaces. Co-working spaces have been gaining acceptance amongst both landlords and enterprises alike. These spaces also increased the diversity of office solutions for a changing workforce. Prominent co-working operators like WeWork and Distrii took up space in the CBD Core and CBD Fringe area. This robust growth pattern is expected to continue into 2018 as operators continue to compete for market share.

Island-wide vacancy rate increased to 6.11% (+1.8% year-on-year) in 2017 amidst the completion of major office developments such as UIC building and Marina One. However, vacancy levels have since declined to 5.86% in 1Q 2018 amidst a tapering in new office supply and improvement in business sentiments.

Chart 3: Island-wide Office Demand & Vacancy



Source: CBRE

Tanjong Pagar and Alexandra/HarbourFront Micro-markets

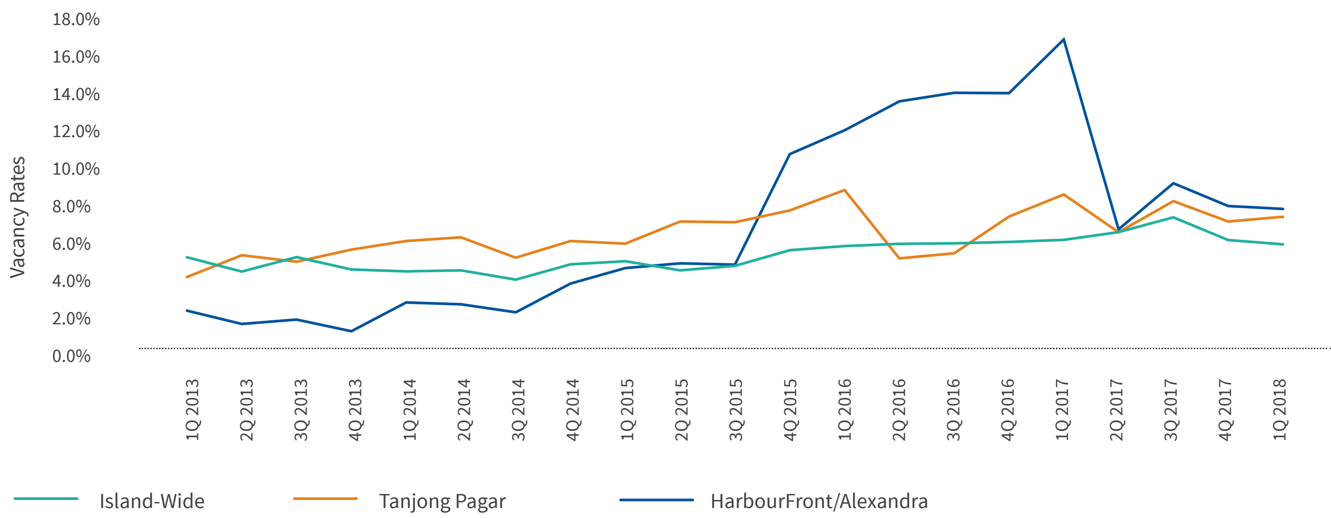
The introduction of Guoco Tower in 2016 has brought up the overall branding and positioning of the Tanjong Pagar micro-market, contributing positively to the overall appeal of the micro-market.

The Alexandra/HarbourFront micro-market is located in the fringe of the city area and offers an attractive alternative for occupiers with quality assets that attracted demand from tenants who are drawn to the relatively reasonable pricing and large floor plates.

2.4 Office Vacancy

Despite steadily increasing from a 5-year low of 3.8% in 3Q 2014, island-wide office vacancy rate has since bottomed out in 2H 2017 with 1Q 2018 vacancy at 5.86%.

Chart 4: Office Vacancy Rates



Source: CBRE

Independent Market Overview

By CBRE Pte Ltd

Tanjong Pagar and Alexandra/HarbourFront Micro-markets

Vacancy rates in the Tanjong Pagar micro-market declined by 1.3p.p. from 1Q 2017 to 7.38% in 1Q 2018 as more occupiers continued to take up space in Guoco Tower in 2017. Similarly, vacancy rates in the HarbourFront/Alexandra micro-market declined by 9.3% to 7.7% in 1Q 2018 on the back of stronger take-up rates at UOB Alexandra Building and Fragrance Empire Building.

2.5 Office Rents

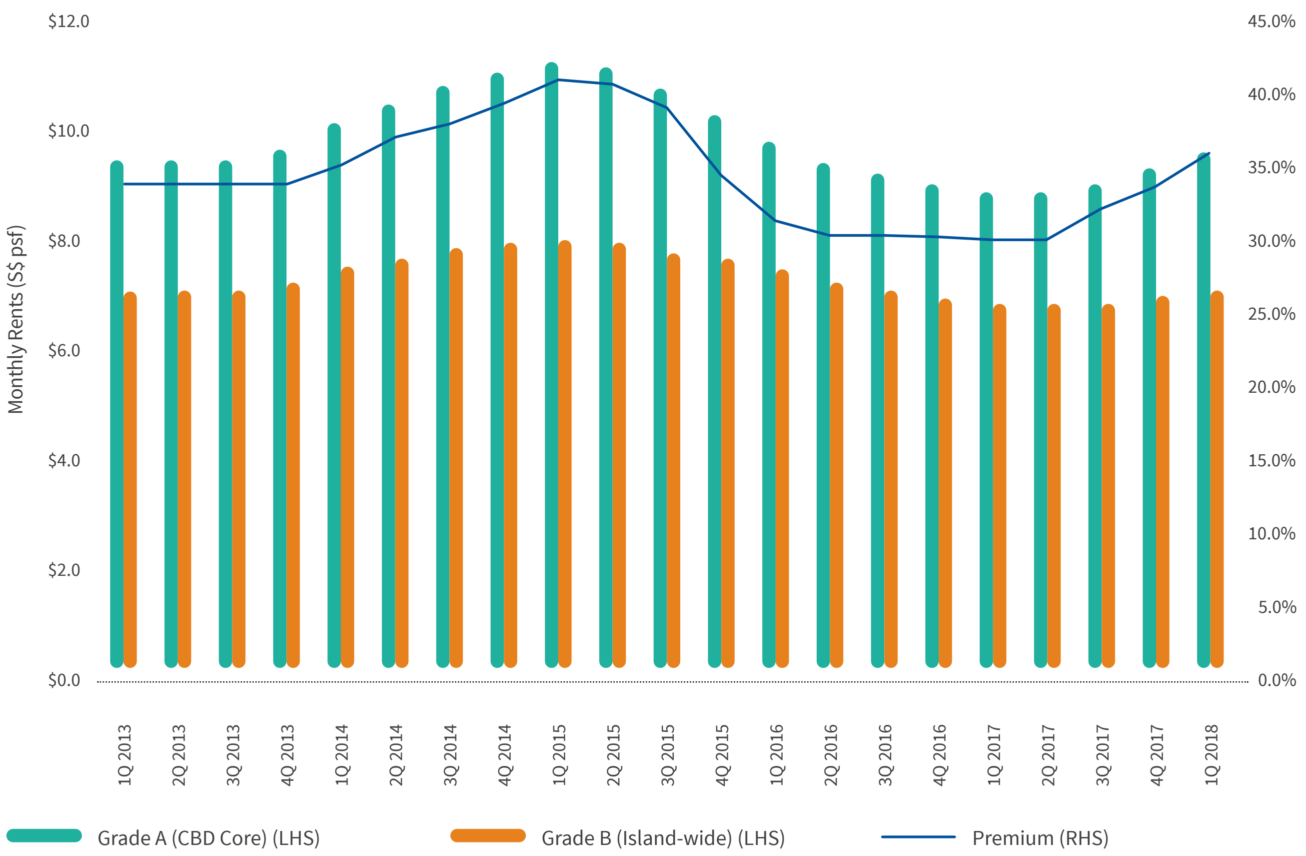
Singapore office rents last peaked in 1Q 2015 at S$11.40 psf and S$8.05 psf for Grade A and island-wide Grade B offices respectively. Grade A rents have since declined by -17.5% from the peak to S$9.40 psf in 4Q 2017. Similarly, island-wide Grade B rents declined by -13.0% to reach S$7.00 psf in 4Q 2017, albeit at a gradual rate.

There are signs of bottoming out in the office rental market with Grade A (CBD Core) and Grade B (Island-wide) stabilising in 1H 2017 at S$8.95 psf and S$6.85 psf respectively. In 1Q 2018, both Grade A and Grade B rents have increased to S$9.70 psf and S$7.10 psf respectively. The outlook for rental is optimistic on the back of stronger economic fundaments and global growth.

Table 1: Office Rents

	1Q 2018 (S$ psf/ month)	Year-on-year	Quarter-on-quarter
Grade A (CBD Core)	S$9.70	+8.4%	+3.2%
Grade B (Island-wide)	S$7.10	+3.6%	+1.4%

Chart 5: Office Rents



Source: CBRE

In general, the Tanjong Pagar micro-market experienced lower volatility relative to the overall market due to its higher concentration of non-banking and financial services tenants. A two-tier state exists in the area as newer development with better building specifications command higher rents relative to older developments.

As for the Alexandra/HarbourFront micro-market, better quality office buildings tend to enjoy greater resilience in rentals and rent stickiness.

2.6 The Office Investment Market and Capital Values

Singapore's strong long-term fundamentals have made the city-state a favoured destination for the deployment of foreign capital in 2017.

Selected enbloc office transactions in 2017 comprised of a mix of Grade A and Grade B offices which include Asia Square Tower 2 (S$2.09 billion), PWC Building (S$747 million), 50% stake of One George Street (S$591.6 million) and unsold units in the office component of GSH Plaza (S$663.5 million).

Grade A office capital values increased by 3.7% year-on-year to reach S$2,800 psf in 1Q 2018. Yields expanded from 3.18% in the preceding quarter to reach 3.30% on the back of a rental recovery in the office market.

The investment market is likely to remain resilient as the price gap between buyers and sellers narrows in anticipation of positive rental reversion in the office market. Traditional property companies, high net worth individuals and sovereign wealth funds continue to be active participants in the office real estate investment market.

No enbloc office transaction was recorded in the Tanjong Pagar and Alexandra/HarbourFront micro-markets in 2017.

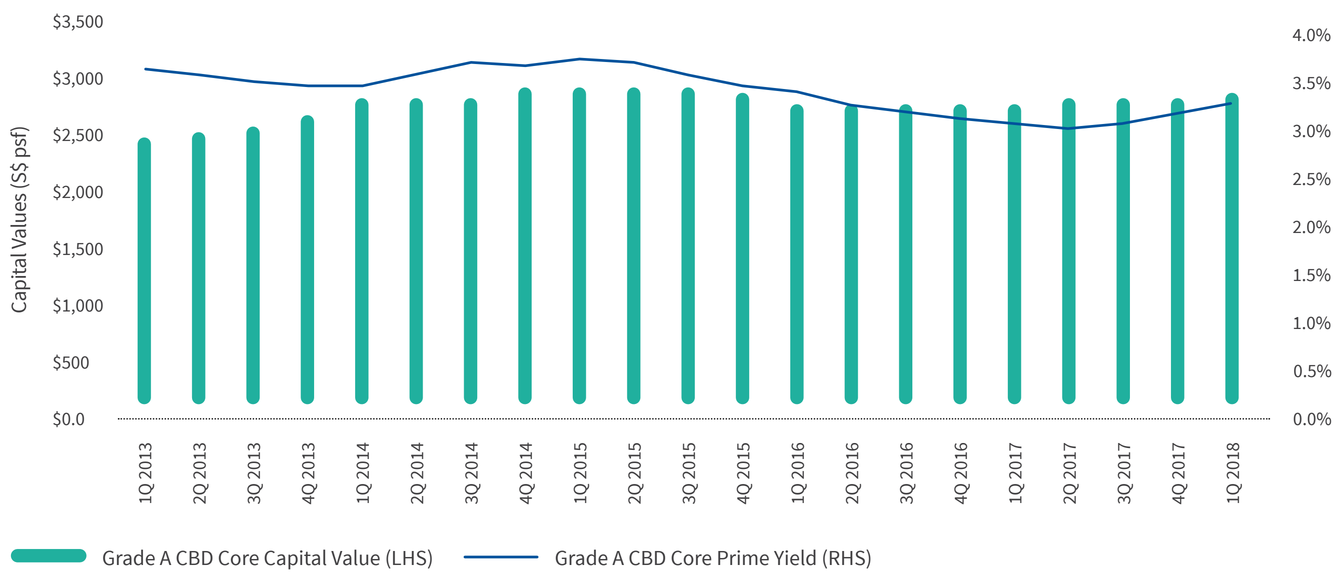
2.7 Office Outlook

Singapore's economic outlook for 2018 is expected to remain firm although expansion may moderate slightly. MTI expects GDP growth to come in slightly above the middle of the forecast range of 1.5-3.5%.

The traditional occupiers of office space, being the financial and business services sectors, have witnessed stronger operating receipts and higher employment growth in 2017. This growth is expected to continue into 2018, translating into improved demand for office space amongst occupiers. Assuming demand remains healthy, office rental growth is expected to accelerate in the coming years, coinciding with a tapering in new office supply. The lack of prime space in the medium term may encourage certain occupiers to search for alternative spaces in the secondary or Grade B office markets.

The continued drive to optimise workplace efficiency via alternative workplace strategies of greater flexibility and enhanced user experience in real estate is expected to continue to drive "flight-to-quality". New and small firms from the

Chart 6: Prime Office Capital Values and Net Yield



Source: CBRE

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technology sector are expected to be a source of demand as Singapore continues to remain an attractive gateway into South East Asia with its pro-innovation and technology policies. Co-working operators are actively growing their real estate footprint across the island and this growth trajectory is expected to continue in 2018. While the co-working and technology sector are still showing strong expansionary appetite, there has been evidence of recent consolidation and M&A activity. Henceforth, it remains to be seen how long both sectors will support new office demand.

CBRE expects an office market recovery from 2018 in the absence of any unforeseen circumstances. Vacancy levels are expected to tighten as negotiating power is shifting towards landlords.

3. THE RETAIL MARKET

3.1 Existing Retail Supply

Singapore island-wide private retail stock increased by 1.1% year-on-year to 48.8 million sf in 1Q 2018. The Fringe Area remains the largest retail district with 26.5% of the island-wide retail stock, followed by the Suburban Area at 25.4%, Rest of Central Area at 18.9%, Orchard Road at 15.0% and Downtown Core at 14.1%.

Several notable new retail developments in 2017 include the Duo Galleria (54,136 sf) and Marina One (140,000 sf) at the Downtown Core, and Northpoint City (305,000 sf) at the Suburban area. There were several enhancement works during the year, with ongoing works at Tripleone Somerset (71,800 sf) and at Downtown East (48,760 sf) which was completed in 2017.

The decentralisation efforts by the government coupled with limited room for expansion in the traditional prime retail corridors have resulted in most new developments being built in the suburban areas of Singapore. Government Land Sales also typically feature mixed developments consisting of retail opportunities at key suburban transportation nodes with the future Woods Square at Woodlands being a prime example.

HarbourFront/Alexandra Micro-market

The retail market in the HarbourFront/Alexandra precinct is anchored by VivoCity, HarbourFront Centre and Resorts World Sentosa ("RWS"). They are complemented by smaller developments such as 1) ARC, 2) the retail portion of Mapletree Business City ("MBC"), 3) Anchorpoint and 4) Alexandra Central, which cater to both the working and residential population in the vicinity.

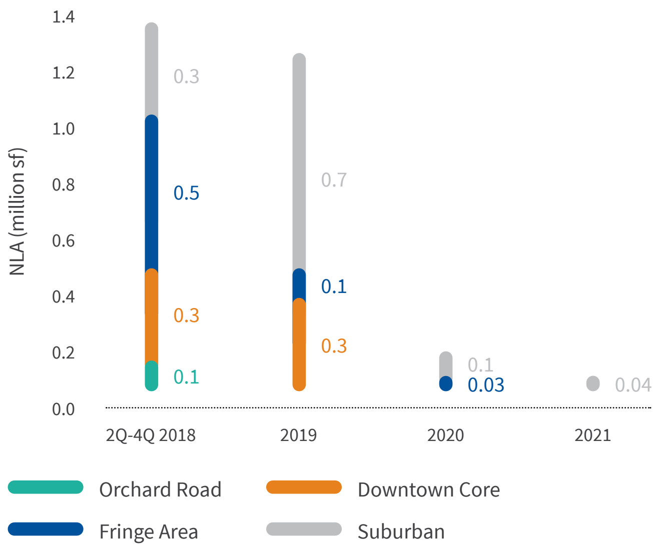
VivoCity is complemented by HarbourFront Centre, a mixed-use development comprising of both office and retail offerings as well as an international cruise centre. Holistically, both developments are the only full-fledged retail developments in the HarbourFront/Alexandra micro-market, enabling the area to establish a regional retail presence that attract visitors and shoppers from all over Singapore.

Located on Sentosa Island, RWS is predominantly occupied by Food & Beverage ("F&B") outlets as well as luxury boutique outlets catering to tourists.

3.2 Future Retail Supply

CBRE estimates the total projected island-wide retail supply over the next four years (2Q 2018 – 2021) to amount to 2.4 million sf. Most of the potential supply will be in the Suburban Area (46.1%).

Chart 7: Island-wide Future Retail Supply



Source: CBRE

New supply slated for completion in 2Q-4Q 2018 amounts to 1.2 million sf of retail space. Selected upcoming retail developments in the Downtown Core Area include Frasers Tower (22,846 sf), the redevelopment of the former Robinson Tower (59,820 sf) and Shopping Arcade at Raffles Hotel (234,276 sf). Upcoming suburban retail spaces include Wisteria Mall (83,300 sf), as well as the completion of an AEI at Century Square (211,000 sf). Notable completions in the Fringe Area include Paya Lebar Quarter (340,000 sf) and City Gate (76,289 sf).

Supply will slightly tighten in 2019 with new retail space projected to be 1.1 million sf. Project Jewel at Changi Airport (576,000 sf) will contribute to the bulk of upcoming supply. New retail developments in the Downtown Core consist of Funan DigitaLife Mall (325,000 sf), while Poiz Centre will contribute approximately 40,365 sf of new retail space in the Fringe Area.

Retail supply will tighten significantly in 2020, with only 0.1 million sf of new space entering the market. The completion of Northshore Plaza I (66,602 sf) and Centrium Square (32,372 sf) will add to the retail stock in the Suburban and Fringe areas respectively.

HarbourFront/Alexandra Micro-market

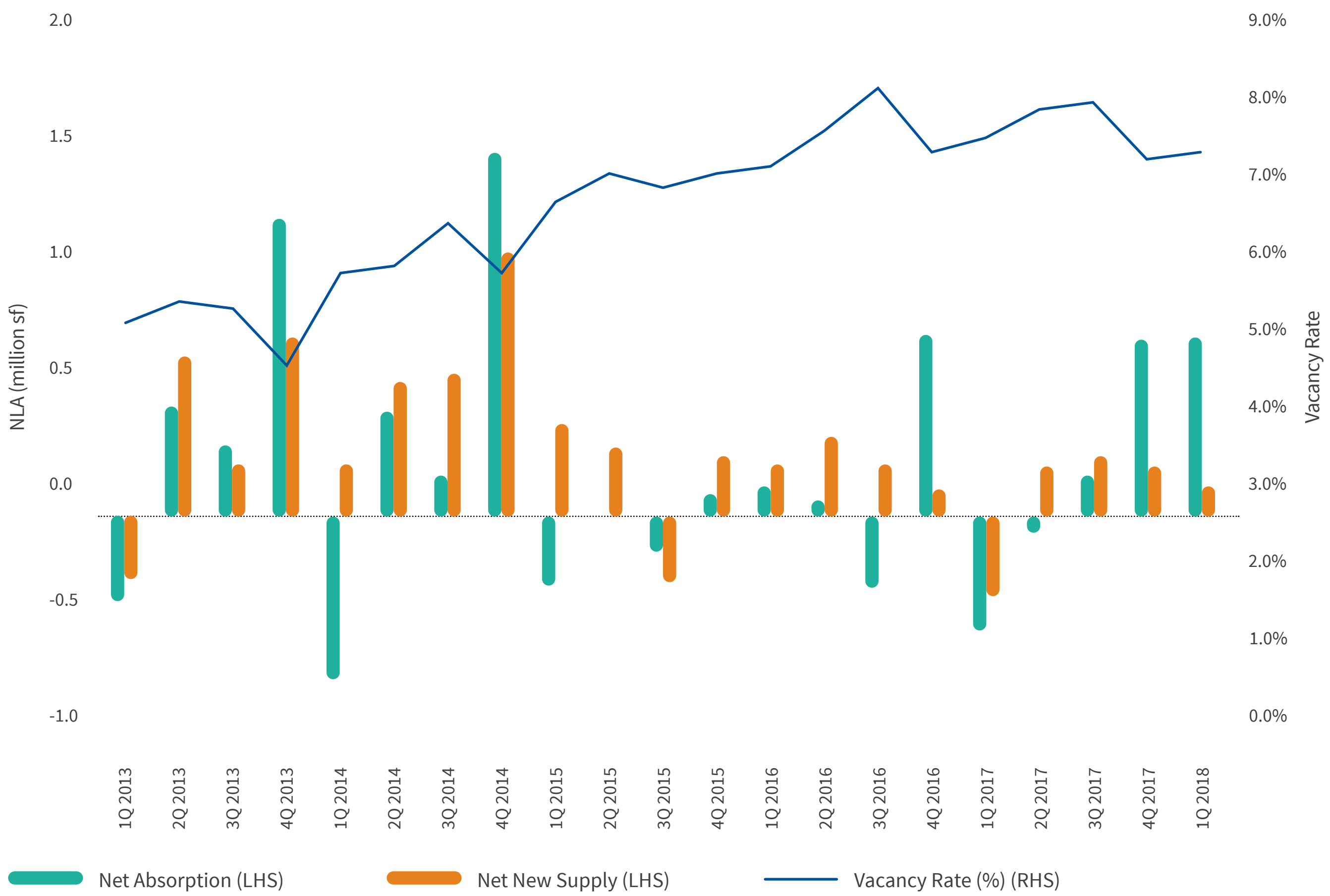
The HarbourFront/Alexandra Micro-market will witness an estimated 44,000 sf of new retail space in 2018, stemming from addition/alteration works in VivoCity and ongoing asset enhancement works at Alexandra Technopark, which will see the creation of a new Central Plaza. There is no further planned supply of retail space within the micro-market as at 1Q 2018.

3.3 Demand and Occupancy

In 2017, the island-wide net absorption for retail space declined by -32.7% to 376,736 sf with net new supply standing at 312,153 sf. Demand from the F&B industry remained robust although there were signs of the sector reaching a saturation point. A boom in the health and wellness market amidst an increase in consumer awareness and government initiatives encouraging healthy living has led to the entrance of several new-to-market sporting brands during the year.

Island-wide retail vacancy rate hit a five-year peak of 8.4% in 3Q 2016 before improving to 7.5% in 1Q 2018. Overall, retail vacancy rate decreased by 0.2p.p. from a year ago.

Chart 8: Island-wide Retail Demand & Vacancy



Sources: URA and CBRE

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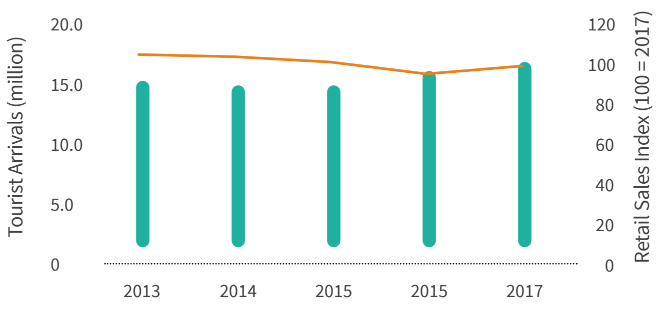
By CBRE Pte Ltd

Retail sales performance has benefited from improving consumer sentiments. The improvement in global economic outlook has contributed to a 1.8% year-on-year increase in the Retail Sales Index (excluding motor vehicles) in 2017. However, not all categories have exhibited consistent improvement, with medical goods & toiletries, wearing apparel & footwear, supermarket and watches & jewellery retailers driving growth.

The Singapore Tourism Board expects that 2018 will see tourism receipts grow to a range of S$27.1 to S$27.6 billion, coinciding with an anticipated increase in international visitor arrivals to a range of 17.6 to 18.1 million. This growth is on the back of a more favourable global economic outlook with tourism activities in the Asia-Pacific region expected to expand.

Chart 9: Visitor Arrivals & Retail Sales Index (excluding Motor Vehicles)

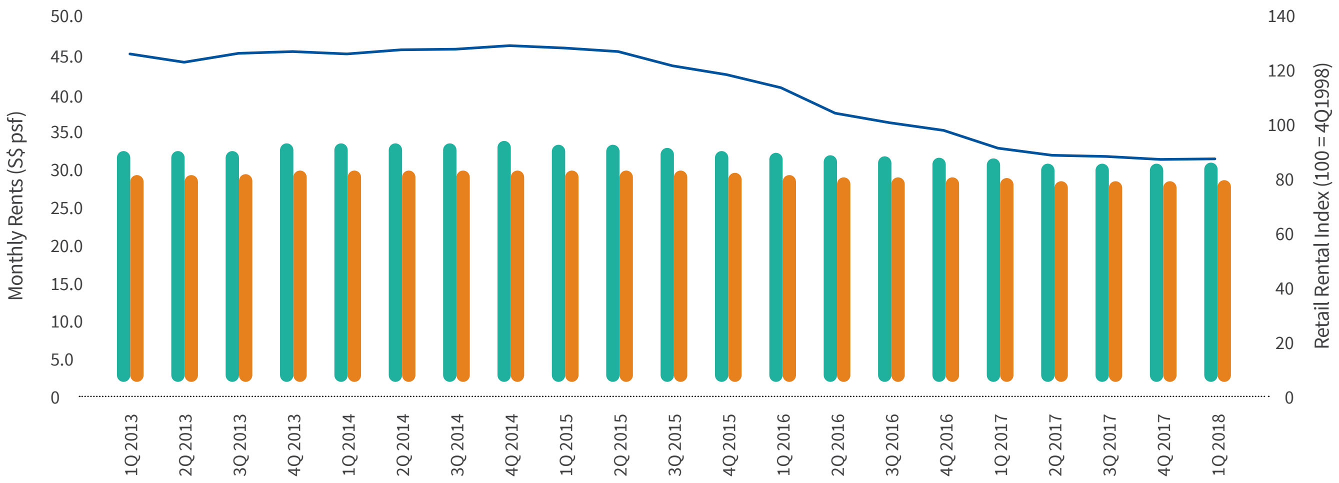


Tourist Arrival

Retail Sales Index (excluding Motor Vehicles)

Sources: Singapore Tourism Board, Department of Statistics & CBRE

Chart 10: Monthly Retail Rents



Orchard Road (LHS)　Suburban Area (LHS)　URA Retail Rental Index (RHS)

Sources: CBRE and URA

Technology disruptors such as e-commerce continue to weigh on retailers' long-term plans. However, retailers are increasingly recognising the importance of complementing the brick-and-mortar experience with e-commerce via omni-channel retailing. Nonetheless, retailers are still cost sensitive and the higher operating cost in Singapore has led to some retailers contracting their retail space here while expanding in markets with lower cost.

3.4 Retail Rents

Rents continue to soften across the board in 2017 as landlords sought to retain tenants on the back of an overall weakness in the retail market. Consequently, landlords are more flexible in providing concessions and have become less selective in terms of their tenant profiles. As at 4Q 2017, Orchard Road rents stood at S$31.30 psf (-2.6% year-on-year), having fallen by -9.4% from a five-year peak of S$34.55 psf in 4Q 2014.

However, amid growing optimism in the retail market underpinned by an improving economy, retail rents recorded its first quarterly increase in 1Q 2018 over a three-year period. On a quarter-on-quarter basis, retail rents at Orchard Road rose by 0.5% to S$31.45 psf in 1Q 2018, lending some confidence that the retail rental market could have completed its correction cycle.

Similarly, retail rents in the Suburban Area has risen by 0.5% quarter-on quarter to $28.95 psf in 1Q 2018. Suburban rents have generally exhibited greater resilience to rental compression and volatility as they are mostly supported by the domestic retail market. URA's Retail Rental Index has declined by -4.9% in 2017.

3.4 Retail Transactions

The retail investment market witnessed robust growth in 2017, with transaction volume totalling S$2.6 billion. This represents a 77.8% increase from the volume witnessed in 2016, primarily attributable to the bulk sale of strata units in Jurong Point for S$2.2 billion by Lee Kim Tah Holdings and Guthrie GTS to Mercatus Co-operative. In 2Q 2018, Sembawang Shopping Centre was acquired by Lian Beng Group and Apricot Capital (the private investment company for Super Group's Teo family) for S$248 million.

Acquisition and divestment activities amongst retail S-REITs were relatively muted with no local transactions in 2017. Additionally, as at 1Q 2018, no notable retail transactions were recorded in the Alexandra/HarbourFront micro-market for the whole of 2017.

Table 2: Selected Retail Transactions in 2017

Quarter	Property Name	Price (excluding DC)	Price (S$ psf)	Land Tenure	Buyer	Seller
Q4	The Woodgrove	S$55,850,000	S$1,009 per NLA	99 years	Undisclosed	Heeton Estate Pte. Ltd.
Q2	Jurong Point[4]	S$2,199,300,000	S$3,294 per Strata Area	99 years	Mercatus Co-operative Ltd.	Lee Kim Tah Holdings & Guthrie GTS

4　Strata area component previously owned by Lee Kim Tah Holdings & Guthrie GTS

Note: GFA refers to Gross Floor Area, NLA refers to Net Lettable Area. Transactions are recorded at the point of announcement.
Source: CBRE

3.5 Retail Outlook

The challenging retail environment has provided landlords with the impetus to embrace technology and develop innovative strategies to remain competitive and provide a differentiated experience from its competitors. Shopping malls are increasingly recognising the importance of placemaking and adoption of technology to transform the consumer shopping experience. Pop-up stores are expected to continue complementing the mix of international brands in most shopping malls, while iconic global retailers are being offered attractive incentives to set up flagship stores at prime locations to anchor the branding and positioning of these malls.

In conclusion, the coming years will continue to challenge retailers and landlords to adopt omni-retailing channels to compete in a digitalised era.

4. THE BUSINESS PARK MARKET

4.1 Existing Business Park Supply

Business Parks are campus-like business spaces that typically occupy at least five hectares of land. They are also part of the larger decentralisation efforts by the government to encourage businesses to consider operations that do not require a CBD address to relocate to the suburbs.

Singapore island-wide business park stock stood at 23.0 million sf in 1Q 2018. No notable new business parks project was completed in 2017.

According to JTC Corporation ("JTC"), the lead agency in Singapore that spearheads the planning, promotion and development of industrial space, most of the Business Park space (57.7%) is in the Central Region of Singapore, which comprises of one-north, MBC and Singapore Science Park. 24.4% of total stock is in the eastern region and is anchored by Changi Business Park. International Business Park is in the western region which has the smallest share, with 17.8% of total stock.

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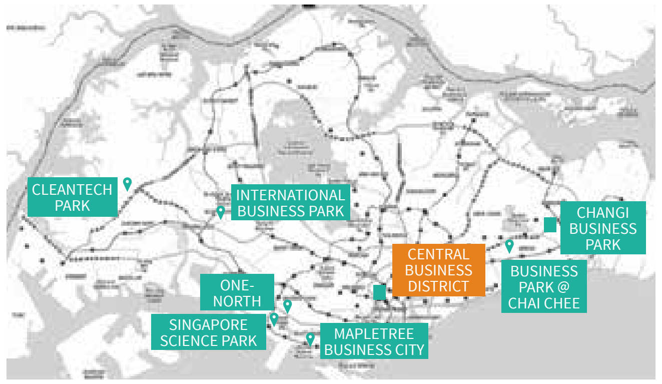
Figure 1: Key Business Park Clusters in Singapore



Sources: OneMap and CBRE

Over time, some of the Business Parks have developed their own distinct identities. Changi Business Park is an established back-office location for financial institutions such as Citibank, DBS and Standard Chartered. On the contrary, one-north is positioned as a Biomedical Sciences, Infocomm Technology and Media hub with tenants like Autodesk, GlaxoSmithKline, Novartis, Oracle and Lucasfilm.

International Business Park has been the base for knowledge-based activities with traditional technology and manufacturing companies along the likes of Creative Technology, Dell, Evonik, M1 and Sony situated within the business park. The Singapore Science Park is home to mostly research and technology companies such as the Defence Science Organisation National Laboratories, Defence Science and Technology Agency, Avaya, Quintiles and Shimadzu.

MBC is one of the newest Business Parks in Singapore, featuring proximity to the country's CBD Core, Grade A specification buildings and integrated business hub features. The typical profile of tenants in MBC is different from those of traditional Business Parks as they appear to bear closer resemblance to the tenant profile of occupiers in the CBD Core, with tenants such as GovTech, Samsung, SAP and NTT. Furthermore, there is a wide range of amenities within MBC including sports facilities, mid-range specialty restaurants, food courts, multipurpose auditorium, conference facilities, fitness club with lap pool amidst extensive gardens and greenery.

4.2 Future Business Park Supply

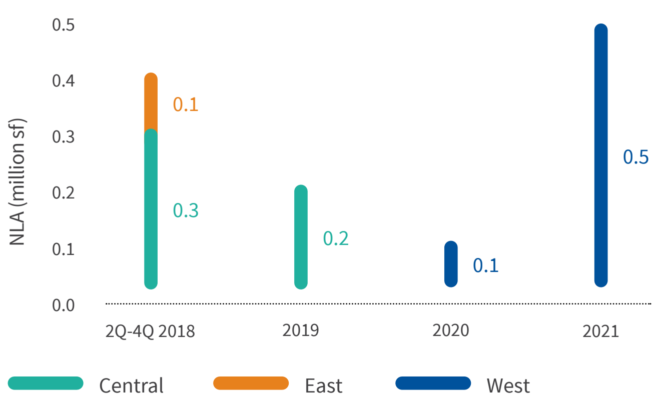
CBRE projects the island-wide Business Park supply over the next four years (2018 – 2021) to increase by approximately 1.3 million sf of NLA.

Approximately 31.6% will enter the market in 2Q-4Q 2018 with notable projects being a business park development each at Pasir Panjang Road and Media Circle (one-north) to be developed by Singapore Science Park Ltd. and BP-DoJo LLP respectively. The former is a Built-to-Suit development for FM Global, which is expected to house a new loss prevention training and operation centre.

The only development in 2019 would be the redevelopment of Fleming & Faraday at Science Park Drive, which is expected to yield an estimated 235,019 sf of business park NLA.

New supply will further tighten in 2020 with the only completion being the reconstruction of 13 International Business Park (NLA: 146,561 sf) by Pension Real Estate Singapore Pte. Ltd. The largest single business park development would be Cleantech Three (NLA: 538,453 sf) and will be developed by JTC. It is located at Cleantech Loop, within the upcoming Jurong Innovation District and is expected to be completed in 2021, providing space for firms involved in clean technology activities. According to the URA Master Plan 2014, a statutory land use plan that guides the medium-term physical development of Singapore, there are plans to build new Business Parks in Woodlands North Coast and Punggol Digital District.

Chart 11: Future Business Park Supply (2Q-4Q 2018 – 2021)



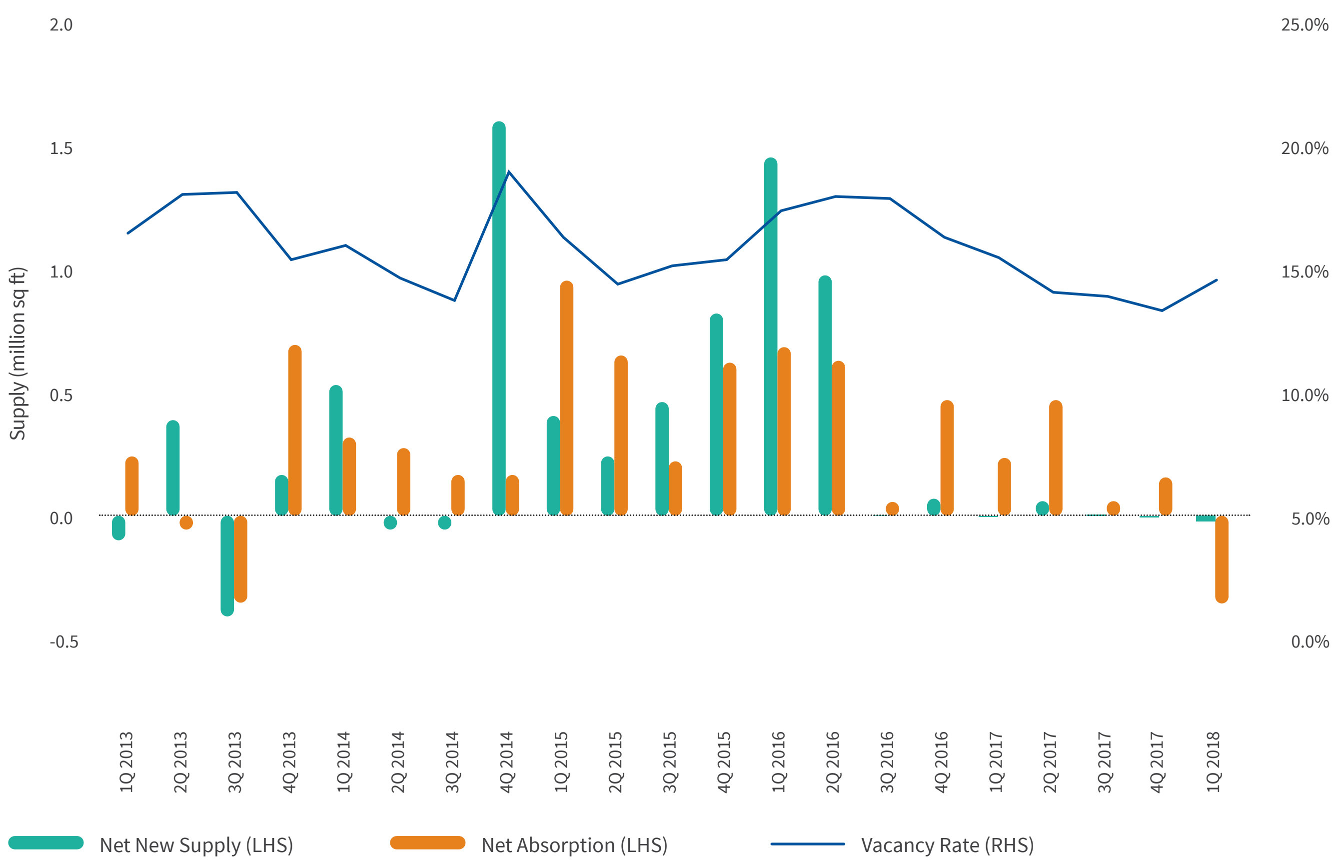
Source: CBRE

4.3 Demand and Occupancy

Business Park space typically features modern office-like specifications and tenants engaged in non-pollutive activities like advanced technology, research and development in high value-added and knowledge intensive industries, as well as back-office and headquarter type functions that meet the permissible usage requirements by URA.

The Business Park sector has been relatively quiet in 2017 with limited supply entering the market. According to JTC, island-wide net absorption for the Business Park market came in at 0.8 million sf in 2017. Net new supply for the year stood at 18,568 sf. Leasing and enquiry activity has been slow in recent quarters with a noticeable absence of movements amongst large tenants. Vacancy rates for Business Park space continued to trek downwards since 3Q 2016 to 13.4% in 4Q 2017 amidst the absence of new supply and with demand holding up.

Chart 12: Island-wide Business Park Demand & Vacancy



Sources: JTC and CBRE

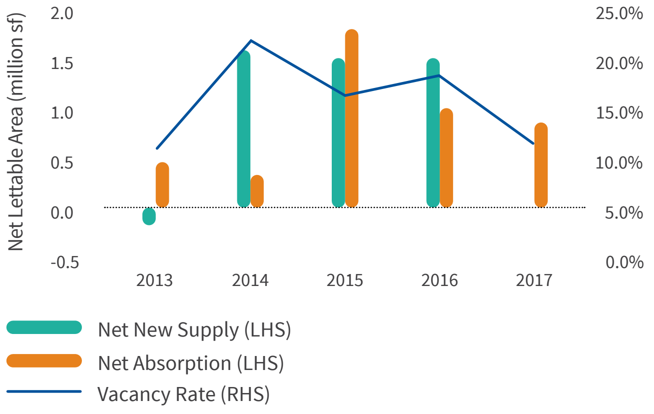
Firms in the infocomm, technology, biomedical and finance sectors are presently the most prevalent tenants in Business Parks. These tenants generally exhibit preference for prime Business Park space in the central region. There is thus demand for Business Park spaces with good connectivity, new buildings of high quality with access to amenities.

Notable occupier movements over the past year include Wirecard (25,000 sf) and the International Air Transport Association (IATA) into MBC II.

Independent Market Overview

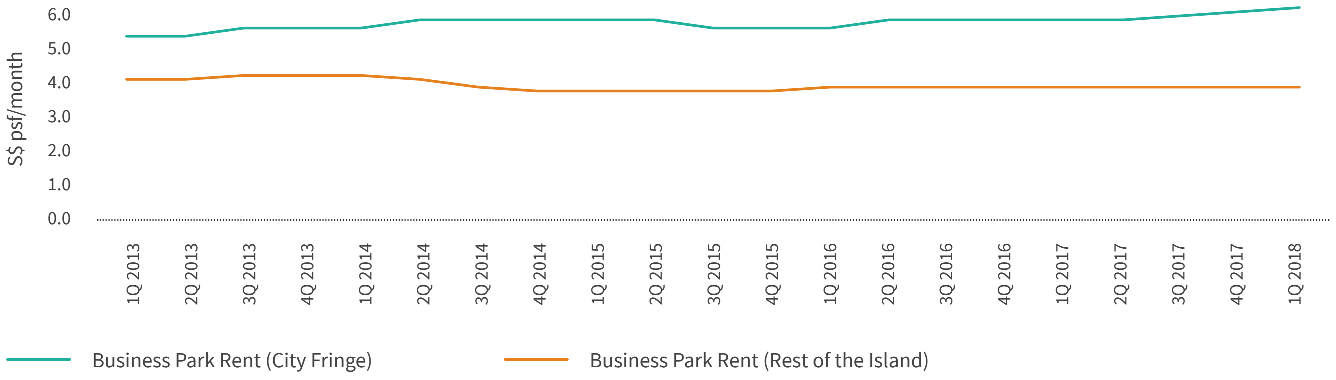
By CBRE Pte Ltd

Chart 13: Central Region Business Park, Supply, Demand & Vacancy



Sources: JTC and CBRE

Chart 14: Business Park Rents



Source: CBRE

The limited future supply of Business Park space is expected to support the market over the medium term. Business Parks with Grade A specifications in centralised locations are likely to benefit from cost sensitive occupiers to consider business park space as a viable alternative to office space amidst a projected recovery in the office rental market.

Table 3: Business Park Transactions in 2017

Quarter	Property Name	Price (excluding DC)	Price (S$ psf)	Land Tenure	Buyer	Seller
Q3	13 International Business Park	S$24,800,000	S$228 per GFA	60 years	Pension Real Estate Singapore Pte. Ltd.	Ascendas REIT

Note: GFA refers to Gross Floor Area. Transactions are recorded at the point of announcement.
Source: CBRE

4.3 Business Parks Rents

Business Park rents have generally been very resilient and stable. As at 1Q 2018, the city-fringe and rest of island submarket commanded rents of S$5.65 psf (+2.7% year-on-year) and S$3.70 psf (flat year-on-year) respectively. MBC I is located within the city fringe submarket.

City fringe Business Parks space have always commanded a rental premium over that of business parks which are located at the rest of the island. This reflects their clear advantages in attracting occupiers who are attracted by the lower rental and yet can enjoy excellent locational attributes of being near the CBD.

4.4 Business Parks Transactions

The Business Park investment market has been relatively quiet with the only transaction in 2017 being the sale of 13 International Business Park by Ascendas REIT to Pension Real Estate Singapore Pte. Ltd.

4.5 Business Parks Outlook

Business park space is expected to continue to be a favourable option for qualified tenants who are seeking long term stability. Thus, prospects for the sector look stable. Tenants in this space include incubators and firms from the fintech & technology sector. The limited new supply of business park space will support the market over the medium term as only a handful of projects are able to offer considerable leasable space. Additionally, the thin development pipeline and diminishing selection of available quality options may result in limited leasing activities.

Improving economic fundamentals and a recovery in the office rental market should lead to a widening of the rental gap between the office and business park sector, pushing cost-sensitive occupiers to consider business park space as a viable alternative to office space.

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ENHANCING OUR RETURNS

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Featured art piece
From Little Things, Big Things Grow by Jane Cowie

Board of Directors

Tsang Yam Pui

Non-Executive Chairman and Director

Mr Tsang Yam Pui is the Non-Executive Chairman and Director of the Manager.

Mr Tsang is also a Non-Executive Director and a Member of the Audit and Risk Committee of the Sponsor.

Mr Tsang is concurrently the Chief Executive Officer and Executive Director of NWS Holdings Ltd, a leading infrastructure and services company listed on the Hong Kong Stock Exchange. He is also the Vice Chairman and Director of New World First Bus Services Limited, New World First Bus Services (China) Limited, New World First Ferry Services Limited and Citybus Limited. In addition, Mr Tsang is a Director of GHK Hospital Limited, a Non-Executive Director of Wai Kee Holdings Ltd., an Alternate Director of Goshawk Aviation Limited and a Director of Bauhinia Aviation Capital Limited.

Prior to Mr Tsang's appointment with NWS Holdings Ltd, he was the Commissioner of the Hong Kong Police Force and he was awarded the Gold Bauhinia Star (Hong Kong SAR), the Order of the British Empire, the Queen's Police Medal and the Colonial Police Medal for Meritorious Service for his distinguished public service.

Kwa Kim Li

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

Ms Kwa Kim Li is the Lead Independent Non-Executive Director and the Chairperson of the Nominating and Remuneration Committee of the Manager.

Ms Kwa is concurrently the Managing Partner of the law firm, Lee & Lee, Advocates and Solicitors. Ms Kwa has been in active legal practice for over 30 years, and her areas of practice include real estate, banking, family trusts and cross border transactions.

In Singapore, she sits on the boards of National University Health System Pte Ltd, Jurong Town Corporation and HSBC Bank (Singapore) Limited. She is a Trustee of the Singapore Cardiac Society and Honorary Advisor to the Real Estate Developers' Association of Singapore. Abroad in the United Kingdom, she sits on the boards of Corus Hotel Ltd and Laura Ashley Hotels Group.

Ms Kwa holds a Bachelor of Laws degree from the National University of Singapore.

Jennifer Loh

Chairperson, Audit and Risk Committee
Independent Non-Executive Director

Mrs Jennifer Loh is the Chairperson of the Audit and Risk Committee and an Independent Non-Executive Director of the Manager.

Mrs Loh previously worked with the CapitaLand group from 1991 until she retired from full-time employment in 2007. Within the group, she had worked in different capacities in financial and general management, including serving as the Chief Financial Officer, Head of Group Tax, Corporate Services, and overseeing their investment in Australia. Mrs Loh also sat on the boards of subsidiaries, associates and joint venture companies of the CapitaLand group, including companies listed on the stock exchanges in Singapore, Malaysia and Australia.

Mrs Loh had served as a member of the Accounting Standards Committee of the Institute of Singapore Chartered Accountants.

Mrs Loh holds a Bachelor of Accountancy degree from the University of Singapore and qualified as a Chartered Accountant in Australia.

Kan Shik Lum

Independent Non-Executive Director
Member, Nominating and Renumeration 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 is also a member of the Mapletree Corporate Social Responsibility Board Committee.

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 build up the DBS Bank's capital markets franchise in Singapore and Hong Kong.

Mr Kan is currently an Independent Director of Azalea Asset Management Pte. Ltd. and its subsidiaries, Astrea III Pte. Ltd. and Astrea IV Pte. Ltd., all of which are involved in the investment into non-commercial real estate private equity funds.

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

Koh Cheng Chua

Independent Non-Executive Director
Member, Audit and Risk Committee

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

Mr Koh is concurrently the Managing Director & Head of Group Credit – Commercial Credit in United Overseas Bank ("UOB") where he oversees credit approval and risk management of mid-cap corporates and small to medium-sized enterprises in Singapore and the region. Prior to this role, Mr Koh was Head of UOB's corporate banking business in Singapore. Before joining UOB in 2013, Mr Koh was with DBS Bank Ltd for over 25 years during which he held various senior management positions. He has more than 30 years of experience in corporate and investment banking and private equity.

In addition, Mr Koh is a member of the Advisory Committee of the School of Business Management in Nanyang Polytechnic and an Alternate Non-Executive Director of Orix Leasing Singapore Limited.

Mr Koh holds a Bachelor of Business Administration degree from the National University of Singapore. He also attended the International Management Programme at INSEAD Business School.

Board of Directors

Premod P. Thomas
Independent Non-Executive Director
Member, Audit and Risk Committee

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

He is concurrently the Head of Corporate Strategy at Clifford Capital Pte. Ltd., a Singapore-based specialist project and asset backed finance company. Mr Thomas is also the Founder and Chief Executive Officer of Capital Insights Pte. Ltd., an investment holding company which focuses on private investments and strategy consulting. Prior to this, he held various appointments in Bank of America, Standard Chartered Bank, Temasek Holdings (Private) Limited and the Hong Leong Group in Malaysia.

He is a member of the Singapore Institute of Directors and serves as an Independent Director and Chairman of the Risk Oversight Committee of Fullerton India Credit Company Ltd and Independent Director of Gemstone Assets Holdings Pte. Ltd.. He is also an 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 USA and UK.

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

Hiew Yoon Khong
Non-Executive Director
Member, Nominating and Remuneration Committee

Mr Hiew Yoon Khong is a Non-Executive Director of the Manager.

Mr Hiew is currently the Executive Director and Group Chief Executive Officer of the Sponsor. He is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust), Mapletree Industrial Trust Management Ltd. (the manager of Mapletree Industrial Trust) and Mapletree North Asia Commercial Trust Management Ltd.[1] (the manager of Mapletree North Asia Commercial Trust[2]).

Mr Hiew joined the Sponsor in 2003 as Group Chief Executive Officer. He has since led the Mapletree Group from a Singapore-centric real estate company worth S$2.3 billion to a global company with total assets of more than S$46 billion.

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

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

Wong Mun Hoong
Non-Executive Director

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

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

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

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

Amy Ng
Non-Executive Director

Ms Amy Ng is a Non-Executive Director of the Manager.

Ms Ng is currently the Regional Chief Executive Officer, Group Retail and Singapore Commercial of the Sponsor. She oversees the Sponsor's non-real estate investment trust retail business in Singapore, China, Malaysia and Vietnam.

Ms Ng was appointed the Chief Executive Officer and Executive Director of the Manager from its initial public offering in 2011 to 2015. Before the listing of MCT, Ms Ng was the Chief Executive Officer of the Sponsor's Singapore Investments unit. She was responsible for the Sponsor's commercial portfolio in Singapore where she also headed the Sponsor's Marketing, Property Management and Development Management departments in Singapore. Prior to joining the Sponsor, Ms Ng held various appointments in the CapitaLand group of companies.

Ms Ng holds a Bachelor of Arts degree from the National University of Singapore and a Master of Business Administration degree from the University of Surrey, UK. She also attended the Executive Development Programme at Wharton Business School.

Sharon Lim
Executive Director and
Chief Executive Officer

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

Ms Lim is also a Director of Mapletree Commercial Trust Treasury Company Pte. Ltd., a subsidiary of Mapletree Commercial Trust.

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.

1 Formerly known as Mapletree Greater China Commercial Trust Management Ltd.
2 Formerly known as Mapletree Greater China Commercial Trust

Management Team & Property Management Team




















Sharon Lim
Chief Executive Officer

Janica Tan
Chief Financial Officer

Koh Wee Leong
Head,
Investments & Asset Management

Goh Peck Cheng
Vice President,
Investments & Asset Management

Seet Li Nah
Vice President,
Finance

Teng Li Yeng
Vice President,
Investor Relations

Michelle Lam
Senior Manager,
Investments & Asset Management

Phang Yi Liang
Senior Manager,
Investments & Asset Management

Janice Lim
Senior Manager,
Finance

Wan Kwong Weng
Joint Company Secretary

See Hui Hui
Joint Company Secretary

Angela Keng
Director, Mapletree Commercial
Property Management

Foo Say Chiang
Director, Mapletree Commercial
Property Management

Joanna Lee
Head,
Retail Management

Gwen Au
Vice President,
Marketing Communications

Chay Pui Leng
Vice President,
Marketing

Soh Sok Li Buay
Vice President,
Tenancy Management

Lena Thean I-Ling
Vice President,
Retail Marketing

Susan Lim
Senior Manager,
Portfolio Property Management

Pauline Loh
Senior Manager,
Retail Marketing

Abdul Kalam bin Muhamed
Senior Manager,
Property Management

Management Team & Property Management Team

Sharon Lim
Chief Executive Officer

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

Janica Tan
Chief Financial Officer

As the Chief Financial Officer of the Manager, Ms Janica Tan is responsible for the overall financial management functions for MCT, overseeing matters involving capital management, treasury, accounting, financial reporting and control, tax and risk management. She is also a Director of Mapletree Commercial Trust Treasury Company Pte. Ltd., a subsidiary of MCT.

Ms Tan has over 20 years of finance and accounting experience in the real estate industry. Prior to joining the Manager, she was the Chief Financial Officer of OUE Commercial REIT Management Pte. Ltd. since its listing in 2014. Before that, she was the Senior Vice President at OUE Limited.

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

Koh Wee Leong
Head, Investments & Asset Management

Mr Koh Wee Leong oversees the asset management and investment activities for the manager. This includes formulating business plans, supervising the operations of MCT's properties, implementing MCT's property-related strategies, as well as identifying, researching and evaluating potential acquisition and divestments.

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

Before joining the Manager, Mr Koh was with the CapitaLand group. From 2007 to 2011, he held various positions at CapitaLand Financial Limited and CapitaValue Homes Limited. 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.

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

Goh Peck Cheng
Vice President, Investments & Asset Management

Ms Goh Peck Cheng's responsibilities include formulating and executing business plans and asset enhancement initiatives, as well as sourcing and evaluating potential acquisition for MCT. She was part of the team that launched MCT in 2011 and has over 20 years of real estate experience covering asset management, investment and lease management.

Prior to joining the Manager, Ms Goh held asset management and investment positions at Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust), where she was responsible for managing the logistics portfolio as well as sourcing and evaluating new acquisition opportunities.

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

Seet Li Nah
Vice President, Finance

Ms Seet Li Nah joined the Finance team of the Manager in 2011. She assists the Chief Financial Officer in the financial management and accounting functions of MCT including statutory reporting, compliance, capital management, treasury and taxation matters.

Prior to joining the Manager, Ms Seet worked in Straits Trading Company Limited as Assistant Vice President of the Finance Group's reporting division. Ms Seet has over 20 years of experience in financial and Management reporting and project management working for Millennium & Copthorne International Limited, Yeo Hiap Seng Limited and other organisations.

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

Teng Li Yeng
Vice President, Investor Relations

Ms Teng Li Yeng is responsible for maintaining high standards of corporate disclosure for MCT through clear and timely communication, as well as pro-active engagement with investors and analysts to foster effective two-way dialogues.

Prior to joining the Manager, Ms Teng was with the CapitaLand Group where her responsibilities included strategic planning, 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.

Ms Teng started her career with Singapore's Ministry of Trade & Industry where she was involved in FTA negotiations and formulating trade and economic policies with China.

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

Michelle Lam
Senior Manager, Investments & Asset Management

Ms Michelle Lam joined the Investments & Asset Management team of the Manager in 2012. Her responsibilities include formulating and executing business plans and asset enhancement initiatives, as well as sourcing and evaluating potential acquisition for MCT.

Prior to this, Ms Lam was with the Sponsor's Commercial business unit in Singapore where she was responsible for asset management and property taxes. She also held property tax positions with the Sponsor's Logistics and Industrial business units.

Ms Lam holds a Bachelor of Science degree (Real Estate) from the University of Reading, United Kingdom.

Phang Yi Liang
Senior Manager, Investments & Asset Management

Mr Phang Yi Liang is responsible for formulating and executing the asset management strategies. He is also responsible for sourcing and evaluating potential acquisitions for MCT.

Prior to joining the Manager, Mr Phang held investments and asset management positions under the Sponsor's Singapore Investments unit where he was responsible for asset management, research as well as the evaluation of potential commercial acquisitions and development opportunities in Singapore.

Mr Phang holds a Bachelor of Science degree (Real Estate) from the National University of Singapore.

Janice Lim
Senior Manager, Finance

Ms Janice Lim joined the Finance team of the Manager in 2017, and is responsible for the day-to-day running of the Finance operations for MCT's portfolio.

Ms Lim was formerly the Senior Finance Manager of OUE Commercial REIT Management Pte. Ltd.. Prior to that, she was Finance Manager with OUE Limited. Ms Lim started her career with KPMG LLP Singapore as an external auditor.

Ms Lim holds a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore and is also a non-practising member of the Institute of Singapore Chartered Accountants.

Wan Kwong Weng
Joint Company Secretary

Mr Wan Kwong Weng is concurrently Head, Group Corporate Services and Group General Counsel of the Sponsor, where he is responsible for all of administration, corporate communications, human resource as well as legal, compliance and corporate secretarial matters across all business units.

Prior to joining the Sponsor in 2009, 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 of Singapore, Wee Swee Teow & Co., and was subsequently with the Corporate & Commercial/ Private Equity practice group of Baker & McKenzie in Singapore and Sydney.

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

See Hui Hui
Joint Company Secretary

Ms See Hui Hui is also Director, Legal of the Sponsor.

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

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

Corporate Governance

The Manager of MCT is responsible for the strategic direction and management of the assets and liabilities of MCT as well as its subsidiary (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 MCT and its Unitholders, in accordance with the applicable laws and regulations as well as the trust deed constituting MCT (as amended) (the "Trust Deed"). To this end, the Manager sets the strategic direction of the Group and gives recommendations to DBS Trustee Limited, in its capacity as the Trustee, on the acquisition, divestment and enhancement of assets of the Group.

The Manager's roles and responsibilities include:

- carrying out 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 proposal with forecast on gross revenue, property expenditure, capital expenditure and providing explanations on major variances against prior year's actual results and written commentaries on key issues and any other relevant assumptions. The purpose of such proposals and analyses is to chart the Group's business for the year ahead and to explain the performance of MCT's properties compared to the prior year; and
- ensuring compliance with applicable laws and regulations, including the Securities and Futures Act (Chapter 289 of Singapore), the Listing Manual of SGX-ST, the 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 may issue from time to time and any tax rulings.

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

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Effective Board

Our Policy and Practices

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

The key roles of the Board are to:

- guide the corporate strategy and direction of the Manager;
- ensure that the senior management of the Manager 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 and have acted in the best interests of MCT.

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

The Board comprises ten directors (the "Directors"), of whom nine are Non-Executive Directors and five are Independent Directors.

The following sets out the composition of the Board:

- Mr Tsang Yam Pui, Non-Executive Chairman and Director;
- Ms Kwa Kim Li, Lead Independent Non-Executive Director and Chairperson of the NRC;
- Mrs Jennifer Loh, Chairperson of the AC and Independent Non-Executive Director;
- 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 Premod P. Thomas, Independent Non-Executive Director and Member of the AC;
- Mr Hiew Yoon Khong, Non-Executive Director and Member of the NRC;
- Mr Wong Mun Hoong, Non-Executive Director;
- Ms Amy Ng, Non-Executive Director; and
- Ms Sharon Lim, Executive Director and CEO.

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

The diverse professional backgrounds of the Directors enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his or her calibre, experience, stature, and potential to give proper guidance to Management for the business of the Group. In addition, the Board considers additional factors such as the age, gender and educational background of its members. The profiles of the Directors are set out in pages 60 to 63 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient in informing Unitholders of their principal commitments. The Board meets regularly, at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any significant acquisitions, disposals, fund-raisings and development projects undertaken by the Group. 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, the NRC and the AGM held in FY17/18 is as follows:

		Board	AC	NRC	AGM[3]
Number of meetings held in FY17/18		**5**	**6**	**2**	**1**
Directors	**Membership**				
Mr Tsang Yam Pui (Appointed on 1 November 2007) (Last reappointment on 29 September 2017)	Non-Executive Chairman and Director	5	N.A.[1]	N.A.[1]	1
Ms Kwa Kim Li (Appointed on 30 April 2014) (Last reappointment on 30 September 2016)	Lead Independent Non-Executive Director and Chairperson of the NRC	5	N.A.[1]	2	1
Mrs Jennifer Loh (Appointed on 29 March 2011) (Last reappointment on 30 September 2016)	Chairperson of the AC and Independent Non-Executive Director	5	6	N.A.[1]	1
Mr Kan Shik Lum (Appointed on 1 December 2015) (Last reappointment on 30 September 2016)	Independent Non-Executive Director and Member of the NRC	5	N.A.[1]	2	1
Mr Koh Cheng Chua (Appointed on 9 June 2014) (Last reappointment on 29 September 2017)	Independent Non-Executive Director and Member of the AC	5	6	N.A.[1]	1
Mr Premod P. Thomas (Appointed on 15 June 2015) (Last reappointment on 29 September 2017)	Independent Non-Executive Director and Member of the AC	5	6	N.A.[1]	1
Mr Hiew Yoon Khong (Appointed on 18 May 2007) (Last reappointment on 30 September 2015)	Non-Executive Director and Member of the NRC	5	N.A.[1]	2	1
Mr Wong Mun Hoong (Appointed on 29 March 2011) (Last reappointment on 30 September 2016)	Non-Executive Director	5	6[2]	N.A.[1]	1

Corporate Governance

		Board	AC	NRC	AGM[3]
Number of meetings held in FY17/18		**5**	**6**	**2**	**1**
Directors	**Membership**				
Ms Amy Ng (Appointed on 1 April 2010) (Last reappointment on 30 September 2015)	Non-Executive Director	5	N.A.[1]	N.A.[1]	1
Ms Sharon Lim (Appointed on 1 August 2015) (Last reappointment on 29 September 2017)	Executive Director and CEO	5	6[2]	1[2]	1

Notes:
1 N.A. means not applicable.
2 Attendance was by invitation.
3 Held on 26 July 2017.

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

The Board's approval is required for material transactions to be undertaken by the Group, including the following:
- equity fund-raising;
- acquisition, development and disposal of properties above Board-prescribed limits;
- overall project budget variance and ad hoc development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

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

Board Composition and Guidance
Principle 2: Strong and independent element on the Board

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

The Manager adopts the principle that a board composition with a strong and independent element will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. In particular, the non-executive Directors will also conduct periodic review of the investment mandate as well as the strategic focus of MCT with Management. Further, such a board composition, and the separation of the roles of the Chairman and the CEO, provides oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

The Board assesses the independence of each Director in accordance with the requirements of the Code and the enhanced independence requirements for REIT managers as implemented by the MAS pursuant to its Response to Feedback on Consultation on Enhancements to the Regulatory Regime Governing REITs and REIT Managers (the "Enhanced Independence Requirements"). A Director is considered to be independent if he or she has no relationship with the Manager, its related corporations and its shareholders who hold 10% or more of the voting shares of the Manager, or Unitholders who hold 10% or more of the Units in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement; and is independent from any management and business relationship with the Manager and MCT, the substantial shareholder of the Manager and the substantial unitholder of MCT and has not served on the Board for a continuous period of nine years or longer.

For FY17/18, 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.

Mr Koh Cheng Chua is the Managing Director & Head of Group Credit – Commercial Credit in UOB. Although the amount received by MCT from UOB exceeds S$200,000 in FY17/18, the Board, in consultation with the NRC, takes the view that his Independent Director status is not compromised as this amount relates to rental payments for the UOB branch in VivoCity, licence fees for the automated teller machines at Vivocity and Alexandra Retail Centre and payments for Mapletree vouchers sold under UOB credit card rewards programme. These transactions were all conducted on an arm's length basis and Mr Koh was not involved in the negotiations of any of the agreements.

Mr Premod P. Thomas is the Head of Corporate Strategy at Clifford Capital Pte. Ltd., a company in which Temasek Holdings (Private) Limited ("Temasek") has a 40.5% stake. He is also (a) the Independent Chairman of the Investment Committee of Mapletree Global Student Accommodation Private Trust, a private trust sponsored by the Sponsor to invest in student accommodation in the USA and UK and (b) an Independent Director of Gemstone Assets Holdings Pte. Ltd., which owns all the student accommodation assets of the Sponsor. In the above-mentioned capacities, Mr Thomas is not under an obligation to act in accordance with the directions, instructions or wishes of Temasek or the Sponsor (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.

Based on a review of the relationships between the Directors and the Group in accordance with the requirements of the Code and the Enhanced Independence Requirements, the Board considers the following Directors to be independent:
- Ms Kwa Kim Li;
- Mrs Jennifer Loh;
- Mr Kan Shik Lum;
- Mr Koh Cheng Chua; and
- Mr Premod P. Thomas.

In view of the above, at least half of the Board comprises Independent Directors.

The Manager has established a policy that its Directors should recuse themselves from discussions and abstain from voting on resolutions regarding a transaction or proposed transaction in which the Director has an interest or is conflicted. The Directors have complied with this policy and recused himself or herself from discussions and abstained from voting on resolutions regarding any proposed transaction which might potentially give rise to a conflict of interest.

Chairman and CEO
Principle 3: Clear division of responsibilities

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

The Chairman and the CEO are not related to each other. The CEO is responsible for the running of the Manager's business operations. 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 Guideline 3.3 of the Code, Ms Kwa Kim Li has been appointed as 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' concern when other channels of communication through the Chairman or CEO are inappropriate, as well as for leading all deliberations on feedback regarding performance of the CEO and any interested party transactions.

Corporate Governance

Board Membership
Principle 4: Formal and transparent process for appointments

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

The Board established the NRC in January 2016 and it comprises three Directors, being Ms Kwa Kim Li, Mr Kan Shik Lum and Mr Hiew Yoon Khong, all of whom are non-executive and the majority of whom (including the Chairperson) are independent. Ms Kwa Kim Li 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 Board and committee members;
- the appointment of the Executive Director and CEO and the framework for the appointment of senior management executives of the Manager, as well as the succession plan and framework for the Executive Director and CEO and senior management executives of the Manager;
- training and professional development programmes for the Board;
- the process for evaluating Board performance; and
- the determination, on an annual basis and as and when circumstances require, of the independent status of a Director, bearing in mind the relevant guidelines of the Code and the Enhanced Independence Requirements, as well as any other applicable regulations and guidelines and salient factors.

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

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

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 Board intends to continue to keep to the principle that at least half of the Board shall comprise independent directors.

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 FY17/18 as well as the contribution and performance of each individual Director at such meetings, the Board is satisfied that all the Directors have been able to carry out their duties as Director notwithstanding their principal commitments.

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 FY17/18.

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.

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

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

To assess the performance of the Board and the Board committees, the Manager conducts confidential board effectiveness surveys. Such board effectiveness surveys are carried out once every two years so as to provide more time for Directors to observe, review and assess the effectiveness and performance of the Board and the Board committees. The last survey of the Board, AC and NRC was undertaken in October 2016, with the findings evaluated by the Board in February 2017 and the Board was of the view that it had met its performance objectives. The next survey will be carried out in FY18/19 and the NRC will assist the Board in (amongst other things) the assessment of the effectiveness of the Board, by reviewing the performance evaluation process and making recommendations to the Board.

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

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

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

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 and Board committee meetings and provides assistance to the Chairman in ensuring adherence to Board procedures.

The Board takes independent professional advice as and when necessary, 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.

(B) REMUNERATION MATTERS
Procedures for Developing Remuneration Policies
Principle 7: Formal and transparent procedure for fixing the remuneration of Directors

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

Disclosure on Remuneration
Principle 9: Clear disclosure of remuneration matters

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

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

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

Additional information on remuneration matters are disclosed in accordance with the Alternative Investment Fund Managers Directive (the "AIFMD") in compliance with the requirements of the AIFMD.

Nominating and Remuneration Committee
The Manager has established the 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 Kwa Kim Li, Lead Independent Non-Executive Director and Chairperson of NRC, Mr Kan Shik Lum, Independent Non-Executive Director and Mr Hiew Yoon Khong, Non-Executive Director. The NRC met two times during FY17/18 and was guided by independent remuneration consultants, Mercer (Singapore) Pte Ltd and Willis Towers Watson, who have no relationship with the Manager, the controlling shareholders of the Manager or its related entities and the Board of Directors that would interfere with their ability to provide independent advice to the NRC.

Corporate Governance

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, Executive Director and CEO, and senior management of the Manager, including all option plans, stock plans and the like, as well as the performance hurdles of such plans;
- the specific remuneration package for the Executive Director and CEO of the Manager; and
- the termination payment, gratuities, severance payment and other similar payments to the Executive Director and CEO of the Manager.

Decision-making process for determining the remuneration policy

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

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

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

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

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

Directors' fees are paid entirely in cash.

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

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

The CEO is not present during the discussions relating to 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 MCT. The Manager has set out in the table below information on the fees paid to the Directors for FY17/18:

Board Members	Membership	Fees Paid for FY17/18
Mr Tsang Yam Pui	Non-Executive Chairman and Director	S$140,000[1]
Ms Kwa Kim Li	Lead Independent Non-Executive Director and Chairperson of the NRC	S$85,000
Mrs Jennifer Loh	Chairperson of the AC and Independent Non-Executive Director	S$95,000
Mr Kan Shik Lum	Independent Non-Executive Director and Member of the NRC	S$72,500
Mr Koh Cheng Chua	Independent Non-Executive Director and Member of the AC	S$82,500
Mr Premod P. Thomas	Independent Non-Executive Director and Member of the AC	S$82,500
Mr Hiew Yoon Khong	Non-Executive Director and Member of the NRC	Nil[2]
Mr Wong Mun Hoong	Non-Executive Director	Nil[2]
Ms Amy Ng	Non-Executive Director	Nil[2]
Ms Sharon Lim	Executive Director and CEO	Nil[3]

Notes:
1 This includes attendance fees for Mr Tsang Yam Pui being a director who is not residing in Singapore.
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.

Link between pay and performance

Employee remuneration at the Manager comprises fixed pay, variable incentive, allowances and benefits. Fixed pay comprises a salary and an annual wage supplement. All employees receive a salary that reflects their responsibilities and the level of experience and expertise needed to undertake their roles. Allowances and benefits include statutory provident contributions and benefits-in-kind to enable employees to undertake their role by ensuring their 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 individual Key Performance Indicators ("KPIs") which are critical to improving the organisational effectiveness, operational efficiency and overall risk profile of the Manager, e.g. successful implementation of e-Procurement system, participation in Corporate Social Responsibility ("CSR") events, investors and tenants engagement. 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 the Unitholders. KPIs and their weightages may change from year to year. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MCT's Total Shareholder Return ("TSR") targets and value of a notional investment in MCT.

To this end, the NRC has reviewed the performance of the Manager for FY17/18 and is satisfied that all KPIs have largely been achieved.

For senior management, a significant proportion of their variable incentive is deferred under the Manager's VB banking mechanism and vesting schedule of LTI award. Deferral of these two components is a key mechanism to building sustainable business performance. Under the VB banking mechanism, only a portion of a VB award declared in the financial year will be paid out while the rest of the VB award will be deferred and paid out in the subsequent years. The deferred VB award will be subjected to downside risks depending on future performance. This ensures alignment between remuneration and sustaining business performance in the longer-term. For the LTI award, it is subject to three to five years vesting schedule. The settlement value of the LTI award is linked to the value of MCT 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 MCT, the Manager and the individual's performance against agreed financial and non-financial objectives similar to that of the senior management. However, in execution, the PTB and VB are combined to form consolidated variable pay for the employees.

All fixed pay, variable incentives and allowances are paid wholly in cash.

Corporate Governance

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

The 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 in percentage terms, are provided in the remuneration table below. At present, there are only 4 key management personnel (including the CEO).

Total Remuneration Bands of CEO and Key Management Personnel for FY17/18

	Salary, Allowances and Statutory Contributions	Bonus[1]	Long-term Incentives[2]	Benefits	Total
Above S$1,500,000 to S$1,750,000					
Sharon Lim	23%	49%	28%	N.M.[4]	100%
Other Key Management Personnel					
Janica Tan	39%	41%	20%	N.M.[4]	100%
Koh Wee Leong	41%	44%	15%	N.M.[4]	100%
Joanna Lee[3]	50%	37%	13%	N.M.[4]	100%

Notes:
1 The amounts disclosed include 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 MCT's TSR targets and fulfillment of vesting period of up to 5 years.
3 Joanna Lee is an employee of Property Manager and is deemed a key management personnel who has responsibility for the management of VivoCity, which is material to the performance of MCT.
4 Not meaningful.

The total remuneration for the CEO and the key management personnel in FY17/18 was S$3.46 million.

The Manager is cognisant of the requirements in 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 key management personnel (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.

Since the remuneration of the CEO and key management personnel of the Manager are not separately billed but paid by the Manager, the Manager is also of the view that the interest of the Unitholders would not be prejudiced as the indicative range of the CEO's remuneration, as well as the total remuneration for the CEO and key management personnel of the Manager, have been provided. Further, there is sufficient information provided on the Manager's remuneration framework to enable the Unitholders to understand the link between the performance of MCT and the remuneration paid to the CEO and key management personnel of the Manager.

There were no employees of the Manager who were immediate family members of a Director or the CEO of the Manager and whose remuneration exceeded S$50,000 during FY17/18.

Quantitative Remuneration Disclosure under AIFMD

The Manager is required under the AIFMD 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 MCT.

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 2018 was S$6.45 million. This figure comprised fixed pay of S$2.90 million, variable pay of S$3.35 million and Allowances/Benefits-in-kind of S$0.20 million. There were a total of 30 beneficiaries of the remuneration described above.

In respect of the Manager's financial year ended 31 March 2018, 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 MCT) was S$3.99 million, comprising 6 individuals identified having considered, among others, their roles and decision making powers.

(C) ACCOUNTABILITY AND AUDIT

Accountability

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

Our Policy and Practices

The Board is responsible for providing a balanced and understandable assessment of MCT's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators, if required.

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

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

Risk Management and Internal Controls

Principle 11: Sound system of risk management and internal controls

Our Policy and Practices

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

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

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

Operating Structure

The Manager has a well-defined operating structure with clear lines of responsibility and delegated authority, as well as reporting mechanisms to senior management and the Board. This structure includes certain functions, such as Human 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.

Policies, Procedures and Practices

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

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

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

Corporate Governance

The Group's procedures and practices are regularly reviewed and revised where necessary to enhance controls and efficiency. The Group has implemented a Control Self-Assessment ("CSA") programme to reinforce risk awareness and compliance with internal controls within the Group, by fostering accountability, control and risk ownership.

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

Whistleblowing Policy

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

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

Risk Management

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

The risk management function which is outsourced to the Sponsor's Risk Management Department oversees the Enterprise Risk Management ("ERM") framework. The Risk Management Department reports key risk exposures, portfolio risk profile and activities in respect of significant risk matters 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 the risk management process, is dynamic and evolves with the business. The Manager has identified key risks, assessed their likelihood and impact on MCT's business, and established corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The Risk Management Department works closely with the Manager to review and enhance the risk management system, with guidance and direction of the AC and the Board.

The Manager's policies and procedures relating to risk management can be found on pages 84 to 86 of this Annual Report.

Information Technology Controls

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

Financial Reporting

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

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

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

Detailed disclosure and analysis of the full-year financial performance of the Group can be found in the Financial Review & Capital Management section from pages 40 to 44 and the Financial Statements from pages 113 to 165 of this Annual Report.

Financial Management

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

The key financial risks which the Group is exposed to include interest rate risk, liquidity risk, currency risk and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest and/or currency rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found on pages 40 to 44 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

Internal Audit

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

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

The external auditors also provide an independent perspective on certain aspects of the internal financial control system arising from their work and report their findings to the AC on an annual basis. The external auditors are also updated on the findings of the 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 the Unitholders at a meeting of the Unitholders.

The interested person transactions undertaken by the Group in FY17/18 are set out on pages 166 to 167 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 MCT units

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

Corporate Governance

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

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

Each Director is required to notify the Manager of his or her acquisition of MCT units or of changes in the number of MCT 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 MCT units.

Role of the Board and AC

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

The AC provides oversight of the financial reporting, accounting policies and the adequacy and effectiveness of the Group's internal control 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.

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

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

Opinion on Internal Controls

Based on the internal control and risk management systems established and maintained by the Manager and the Sponsor, work performed by the Sponsor's Internal Audit and Risk Management Departments, as well as by the external auditors, reviews performed by Management and the above-mentioned assurance from the CEO and the CFO, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considers relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business as at 31 March 2018.

Audit and Risk Committee

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

Our Policy and Practices

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

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

The AC consists of three members, all of whom are independent and are appropriately qualified to discharge their responsibilities. They are:

- Ms Jennifer Loh, Chairperson;
- Mr Koh Cheng Chua, Member; and
- Mr Premod Thomas, Member.

None of the AC members are a partner or director of the incumbent external auditors, PricewaterhouseCoopers LLP ("PwC"), within the previous 12 months, nor does any of the AC members have any financial interest in PwC.

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

- oversight of financial reporting including review of quarterly and annual financial results for release to the public and this includes discussion on changes to accounting standards and issues which have a direct impact on the financial statements;
- review of the adequacy and effectiveness of MCT's internal controls and reporting to the Board on the review;
- review of audit findings of internal and external auditors, as well as management responses to them;
- review the scope and results of the external audit and the independence and objectivity of external auditors, including the evaluation of the nature and extent of their non-audit services. In this regard, for FY17/18, MCT paid S$96,100 to the external auditors, PwC, for audit services for the Group. There were no payments made for any non-audit services;
- recommendation on the appointment and re-appointment of external auditors and approval of their remuneration and terms of engagement; and
- examination of interested person transactions.

In addition, the AC also:

- meets with the external and internal auditors, without the presence of Management, at least once a year; and
- reviews and, if required, investigates the matters reported via the whistle-blowing mechanism by which staff 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.

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 the Management and external auditors on significant accounting matters. It also included a review of the valuation of investment properties, a key audit matter identified by the external auditors:

Key Audit Matter	How the AC reviewed these matters and what decisions were made
Valuation of Investment Properties	The valuation of investment properties underpins the performance and net asset value of the Group. It is required to be carried out once a year in accordance with the Property Funds Appendix. The Code also requires the valuer appointed for a specific property to be rotated after 2 consecutive years. Applying the practice, the valuers were changed during the year. The AC reviewed the professional valuers and is satisfied that their appointment is in accordance with the requirements of the Code and that the professional valuers are experienced, objective and independent. The AC had a robust discussion with management and the professional valuers to review the methodology and assumptions used in arriving at the valuation of the investment properties. The AC is satisfied that the methodology and assumptions used are reasonable and accepted the outcome of the valuation of the investment portfolio which resulted in a gain of S$324.2 million for the year, of which VivoCity contributed S$271.5 million, mainly due to compression of capitalisation and discount rates and better operating performance. The AC also considered the work performed by the external auditor, including their assessment of the appropriateness of the methodologies and key assumptions applied in the valuation of investment properties.

A total of six AC meetings were held in FY17/18.

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.

Corporate Governance

Internal Audit
Principle 13: Independent internal audit function

Our Policy and Practices

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

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

The AC is consulted and provides feedback to the AC of the Sponsor on the hiring, removal and evaluation of the performance of the Head of Internal Audit. The Internal Audit Department has unfettered access to all of the Group's documents, records, properties and personnel, including access to the AC.

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

The 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 USA. The 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.

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

To ensure that the internal audits are performed by competent professionals, the Internal Audit Department recruits and employs qualified employees. In order that their technical knowledge remains current and relevant, the 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 was completed in 2013 and the QAR concluded that the Sponsor's Internal Audit Department was in conformance with the IIA Standards. The next external QAR will be conducted in FY18/19.

(D) UNITHOLDER RIGHTS AND RESPONSIBILITIES
Unitholder Rights
Principle 14: Fair and equitable treatment of all Unitholders

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

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

Our Policy and Practices

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

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

All Unitholders can access the electronic copy of the Annual Report which is published via SGXNET as well as MCT's website. All Unitholders will receive a booklet containing key highlights of MCT, instructions on accessing the Annual Report online with the option of receiving a printed version of the Annual Report, a notice of AGM and a proxy form with instructions on the appointment of proxies. The notice of AGM for each AGM is also published via SGXNET and advertised in the press. An AGM 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 Chairperson of the AC, the CEO and the CFO. The external auditors are also present to address Unitholders' queries about the audit and the financial statements of the Group. A record of the Directors' attendance at the annual general meeting can be found in the records of their attendance of meetings set out on pages 69 to 70 of this Annual Report.

Similarly, where a general meeting is convened, all Unitholders are entitled to receive a circular enclosing a proxy form with instructions on the appointment of proxies. Prior to voting at an AGM or any other general meeting, the voting procedures will be made known to the 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 AGM. Each resolution proposed at an AGM and any other general meeting will be voted on by way of electronic polling. 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 consensus estimates and views.

Minutes of the AGM recording the substantive and relevant comments made and questions raised by Unitholders are available to Unitholders for their inspection upon request. Minutes of the AGM are also available on MCT's website at www.mapletreecommercialtrust.com.

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 MCT's website.

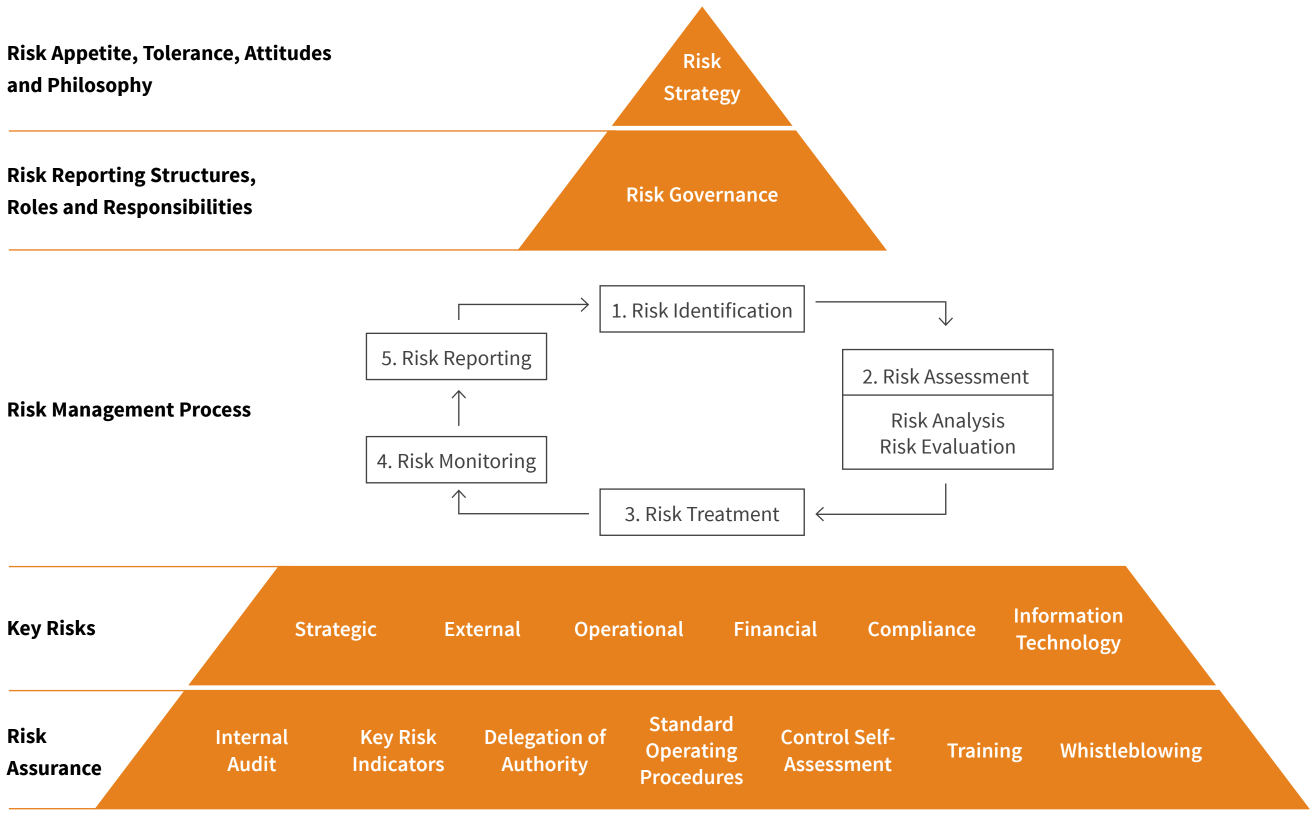
Investors can subscribe to email alerts of all announcements and press releases issued by MCT through its website. "Live" webcast of analyst briefings are conducted twice a year and where practicable.

The Manager also communicates with MCT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. The Manager's CEO and CFO are present at briefings and communication sessions to answer questions from investors. More information on the Manager's investor relations activities can be found in the Investor Relations section on pages 103 to 105 of this Annual Report.

MCT's distribution policy is to distribute at least 90% of its taxable income and such distributions are typically paid on a quarterly basis. For FY17/18, MCT made four distributions to Unitholders.

Risk Management

Risk management continues to be an integral part of the Manager's business strategy. To deliver regular and stable returns for Unitholders, the Manager proactively manages risks and embeds the risk management process as part of the planning and decision making process. The risk management function, which is outsourced to the Sponsor, oversees the ERM framework, which enables the Manager to assess, mitigate and monitor key risks.



STRONG OVERSIGHT AND GOVERNANCE

The Board is responsible for determining the overall risk strategy and risk governance, and ensuring that the Manager implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which set out the nature and extent of risks that could be taken to achieve the Manager's business objectives. The Board is assisted by the AC, which comprises independent directors whose collective experience and knowledge serve to guide and provide strategic insights. The AC has direct access to the Sponsor's Risk Management department, which the AC engages on a quarterly basis as part of the AC's review of MCT's portfolio risks.

At the Manager, the risk management culture involves both top-down oversight and bottom-up engagement from all employees. This ensures a risk approach that is aligned with its business objectives, which is also integrated with operational processes for effectiveness and accountability.

The Manager's ERM framework is dynamic and evolves with the business, and provides the Manager with a holistic and consistent process for the identification, assessment, monitoring and reporting of risks. The Sponsor's Risk Management department works closely with the Manager to review and enhance the risk management system, with the guidance and direction of the AC and the Board. A CSA framework further reinforces risk awareness by fostering accountability, control and risk ownership and provides additional assurance to the Manager and the Board that operational risks are being effectively and adequately managed and controlled.

ROBUST MEASUREMENT AND ANALYSIS

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

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

RISK IDENTIFICATION AND ASSESSMENT

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

Strategic Risks

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

The risks arising from investment activities are managed through a rigorous and disciplined investment approach, particularly in the areas of asset evaluation and pricing. All acquisitions are aligned with MCT's investment strategy to enhance returns to Unitholders and improve future income and capital growth. Sensitivity analysis is performed for each acquisition on all key project variables to test the robustness of the assumptions used. Significant acquisitions are further subject to an independent review by the Sponsor's Risk Management department and included in the investment proposal submitted to the Board for approval. All investment proposals are subject to vigorous scrutiny by the Board or Management Committee, in accordance with the Board's approved delegation of authority.

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

When executing investment transactions, the Manager ensures compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited, the Property Funds Appendix and the provisions in the Trust Deed.

External Risks

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

Operational Risks

Comprehensive operating, reporting and monitoring guidelines enable the Manager to manage day-to-day activities and mitigate operational risks. To ensure relevance, the Manager regularly reviews its Standard Operating Procedures ("SOPs") and benchmarks them against industry practices where appropriate. Compliance with SOPs is assessed under the CSA framework and reinforced through training of employees and regular reviews by the Sponsor's Internal Audit department.

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

Credit risks are mitigated from the outset by conducting tenant credit assessments as part of the investment due diligence process prior to an acquisition. For new and sizeable leases, credit assessments of prospective tenants are undertaken prior to signing of lease agreements. On an ongoing basis, the Manager's asset management team closely monitors tenants' credit health worthiness and arrears are managed by the Manager's Credit Control Committee which 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 commencement of leases.

Loss of key management personnel and identified talents can cause disruptions to the Manager's business operations and hinder the achievement of its business

Risk Management

objectives. The Manager has put in place succession planning, talent management and competitive compensation and benefits plans to reward and retain performing personnel.

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

MCT hedges its portfolio exposure to interest rate volatility arising from borrowings by way of interest rate derivatives and fixed rate debts.

The Manager also actively monitors MCT's cash flow position and funding requirements to ensure sufficient liquid reserves to fund operations and meet short-term obligations (see Financial Review & Capital Management section on pages 40 to 44 of this Annual Report). In addition, the Manager monitors and mitigates bank concentration risks by having a well-diversified funding base. The limit on MCT's aggregate leverage ratio is observed and monitored to ensure compliance with the Property Funds Appendix.

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

Information Technology Risks
Concerns over the threat posed by cyber security attacks have risen as such attacks become increasingly sophisticated. The Manager has in place comprehensive policies and procedures governing information availability, control and governance, and data security. An information technology disaster recovery plan is in place and tested annually to ensure business recovery objectives are met. In addition, network vulnerability assessment and penetration testing are conducted regularly to check for potential security gaps.

RIGOROUS MONITORING AND CONTROL

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

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

Sustainability Report

BOARD STATEMENT

The Board is pleased to present our second sustainability report for MCT. With this report, we would like to share with our stakeholders our overarching approach to sustainability, our practices and performance, as well as our targets for the forthcoming year. This report is aligned with the SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide and prepared in accordance with the Global Reporting Initiative ("GRI") Standards (2016).

MCT's sustainability approach is aligned with that of the Sponsor, Mapletree Investments Pte Ltd, and is premised on the recognition that environmental, social and governance ("ESG") aspects are increasingly important. We further believe that the sustainability of the economic, environmental and social areas supports the longevity of our business, which in return enhances the creation of long-term value to our stakeholders. For these reasons, we are committed to managing the relevant ESG risks and opportunities across the portfolio to ensure the long-term well-being of our business, while contributing positively to the environment and society.

The Board considers sustainability in the formulation of MCT's long-term strategies and oversees sustainable practices across its businesses. In discharging our responsibilities, we are supported by MCT's representation in the Sustainability Steering Committee ("SSC") which comprised senior management across the Group.

In our inaugural sustainability report last year, we articulated how MCT continuously strives to combine sustainable initiatives in our business that will enhance the environment and our society. These initiatives are incorporated into our daily operations from how we plan and manage our properties, how we conduct business with different stakeholders, to how we cultivate a positive work environment for all employees and create meaningful impact for the local community.

We are pleased that these initiatives and practices have achieved positive results to date. At PSA Building, for example, the Manager has undertaken a series of works to enhance the energy efficiency of the air-conditioning system. As a result of these enhancements, the efficiency of the chiller system has improved by more than 11%, translating to cost savings of approximately S$120,000 per year.

Some key achievements in FY17/18 include:

- All our properties being accorded at least the BCA Green Mark Gold Award. MLHF, in particular, has been accorded the BCA Green Mark Gold^{Plus} Award, an improvement from the BCA Green Mark Gold Award accorded previously;
- Achieving a 95% participation rate in the 2017 Employee Engagement Survey;
- Providing a total of S$252,707 worth of venue sponsorship to charitable causes; and
- Organising two CSR initiatives with active staff participation.

As we embark on this meaningful sustainable journey, we will continue to strengthen our engagement with key stakeholders and improve our sustainability efforts and practices, with the goal of forging a long-term sustainable business.

Board of Directors

Sustainability Report

MCT'S COMMITMENT

At MCT, we are committed to creating long-term value for our stakeholders by incorporating economic, environmental and social considerations into our business practices. Being a responsible and sustainable business is crucial to our continued success. We strive to integrate sustainability principles into our daily operations and activities by having regular and meaningful engagement with our stakeholders, minimising the environmental impact of all aspects of our business, and ensuring the safety of all our properties for employees, tenants and shoppers.

MCTM's Bowling Party 2018

ABOUT THIS REPORT

This report contains data and practices relating to MCT, the REIT Manager, and MCT's five properties, namely VivoCity, MBC I, PSA Building, Mapletree Anson and MLHF, which the Manager has operational control. The reporting period is from 1 April 2017 to 31 March 2018. The report also includes information on group-wide social and governance practices that are relevant to MCT.

MCT publishes its sustainability report on an annual basis. This report is aligned with the SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide and has been prepared in accordance with the GRI Standards (2016) – Core option. The GRI Standards are one of the global best practice guides for reporting on a range of ESG factors.

We value and welcome feedback from our stakeholders as they enable us to continuously improve our sustainability approach, performance and disclosure. Please send your comments and suggestions to Ms Teng Li Yeng, Vice President, Investor Relations via enquiries_mct@mapletree.com.sg.

SUSTAINABILITY GOVERNANCE

MCT's sustainability strategy is guided by the leadership of the SSC. This committee oversees and develops sustainability strategies and overall sustainability performance and is led by the Sponsor's Deputy Group Chief Executive Officer, and the Head of Group Corporate Services and Group General Counsel. The SSC comprises the CEOs of the managers of the four Mapletree Group-sponsored REITs and other members of the Sponsor's senior management team. Ms Sharon Lim, Executive Director and CEO, represented the Manager in the committee for FY17/18.

The SSC is supported by a Sustainability Working Committee ("SWC"), which is made up of representatives across the organisation's business units and functions. MCT is represented in this SWC, which implements, executes and monitors policies and procedures across the organisation.

We consider our sustainability performance in the context of our business objectives and benchmark against industry peers with the aim of seeking continuous improvement. The SSC regularly reviews our management approach to see where there are suitable opportunities to improve performance so that appropriate actions can be taken to address existing gaps.

MATERIALITY ASSESSMENT

A formal Group-wide materiality assessment exercise was first conducted in FY16/17. Facilitated by an independent sustainability consultant, the exercise involved key internal stakeholders, including the SWC, to identify, prioritise and validate ESG factors that are material to our business operations and of significant interest to our stakeholders.

In FY17/18, a second workshop was organised to review and revalidate the material ESG factors from FY16/17. The workshop also sought to gather feedback and updates from key internal stakeholders on the material factors.

The following factors were taken into consideration for the materiality assessment:

- global and local emerging sustainability trends;
- material topics identified by industry peers; and
- sustainability reporting frameworks.

From the workshop's discussions, we have determined that the material ESG topics in FY17/18 remain unchanged from those identified in the previous year, except for "Marketing Communications", which is now included with "Compliance with Laws and Regulations".

Material Factors

Economic	• Economic performance
Environmental	• Energy
Social	• Health and safety • Employment and talent retention • Local community
Compliance	• Anti-corruption • Compliance with laws and regulations

Sustainability Report

STAKEHOLDER ENGAGEMENT

We have identified key internal and external stakeholder groups that are critical to our business. We engage our key stakeholder groups regularly to understand issues of concern to them and to respond to any questions raised about our business operations.

Listed below are our key stakeholders and the ways in which we engage them.

Stakeholders	Key Topics and Concerns	Engagement Methods
Shoppers	• Needs of our shoppers • Range and quality of retail offerings and services • Supplementary amenities and services for shoppers' convenience • Safe and pleasant shopping environment • Connectivity and access to public transport	• Customer feedback through customer service and surveys • Online and mobile communications platforms, as well as social media • Advertisements, marketing and promotional events to engage shoppers
Tenants	• 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 • Shopper traffic • Collaboration in marketing and promotional events	• Proactive engagements with existing and new tenants through regular meetings, gatherings as well as informal engagement programmes • Joint promotions and partnerships with tenants • Tenant Handbook and circulars
Investment Community (Investors, Unitholders, Analysts and Media)	• Steady and sustainable distributions • Operational and financial performance • Business strategy and long-term outlook • Good corporate governance • Timely and transparent reporting	• AGMs • Website and SGXNET announcements, presentations and press releases • Annual Reports, results briefings and webcasts • One-on-one meetings and property tours • Local and overseas investors conferences and non-deal roadshows • Electronic communication and feedback channels
Employees	• Equitable reward and recognition • Fair and competitive employment policies and practices • Safe and healthy working environment • Learning and development opportunities • Regular engagement	• Robust compensation and benefits framework • Staff communication with senior management • Regular dialogues with employees through informal feedback sessions and performance appraisals • Electronic communication such as emails, intranet and newsletters • Employee Engagement Surveys • Employee Handbook • Training programmes and education sponsorships • Recreational and team building activities
Trustee	• Safeguard the rights and interests of Unitholders • Ensure compliance with the Trust Deed rules and regulations • Open communication channels	• Monthly reporting and updates • Ongoing dialogues and regular feedback
Business Partners (Government, Regulators, Industry Associations and Third-party service providers)	• Compliance with rules and regulations • Fair and reasonable business practices • Win-win partnerships	• Participation in industry associations, namely, REITAS, the Sentosa HarbourFront Business Association and the Singapore Retail Association • Ongoing dialogues, feedback and networking events • Meetings, briefings, consultations and inspections • Letters and electronic communication
Local Community	• Sustainable environmental practices • Positive impact to the local community	• Incorporating sustainable environmental practices into business • Collaborations with non-profit organisations to raise visibility and impact of social and environmental causes • Channels for public feedback

1


2


3


Photo Captions
1 Engaging with Unitholders at MCT's 6th AGM
2 Reaching out to retail investors at the REITs Symposium 2017
3 The AGM is an important platform for us to reach out to Unitholders

Sustainability Report

ENVIRONMENT

MCT is committed to reducing its environmental impact by improving the environmental performance of its properties. Doing so not only helps in reducing the environmental footprint created by the real estate industry, but also produces business benefits such as cost savings that can be passed on to our stakeholders.

The Mapletree Group fully supports Singapore's increased commitment to sustainable building practices. To this end, MCT has implemented various eco-efficient initiatives to minimise the environmental impact of our business operations.

The Manager and the Property Manager continue to participate in "Mapletree Goes Green", an ongoing initiative implemented by the Sponsor in 2011 to encourage employees to adopt environmentally-friendly practices in their day-to-day work. For instance, employees are encouraged to use refillable water bottles and print on both sides of paper. Other measures include installation of recycling bins, implementation of electronic systems to reduce paper usage, and circulation of reminders to nurture a more environmentally conscious mindset.

Energy

Targets

- Maintain landlord's energy consumption (of all MCT's properties) to within ±5% of FY17/18's baseline
- VivoCity
  - Install photovoltaics ("PV") panels to reduce 500,000kWh in FY18/19 (estimated impact from October 2018 to March 2019)
  - Upgrade fan coil units ("FCUs") progressively. Target to have first year savings of 60,000 kWh in FY18/19
- At least maintain BCA Green Mark ratings for all MCT properties

We strive to continue to improve the conservation efforts of energy and water in properties. We monitor our properties' energy consumption used for lighting, air-conditioning and operating elevators. Rising energy use and associated greenhouse gas ("GHG") emissions are some of the leading causes of global warming. Since energy consumption also accounts for a significant proportion of operating costs, improving energy efficiency will minimise our environmental footprint and deliver economic benefits.

To improve energy efficiency, efforts have been made to improve the management of owner-controlled areas and to encourage tenants to practise energy efficiency in their own areas. A number of policies and initiatives have been implemented to track the environmental performance of MCT's properties. Our monthly utility consumption is monitored to identify opportunities to improve efficiency. This data, as well as other building-related information, are submitted to the BCA on an annual basis. The information is included in the BCA Building Energy Benchmarking Report to encourage building owners and managers to improve their energy conservation efforts.

We also fully support the third Green Building Master Plan developed by the BCA and strive to ensure that all of MCT's properties at least maintain their respective BCA Green Mark certifications. The features of BCA Green Mark-certified buildings include greater climatic responsiveness, higher energy effectiveness, increased resource efficiency and smarter and healthier indoor environments. Monthly engineering forums are conducted to discuss ongoing applications or renewals of Green Mark certifications.

To date, the Manager has implemented the following initiatives to reduce energy consumption by our properties:

- Upgrading air-conditioning systems to improve their efficiencies;
- Improving monitoring and control systems to optimise electricity usage;
- Using energy efficient lighting fixtures to reduce electricity consumption; and
- Participating in events such as "Lights Off" for Earth Hour and Earth Day to raise public awareness.

At PSA Building, enhancements were made to improve the energy efficiency of the air-conditioning system. These include an overhaul of chillers, optimisation of the pumping system, installation of variable speed drives for the condenser water pumps and cooling towers, and removal of non-essential balancing valves for the chilled and condenser pipes to reduce pressure loss. These enhancements improved the efficiency of the chiller system from 0.81 KW/RT to 0.72 KW/RT, resulting in cost savings of approximately S$120,000 per year.

VivoCity's upgrading of Building Management System ("BMS") was completed in FY17/18. Controllers were installed to allow for dynamic control over the mall's air temperature, irrigation, lighting, lift and escalator systems. The upgraded BMS has improved energy efficiency as it allows for real-time monitoring and the implementation of a new control strategy to prevent over-cooling in the mall's common areas.

In recognition of the Manager's efforts towards environmental sustainability, MCT's properties have been awarded various Green Mark certifications by the BCA. MLHF, in particular, has been accorded the BCA Green Mark Gold^{Plus} Award in FY17/18, an improvement from the BCA Green Mark Gold Award awarded previously. For the upcoming year, we aim to at least maintain the respective BCA Green Mark certifications for all our properties.

One of our other sustainability targets for FY18/19 is to install PV panels at VivoCity. This is targeted to reduce VivoCity's energy usage by 500,000 kWh in FY18/19 (estimated impact from October 2018 to March 2019). We will also start to upgrade the FCUs at VivoCity on a progressive basis to improve the property's energy efficiency. Given that the FCU upgrade will be done progressively over three years, we target to achieve energy savings of 60,000 kWh in FY18/19, the first year of implementation.

Property	Environmental certifications and accolades
VivoCity	Green Mark Gold Award, BCA
MBC I	Green Mark Platinum Award, BCA
PSA Building & ARC	Green Mark Gold^{Plus} Award, BCA
Mapletree Anson	Green Mark Platinum Award, BCA
MLHF	Green Mark Gold^{Plus} Award, BCA

As part of our management approach, we strive to improve our energy performance year-on-year and continue to support energy conservation efforts across all our properties. On an ongoing basis, we will continue to monitor our properties' energy efficiency closely, make plans and implement viable upgrades and enhancements to energy-related facilities and systems.

Energy Consumption and GHG Emissions

In FY17/18, the total energy consumption of our properties was 69,346,146 kilowatt hours ("kWh")[1]. The average building energy intensity[1] during the same period was 149 kWh/m^2.

The total GHG emissions from electricity use at our properties were 29,431[2] tCO_2e in FY17/18, while the average GHG emissions intensity during the same period was 0.06 tCO_2e/m^2.

1 The energy consumption figures reported exclude tenants' energy consumption within the leased premises.
2 The total GHG emissions were calculated using Singapore's Average Margin Grid Emission Factor in 2016.

Sustainability Report

SOCIAL – PEOPLE AND COMMUNITIES

We recognise our role in providing spaces and facilities to businesses and the community. As such, we are committed to providing and maintaining a healthy and safe environment for all our stakeholders, namely our employees, third-party service providers, tenants and visitors.

Health and Safety

Targets

- Achieve zero incidents resulting in employee permanent disability or fatality
- Achieve 100% relevant trainings for eligible staff members

We have implemented the following initiatives to safeguard the health and safety of our employees and stakeholders:

Employees	Each employee is provided with a comfortable and safe work space environment. Health-related programmes are organised to prevent illness and promote good health among our employees.
Third-party service providers (“TPSPs”)	The selection framework for the engagement of contractors and other TPSPs includes requirements on health and safety standards.
Tenants	The following instructional manuals are provided to tenants to ensure that they adhere to health and safety standards: • A fit-out manual which includes clauses on safety rules for additions and alterations works; and • A Tenant Handbook which contains safety rules and some “Dos and Don’ts” in their business operations. To ensure that tenants are familiar with the emergency evacuation procedures and the locations of assembly areas, fire drills are conducted twice a year. Tenants are provided with updates and alerts during emergency situations, such as fires, natural disasters and terrorist attacks. Tenants are encouraged to adopt green practices such as reducing and recycling waste.
Visitors	Our buildings and properties are fitted with alarm systems and emergency exits are clearly marked to ensure safety of visitors. Regular checks of lifts and fire alarm systems are carried out to ensure compliance with building regulations.

We have implemented SOPs that set out various guidelines in the event of an emergency in the workplace. Health and safety incidents are managed by the Company Emergency Response Team (“CERT”) at each property. CERTs personnel are trained in first aid and possess fire-fighting abilities. Scissor lifts and boom lifts are used for maintenance and repairs and are operated by licensed Property Management technicians. We adopt the Sponsor’s reporting protocol in the event of construction accidents at any of our development sites so that investigation can be performed and preventative actions can be taken in a timely manner. In addition, fire and safety drills, as well as fire safety audits, were conducted at all properties during the year. We also comply with the Ministry of Manpower’s reporting requirements on workplace incidents.

In FY17/18, a series of courses were introduced with the focus on “Building a Resilient Workforce”. The courses organised in-house include Stress Management, Mental Health First Aid, Assisting Individuals in Crisis, CERT First Aid, CPR and AED. In addition, our employees receive regular updates on ongoing publicly-run health and safety related courses which employees are encouraged to participate.

We will continue to ensure that our properties are safe and without risks to the health and safety of our employees and stakeholders.

1 EMPLOYEES

Continue to conduct regular health and safety trainings for all employees.

2 TPSPs

Engage third-party service providers in regular meetings to discuss and monitor their health and safety performance.

3 TENANTS AND VISITORS

Conduct risk assessments prior to the commencement of fitting-out works, and ensure buildings are well maintained and all hazards are clearly signposted.

Health and Safety Performance

In FY17/18, there were zero reported workplace fatalities and zero major accidents among the Manager’s employees. Within the reporting period, there were no incidents of significant non-compliance with relevant health and safety regulatory requirements.

Talent Retention

Targets

- Continue to commit to fair employment practices by ensuring that our hiring process remains stringent and to offer equal opportunity to all potential candidates
- Maintain a diverse and relevant learning and development programme

We strongly believe that our employees are our key asset. We strive to invest in our human capital and to build a diverse workforce and an inclusive culture through well-rounded human resource policies and various training programmes offered to our employees. We also organise regular engagement activities to nurture an environment that values work-life balance.

Talent Attraction

The ability to attract and retain talent is essential to the long-term sustainability of MCT. High turnover could result in loss of invaluable experience and knowledge, as well as loss of time and effort put into employees’ development. To improve talent retention, integrated human capital strategies and initiatives with a strong emphasis on equal opportunity, talent development, competitive compensation and employee wellness have been developed and put in place. We strive to ensure that our employment practices comply with local labour laws. Each employee has access to the Employee Handbook, which sets out human resource policies on hiring, equal opportunity, and learning and development.

Exit interviews and employee engagement surveys are conducted to understand employees’ reasons for leaving the organisation. Through the interviews and surveys, we receive feedback and comments from employees that allow us to identify areas for improvement. In FY17/18, the

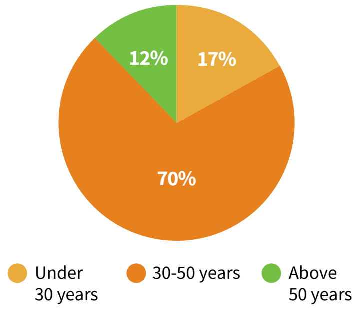
Sustainability Report

Employee Engagement Survey had a 95% response rate from employees.

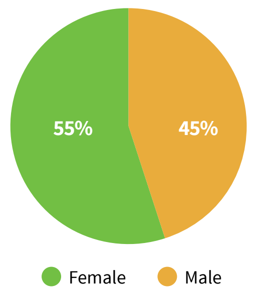
We collect, track and monitor our human resources data on a yearly basis. For FY17/18, there was an average of 163 employees at MCT who were all based in Singapore. The average turnover rate for the year was 0.7% while the average new hire rate was 0.9%.

Diversity is evident, with 17% of MCT's employees under 30 years of age, 70% between 30 to 50 years of age and 12% above 50 years of age[1]. Female and male employees accounted for 55% and 45% of the entire staff population respectively.

Age Diversity[1]



Gender Diversity



1 Total does not add up to 100% due to rounding.

Developing People

We support employee training and development by offering our employees opportunities to participate in various learning and development programmes conducted throughout the year. These programmes include the Mapletree Leadership Programme, Mapletree Performance Management workshops, as well as various functional and technical training programmes. Through these programmes, employees receive market updates and trainings on leadership, performance management and customer service. In addition, we have the Mapletree Immersion Programme for new hires to help them understand our organisation and business.

To support continuous employee development, a robust performance appraisal system has been implemented. Through the system, employees are able to identify their development goals and learning needs. All employees are given feedback on their performance during an annual performance review.

Employee Well-being

We continue to engage our employees through various activities and social events organised by the Mapletree Recreation Club throughout the year. They include Durian Fest 2017, Mapletree's Movie Event 2017, USS Day Out! and Chinese New Year Goodies Distribution 2018.

In FY17/18, we continued to organise a series of workplace health promotion programmes with the Health Promotion Board to promote healthy lifestyle and employee well-being. These activities are extended to all tenants of Mapletree Business City, Mapletree's flagship development in Singapore, and include lunchtime talks on lifestyle topics and monthly fitness programmes. Mapletree also held the annual health screening session as well as half-annually blood donation drives.

We recognise the achievements of our employees' children through the Mapletree Education Award ("EduAward"). The EduAwards, comprising cash awards ranging from S$150 to S$500, are given out twice a year. In FY17/18, 66 awards totalling S$15,300 were given out by the Sponsor.

Local Community

Targets

- Provide venue sponsorship of at least S$150,000 across MCT's properties to support the community and institutes of learning
- Organise two CSR events with staff participation per year

We aim to build long-term relationships with the local community. We are committed to making positive contributions by supporting projects and causes that address the needs of the community, which are in line with the four key pillars of our Group's CSR programme.

Underpinning our efforts is the Mapletree Shaping & Sharing Programme, a group-wide framework that seeks to achieve greater social impact through a focused CSR approach.

As a testament to the Mapletree Group's commitment to align business performance with social sustainability, the Sponsor sets aside S$1 million annually to fund CSR projects and programmes for every S$500 million of profit after tax and minority interests or part thereof.

MAPLETREE CSR FRAMEWORK

Aimed at achieving greater impact through a focused approach, the group-wide CSR Framework encompasses four pillars of support – education, the arts, healthcare and the environment. Guided by two broad objectives, it focuses on empowering individuals by supporting educational and healthcare initiatives, enriching communities with the arts and function design, and shaping environmentally sustainable real estate developments.

This framework guides our proposed community involvement initiatives and commitments, while the selection criteria for these initiatives are based on definable social outcomes, long-term engagement and staff volunteerism opportunities.

Following the assessment of proposed community involvement initiatives against the Mapletree CSR Framework by the Group Corporate Communications team, recommendations are made to the CSR Board Committee for their final assessment.

Staff volunteers providing logistics support for WondeRead

Engaging Tenants

The Manager works closely with tenants to meet their needs by providing high quality service.

Since July 2010, VivoCity has been conducting the monthly Service Excellence Workshops as an in-house induction programme for new employees of tenants at VivoCity. The programme focuses on VivoCity's Service Culture, ways to build customer loyalty, managing customer feedback, and the "Do's and Don'ts" of service delivery.

To better understand the needs of MCT's tenants, regular networking sessions are organised to provide tenants a platform to provide feedback and to raise any concerns that they may have. During the year, the Manager continued to devote resources to identify and organise targeted activities that would effectively drive tenant sales.

Contributing to a Better Society

We support charitable, social and environmental causes that are important to us and in line with our key CSR pillars. In FY17/18, MCT supported a total of 18 projects that could positively impact the local community. These projects include CSR events that were organised by staff volunteers, as well as venue sponsorships at our properties.

From September to October 2017, we initiated a programme to help the National Library Board ("NLB") with their logistics for WondeRead, one of NLB's programmes to supplement needy children aged from 7 to 8 years old with books. Staff volunteers helped to transport 90 boxes of books from Al-Mukminin Mosque to the NLB.

From October to November 2017, staff came together to run an internal charity collection drive to collect pre-loved toys for Gifts of Love with Food from the Heart ("FFTH"). A total of 272 bundles of toys were collected, packed and delivered to FFTH's Annual Toy Buffet, a carnival organised for over 2,000 needy children aged between 6 to 13 years old.

Sustainability Report

In addition to CSR events, MCT provided venue sponsorships in total of S$252,707 in the financial year. Some of the venue-sponsored events held at VivoCity and MBC I were:

VivoCity

PaTH Market
January - October 2017

VivoCity has been supporting the PaTH (Pop and Talent Hub) Market activity (a social initiative by Social Innovation Park Ltd) since 2007 by providing atrium spaces for budding entrepreneurs from traditionally marginalised groups with the opportunity to showcase and retail hand-made, unique handicraft products. This also helps to develop their personal and professional experience in retail.

Sea Dreams Play in conjunction with the Singapore Maritime Week
21 - 23 April 2017

In conjunction with the Singapore Maritime Week 2017, Global Cultural Alliance, a non-profit arts and culture organisation, developed and produced a new and original multi-disciplinary play titled Sea Dreams.

VivoCity hosted the play at its Amphitheatre. The play engaged various performing art forms and sought to reflect the vibrancy of the maritime industry and the future and opportunities it holds for young Singaporeans in the face of today's challenging climate.

Breast Cancer Foundation's 20th Anniversary Roadshow
8 - 14 May 2017

The Breast Cancer Foundation is a non-profit organisation with the mission to eradicate breast cancer as a life-threatening disease. This is done through raising awareness and providing psycho-social support, and empowering survivors and their families through support groups, training and other activities.

VivoCity supported the Breast Cancer Foundation's 20th anniversary roadshow as a venue sponsor. The seven-day event comprised a mammography screening simulation and interactive exhibition panels on cancer awareness and prevention.

Home & Away with Mapletree
28 - 30 July 2017

To support and provide warmth to students studying overseas, MIPL organised a three-day roadshow to distribute 500 pieces of customised Mapletree fleece jackets to UK-bound Singaporeans and Singapore Permanent Residents to help them in their adjustment to the cold climate.

Hair For Hope
29 - 30 July 2017

Hair for Hope is an annual hair-shaving event organised by the Children Cancer Foundation. Every year, the event attracts large numbers of people to have their heads shaven to support children with cancer.

VivoCity has been supporting the event as a venue sponsor/partner since 2010. The event has also evolved to become an iconic event of VivoCity.

'Once Upon a Time' Performance by The TENG Ensemble
20 November 2017

A Lunar New Year festive performance was organised by MIPL and anchored by The TENG Ensemble at VivoCity's Amphitheatre. The TENG Ensemble is a local non-profit arts company that has gained local and international acclaim with their unique brand of music that bridges the East and the West. Approximately 600 attendees were treated to an educational pre-show and a medley of popular and classical music.

MBC I

Health Promotion Board's Healthy Workplace Ecosystem
April 2017 - March 2018

MBC I provided the venue for the Health Promotion Board initiative to introduce a Healthy Workplace Ecosystem and to conduct mass exercise programmes for office crowds.

This also helped to promote vibrancy and enhance the overall environment for our tenants and their staff.

Events Organised by SASCO Senior Citizens' Home
17 - 21 April 2017

MBC I provided the venue for SASCO Senior Citizens' Home to support their efforts in raising awareness and reaching out to the community.

Bone Marrow Donor Programme
25 - 26 May 2017

This event was held to educate the public about bone marrow transplants and promote in-depth understanding of blood-related diseases.

Singapore Heart Foundation
14 - 18 August 2017 and
5 - 9 February 2018

The Singapore Heart Foundation organises various awareness campaigns to educate the public on the landscape of heart diseases in Singapore and to garner donors to help those in need.

Singapore World Water Day
19 - 23 March 2018

This was organised by the Public Utilities Board to encourage the community to conserve water and to educate them on ways to save water.

365 Cancer Prevention Society
19 - 23 March 2018

This event was to educate the public in understanding cancer prevention and to attract donors to help those in need.

Community Feedback

Feedback from our stakeholders and the community is important to us. As a responsible corporate citizen, we have multiple feedback mechanisms in place to receive, track and respond to questions about our sustainability approach and performance from community members.

The public and investors can send in their feedback or enquiries to MCT via MCT's website, email, fax or enquiries hotline. Contact information is available on MCT's website as well as in the Annual Reports.

http://www.mapletreecommercialtrust.com/en/Contact-Us/Contact-Information.aspx
http://www.mapletreecommercialtrust.com/Contact-Us/Enquiries.aspx

For our shoppers, we have dedicated public feedback channels, including electronic feedback forms, customer service hotlines, social media channels, as well as information counters in VivoCity where the public may use to provide feedback or share their concerns.

VivoCity: https://www.vivocity.com.sg/contact-us-enquiry
ARC: https://www.arc4u.com.sg/contact-us

The Management and the Investor Relations team actively engage investors, analysts and the media through regular and frequent interactions through various platforms. More information can be found in the Investor Relations section on pages 103 to 105 of this Annual Report.

Sustainability Report

Governance – Ensuring Compliance
At MCT, we conduct our business with honesty and integrity, and we are fully committed to upholding a high standard of corporate governance and transparency. To do so, and to uphold the Mapletree Group's core values, we have a robust corporate governance framework in place that has been developed in line with Mapletree Group's policies. MCT is committed to ethical operations and compliance with laws and regulations. For more information on MCT's corporate governance policies and practices, please refer to pages 68 to 83 of this Annual Report.

Targets
- Maintain zero incidences of non-compliance with anti-corruption laws and regulations
- Achieve no material incidences of non-compliance with relevant laws and regulations

- **Anti-corruption**
  Singapore has ratified the United Nations Convention against Corruption and has robust laws to fight corruption. We are firmly opposed to corruption in all forms and is committed to doing business in an ethical manner.
- **Dissemination of Marketing Collaterals**
  The display and dissemination of information in marketing collaterals are subject to various regulations and laws. We are committed to responsible marketing and advertising in compliance with these regulations and laws.

Managing Compliance
At MCT, we strive to ensure that our policies and practices reflect a high standard of corporate governance. Our corporate governance framework demonstrates our commitment to responsible and transparent business practices, in line with the Mapletree Group's core values. The framework contains specific guidelines on anti-corruption practices – such as the prohibition of bribery, acceptance or offer or lavish of gifts and entertainment. There is also a whistle-blowing policy to allow employees and stakeholders to raise any serious concerns about any danger, risk, malpractice or wrongdoing in the workplace.

MCT's employees are subject to and are required to comply with its policies and procedures at all times, which include policies on ethics and code of conduct, safe work practices and professional conduct. We will take appropriate disciplinary action, including termination of any employee, who is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment.

In addition, robust procedures have been established to monitor the effectiveness of risk management processes and manage the risk of non-compliance with laws and regulations, including the anti-money laundering laws. Cases of threatened or pending litigation are brought to the attention of the CEO of the Manager and the Head of Group Corporate Services and Group General Counsel promptly for timely resolution. To ensure compliance with the SGX listing rules, all our employees are notified before the start of any trading ban period so that they are aware that they should not deal in the listed units of Mapletree REITs. Employees are also notified that they should not deal with such listed units when in possession of price sensitive information.

All MCT's marketing collaterals are reviewed by the Marketing Communications team for compliance with the Singapore Code of Advertising Practice. The requirements under the Personal Data Protection Act are also taken into account in the communication materials of our community outreach activities to ensure that personal data is handled appropriately. We also ensure that licenses for the use of music in building premises and for the setting up of any temporary structures at the malls are applied for and renewed on a regular basis.

We will continue to provide training to our directors and employees when there are updates or changes to the existing laws.

In FY17/18, there was no material incidence of non-compliance with relevant laws and regulations, including anti-corruption and marketing laws.

GRI Index

GRI Standards (2016)		Notes/Page number(s)
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Mapletree Commercial Trust; Corporate Overview (Annual Report 2017/18), Page 4
102-2	Activities, brands, products, and services	About This Report, Page 88; Corporate Overview (Annual Report 2017/18), Page 4
102-3	Location of headquarters	Corporate Directory (Annual Report 2017/18), IBC
102-4	Location of operations	Corporate Overview (Annual Report 2017/18), Page 4
102-5	Ownership and legal form	Trust Structure (Annual Report 2017/18), Page 18
102-6	Markets served	Corporate Overview (Annual Report 2017/18), Page 4
102-7	Scale of the organisation	Corporate Overview (Annual Report 2017/18), Page 4; Financial Highlights (Annual Report 2017/18), Page 6 Talent Attraction, Pages 95–96
102-8	Information on employees and other workers	Talent Attraction, Pages 95–96 Data was compiled from the Human Resource database, and excluded full-time and part-time employees on less than one-year contract. As the number of part-time employees is not significant to the operations as a whole, employee data was presented in totality, instead by the breakdown by employment type. MCT does not have a significant portion of its activities being carried out by workers who are not employees. Certain property management functions were outsourced to third party service providers. MCT did not have any significant variation in employment numbers.
102-9	Supply chain	Supply chain is minimal and insignificant to report on.
102-10	Significant changes to organisation and its supply chain	There were no significant changes during FY17/18.
102-11	Precautionary principle or approach	MCT does not specifically address the principles of the Precautionary approach.
102-12	External initiatives	MCT does not subscribe to or endorse any external initiatives.
102-13	Membership of associations	Stakeholder Engagement, Page 91
Strategy		
102-14	Statement from senior decision-maker	Board Statement, Page 87
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Managing Compliance, Page 100
Governance		
102-18	Governance structure	Organisation Structure (Annual Report 2017/18), Page 19 Corporate Governance (Annual Report 2017/18), Pages 68–83 Sustainability Governance, Page 89
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement, Pages 90–91
102-41	Collective bargaining agreements	No collective bargaining agreements are in place.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, Pages 90–91
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Pages 90–91
102-44	Key topics and concerns raised	Stakeholder Engagement, Pages 90–91
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements (Annual Report 2017/18), Page 141
102-46	Defining report content and topic Boundaries	Materiality Assessment, Page 89
102-47	List of material topics	Materiality Assessment, Page 89
102-48	Restatements of information	There has been no restatement of figures or information disclosed in our previous report.
102-49	Changes in reporting	Materiality Assessment, Page 89
102-50	Reporting period	About This Report, Page 88
102-51	Date of most recent report	The Annual Report/Sustainability Report 2016/17 was published on 29 June 2017.
102-52	Reporting cycle	About This Report, Page 88
102-53	Contact point for questions regarding the report	About This Report, Page 88
102-54	Claims of reporting in accordance with GRI Standards	About This Report, Page 88

GRI Index

GRI Standards (2016)		Notes/Page number(s)
Reporting Practice (Cont'd)		
102-55	GRI content index	GRI Index, Pages 101–102
102-56	External assurance	MCT has not sought external assurance on this report but may do so in the future.
Management Approach		
103-1 103-2 103-3	Explanation of the material topic and its Boundary The management approach and its components Evaluation of the management approach	Compliance Risks (Annual Report 2017/18), Page 86 Sustainability Governance, Page 89; Materiality Assessment, Page 89; Stakeholder Engagement, Pages 90–91; Environment, Page 92; Energy, Pages 92–93; Energy Consumption and GHG Emissions, Page 93; Health and Safety, Pages 94–95; Health and Safety Performance, Page 95 Talent Retention, Page 95; Talent Attraction, Pages 95–96; Developing People, Page 96; Local Community, Page 96; Contributing to a Better Society, Pages 97–99; Community Feedback, Page 99; Governance - Ensuring Compliance, Managing Compliance, Page 100; Financial Statements (Annual Report 2017/18), Pages 113–165
Material Topics		
Economic Performance		
201-1	Direct economic value generated and distributed	Financial Statements (Annual Report 2017/18), Pages 113–165
Anti-corruption		
205-3	Confirmed incidents of corruption and actions taken	Governance - Ensuring Compliance, Page 100
Energy		
302-1	Energy consumption within the organisation	Energy, Pages 92–93; Energy Consumption and GHG Emissions, Page 93
302-3	Energy intensity	Energy, Pages 92–93; Energy Consumption and GHG Emissions, Page 93
302-4	Reduction of energy consumption	Energy, Pages 92–93; Energy Consumption and GHG Emissions, Page 93
Employment		
401-1	New employee hires and employee turnover	Talent Attraction, Pages 95–96
Occupational Health & Safety		
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Health and Safety Performance, Page 95 Health and safety performance data by region and gender and information on types of injury, occupational disease rate and absentee rate were not applicable to the organisation as they were not deemed to be significant.
Training and Education		
404-2	Programmes for upgrading employee skills and transition assistance programmes	Developing People, Page 96
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder Engagement, Pages 90–91; Local Community, Page 96; Contributing to a Better Society, Pages 97–99; Community Feedback, Page 99
Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health and Safety Performance, Page 95
Marketing and Labelling		
417-3	Incidents of non-compliance concerning marketing communications	Managing Compliance, Page 100
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance Risks (Annual Report 2017/18), Page 86 Managing Compliance, Page 100;

Investor Relations

The Manager is committed to high standards of disclosure and corporate transparency. We place a high priority on providing accurate and timely disclosure of financial results, announcements and relevant information related to MCT to the public. To do so, we endeavour to use clear language and maintain consistent disclosures on both positive and negative issues. We proactively engage investors, analysts and the media to communicate our business case and to understand and address their concerns where possible. Various avenues and modes of communications are in place to facilitate regular and frequent interactions with the investment community. These include:

- Announcements, press releases, investor presentations and related general information are updated and easily available on MCT's website at www.mapletreecommercialtrust.com.
- All financial news releases and stock exchange announcements are published and available on the SGX-ST website.
- Investors and the public can sign up to MCT's electronic mailing list to receive email notifications of news and updates related to MCT.
- Enquiries and feedback can be conveniently sent to the Manager through the "Contact Us" link on our website.

We also place emphasis on quality interaction with the investment community through AGMs, briefings, face-to-face investor meetings, teleconferences, investor conferences, roadshows and property visits. To strengthen understanding by existing investors and to reach out to new ones, we participated in several conferences and non-deal roadshows in Singapore, as well as other key financial cities such as Hong Kong, Seoul and Sydney in FY17/18. In total, we met over 280 fund managers, institutional investors and analysts during the year.

In addition, analysts' briefings are conducted every six months to provide updates on MCT's half-year and full year financial results and operational performance. Singaporeans and overseas investors, fund managers and the public can participate in the briefings through a "Live" webcast and submit questions through the online platform.

These platforms offer opportunities for the Manager to interact first-hand with Unitholders, understand their views, gather feedback and address concerns. To keep the senior management and the Board abreast of market perception and concerns, the Investor Relations Department provides regular updates on analysts' views and estimates, analysis of Unitholders' register and key feedback from the market.

We value the support from our retail investors. On 25 July 2017, we successfully held our sixth AGM. The meeting was well-attended by Unitholders and all resolutions were approved. MCT also participated in the REITs Symposium 2017, co-organised by REITAS, to reach out to more than 1,200 retail investors.

As at 31 March 2018, MCT was actively covered by 12 research analysts.

Research Coverage

Bank of America Merrill Lynch	CIMB	Citigroup	CLSA
Credit Suisse	DBS	Deutsche Bank	Goldman Sachs
HSBC	JP Morgan	Macquarie Bank	Maybank Kim Eng

Investor Relations

Investor Relations Activities in FY17/18

	Event	Venue
First Quarter (1 April 2017 to 30 June 2017)	Analysts' Results Briefing and 'Live' Webcast for 4Q and FY16/17 Results	Singapore
	4Q and FY16/17 Results Investors Luncheon hosted by Bank of America Merrill Lynch	Singapore
	dbAccess Asia Conference 2017	Singapore
	Non-deal Roadshow hosted by Macquarie	Hong Kong
	REITs Symposium 2017	Singapore
Second Quarter (1 July 2017 to 30 September 2017)	6th AGM	Singapore
	1Q FY17/18 Results Investors Luncheon hosted by CLSA	Singapore
	Citi-REITAS-SGX C-Suite Singapore REITs and Sponsors Corporate Day	Singapore
Third Quarter (1 October 2017 to 31 December 2017)	Analysts' Results Briefing and 'Live' Webcast for 2Q and 1H FY17/18 Results	Singapore
	2Q and 1H FY17/18 Results Investors Luncheon hosted by Goldman Sachs	Singapore
	SGX-JP Morgan Real Estate Corporate Day	Sydney
Fourth Quarter (1 January 2018 to 31 March 2018)	3Q and YTD FY17/18 Results Investors Luncheon hosted by HSBC	Singapore
	SGX-DBSV-REITAS SREITs Corporate Day	Seoul

Financial and Distributions Calendar

25 April 2017	4Q and FY16/17 Results Announcement
30 May 2017	Payment of 4Q FY16/17 Distribution
27 July 2017	1Q FY17/18 Results Announcement
30 August 2017	Payment of 1Q FY17/18 Distribution
25 October 2017	2Q and 1H FY17/18 Results Announcement
29 November 2017	Payment of 2Q FY17/18 Distribution
24 January 2018	3Q and YTD FY17/18 Results Announcement
28 February 2018	Payment of 3Q FY17/18 Distribution
24 April 2018	4Q and FY17/18 Results Announcement
31 May 2018	Payment of 4Q FY17/18 Distribution

Financial & Distribution Calendar for FY18/19 (Tentative)

July 2018	7th AGM
July 2018	1Q FY18/19 Results Announcement
August 2018	Payment of 1Q FY18/19 Distribution
October 2018	2Q and 1H FY18/19 Results Announcement
November 2018	Payment of 2Q FY18/19 Distribution
January 2019	3Q and YTD FY18/19 Results Announcement
February 2019	Payment of 3Q FY18/19 Distribution
April 2019	4Q and FY18/19 Results Announcement
May 2019	Payment of 4Q FY18/19 Distribution

UNITHOLDER ENQUIRIES

If you have any enquiries or would like to find out more about us, please contact:

THE MANAGER

Ms. Teng Li Yeng
Vice President
Investor Relations

T: (65) 6377 6111
F: (65) 6274 3185
E: enquiries_mct@mapletree.com.sg
W: www.mapletreecommercialtrust.com

FOR SUBSTANTIAL UNITHOLDER'S NOTIFICATIONS AND RELATED ENQUIRIES

E: _MCT_disclosure@mapletree.com.sg

UNITHOLDER REGISTRAR

Boardroom Corporate &
Advisory Services Pte. Ltd.

50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

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

UNITHOLDER DEPOSITORY

For unitholding account-related matters, such as change of personal details and historical unitholding records, please contact directly:

Central Depository
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588

T: (65) 6535 7511
F: (65) 6535 0775
W: www.sgx.com/wps/portal/sgxweb/home/contact_us

Financial Statements

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Report of The Trustee

For the financial year ended 31 March 2018

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Commercial Trust ("MCT") and its subsidiary (the "Group") in trust for the holders of units in MCT ("Unitholders"). In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Mapletree Commercial Trust Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed MCT and the Group during the period covered by these financial statements, set out on pages 113 to 165, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim
Director

Singapore, 24 April 2018

Statement by The Manager

For the financial year ended 31 March 2018

In the opinion of the directors of Mapletree Commercial Trust Management Ltd., the accompanying financial statements of Mapletree Commercial Trust ("MCT") and its subsidiary (the "Group") as set out on pages 113 to 165, comprising the Statements of Financial Position and Portfolio Statement of MCT and the Group as at 31 March 2018, the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds of MCT and the Group, the Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements for the year then ended are drawn up so as to present fairly, in all material respects, the financial position of MCT and of the Group as at 31 March 2018 and the total return, amount distributable and movements of Unitholders' funds of MCT and the Group and consolidated cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that MCT and the Group will be able to meet its financial obligations as and when they materialise.

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

Lim Hwee Li
Director

Singapore, 24 April 2018

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

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

Our opinion

In our opinion, the accompanying consolidated financial statements of Mapletree Commercial Trust ("MCT") and its subsidiary (the "Group") and the Statement of Total Return, Statement of Financial Position, Distribution Statement, Statement of Movements in Unitholders' Funds and Portfolio Statement of MCT are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MCT as at 31 March 2018 and the consolidated financial performance of the Group and the financial performance of MCT, the consolidated amount distributable of the Group and the amount distributable of MCT, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of MCT, the consolidated portfolio holdings of the Group and portfolio holdings of MCT and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MCT and the Group comprise:

- the statements of total return of the Group and MCT for the financial year ended 31 March 2018;
- the statements of financial position of the Group and MCT as at 31 March 2018;
- the distribution statements of the Group and MCT for the financial year ended 31 March 2018;
- the consolidated statement of cash flows of the Group for the financial year ended 31 March 2018;
- the statements of movements in unitholders' funds for the Group and MCT for the financial year ended 31 March 2018;
- the portfolio statement for the Group and MCT for the financial year ended 31 March 2018; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our audit approach

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

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

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

Key audit matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties Refer to Note 12 - Investment Properties As at 31 March 2018, the carrying value of the Group's investment properties of $6.68 billion accounted for 99.1% of the Group's total assets. The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include, capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions. The key inputs are disclosed in Note 12 to the accompanying financial statements.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties; • discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the adjusted capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. We found the external valuer to be a member of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.

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

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

Other Information

The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee, and Statement by the Manager (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and other sections of MCT's Report to Unitholders 2018 ("Other Sections"), which are expected to be made available to us after that date.

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

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

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

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

Responsibilities of the Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Statements of Total Return

For the financial year ended 31 March 2018

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

* Amount is less than $1,000

Statements of Financial Position

As at 31 March 2018

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

* Amount is less than $1,000

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

Distribution Statements

For the financial year ended 31 March 2018

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

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

Distribution Statements

For the financial year ended 31 March 2018

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

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

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

[1] The amount excludes the payment of acquisition fees paid to the Manager by way of issuance of units.
[2] The amount excludes the distribution by way of issuance of units pursuant to the Distribution Reinvestment Plan.
* Amount is less than $1,000

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

Reconciliation of liabilities arising from financing activities

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

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

Statements of Movements in Unitholders' Funds

For the financial year ended 31 March 2018

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

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

Portfolio Statement

As at 31 March 2018

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location	Gross revenue for the financial year ended 31/03/2018 $'000	Gross revenue for the financial year ended 31/03/2017 $'000	Occupancy rate as at 31/03/2018 %	Occupancy rate as at 31/03/2017 %	At valuation as at 31/03/2018 $'000	At valuation as at 31/03/2017 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2018 %	Percentage of total net assets attributable to Unitholders as at 31/03/2017 %
VivoCity	N.A[2]	Leasehold	99 years	78 years	1 HarbourFront Walk VivoCity Singapore	**206,641**	200,856	**93.1**	99.0	**3,028,000**	2,741,000	**70.7**	69.3
Mapletree Business City I ("MBC I")	25 August 2016[3]	Leasehold	99 years	78 years	10, 20, 30 Pasir Panjang Road Singapore	**125,951**	74,762	**99.4**	99.0	**1,892,000**	1,853,000	**44.2**	46.8
PSA Building (excludes 17th-21st, 33rd and 39th storeys)	27 April 2011[3]	Leasehold	99 years	78 years	460 Alexandra Road PSA Building Singapore	**48,893**	49,732	**96.1**	98.3	**740,000**	735,000	**17.3**	18.6
Mapletree Anson	4 February 2013[3]	Leasehold	99 years	88 years	60 Anson Road Mapletree Anson Singapore	**33,701**	34,451	**86.6**	100.0	**701,000**	690,000	**16.3**	17.4
Bank of America Merrill Lynch HarbourFront ("MLHF")	27 April 2011[3]	Leasehold	99 years	78 years	2 HarbourFront Place Bank of America Merrill Lynch HarbourFront Singapore	**18,339**	17,946	**100.0**	79.2	**321,000**	318,000	**7.5**	8.0
Gross revenue / Investment properties - Group						**433,525**	377,747			**6,682,000**	6,337,000	**156.0**	160.1
Other assets and liabilities (net) - Group										**(2,398,627)**	(2,379,547)	**(56.0)**	(60.1)
Net assets attributable to Unitholders - Group										**4,283,373**	3,957,453	**100.0**	100.0

Notes:

1 Refers to the leasehold tenure of the land.

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

3 MBC I, PSA Building, Mapletree Anson and MLHF were acquired from Mapletree Business City Pte. Ltd. ("MBCPL"), Heliconia Realty Pte. Ltd., Mapletree Anson Pte. Ltd. and HarbourFront Place Pte. Ltd. respectively, which are direct and indirect wholly-owned subsidiaries of Mapletree Investments Pte Ltd.

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

The carrying amounts of the investment properties were based on independent valuations as at 31 March 2018 conducted by CBRE Pte. Ltd. ("CBRE") for VivoCity and Knight Frank Pte. Ltd. ("Knight Frank") for MBC I , PSA Building, Mapletree Anson and MLHF (2017: the carrying amounts of the investment properties were based on independent valuations as at 31 March 2017 conducted by Knight Frank for VivoCity, Edmund Tie and Company (SEA) Pte Ltd ("ETC") for MBC I and CBRE for PSA Building, Mapletree Anson and MLHF). CBRE, Knight Frank and ETC have appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations of the investment properties were based on the income capitalisation method and discounted cash flow method.

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

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

1. GENERAL

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

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

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

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

MCT's current portfolio comprises 5 properties located in Singapore:

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

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

(a) Trustee's fees

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

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

(b) Manager's Management fees

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

(i) a base fee not exceeding 0.25% per annum of the value of the Group's Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) a performance fee of 4.0% per annum of the Group's net property income ("NPI") or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

The management fees payable to the Manager shall be paid in the form of cash and/or units. The base fees and performance fees paid in cash and/or units are paid quarterly and annually, in arrears respectively. The Manager has elected to receive 50% of its management fees in units and the balance in cash.

Notes to the Financial Statements

For the financial year ended 31 March 2018

1. GENERAL (continued)

(c) Acquisition and Divestment fees

The Manager is entitled to receive the following fees:

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

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

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

(d) Fees under the Property Management Agreement

(i) Property management fees

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

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

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

(ii) Project management fees

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with RAP 7 requires management to exercise its judgement, and make estimates and assumptions in the process of applying the Group's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The area involving a higher degree of judgement or complexity, where estimates and assumptions are significant to the financial statements, and where uncertainty has the most significant risk of resulting in a material adjustment within the next financial year is included in Note 12 – Investment properties.

Interpretations and amendments to published standards effective in 2017

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

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

FRS 7 *Statement of Cash Flows*

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition

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

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

(a) Rental income and service charges from operating leases

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

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

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

(b) Car parking income

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

(c) Finance income

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

2.3 Expenses

(a) Property operating expenses

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

(b) Manager's management fees

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

(c) Trustee's fees

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Borrowing costs

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

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

No such borrowing costs on construction or development of properties have been incurred during the financial period.

2.5 Income taxes

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

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

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Deferred income tax assets and liabilities are measured:

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Income taxes (continued)

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

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

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

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A non-corporate entity (excluding partnerships) registered or constituted in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- A branch of company incorporated outside Singapore; and
- Unitholders which are international organisations that are exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Group accounting

(a) Subsidiary

(i) Consolidation

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

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

(ii) Acquisitions of business

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) Disposals

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Group accounting (continued)

(b) Transactions with non-controlling interests

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

2.7 Cash and cash equivalents

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

2.8 Loans and receivables

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Investment properties

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

Investment properties are accounted for as non-current assets and are initially recognised at cost and subsequently carried at fair value. The investment properties are valued by independent registered valuers at least once a year in accordance with the CIS. Changes in fair value are recognised in the Statements of Total Return.

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

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

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

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

2.10 Plant and equipment

(a) Measurement

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

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

(b) Depreciation

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

	Useful lives
Plant and equipment	2 years – 10 years

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Plant and equipment (continued)

(c) Subsequent expenditure

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

(d) Disposal

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

2.11 Investment in subsidiary

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

2.12 Impairment of non-financial assets

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

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

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

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

2.13 Borrowings

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

2.15 Derivative financial instruments and hedging activities

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

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

(a) Cash flow hedge – Interest rate swaps

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Fair value estimation of financial assets and liabilities

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

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

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

2.17 Provisions

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

2.18 Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

2.19 Units and unit issuance expenses

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

2.20 Segment reporting

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

2.21 Distribution policy

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

3. GROSS REVENUE

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

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

4. PROPERTY OPERATING EXPENSES

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

5. FINANCE EXPENSES

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

6. OTHER TRUST EXPENSES

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

Included in other trust expenses of MCT was an amount of $12,000 (2017: $12,000) paid/payable to Mapletree Commercial Trust Treasury Company Pte. Ltd. ("MCTTC") in undertaking the treasury functions in relation to the Group's Medium Term Notes Programme ("MTN Programme").

Notes to the Financial Statements

For the financial year ended 31 March 2018

7. INCOME TAXES

(a) Income tax expense

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

* Amount is less than $1,000

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

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

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

7. INCOME TAXES (continued)

(c) Current income tax liabilities

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

* Amount is less than $1,000

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

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

8. EARNINGS PER UNIT

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

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

9. CASH AND CASH EQUIVALENTS

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

10. TRADE AND OTHER RECEIVABLES

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

* Amount is less than $1,000

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

11. OTHER CURRENT ASSETS

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

12. INVESTMENT PROPERTIES

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

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

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

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

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

Fair value hierarchy

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

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 unobservable inputs for the asset or liability.

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

12. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of MCT and the Group's properties have been generally derived using the income capitalisation method and discounted cash flow method. The income capitalisation and discounted cash flow methods involve the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The Manager is of the view that the valuation methods and estimates adopted and considered by the professional valuers are reflective of the current market condition.

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

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

The significant unobservable inputs correspond to the following:

- Capitalisation rate - corresponds to a rate of return on investment properties based on the expected income that the property will generate.
- Discount rate - based on the risk-free rate for 10-year bonds issued by the government in Singapore, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

There were no significant inter-relationships between unobservable inputs.

Notes to the Financial Statements

For the financial year ended 31 March 2018

13. PLANT AND EQUIPMENT

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

14. INVESTMENT IN SUBSIDIARY

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

Subsidiary held by MCT is as follows:

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

[a] Audited by PricewaterhouseCoopers LLP, Singapore

* Amount is less than $1,000

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

15. DERIVATIVE FINANCIAL INSTRUMENTS

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

Interest rate swaps

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

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

(ii) If interest rate swaps are not designated as cash flow hedges, fair value changes on the interest rate swaps are recognised in the Statements of Total Return when the changes arise.

Cross currency interest rate swap

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

16. TRADE AND OTHER PAYABLES

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

* Amount is less than $1,000

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

17. BORROWINGS AND LOANS FROM A SUBSIDIARY

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

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

(a) Maturity of borrowings

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

(b) Medium term notes

In 2012, the Group established a $1,000,000,000 MTN Programme via its subsidiary, MCTTC. Under the MTN Programme, MCTTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes and senior or subordinated perpetual securities in series or tranches in Singapore Dollars or any other currency.

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

17. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(b) Medium term notes (continued)

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

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

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

(c) Loans from a subsidiary

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

17. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(d) Effective interest rates

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

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

(e) Carrying amount and fair value

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

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

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

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

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

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

(f) Undrawn committed borrowing facilities

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. UNITS IN ISSUE

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

(a) During the financial year, 9,013,274 new units (2017: 5,137,620) were issued at the issue price range of $1.5081 to $1.6262 (2017: $1.3936 to $1.5797) per unit, in respect of the part payment of Manager's base fees to the Manager in units for the period from 1 January 2017 to 31 December 2017 and part payment of Manager's performance fees in units for the financial year from 1 April 2016 to 31 March 2017 (2017: part payment of management fees to the Manager in units for the period from 1 January 2016 to 31 March 2016 and part payment of Manager's base fees in units for the period from 1 April 2016 to 31 December 2016). The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period on which the fees were accrued. These issuances represent non-cash transactions.

(b) During the previous financial year, 5,785,983 new units were issued at the issue price of $1.5382 per unit, amounting to $8,900,000, as satisfaction of the Manager's acquisition fee arising from the acquisition of MBC I. The issuance represents a non-cash transaction.

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

18. UNITS IN ISSUE (continued)

Each unit in MCT represents an undivided interest in MCT. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of MCT by receiving a share of all net cash proceeds derived from the realisation of the assets of MCT less any liabilities, in accordance with their proportionate interests in MCT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MCT be transferred to him; and
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the total Units issued) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of MCT in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in MCT. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of MCT exceed its assets.

19. HEDGING RESERVE

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

Hedging reserve is non-distributable.

Notes to the Financial Statements

For the financial year ended 31 March 2018

20. COMMITMENTS

(a) Capital commitments

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

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

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

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

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

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

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

21. FINANCIAL RISK MANAGEMENT

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

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as policies covering specific areas, such as interest rate risk, currency risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group monitors the interest rate on borrowings closely to ensure that the borrowings are maintained at favourable rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate bank borrowings and medium term notes. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps and a floating-to-floating cross currency interest rate swap.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

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

Sensitivity analysis

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated in Singapore Dollars. If the Singapore Dollars interest rates increase/(decrease) by 0.50% (2017: 0.50%) with all other variables including tax rate being held constant, the total return and hedging reserve attributable to Unitholders will increase/(decrease) by the amounts as follows, as a result of higher/lower interest expenses and higher/lower fair value of interest rate swaps and cross currency interest rate swap respectively:

	Increase / (Decrease)			
	Statements of Total Return		**Hedging Reserve**	
	Increase by 0.50% $'000	**Decrease by 0.50% $'000**	**Increase by 0.50% $'000**	**Decrease by 0.50% $'000**
Group and MCT				
2018				
Interest bearing borrowings	**(2,458)**	**2,458**	**-**	**-**
Interest rate swaps	**-**	**-**	**8,868**	**(8,868)**
Cross currency interest rate swap	**321**	**(324)**	**-**	**-**
	(2,137)	**2,134**	**8,868**	**(8,868)**
2017				
Interest bearing borrowings	(2,189)	2,189	-	-
Interest rate swaps	455	(457)	10,795	(10,795)
Cross currency interest rate swap	88	(90)	-	-
	(1,646)	1,642	10,795	(10,795)

(b) Market risk – currency risk

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk refers to the risk that tenants or counterparties of the Group will default on its contractual obligations resulting in a financial loss to the Group. The major classes of financial assets of the Group and MCT are cash and bank deposits and trade receivables. For trade receivables, the Group's credit risk policy is to deal only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing with high credit quality counterparties.

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

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

The table below analyses non-derivative financial liabilities of the Group and MCT into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of non-derivative financial liabilities, including interest payments. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	**Between 1 and 5 years $'000**	**More than 5 years $'000**
Group			
As at 31 March 2018			
Trade and other payables	**73,065**	**41,448**	**1,717**
Borrowings	**157,194**	**1,797,291**	**619,264**
	230,259	**1,838,739**	**620,981**
As at 31 March 2017			
Trade and other payables	61,258	40,821	873
Borrowings	50,704	1,737,626	765,359
	111,962	1,778,447	766,232
MCT			
As at 31 March 2018			
Trade and other payables	**73,057**	**41,448**	**1,717**
Borrowings	**129,552**	**1,224,047**	**100,019**
Loans from a subsidiary	**27,642**	**573,244**	**519,245**
	230,251	**1,838,739**	**620,981**
As at 31 March 2017			
Trade and other payables	61,251	40,821	873
Borrowings	29,998	1,389,331	265,865
Loan from a subsidiary	20,706	348,295	499,494
	111,955	1,778,447	766,232

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Group and MCT's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows associated with financial derivatives which are expected to impact the Statements of Total Return.

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk

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

The Group is subject to the aggregate leverage limit as defined in the Appendix 6 of the CIS ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (2017: 45.0%) of its Deposited Property. The Group currently has a corporate family rating of Baa1 Stable (2017: Baa1 Stable) by Moody's Investors Service.

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

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

[1] Reflects total gross borrowings after taking into account the CCIRS taken to hedge the JPY8,700,000,000 (2017: JPY8,700,000,000) floating rate medium term notes.

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

The Group is in compliance with externally imposed capital requirements for the financial years ended 31 March 2018 and 31 March 2017.

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements

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

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 unobservable inputs for the asset or liability.

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

21. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements (continued)

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

The carrying value of trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes as disclosed in Note 17(e) to the financial statements.

(g) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Statements of Financial Position and in Note 15 to the financial statements, except for the following:

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

22. INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

With the adoption of FRS 110 *Consolidated Financial Statements* (which came into effect for annual periods beginning on or after 1 January 2014), for financial reporting purposes, the Group is regarded as a subsidiary of Mapletree Investments Pte Ltd.

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are companies that are under common control with a Unitholder that has significant influence. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the intermediate holding company.

During the financial year, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

24. FINANCIAL RATIOS

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

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

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

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

25. SEGMENT REPORTING

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. SEGMENT REPORTING (continued)

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

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

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. SEGMENT REPORTING (continued)

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

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. SEGMENT REPORTING (continued)

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

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

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

25. SEGMENT REPORTING (continued)

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

* Amount is less than $1,000

Notes to the Financial Statements

For the financial year ended 31 March 2018

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2018

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

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

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

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

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

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

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

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

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

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

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

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

27. EVENTS OCCURRING AFTER REPORTING DATE

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

28. AUTHORISATION OF FINANCIAL STATEMENTS

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

Interested Person Transactions

For the financial year ended 31 March 2018

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Mapletree Investments Pte Ltd and its subsidiaries		
- Manager's management fees	29,641	-
- Property and project management fees	17,656	-
- Staff costs	9,311	-
- Lease related income	4,141	-
- Property operating expenses under Shared Service Agreement	2,085	-
DBS Group Holdings Ltd and its subsidiaries		
- Finance expenses	1,922	-
- Trustee's fees	794	-
Temasek Holdings (Private) Limited and its related companies		
- Termination of lease	3,805	-
- Operating related expenses	1,806	-
- Finance expenses	1,066	-
- Lease related income	280	-

For the purpose of the disclosure, the full contract sum was used where an interested person transaction had a fixed term and contract value, while the annual amount incurred and accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

Save as disclosed above, there were no interested person transactions (excluding transactions of less than S$100,000 each), nor material contracts entered into by MCT and its subsidiary that involved the interests of the CEO or Director of the Manager, or any controlling unitholder of MCT, during the financial year under review.

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

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

Interested Person Transactions

For the financial year ended 31 March 2018

Manager's Management Fees Paid and Payable in Units

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

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

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

Statistics of Unitholdings

As at 31 May 2018

ISSUED AND FULLY PAID UNITS

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

DISTRIBUTION OF UNITHOLDINGS

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

LOCATION OF UNITHOLDERS

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

TWENTY LARGEST UNITHOLDERS

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

Statistics of Unitholdings

As at 31 May 2018

SUBSTANTIAL UNITHOLDERS AS AT 31 MAY 2018

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

Notes

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

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

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

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

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

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

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

FREE FLOAT

Based on the information made available to the Manager as at 31 May 2018, approximately 56.03% of the units in MCT were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

MAPLETREE COMMERCIAL TRUST
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 25 August 2005 (as amended))

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting of the holders of units of Mapletree Commercial Trust ("**MCT**", and the holders of units of MCT, "**Unitholders**") will be held on 25 July 2018 (Wednesday) at 2.30 p.m. at 10 Pasir Panjang Road, Mapletree Business City, Town Hall - Auditorium, Singapore 117438 to transact the following businesses:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of DBS Trustee Limited, as trustee of MCT (the "**Trustee**"), the Statement by Mapletree Commercial Trust Management Ltd., as manager of MCT (the "**Manager**"), and the Audited Financial Statements of MCT for the financial year ended 31 March 2018 and the Auditor's Report thereon. **(Ordinary Resolution 1)**

2. To re-appoint PricewaterhouseCoopers LLP as the Auditor of MCT to hold office until the conclusion of the next Annual General Meeting of MCT, and to authorise the Manager to fix their remuneration. **(Ordinary Resolution 2)**

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

3. That approval be and is hereby given to the Manager, to

(a) (i) issue units in MCT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units shall be based on the total number of issued Units at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

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Notice of Annual General Meeting

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting MCT (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of MCT or (ii) the date by which the next Annual General Meeting of MCT is required by applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of MCT to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note) **(Ordinary Resolution 3)**

BY ORDER OF THE BOARD
Mapletree Commercial Trust Management Ltd.
(Company Registration No. 200708826C)
As Manager of Mapletree Commercial Trust

Wan Kwong Weng
Joint Company Secretary

Singapore
29 June 2018

Notes:

1. A Unitholder who is not a Relevant Intermediary (as defined herein) entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

"**Relevant Intermediary**" means:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

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(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 2.30 p.m. on 22 July 2018 being 72 hours before the time fixed for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

Explanatory Note:

Ordinary Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this Annual General Meeting until (i) the conclusion of the next Annual General Meeting of MCT, (ii) the date by which the next Annual General Meeting of MCT is required by the applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding fifty per cent. (50%) of the total number of issued Units of which up to twenty per cent. (20%) of the total number of issued Units may be issued other than on a pro rata basis to Unitholders.

The Ordinary Resolution 3 above, if passed, will also empower the Manager to issue Units during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time the Ordinary Resolution 3 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations, in such instances, the Manager will then obtain the approval of Unitholders accordingly.

MAPLETREE COMMERCIAL TRUST
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PROXY FORM
7TH ANNUAL GENERAL MEETING

IMPORTANT
1. A Relevant Intermediary may appoint more than one proxy to attend and vote at the Annual General Meeting (please see Note 2 for the definition of "Relevant Intermediary").
2. For CPF/SRS investors who have used their CPF monies to buy Units of Mapletree Commercial Trust, this Report is forwarded to them at the request of their CPF Agent Banks/SRS Operators and is sent solely FOR INFORMATION only.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), a Unitholder of Mapletree Commercial Trust accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 June 2018.

I/We ______________________________
(Name(s) and NRIC/Passport/ Company Registration Number(s))

of ______________________________
(Address)

being a Unitholder/Unitholders of Mapletree Commercial Trust ("**MCT**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the 7th Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the 7th Annual General Meeting of MCT to be held on 25 July 2018 (Wednesday) at 2.30 p.m. at 10 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117438 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the 7th Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the 7th Annual General Meeting.

No.	Ordinary Resolutions	For *	Against *
	ORDINARY BUSINESS		
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of MCT for the financial year ended 31 March 2018 and the Auditor's Report thereon.		
2.	To re-appoint PricewaterhouseCoopers LLP as the Auditor of MCT and to authorise the Manager to fix the Auditor's remuneration.		
	SPECIAL BUSINESS		
3.	To authorise the Manager to issue Units and to make or grant instruments convertible into Units.		

* If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Total number of Units held

Dated this __________ day of __________ 2018

____
Signature(s) of Unitholder(s) or Common Seal of Corporate Unitholder

1st fold here (this flap is for sealing). Do not staple. Glue firmly.

mapletree commercial

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BUSINESS REPLY SERVICE
PERMIT NO. 08742

The Company Secretary
Mapletree Commercial Trust Management Ltd.
(as Manager of Mapletree Commercial Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of MCT ("**Unitholder**") who is not a Relevant Intermediary (as defined herein) entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, it should annex to the Proxy Form (defined below) the proxy, or the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of unitholding (number of units and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A Unitholder should insert the total number of Units held in the Proxy Form (defined below). If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of MCT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, the proxy form will be deemed to relate to all the Units held by the Unitholder.

4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 2.30 p.m. on 22 July 2018, being 72 hours before the time set for the Annual General Meeting.

5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Annual General Meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the Annual General Meeting.

6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the Manager.

9. All Unitholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.

10. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the Annual General Meeting and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.

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Corporate Directory

MANAGER
Mapletree Commercial Trust 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.mapletreecommercialtrust.com
E: enquiries_mct@mapletree.com.sg

BOARD OF DIRECTORS

Mr Tsang Yam Pui
Non-Executive Chairman and Director

Ms Kwa Kim Li
Lead Independent Non-Executive Director and Chairperson of the Nominating and Remuneration Committee

Mrs Jennifer Loh
Chairperson of the Audit and Risk Committee and Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director and Member of the Nominating and Remuneration Committee

Mr Koh Cheng Chua
Independent Non-Executive Director and Member of the Audit and Risk Committee

Mr Premod P. Thomas
Independent Non-Executive Director and Member of the Audit and Risk Committee

Mr Hiew Yoon Khong
Non-Executive Director and Member of the Nominating and Remuneration Committee

Mr Wong Mun Hoong
Non-Executive Director

Ms Amy Ng
Non-Executive Director

Ms Sharon Lim
Executive Director and Chief Executive Officer

MANAGEMENT

Ms Sharon Lim
Chief Executive Officer

Ms Janica Tan
Chief Financial Officer

Mr Koh Wee Leong
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.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623
Tel: (65) 6536 5355
Fax: (65) 6438 8710

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DBS Asia Central @
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Tel: (65) 6878 8888
Fax: (65) 6878 3977

AUDITOR
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7 Straits View, Marina One
East Tower, Level 12
Singapore 018936
Tel: (65) 6236 3388
Fax: (65) 6236 3300

Partner-in-charge
Mr Yeow Chee Keong
(since financial year ended 31 March 2015)

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mapletree
commercial

Mapletree Commercial Trust Management Ltd.
(as Manager of Mapletree Commercial Trust)
Co. Reg. No.: 200708826C

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

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