

For Immediate Release

Progressive recovery at VivoCity continues Reconfiguration exercises to position mall for eventual upturn

- 1H FY20/21 gross revenue and net property income (“NPI”) down 2.5% and 2.6% respectively mainly due to COVID-19 rental rebates but offset by contribution from Mapletree Business City (“MBC”) II
- 1H FY20/21 Distribution per Unit (“DPU”) totalled 4.17 Singapore cents
- Progressive recovery at VivoCity since Phase Two of Singapore’s re-opening whereby rebound in tenant sales has outpaced shopper traffic
- Completed reconfiguration of mini-anchor space on Level 2 and recovered prime space to accommodate home-grown online-to-offline fashion retailer
- Work in progress to revitalise Level 1 promenade-facing F&B cluster
- MBC continues to be an anchor of stability

Singapore, 22 October 2020 – Mapletree Commercial Trust Management Ltd. (“MCTM”), as manager of Mapletree Commercial Trust (“MCT” and as manager of MCT, the “Manager”), reported that the NPI for 1H FY20/21 was S\$171.5 million, down 2.6% on a year-on-year basis mostly due to rental rebates granted to eligible retail tenants affected by COVID-19 but offset by contribution from MBC II which was acquired on 1 November 2019. DPU for 1H FY20/21 was 4.17 Singapore cents.

Ms Sharon Lim, Chief Executive Officer of the Manager, said, “We continue to see encouraging resumption of shopper activities since Phase Two lifting of the circuit breaker from 19 June 2020 whereby the rebound in tenant sales has outpaced shopper traffic. While tenants have resumed operations, various health protocols including border closures, work-from-home directives and safe distancing measures remain in place. We believe that there is room for further improvement in tenant sales and shopper traffic once these restrictions are lifted.”

Mapletree Commercial Trust Management Ltd.

10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438
tel 65 6377 6111 fax 65 6274 3185 www.mapletreecommercialtrust.com
Co. Reg. No. 200708826C

“Amid the COVID-19 interruptions, we continue to direct efforts into creating value at VivoCity to position ourselves for the eventual upturn. To minimise disruptions to tenants and shoppers, we took the opportunity to carry out improvement works such as replacement of the entire mall’s flooring. During the reporting period, we also successfully reconfigured Best Denki’s space on Level 2 to accommodate home-grown online-to-offline fashion retailer Love, Bonito, and began works to revitalise the promenade-facing F&B cluster on Level 1. Both initiatives will deliver positive financial benefits and further enhance VivoCity’s appeal as a destination mall,” added Ms Lim.

Ms Lim continued, “We will remain nimble and exercise prudence in managing our assets and balance sheet. Anchored by a well-diversified portfolio, MCT will continue to derive stable cashflows from high quality tenants. In particular, the newly acquired MBC II, together with MBC I, will provide stability and support in such uncertain times. MCT’s resilience keeps us well-placed to ride through the pandemic and catch the eventual inflection point.”

Summary of MCT’s Results

	1H FY20/21	1H FY19/20	Variance %
Gross revenue (S\$’000)	218,671	224,169	(2.5)
Property operating expenses (S\$’000)	(47,212)	(48,098)	1.8
Net property income (S\$’000)	171,459	176,071	(2.6)
Income available for distribution (S\$’000)	123,422	134,071	(7.9)
Distributable income to Unitholders (S\$’000)	138,422 ¹	134,071	3.2
Distribution per unit (cents)	4.17 ¹	4.63	(9.9)

¹ 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

OPERATIONAL PERFORMANCE

Portfolio NPI for 1H FY20/21 dropped 2.6% year-on-year, with a 78.4% NPI margin. This was largely due to rental rebates granted to eligible tenants impacted by COVID-19 but mitigated by contribution from MBC II, which was acquired on 1 November 2019. MBC, comprising both MBC I and MBC II, continues to lend stability.

As at 30 September 2020, the committed occupancy of the portfolio remained high at 97.7%.

Performance of VivoCity

Both shopper traffic and tenant sales have recovered progressively since Phase Two of re-opening from 19 June 2020 with the rebound in tenant sales outpacing shopper traffic.

VivoCity recorded S\$183.3 million of tenant sales in 2Q FY20/21, or approximately 78.0% of the same period last year. This compares positively against 1Q FY20/21 which recorded S\$76.5 million, or 36.6% of the same period last year. Notwithstanding these encouraging indicators, COVID-19 measures such as border closures, work-from-home directives and social distancing requirements continue to be in place and impede full recovery.

Mainly due to the rental rebates granted to eligible tenants impacted by COVID-19, 1H FY20/21 gross revenue and NPI contracted 40.5% and 43.1% respectively from a year ago.

As at 30 September 2020, VivoCity was 97.9% committed.

Added Resilience from MBC II and Higher Contribution from Mapletree Anson

Gross revenue and NPI from the office/business park assets in 1H FY20/21 were 33.4% and 33.8% higher respectively as compared to 1H FY19/20. This was largely driven by first-time contribution from MBC II and higher contribution from Mapletree Anson due to higher occupancy.

As at 30 September 2020, the committed occupancies for PSA Building and MBC I were 87.9% and 98.2% respectively. MBC II, Mapletree Anson and Bank of America Merrill Lynch HarbourFront (“MLHF”) reported full occupancy.

CAPITAL MANAGEMENT

MCT continues to adopt a proactive and prudent approach to manage the balance sheet in times of uncertainties. During the reporting period, S\$160.0 million of Fixed Rate Notes due in August 2020 were redeemed and S\$369.3 million of term loans were refinanced ahead of expiry. As at 30 September 2020, the debt maturity profile remained well-distributed with no more than 21% of debt due for refinancing in any financial year. More than S\$600.0 million of cash and undrawn committed facilities were available, providing ample liquidity to meet working capital and financial obligations. Subsequent to the reporting period, S\$98.0 million of bank debt was refinanced, thus completing the refinancing of all bank debts due up till FY21/22.

MCT's total investment properties were valued at S\$8.7 billion as at 30 September 2020 due to impact from COVID-19. Consequently, net asset value per Unit was revised to S\$1.71.

As at 30 September 2020, the average term to maturity was 4.5 years and the aggregate leverage was 33.8%. Approximately 71.5% of the total debt of S\$2,998.9 million was fixed by way of fixed rate debt or interest rate swaps. As at 30 September 2020, the weighted average all-in cost of debt was 2.57% per annum and the interest coverage ratio on a 12-month trailing basis was approximately 4.0 times.

DISTRIBUTION TO UNITHOLDERS

DPU for 1H FY20/21 is 4.17 Singapore cents. Unitholders can expect to receive the distribution on Friday, 27 November 2020. The Transfer Books and Register of Unitholders of MCT will be closed at 5.00 pm on Friday, 30 October 2020 for purposes of determining each Unitholder's entitlement to the distribution.

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About Mapletree Commercial Trust

Mapletree Commercial Trust is a Singapore-focused real estate investment trust ("REIT") that invests 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, in Singapore, as well as real estate related assets. MCT's portfolio comprises VivoCity, MBC, PSA Building, Mapletree Anson and MLHF. These five assets have a total NLA of 5.0 million square feet with a total value of S\$8.7 billion. For more information, please visit www.mapletreecommercialtrust.com.

About the Manager – Mapletree Commercial Trust Management Ltd.

MCT is managed by Mapletree Commercial Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.. The Manager's main responsibility is to manage MCT's assets and liabilities for the benefit of Unitholders. The Manager is also responsible for setting the strategic direction of MCT on the acquisition, divestment and/or enhancement of assets of MCT in accordance with its stated investment strategy. The Manager's key objectives are to provide Unitholders of MCT with an attractive rate of return on their investment through regular and relatively stable distributions and to achieve long-term growth in DPU and net asset value per Unit, with an appropriate capital structure for MCT.

About the Sponsor – Mapletree Investments Pte Ltd

Mapletree Investments Pte Ltd ("Mapletree") is a leading real estate development, investment, capital and property management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, the Group has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

As at 31 March 2020, Mapletree has assets under management of S\$60.5 billion, comprising office, retail, logistics, industrial, data centre, residential and lodging properties. The Group manages four Singapore-listed REITs and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom ("UK") and the United States ("US").

The Group's assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. To support its global operations, Mapletree has established an extensive network of offices in these countries.

For more information, please visit www.mapletree.com.sg.

IMPORTANT NOTICE

This release is for information only and does not constitute an offer or solicitation of an offer to sell or invitation to subscribe for or acquire any units in Mapletree Commercial Trust ("MCT", and the units in MCT, the "Units").

The past performance of MCT and Mapletree Commercial Trust Management Ltd., in its capacity as manager of MCT (the "Manager"), is not indicative of the future performance of MCT and the Manager.

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may also contain forward-looking statements 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 the Manager’s current view of future events.

Nothing in this release should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors. Neither the Manager nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. This release shall be read in conjunction with MCT’s financial results for First Half Financial Period from 1 April 2020 to 30 September 2020 in the SGXNET announcement dated 22 October 2020.

For further information, please contact:

Mapletree Commercial Trust Management Ltd.

Teng Li Yeng

Investor Relations

Tel: +65 6377 6836

Email: teng.liyeng@mapletree.com.sg

Website: www.mapletrerecommercialtrust.com