

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Introduction	2
-	Summary Results of Mapletree Commercial Trust Group and Distribution Details	3
1(a)(i)	Consolidated Statement of Profit or Loss and Distribution Statement	4
1(a)(ii)	Consolidated Statement of Comprehensive Income	5
1(b)(i)	Statements of Financial Position	6
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities	8
1(c)	Consolidated Statement of Cash Flows	9
1(d)(i)	Statements of Movements in Unitholders' Funds	10
1(d)(ii)	Details of Any Change in Units	11
2 & 3	Audit Statement	11
4 & 5	Changes in Accounting Policies	12
6	Earnings Per Unit and Distribution Per Unit	12
7	Net Asset Value and Net Tangible Asset Per Unit	13
8	Review of the Performance	13
9	Variance between Actual and Forecast Results	14
10	Outlook and Prospects	14
11 & 12	Distributions	16,17
13	Segmental Revenue and Results	18
14	General Mandate relating to Interested Person Transactions	18
15	Confirmation pursuant to Rule 720(1) of the Listing Manual	18
16	Directors confirmation pursuant to Rule 705(5) of the Listing Manual	19

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

Introduction

The principal investment strategy of Mapletree Commercial Trust (“MCT”) is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, in Singapore, as well as real estate-related assets.

MCT’s current portfolio comprises five properties located in Singapore:

- (a) VivoCity, Singapore’s largest mall located in the HarbourFront Precinct;
- (b) Mapletree Business City (“MBC”), comprising Mapletree Business City I (“MBC I”) and Mapletree Business City II (“MBC II”), a large-scale integrated office and business park complex with Grade A building specifications supported by ancillary retail space, located in the Alexandra Precinct¹;
- (c) PSA Building, an established integrated development with a 40-storey office block and a three-storey retail centre, Alexandra Retail Centre (“ARC”), located in the Alexandra Precinct;
- (d) Mapletree Anson, a 19-storey premium office building located in Singapore’s Central Business District; and
- (e) Bank of America Merrill Lynch HarbourFront (“MLHF”), a premium six-storey office building located in the HarbourFront Precinct.

The consolidated financial statements comprise MCT and its subsidiaries, Mapletree Commercial Trust Treasury Company Pte. Ltd. (“MCTTC”), 80 Alexandra Pte. Ltd. (“80 Alexandra”) and Mapletree Business City LLP (“MBC LLP”) (collectively “MCT Group”) which includes the Statements of Financial Position as at 30 September 2020, Consolidated Statement of Profit or Loss and Distribution Statement, Consolidated Statement of Comprehensive Income, Statements of Movements in Unitholders’ Funds and Consolidated Statement of Cash Flows for the financial period ended 30 September 2020.

On 1 November 2019, MCT completed the acquisition of MBC II and the common premises located in MBC I through the acquisition of 100.0% of the ordinary shares in the issued share capital of Mapletree Business City Pte. Ltd. (“MBC PL”) from Heliconia Realty Pte Ltd, a wholly-owned subsidiary of Mapletree Investments Pte Ltd (“MBC II Acquisition”). Subsequent to the MBC II Acquisition, MBC PL was converted to a limited liability partnership and is now known as Mapletree Business City LLP (“MBC LLP”). The financial results of MCT Group for 1H FY19/20 from 1 April 2019 to 30 September 2019 exclude the contribution from MBC LLP which was acquired on 1 November 2019.

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, as well as its tax-exempt income (if any). With effect from 1 April 2020, the distribution is on a half-yearly² basis instead of quarterly basis.

Footnotes:

- ¹ The Alexandra Precinct spans 13.5 hectares and is located in the Queenstown Planning Area along Alexandra Road/Telok Blangah Road. MBC and PSA Building make up the Alexandra Precinct.
- ² Refer to announcement titled “Change to Half-Yearly Reporting and Distribution to Unitholders” dated 22 April 2020.

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

Summary Results of Mapletree Commercial Trust Group

	1H FY20/21¹ (\$'000)	1H FY19/20² (\$'000)	Variance %
Gross revenue	218,671	224,169	(2.5)
Property operating expenses	(47,212)	(48,098)	1.8
Net property income	171,459	176,071	(2.6)
Income available for distribution	123,422	134,071	(7.9)
Distributable income to Unitholders	138,422 ³	134,071	3.2
Distribution per unit (cents)	4.17 ³	4.63	(9.9)

Footnotes:

- ¹ Period from 1 April 2020 to 30 September 2020, referred to as 1H FY20/21.
- ² Period from 1 April 2019 to 30 September 2019, referred to as 1H FY19/20.
- ³ In 4Q FY19/20, MCT made capital allowance claims and retained capital distribution totalling S\$43.7 million to conserve liquidity in view of the uncertainty due to the COVID-19 pandemic. Of this, S\$15.0 million was released to Unitholders and included in the distribution for 1H FY20/21.

Distribution Details

	To Unitholders
Distribution period	1 April 2020 to 30 September 2020
Distribution rate / type	Taxable income distribution of 3.62 cents per unit Capital distribution of 0.55 cents per unit
Trade ex-date	29 October 2020, 9.00 a.m.
Record date	30 October 2020, 5.00 p.m.
Payment date	27 November 2020

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

1(a)(i) Consolidated Statement of Profit or Loss and Distribution Statement (MCT Group)

Consolidated Statement of Profit or Loss	1H FY20/21 (S\$'000)	1H FY19/20 (S\$'000)	Variance %
Gross revenue	218,671	224,169	(2.5)
Property operating expenses	(47,212)	(48,098)	1.8
Net property income	171,459	176,071	(2.6)
Finance income	539	341	58.1
Finance expenses	(40,272)	(35,633)	(13.0)
Manager's management fees			
- Base fees	(11,381)	(8,963)	(27.0)
- Performance fees	(6,858)	(7,043)	2.6
Trustee's fees	(531)	(434)	(22.4)
Other trust expenses	(636)	(612)	(3.9)
Foreign exchange gain/(loss) ¹	1,523	(4,533)	N.M.
Net change in fair value of financial derivative ²	(1,968)	5,190	N.M.
Profit before tax and fair value change in investment properties	111,875	124,384	(10.1)
Net change in fair value of investment properties ³	(203,879)	305,413	N.M.
(Loss)/Profit before tax	(92,004)	429,797	N.M.
Income tax expense ⁴	(*)	(*)	N.M.
(Loss)/Profit after tax	(92,004)	429,797	N.M.

Distribution Statement	1H FY20/21 (S\$'000)	1H FY19/20 (S\$'000)	Variance %
Profit before tax and fair value change in investment properties	111,875	124,384	(10.1)
Adjustments:			
- Unrealised foreign exchange (gain)/loss	(1,523)	4,533	N.M.
- Net change in fair value of financial derivative	1,968	(5,190)	N.M.
- Net effect of other non-tax deductible items and other adjustments ⁵	11,102	10,344	7.3
Income available for distribution to Unitholders	123,422	134,071	(7.9)
Distributable income to Unitholders	138,422⁶	134,071	3.2
Comprising:			
Taxable income	120,130	134,071	(10.4)
Capital distribution ⁷	18,292	-	N.M.
	138,422	134,071	3.2

N.M.: not meaningful

* Amount is less than S\$1,000

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

Footnotes:

- 1 This relates to the Japanese Yen (“JPY”) denominated medium term notes (“MTN”) issued in March 2015. The foreign exchange gain/(loss) is unrealised and arose from the translation of the JPY MTN into MCTTC’s functional currency in Singapore dollar. There is nonetheless no foreign exchange exposure on the principal and interest payments as a cross currency interest rate swap (“CCIRS”) has been entered into to hedge against any foreign exchange movements. In addition, the unrealised foreign exchange gain/(loss) has no impact on amount available for distribution to Unitholders.
- 2 Net change in the fair value of financial derivative arose from the revaluation of the CCIRS which was entered into to hedge against the foreign currency risk exposure.

In accordance with SFRS(I) 9, any change in fair value of this derivative financial instrument which is not designated for hedge accounting has to be taken to profit or loss. The change in the fair value of financial derivative has no impact on amount available for distribution to Unitholders.
- 3 This relates to the net change in property values arising from independent valuation carried out as at 30 September 2020 and 31 August 2019. A valuation was carried out as at 30 September 2020 as there was an indication that the external environment has changed significantly due to the COVID-19 pandemic, and this in-turn affected the asset values. The valuation carried out as at 31 August 2019 was in connection with the equity fund raising in November 2019.
- 4 This relates to the income tax expense of MCTTC and 80 Alexandra.
- 5 This consists of management fees paid/payable in units, trustee’s fees, financing fees incurred on bank facilities, non-tax deductible/(chargeable) items and other adjustments.
- 6 This includes the release of S\$15.0 million, which is part of the capital allowance claims in 4Q FY19/20.
- 7 Capital distribution comprises the release of S\$15.0 million of capital allowance claims in 4Q FY19/20 and rental income arising from fit-out period granted to tenants of MBC II prior to the MBC II Acquisition.

1(a)(ii) Consolidated Statement of Comprehensive Income (MCT Group)

Consolidated Statement of Comprehensive Income	1H FY20/21 (S\$’000)	1H FY19/20 (S\$’000)	Variance %
(Loss)/Profit after tax	(92,004)	429,797	N.M.
Other comprehensive income - items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value changes	(18,249)	(5,385)	N.M.
- Reclassification to profit or loss	6,145	(975)	N.M.
Total comprehensive (loss)/income for the financial period	(104,108)	423,437	N.M.

N.M.: not meaningful

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

1(b)(i) Statements of Financial Position

	MCT Group		MCT	
	30 Sep 2020 (S\$'000)	31 Mar 2020 (S\$'000)	30 Sep 2020 (S\$'000)	31 Mar 2020 (S\$'000)
Current assets				
Cash and cash equivalents	132,420	65,857	123,192	46,280
Trade and other receivables ¹	17,165	5,027	16,882	4,896
Tax recoverable ²	1,852	1,852	-	-
Other current assets	509	526	428	376
Total current assets	151,946	73,262	140,502	51,552
Non-current assets				
Investment properties ³	8,717,000	8,920,000	7,183,000	7,360,000
Plant and equipment	329	329	275	265
Investment in subsidiaries	-	-	910,964	910,964
Derivative financial instruments ⁴	11,514	13,482	23,738	18,159
Total non-current assets	8,728,843	8,933,811	8,117,977	8,289,388
Total assets	8,880,789	9,007,073	8,258,479	8,340,940
Current liabilities				
Derivative financial instruments ⁴	1,466	376	1,466	376
Trade and other payables	100,484	104,448	88,820	87,650
Borrowings ⁵	167,997	159,971	98,000	-
Loans from a subsidiary ⁶	-	-	69,997	159,971
Current income tax liabilities ⁷	2	2	-	-
Total current liabilities⁸	269,949	264,797	258,283	247,997
Non-current liabilities				
Derivative financial instruments ⁴	33,957	22,943	33,958	22,943
Other payables	53,836	59,362	46,507	52,306
Borrowings ⁵	2,833,702	2,848,049	1,262,567	1,200,933
Loans from a subsidiary ⁶	-	-	940,690	1,012,015
Deferred tax liabilities ⁹	24,974	24,974	-	-
Total non-current liabilities	2,946,469	2,955,328	2,283,722	2,288,197
Total liabilities	3,216,418	3,220,125	2,542,005	2,536,194
Net assets attributable to Unitholders	5,664,371	5,786,948	5,716,474	5,804,746
Represented by:				
Unitholders' funds	5,664,371	5,786,948	5,716,474	5,804,746
Net Asset Value per unit (S\$)	1.71	1.75	1.72	1.76

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

Footnotes:

¹ The increase in trade and other receivables is due to increase in trade receivables. Included in current period trade and other receivables is an allowance for expected credit losses of trade receivables amounting to S\$0.6 million.

² Tax recoverable refers to income tax recoverable of MBC PL prior to the acquisition by MCT.

³ Investment properties as at 30 September 2020 were accounted for at fair value based on the independent valuations carried out as at 30 September 2020. The lower valuation was mainly driven by the changes in passing rents as well as lower market rents and reduced rental growth profile assumed by the independent valuers. There was no change to the capitalisation and discount rates used.

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

⁴ Derivative financial instruments reflect the fair value of the interest rate swaps (“IRS”) and the CCIRS which are entered into for the purpose of hedging the floating interest rate and foreign currency exposure of MCT Group’s borrowings. Under the IRS contracts, MCT Group pays interest at fixed rates and receives interest at floating rates based on the Singapore dollar Swap Offer Rate (“SOR”).

The net increase in the change in fair value of derivative financial instruments liabilities were mainly due to the decrease in the Singapore dollar SOR during 1H FY20/21. The net change in fair value is recognised in other comprehensive income and has no impact on amount available for distribution to Unitholders.

⁵ Borrowings represent unsecured bank loans and MTN measured at amortised cost. The decrease in total borrowings is mainly due to the repayment of Revolving Credit Facilities as well as the lower translated borrowings arising from the translation of the JPY MTN into Singapore dollar as at 31 March 2020. A CCIRS has been entered into to hedge the JPY8.7 billion floating rate notes into a principal amount of S\$100.0 million on a floating rate basis. MCT Group has sufficient committed credit facilities in place to refinance the S\$168.0 million of current borrowings.

⁶ Loans from a subsidiary represent the unsecured borrowings from MCTTC on-lent to MCT. The unsecured borrowings from MCTTC were raised through the issuance of MTN under the MTN Programme. In August 2020, S\$160.0 million of fixed rate notes were fully redeemed upon maturity.

As at 30 September 2020, the borrowings comprise fixed rate notes of S\$900.0 million and floating rate notes of JPY8.7 billion due between 2020 and 2029. A CCIRS has been entered into to hedge the JPY8.7 billion floating rate notes into a principal amount of S\$100.0 million on a floating rate basis.

⁷ Current income tax liabilities refer to income tax provision based on taxable income of MCTTC and 80 Alexandra.

⁸ MCT currently has undrawn bank lines to meet the financing of the current liabilities as and when they fall due.

⁹ Deferred tax liabilities refer to deferred tax provision of MBC PL prior to the acquisition by MCT.

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

	MCT Group		MCT	
	30 Sep 2020 (S\$'000)	31 Mar 2020 (S\$'000)	30 Sep 2020 (S\$'000)	31 Mar 2020 (S\$'000)
Amount repayable in one year or less, or on demand				
Unsecured bank borrowings	98,000	-	98,000	-
Medium term notes	70,000	160,000	-	-
Less : Transaction costs to be amortised ¹	(3)	(29)	-	-
Total borrowings, repayable in one year or less, or on demand	167,997	159,971	98,000	-
Amount repayable after one year				
Unsecured bank borrowings	1,900,900	1,843,200	1,266,900	1,204,200
Medium term notes	942,830	1,014,353	-	-
Less : Transaction costs to be amortised ¹	(10,028)	(9,504)	(4,333)	(3,267)
Total borrowings, repayable after one year	2,833,702	2,848,049	1,262,567	1,200,933
Total borrowings²	3,001,699	3,008,020	1,360,567	1,200,933

Footnotes:

- Related transaction costs are amortised over the tenor of the bank loan facilities and the MTN respectively.
- The total gross borrowings after taking into account the CCIRS of principal amount of S\$100.0 million to hedge the JPY8.7 billion floating rate notes is S\$2,998.9 million as at 30 September 2020 and S\$3,003.2 million as at 31 March 2020.

Ratios

	MCT Group	
	30 Sep 2020	31 Mar 2020
Aggregate leverage	33.8%	33.3%
Interest coverage ¹	4.0 times	4.3 times

Footnote:

- Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees.

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

1(c) Consolidated Statement of Cash Flows

	1H FY20/21 (S\$'000)	1H FY19/20 (S\$'000)
Cash flows from operating activities		
(Loss)/Profit after tax for the financial period	(92,004)	429,797
Adjustments for:		
- Income tax expense	*	*
- Depreciation	73	32
- Impairment of trade receivables	578	-
- Plant and equipment written off	-	18
- Unrealised foreign exchange (gain)/loss	(1,523)	4,533
- Net change in fair value of investment properties	203,879	(305,413)
- Net change in fair value of financial derivative	1,968	(5,190)
- Finance income	(539)	(341)
- Finance expenses	40,272	35,633
- Manager's management fees paid/payable in units	7,458	8,003
	160,162	167,072
Change in working capital:		
- Trade and other receivables	(12,684)	(792)
- Other current assets	214	124
- Trade and other payables	511	(2,676)
Cash generated from operations	148,203	163,728
- Income tax paid	(*)	(*)
Net cash provided by operating activities	148,203	163,728
Cash flows from investing activities		
Additions to investment properties	(7,192)	(8,058)
Investment in subsidiary	-	*
Additions to plant and equipment	(73)	-
Finance income received	508	347
Net cash used in investing activities	(6,757)	(7,711)
Cash flows from financing activities		
Proceeds from borrowings	655,100	785,000
Repayments of borrowings	(499,400)	(785,001)
Redemption of notes	(160,000)	-
Payments of financing fees	(1,923)	(613)
Payments of distribution to Unitholders	(30,098)	(133,616)
Finance expenses paid	(38,562)	(34,485)
Net cash used in financing activities	(74,883)	(168,715)
Net increase/(decrease) in cash and cash equivalents	66,563	(12,698)
Cash and cash equivalents at beginning of financial period	65,857	49,119
Cash and cash equivalents at end of financial period	132,420	36,421

* Amount is less than S\$1,000

MAPLE TREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

1(d)(i) Statements of Movements in Unitholders' Funds (1H FY20/21)

	MCT Group			
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging Reserve (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2020	1,867,403	3,942,864	(23,319)	5,786,948
Loss after tax for the financial period	(92,004)	-	-	(92,004)
Distributions to Unitholders	(30,098)	-	-	(30,098)
Movements in hedging reserve	-	-	(12,104)	(12,104)
Manager's management fees paid in units	-	11,629	-	11,629
Balance as at 30 Sep 2020	1,745,301	3,954,493	(35,423)	5,664,371

	MCT			
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging Reserve (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2020	1,880,524	3,942,864	(18,642)	5,804,746
Loss after tax for the financial period	(65,245)	-	-	(65,245)
Distributions to Unitholders	(30,098)	-	-	(30,098)
Movements in hedging reserve	-	-	(4,558)	(4,558)
Manager's management fees paid in units	-	11,629	-	11,629
Balance as at 30 Sep 2020	1,785,181	3,954,493	(23,200)	5,716,474

1(d)(i) Statements of Movements in Unitholders' Funds (1H FY19/20)

	MCT Group			
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging Reserve (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2019	1,603,936	3,010,729	1,314	4,615,979
Profit after tax for the financial period	429,797	-	-	429,797
Distributions to Unitholders	(133,616)	-	-	(133,616)
Movements in hedging reserve	-	-	(6,360)	(6,360)
Manager's management fees paid in units	-	11,288	-	11,288
Balance as at 30 Sep 2019	1,900,117	3,022,017	(5,046)	4,917,088

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

1(d)(i) Statements of Movements in Unitholders' Funds (1H FY19/20) (continued)

	MCT			
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging Reserve (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2019	1,603,894	3,010,729	1,314	4,615,937
Profit after tax for the financial period	429,794	-	-	429,794
Distributions to Unitholders	(133,616)	-	-	(133,616)
Movements in hedging reserve	-	-	(6,360)	(6,360)
Manager's management fees paid in units	-	11,288	-	11,288
Balance as at 30 Sep 2019	1,900,072	3,022,017	(5,046)	4,917,043

1(d)(ii) Details of Any Change in Units

	MCT	
	1H FY20/21 ('000)	1H FY19/20 ('000)
Units at beginning of financial period	3,307,510	2,889,690
- Manager's management fees paid in units	6,426 ¹	5,941 ²
Total issued Units at end of financial period³	3,313,936	2,895,631

Footnotes:

- ¹ On 6 May 2020 and 5 August 2020, new units were issued at an issue price of S\$1.7686 and S\$1.9919 per unit respectively as part payment of Manager's base fees for the period from 1 January 2020 to 30 June 2020 and Manager's performance fees for FY19/20.
- ² On 7 May 2019 and 7 August 2019, new units were issued at an issue price of S\$1.8687 and S\$2.0402 per unit respectively as part payment of Manager's base fees for the period from 1 January 2019 to 30 June 2019 and Manager's performance fees for FY18/19.
- ³ There were no convertibles, treasury units and units held by its subsidiaries as at 30 September 2020 and 30 September 2019.

- 2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

Except as disclosed in paragraph 5, the accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those used in the audited financial statements for the financial year ended 31 March 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") and interpretations that are mandatory for application from 1 April 2020. The adoption of these new SFRS(I) and interpretation did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

6. Earnings Per Unit and Distribution Per Unit

Earnings Per Unit ("EPU")

	1H FY20/21	1H FY19/20
Weighted average number of units	3,312,118,840	2,893,917,513
EPU¹ (cents)		
– basic and diluted²	(2.78)	14.85

Footnotes:

¹ In computing the EPU, profit/(loss) after tax for the financial period and the weighted average number of units at the end of the financial period are used.

² Diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the financial period.

Distribution Per Unit ("DPU")

	1H FY20/21	1H FY19/20
Number of units in issue at end of financial period	3,313,936,403	2,895,631,555
DPU (cents)	4.17	4.63

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

7. Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit

	MCT Group		MCT	
	30 Sep 2020	31 Mar 2020	30 Sep 2020	31 Mar 2020
Number of units in issue at end of financial period/year	3,313,936,403	3,307,510,555	3,313,936,403	3,307,510,555
NAV and NTA per unit¹ (S\$)	1.71	1.75	1.72	1.76

Footnote:

¹ NAV and NTA per unit are the same as there is no intangible asset as at 30 September 2020 and 31 March 2020.

8. Review of the Performance

1H FY20/21 vs 1H FY19/20

Gross revenue was 2.5% lower at S\$218.7 million for 1H FY20/21 compared to 1H FY19/20. This was due to rental rebates granted to eligible tenants affected by the COVID-19 and the circuit breaker from 7 April 2020 to 18 June 2020, and partially offset by the first time contribution from MBC II (S\$42.1 million) from the acquisition completion date, 1 November 2019.

Revenue for Mapletree Anson was S\$2.2 million higher than 1H FY19/20 mainly due to higher rental income from higher occupancy, offset by lower other income.

Revenue for MLHF was marginally lower than 1H FY19/20 mainly due to lower other income.

Revenue for MBC I was lower by S\$1.5 million mainly due to lower rental income from lower occupancy, partially offset by effects of the step-up rents in existing leases.

Revenue for PSA Building was S\$4.2 million lower than 1H FY19/20 mainly due to rental rebates granted to eligible retail tenants at ARC, lower occupancy at PSA Building and lower carpark income.

Revenue for VivoCity was S\$44.0 million lower than 1H FY19/20 mainly due to the rental rebates granted to eligible tenants affected by the COVID-19 as well as lower turnover rent and carpark income. Advertising and promotion income was also lower as atrium events were disallowed under the COVID-19 safe distancing measures.

Property operating expenses were 1.8% lower at S\$47.2 million compared to 1H FY19/20 mainly attributed to lower property maintenance expenses, utilities expenses, marketing and promotion expenses, property tax expense and property management fees incurred by existing properties. This was offset by higher provision for doubtful debts and the first time inclusion of property operating expenses of MBC II (S\$8.4 million).

Accordingly, net property income decreased by 2.6% to S\$171.5 million for 1H FY20/21.

Finance expenses were 13.0% higher at S\$40.3 million for 1H FY20/21 compared to 1H FY19/20 mainly due to the interest expenses of MBC LLP. This was partially offset by lower weighted average all-in cost of debt which was mainly due to the decrease in the Singapore dollar SOR during 1H FY20/21.

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

Manager's management fees were 14.0% higher than 1H FY19/20 due to higher total assets mainly resulting from the MBC II Acquisition, offset by lower net property income achieved.

The unrealised foreign exchange gain arose from the translation of the JPY MTN into MCTTC's functional currency in Singapore dollar and the net change in fair value of financial derivative relates to the revaluation of CCIRS entered into to hedge against any foreign exchange movements in respect to the JPY MTN. There is therefore no net foreign exchange exposure on the principal and interest payments on the JPY MTN. The unrealised foreign exchange gain and net change in fair value of financial derivative have no impact on amount available for distribution to Unitholders.

As a result of the above, profit before tax and fair value change in investment properties of S\$111.9 million for 1H FY20/21 was 10.1% lower compared to 1H FY19/20.

Income available for distribution of S\$123.4 million for 1H FY20/21 was 7.9% lower compared to S\$134.1 million for 1H FY19/20, after taking into account non-tax deductible items and other adjustments.

Including the release of S\$15.0 million of capital allowance claims in 4Q FY19/20, the amount available for distribution of S\$138.4 million for 1H FY20/21 was 3.2% higher compared to S\$134.1 million for 1H FY19/20.

9. Variance between Actual and Forecast Results

MCT has not disclosed any forecast to the market.

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

Based on the Ministry of Trade and Industry's ("MTI") advanced estimates, the Singapore economy contracted by 7.0% on a year-on-year basis in the third quarter of 2020, an improvement from the 13.3% contraction in the second quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 7.9%, rebounding from the 13.2% contraction in the preceding quarter.

According to CBRE, with the further easing of "circuit breaker" measures, the majority of retail tenants have resumed operations, resulting in a gradual recovery in retail sales and shopper traffic. While sentiments have improved, the retail market continued to be affected by the absence of international tourists and work-from-home measures. Retail landlords have become more realistic in their rental expectations as they attempt to strike a balance between rental and occupancy. Some landlords have also undertaken more flexible leasing terms given the fluidity of the COVID-19 pandemic. These include shorter lease terms, longer rent-free periods and changing of rental structures. Prime rents in Orchard Road fell by 3.4% quarter-on-quarter to S\$30.00 per square foot per month while Suburban rents remained resilient at S\$29.00 per square foot per month in Q3 2020. The current rental correction has not been as severe due to tenant support and government measures which have cushioned the negative impact. Although shopper traffic has improved, the sector is still plagued by uncertainty over the recovery of the tourism industry, lifting of safety management measures and prolonged disruptions from the global pandemic. Occupancies and rents are expected to remain under pressure, although the extent will be mitigated by limited new retail supply.

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

The COVID-19 pandemic has continued to pile pressure on the economic performance of Singapore. Coupled with a bleak employment outlook, office demand continued to dampen. As vacancies are expected to rise, landlords are realigning their rental expectations, thus narrowing the rental expectation gap between tenants and landlords. However, the rate of rental decline has been cushioned by the various government stimulus packages and rental relief schemes. Grade A (Core CBD) rents declined for the third consecutive quarter at 4.0% quarter-on-quarter to S\$10.70 per square foot per month in Q3 2020. In the short term, occupier movement is likely to stem from displacement of tenants from upcoming redevelopment projects. Concerns on the possible over-supply in 2022 have dissipated as developments have been delayed by at least three months, allowing supply and demand to recalibrate.

In the business park market, occupier activity was relatively muted with some demand arising from the technology sector. Renewals were a prominent feature although some large occupiers were seen to have cut back on space requirements. On the back of lacklustre demand and rising vacancies in older buildings, some landlords have adjusted their rental expectations. City Fringe rents declined by 0.9% quarter-on quarter to S\$5.80 per square foot per month while the Rest of Island submarket rents fell by 1.3% quarter-on quarter to S\$3.70 per square foot per month in Q3 2020. The rental disparity between both submarkets has led to cost-conscious occupiers to consider spaces in the Rest of Island submarket. However, with limited availability of large contiguous space in newer buildings within the City Fringe submarket, occupancy is unlikely to dip significantly. Looking ahead, more downsizing could be on the horizon as tenants recalibrate their footprints. Nonetheless, firms still consider business parks favourably in their long-term plans. The City Fringe business parks will continue to garner interest despite their tight supply and rental premium over the Rest of Island business parks.

MCT is cognisant of the uncertainties posed by COVID-19 on the overall sector, including weaker consumer sentiments, continued border closures, work-from-home directives and social distancing measures, as well as lower prospective demand for commercial space. Potential challenges could also arise when the COVID-19 impact hits in full force after the end of government support measures as well as a prolonged pandemic.

MCT's focus remains to maintain a healthy portfolio occupancy and sustainable rental income by working closely with our tenants. MCT will also continue to be proactive and nimble in implementing suitable measures such as assisting tenants, managing costs, and mitigating the impact from further disruptions, while supporting the authorities' effort in containing the outbreak.

Anchored by a well-diversified portfolio with key best-in-class assets, MCT is expected to derive stable cashflows from high quality tenants. MCT's resilience will keep the vehicle well-placed to ride through the crisis.

Sources:

1. The Singapore Ministry of Trade and Industry Press Release, 14 October 2020.
2. CBRE MarketView Singapore Q3 2020

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 37th distribution for the period from 1 April 2020 to 30 September 2020

Distribution type: Income / Capital

Distribution rate: Taxable Income – 3.62 cents per unit
Capital – 0.55 cents per unit

Par value of units: Not meaningful

Tax rate: Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns. Qualifying investors, unless they are exempt from tax because of their own circumstances, will have to pay income tax subsequently on such distributions at their own applicable tax rates.

Qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Capital Distribution

Capital Distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of MCT Units, the amount of Capital Distribution will be applied to reduce the cost base of their MCT Units for Singapore income tax purposes.

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Name of distribution: 33rd distribution for the period from 1 April 2019 to 30 June 2019
34th distribution for the period from 1 July 2019 to 30 September 2019

Distribution type: Income

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

Distribution rate: 33rd distribution: Taxable Income – 2.31 cents per unit
34th distribution: Taxable Income – 2.32 cents per unit

Par value of units: Not meaningful

Tax rate: Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns. Qualifying investors, unless they are exempt from tax because of their own circumstances, will have to pay income tax subsequently on such distributions at their own applicable tax rates.

Qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

(c) Record date: The Transfer Books and Register of Unitholders of MCT will be closed at 5.00 p.m. on Friday, 30 October 2020 for the purposes of determining each Unitholder's entitlement to MCT's distribution.

The ex-dividend date will be on Thursday, 29 October 2020.

(d) Date Payable: Friday, 27 November 2020

12. If no distribution has been declared/(recommended), a statement to that effect.

Not applicable.

MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL 2020 TO 30 SEPTEMBER 2020

13. Segmental Revenue and Results

	1H FY20/21		1H FY19/20	
	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>				
VivoCity	64,829	29.6	108,870	48.5
MBC I	63,650	29.1	65,153	29.1
MBC II	42,145	19.3	-	-
PSA Building	21,220	9.7	25,399	11.3
Mapletree Anson	16,966	7.8	14,737	6.6
MLHF	9,861	4.5	10,010	4.5
	218,671	100.0	224,169	100.0

	1H FY20/21		1H FY19/20	
	S\$'000	%	S\$'000	%
<u>Net Property Income</u>				
VivoCity	47,392	27.6	83,329	47.3
MBC I	53,017	30.9	54,010	30.7
MBC II	33,750	19.7	-	-
PSA Building	15,586	9.1	19,272	10.9
Mapletree Anson	13,706	8.0	11,435	6.5
MLHF	8,008	4.7	8,025	4.6
	171,459	100.0	176,071	100.0

14. General mandate relating to Interested Person Transactions

MCT has not obtained a general mandate from Unitholders for Interested Person Transactions.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager of MCT confirms that it has procured undertakings from all its directors and executive officers, in the format set out in Appendix 7.7 under the Rule 720(1) of the Listing Manual.

**MAPLETREE COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS AND
DISTRIBUTION ANNOUNCEMENT FOR THE FIRST HALF FINANCIAL PERIOD FROM 1 APRIL
2020 TO 30 SEPTEMBER 2020**

16. Directors confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these risks, uncertainties and assumptions include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management of future events.

By Order of the Board
Wan Kwong Weng
Joint Company Secretary
Mapletree Commercial Trust Management Ltd.
(Company Registration No.200708826C)
As Manager of Mapletree Commercial Trust

22 October 2020