mapletree
commercial

SHAPING RESILIENCE

ANNUAL REPORT 2019/20

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Featured art piece on cover:
Stillness in Motion - 3 Airborne Self-Assemblies
by *Tomás Saraceno*

KEY HIGHLIGHTS

GROSS REVENUE
S$482.8 million
▲ 8.8%

NET PROPERTY INCOME
S$377.9 million
▲ 8.7%

AMOUNT AVAILABLE FOR DISTRIBUTION
S$243.2 million
▼ 7.9%

DISTRIBUTION PER UNIT
8.00 cents
▼ 12.5%

MARKET CAPITALISATION
S$6.1 billion
▲ 10.8%

INVESTMENT PROPERTIES
S$8.9 billion
▲ 26.7%

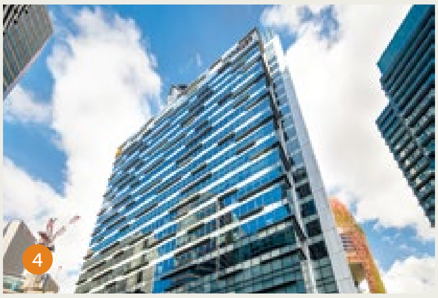
NET ASSET VALUE PER UNIT
S$1.75
▲ 9.4%

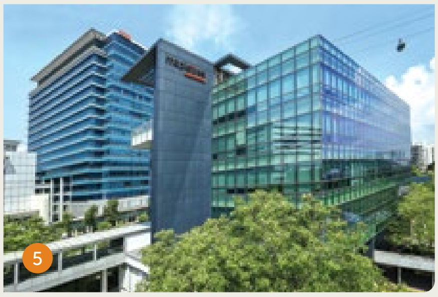
GEARING RATIO
33.3%
▲ 0.2p.p

TOTAL NET LETTABLE AREA
5.0 million
▲ 30.7%

PORTFOLIO COMMITTED OCCUPANCY
98.7%
▲ 0.2p.p

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, in Singapore, 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 2020, MCT's portfolio comprised five properties in Singapore – four located in the Greater Southern Waterfront (HarbourFront and Alexandra Precincts) and one in the Central Business District ("CBD"), namely:

1. **VIVOCITY**, Singapore's largest mall located in the HarbourFront Precinct;
2. **MAPLETREE BUSINESS CITY ("MBC")**, a large-scale integrated office and business park complex with Grade A building specifications, supported by ancillary retail space, located in the Alexandra Precinct;
3. **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;
4. **MAPLETREE ANSON**, a 19-storey premium office building located in Singapore's CBD; and
5. **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 5.0 million square feet, valued at S$8,920 million[1].

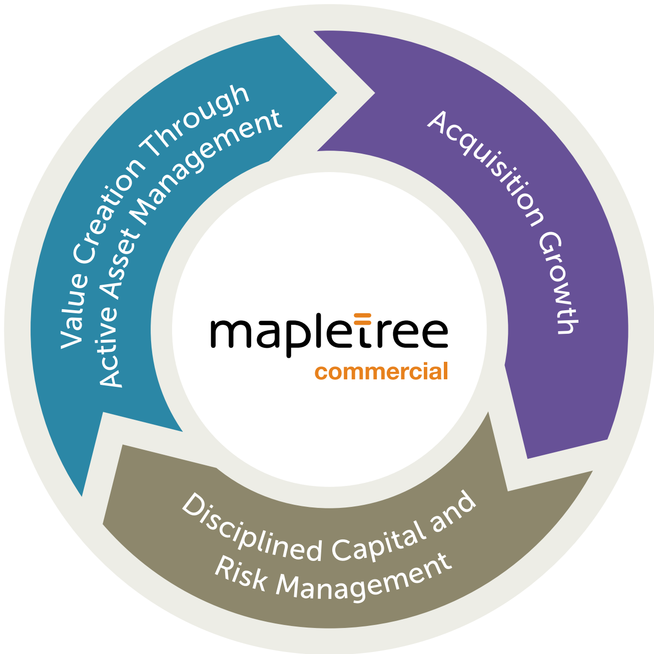
MCT is managed by Mapletree Commercial Trust Management Ltd. ("MCTM" or the "Manager"), a wholly-owned subsidiary of MIPL. The Manager aims to provide unitholders of MCT ("Unitholders") with a relatively attractive rate of return on their investment through regular and steady distributions, and to achieve 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 Savills Valuation and Professional Services (S) Pte. Ltd. and CBRE Pte. Ltd. as at 31 March 2020.

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 specification; 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:

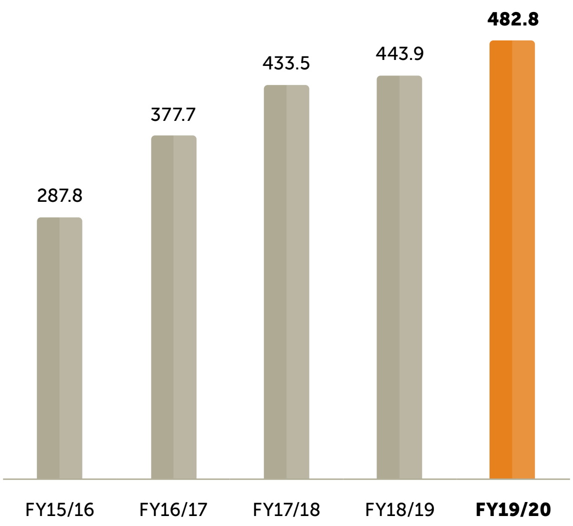
- Maintain a strong balance sheet;
- Employ an appropriate mix of debt and equity in financing acquisitions;
- Secure diversified funding sources to access both financial institutions and capital markets;
- Optimise its cost of debt financing; and
- Adopt appropriate interest rates hedging strategies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

FINANCIAL HIGHLIGHTS

GROSS REVENUE

S$482.8 million

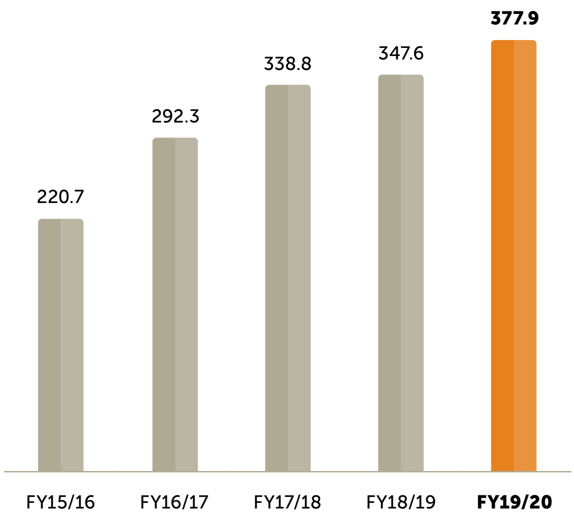
YEAR-ON-YEAR ▲ 8.8%



NET PROPERTY INCOME

S$377.9 million

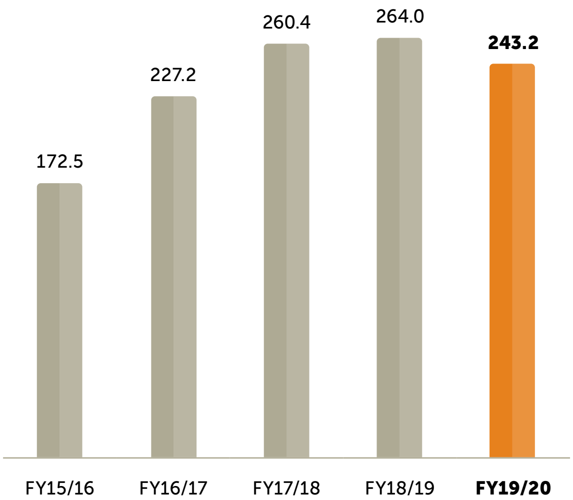
YEAR-ON-YEAR ▲ 8.7%



AMOUNT AVAILABLE FOR DISTRIBUTION

S$243.2 million

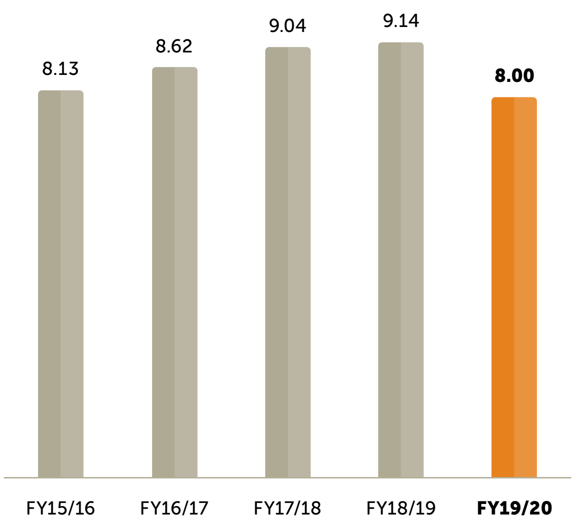
YEAR-ON-YEAR ▼ 7.9%



DISTRIBUTION PER UNIT

8.00 cents

YEAR-ON-YEAR ▼ 12.5%



FOCUSED ON DELIVERING SUSTAINABLE RETURNS IN THE LONG RUN

108.0%
CAPITAL APPRECIATION

79.6%
TOTAL DISTRIBUTIONS

187.6%
TOTAL RETURN[1]

SELECTED BALANCE SHEET DETAILS

As at 31 March	2016	2017	2018	2019	2020
Total Assets (S$ million)	4,415.2	6,405.7	6,740.8	7,100.8	**9,007.1**
Investment Properties (S$ million)	4,341.8	6,337.0	6,682.0	7,039.0	**8,920.0**
Total Debt Outstanding (S$ million)	1,550.5	2,327.6	2,327.6	2,349.0	**3,003.2**
Unitholders' Funds (S$ million)	2,764.0	3,957.5	4,283.4	4,616.0	**5,786.9**
NAV per Unit (S$)	1.30	1.38	1.49	1.60	**1.75**
Market Capitalisation (S$ million)	3,003.3	4,392.8	4,521.8	5,461.5	**6,052.7**

KEY FINANCIAL INDICATORS

As at 31 March	2016	2017	2018	2019	2020
% of Fixed Rate Debt	73.8%	81.2%	78.9%	85.0%	**78.9%**
Gearing Ratio	35.1%	36.3%	34.5%	33.1%	**33.3%**
Interest Coverage Ratio (times)	5.0	4.9	4.8	4.5	**4.3**
Average Term to Maturity of Debt (years)	3.4	4.0	3.9	3.6	**4.2**
Weighted Average All-in Cost of Debt (per annum)	2.52%	2.66%	2.75%	2.97%	**2.94%**

YIELD COMPARISONS[2]

MCT Distribution Yield[3]	**4.4%**
FTSE ST REIT Index	**5.6%**
Straits Times Index	**5.2%**
CPF Ordinary Account	**2.5%**
10-year Singapore Government Bond	**1.3%**
Banks Fixed Deposits 12 Months	**0.6%**

[1] Based on unit issue price at IPO of S$0.88 and closing unit price of S$1.83 as at 31 March 2020, as well as total DPU of 70.06 Singapore cents paid out since IPO.

[2] As at 31 March 2020. Sources: Bloomberg, Central Provident Fund ("CPF") Board (for the Ordinary Account's yield) and the Monetary Authority of Singapore (for the 10-year Singapore Government Bond Yield and Banks Fixed Deposits 12 Months Rate).

[3] Based on closing unit price of S$1.83 as at 31 March 2020 and DPU of 8.00 Singapore cents for FY19/20.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CREATING SUSTAINABLE VALUE

At MCT, we understand the importance of taking the long-term view. We remain guided by this vision and will stay firmly committed to all our stakeholders in the creation of sustainable value in the long run.

LETTER TO UNITHOLDERS

Dear Unitholders,

We thank you for your enduring support.

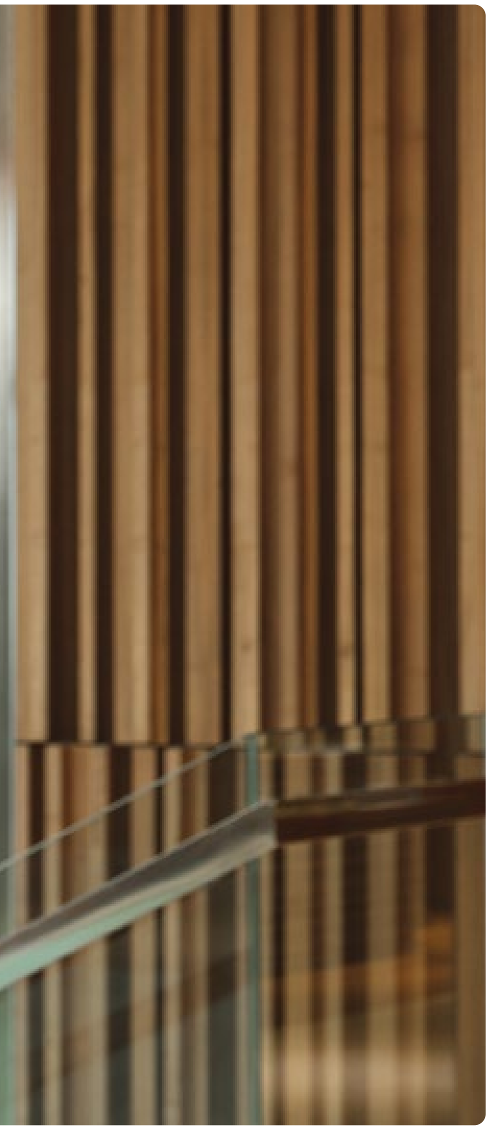
As we have advocated year after year, MCT has always believed in building long-term resilience. We continued to do so in FY19/20 by acquiring MBC II, a best-in-class business park of approximately 1.2 million square feet of NLA. This added a property of exceptional quality to MCT's stable. In a world fraught by the coronavirus disease ("COVID-19"), the acquisition also injected an opportune boost to MCT's resilience.

TACKLING COVID-19 WITH PRUDENCE

The emergence of COVID-19 in January 2020 has precipitated a host of health, social and economic challenges globally.

As we write this letter, the country is still operating under tight social distancing measures. These have inevitably impacted retail footfall and sales across the country and coupled with the rental assistance we have rolled out for our tenants, weighed down on VivoCity's 4Q FY19/20 performance. Notwithstanding, the acquisition of MBC II has added timely diversification and resilience, driving MCT's continued growth in earnings. Our full year gross portfolio revenue rose 8.8% year-on-year to S$482.8 million, while NPI reached S$377.9 million, surpassing last year's record by 8.7%.

That said, the COVID-19 situation is still evolving. As there remains significant uncertainty over when normalcy can resume, we have decided to exercise extra prudence by retaining S$43.7 million of distribution in the fourth quarter.



The acquisition of MBC II has added timely diversification and resilience, driving MCT's continued growth in earnings. Our full year gross portfolio revenue rose 8.8% year-on-year to S$482.8 million, while NPI reached S$377.9 million, surpassing last year's record by 8.7%.

Left:
SHARON LIM
Executive Director and Chief Executive Officer

Right:
TSANG YAM PUI
Non-Executive Chairman and Director

While MCT remains well-capitalised with ample financial flexibility, this was a deliberate measure to put MCT in a firm position to confront the challenges arising from COVID-19. Consequently, DPU totalled 8.00 Singapore cents for the year.

DELIVERING LONG-TERM SUSTAINABLE RETURNS

Since MCT's listing on 27 April 2011, our market capitalisation has increased from S$1.6 billion to more than S$6 billion as at 31 March 2020. Including distributions paid out since listing, we have delivered 187.6% of total return to Unitholders.

The Singapore stock market declined sharply, particularly in March 2020, in tandem with the global escalation of the COVID-19 pandemic. For the period from 1 April 2019 to 31 March 2020, the benchmark Straits Times Index ("STI") was down by 22.8%, while MCT's unit price was down by 3.2%. Including distributions, MCT delivered total returns of 1.0% in FY19/20.

ADDING RESILIENCE WITH MBC II

On 1 November 2019, we successfully completed the acquisition of MBC II at an agreed property value of S$1.55 billion. Together with MBC I, it forms one of the largest premium campus-style environments with Grade A building specifications in Singapore. MBC II's excellent location, high specifications and outstanding amenities make it a very attractive and cost-efficient alternative to the CBD. As a result, it appeals well to high quality and reputable multinational companies. In particular, it houses the Asia Pacific headquarters of tech giant Google and global medical technology company Medtronic.

To finance the acquisition, MCT undertook a successful equity fund raising exercise which received resounding support from both existing and new investors. The private placement was over seven times covered and the preferential offering was approximately 1.45 times covered, raising S$918.5 million of new equity. The acquisition delivered benefits on multiple levels. Financially, it was accretive. Operationally, it completed MCT's control over the entire Alexandra Precinct, giving us better efficiency and flexibility in meeting tenants' requirements. Strategically, it injected an extra measure of diversification to MCT's income streams while enlarging our exposure to the burgeoning technology sector from 5.1% to 18.5%.

Driven by the acquisition, MCT's total investment properties grew 26.7% to S$8.9 billion as at 31 March 2020 while NAV per

LETTER TO UNITHOLDERS

unit grew 9.4% to S$1.75 per unit as compared to a year ago. The increase in asset size and free float also propelled MCT into the top rung of REITs in Singapore. Shortly after joining the STI on 23 September 2019, MCT was admitted into the widely benchmarked MSCI Singapore Index on 26 November 2019, further boosting MCT's trading liquidity.

CONTINUED ENHANCEMENT AT VIVOCITY

VivoCity's longevity stems from our continuous effort in incorporating the most relevant and vibrant retail elements into the mall. Since VivoCity's official opening in 2006, we have embarked on various yield-enhancing asset enhancement initiatives ("AEIs") to rejuvenate spaces and refresh tenant mix.

In FY19/20, we completed VivoCity's fifth AEI, comprising the changeover of the hypermarket and partial recovery of anchor space to accommodate new and expanding tenants. The new hypermarket operator, NTUC FairPrice, is Singapore's leading grocer and multi-format retailer. Spanning more than 91,000 square feet across Level 1 and Basement 2, the integrated store includes the largest and most innovative NTUC FairPrice Xtra hypermarket and Unity pharmacy, as well as a Cheers convenience store. But it is not just the size and hardware that set this store apart – it features a fresh, stylish look, and an exciting myriad of products to cater to the varied needs of today's shoppers.

Along with the changeover of the hypermarket, we converted approximately 24,000 square feet of recovered anchored space on Level 1 and Basement 2. The entire changeover, which was fully completed in 2Q FY19/20, added a refreshed concept and broadened VivoCity's offerings. The entire exercise also delivered positive rental uplift and approximately 40% of annual return on investment[1].

STEADY PERFORMANCE BY OFFICE AND BUSINESS PARK ASSETS

In FY19/20, MCT's office and business park assets posted S$272.4 million of gross revenue and S$219.2 million of NPI, up 17.9% and 18.3% respectively from a year ago. This set of results was largely the outcome of the MBC II acquisition as well as our proactive leasing efforts.

As at 31 March 2020, the committed occupancy for MCT's office and business park assets remained high, ranging from 92.7% at PSA Building to full commitment at MBC II and Mapletree Anson. MLHF continued to provide stability to the portfolio by maintaining full occupancy throughout the financial year.

BUILDING MORE FINANCIAL FLEXIBILITY INTO OUR CAPITAL STRUCTURE

We continued to take advantage of favourable opportunities to reinforce our capital structure and diversify our funding sources. To finance the acquisition of MBC II, we raised fresh equity and secured S$670.0 million of green loan facilities. During the year, we also issued S$250.0 million of fixed rate notes under our S$3.0 billion Multicurrency Medium Term Note ("MTN") Programme, and executed S$100.0 million of term loan facilities. As at 31 March 2020, approximately S$321.0 million of cash and undrawn committed facilities were available, and MCT's debt maturity profile was well distributed with no more than 17% of debt up for refinancing in any financial year.

Nevertheless, the COVID-19 outbreak has taken the world by surprise, and given its unprecedented nature, the full extent of its impact is still unknown. We have therefore decided to exercise even more prudence in managing our balance sheet by prioritising financial flexibility and liquidity. By the time this letter reaches you, we would have also put in place sufficient facilities to refinance the MTN and term loans due in August 2020 and April 2021. Although MCT remains well capitalised, we have retained S$43.7 million of distribution in 4Q FY19/20 as an additional reserve for rainy days.

MCT's total gross debt was S$3,003.2 million. Consequently, aggregate leverage was 33.3% as at 31 March 2020. Approximately 78.9% of MCT's total debt was fixed by way of fixed rate debts or interest rate swaps, giving us comfortable certainty on interest expenses. MCT continued to maintain a healthy interest cover ratio of 4.3 times for FY19/20, and a sizeable debt headroom of S$2.9 billion (based on the revised regulatory gearing limit of 50%). The all-in cost of debt averaged 2.94% per annum for FY19/20.

UPHOLDING OUR COMMITMENT TO SUSTAINABILITY

Conscious of the impacts that our business has on the environment and the community, MCT is focused on incorporating sustainability issues into the formulation of

[1] On a stabilised basis and based on approximately S$2.2 million of capital expenditure.

our strategies and integrating sustainability efforts into our daily operations.

Our sustainability efforts have borne fruits. In October 2019, we secured our first green loan facilities to part finance the acquisition of MBC II, a top-notch property designed with environmentally friendly features. This heralded our first step in green financing and our efforts in incorporating sustainability into our business.

In view of the green features added, VivoCity was accorded Green Mark Platinum certification by the Building and Construction Authority ("BCA"), a marked improvement from the Gold certification. With this, three out of five of MCT's properties have been certified Platinum by BCA, the highest accolade in recognition of a building's environmental impact and performance, while the remaining two properties are certified Green Mark Gold^{Plus}.

As we continue to refine our sustainability framework, we will include water as a new material sustainability matter. This means that we will be setting concrete goals and reporting performance data relating to water from FY20/21. We hope that our commitment can contribute meaningfully towards global betterment. MCT's sustainability efforts are elaborated in our fourth Sustainability Report.

POSITIONING FOR THE LONG-TERM

The COVID-19 pandemic has led to economic contractions in Singapore and globally. The Singapore economy will enter into a recession in 2020 with GDP growth forecast at -7.0% to -4.0%[1].

MCT is cognisant of the challenges in such extraordinary times and how various stakeholders have been impacted. With a view to preserving the long-term health of the retail eco-system, we have rolled out one of the most comprehensive support packages for our retail tenants. These would help eligible retail tenants offset approximately 3.5 months[2] of rent over March to July 2020 and allow them to plan ahead. Crucially, we are also working closely with the authorities to support their efforts in containing the outbreak.

Looking forward, our biggest responsibility is to stay focused on our long-term fundamentals so that we are better able to navigate the current turmoil. Over the years, the team has successfully guided MCT through waves of changes. Ultimately, MCT's long-term strength is anchored to a well-diversified portfolio which will continue to derive stable cashflows from high-quality tenants. Because of these, we can stay confident that MCT will overcome the headwinds and emerge more resilient thereafter.

ACKNOWLEDGEMENTS

We take this opportunity to thank our Directors for their leadership and counsel, and our staff for their dedication and assiduous efforts.

We also wish to give special thanks to Mrs Jennifer Loh who retired as Independent Non-Executive Director and Chairperson of the Audit and Risk Committee ("AC"), as well as Mr Wong Mun Hoong who relinquished his role as Non-Executive Director. Since their appointments in 2011, Mrs Loh and Mr Wong have contributed immensely to the team with their perspectives.

In addition, we warmly welcome Mr Mak Keat Meng and Ms Wendy Koh who were appointed to the Board as Independent Non-Executive Director and Non-Executive Director respectively on 10 December 2019. Moving forward, we look forward to Mr Premod P. Thomas to lead as the Chairman of the AC, with support from new AC members, Mr Mak Keat Meng and Mr Wu Long Peng.

Finally, our gratitude goes to all tenants, shoppers and partners for your continued support, and to all Unitholders for your unwavering trust and confidence. Please stay safe and healthy.

TSANG YAM PUI
Non-Executive Chairman and Director

SHARON LIM
Executive Director and Chief Executive Officer

[1] Sources: Ministry of Trade & Industry ("MTI"), Press Release dated 26 May 2020; and Monetary Authority of Singapore, Macroeconomic Review Volume XIX Issue 1, April 2020 dated 28 April 2020.

[2] Refers to assistance for eligible retail tenants granted and/or announced up until 22 April 2020 and includes the passing on of approximately 1.1 months of property tax rebates from the Government for qualifying commercial properties. MCT would also fully pass on the property tax rebates from the Government to qualifying office and business park tenants.

YEAR IN REVIEW

2019

May

- Participated in the REITs Symposium 2019, reaching out to more than 1,200 retail investors.
- VivoCity was named Finalist in the Singapore Tourism Awards for the Best Shopping Mall Experience.

June

- VivoCity Kids Club celebrated its second anniversary.

July

- MCT held its eighth Annual General Meeting ("AGM") with Unitholders approving all resolutions tabled.
- Announced DPU of 2.31 Singapore cents for 1Q FY19/20.
- VivoCity continued to support Hair for Hope as venue sponsor and partner. This is the signature fundraising event of the Children's Cancer Foundation.

August

- VivoCity officially welcomed new anchor tenant, NTUC FairPrice, who launched its largest and most innovative store comprising FairPrice Xtra hypermarket, Unity pharmacy and Cheers convenience store. The change in hypermarket operator was part of VivoCity's fifth AEI that also included the partial recovery of anchor space to accommodate new and expanding tenants.

September

- Secured S$100.0 million term loan facility for refinancing.
- MCT was named the Fastest Growing Company and the Overall Sector Winner in the REIT category by The Edge Singapore's Billion Dollar Club.
- MCT announced the proposed acquisition of Mapletree Business City (Phase 2) and the Common Premises.
- Moody's affirmed MCT's Baa1 (Stable) issuer rating following the proposed acquisition of Mapletree Business City (Phase 2) and the Common Premises.
- Completed VivoCity's fifth AEI, adding a refreshed concept and broadening the mall's offerings.
- MCT joined Singapore's benchmark Straits Times Index.

October

- MCT held an Extraordinary General Meeting ("EGM") to consider the proposed acquisition of MBC (Phase 2) and the Common Premises. All tabled resolutions were approved by Unitholders.
- Declared DPU of 2.32 Singapore cents for 2Q FY19/20.
- MCT launched an equity fund raising to part finance the acquisition of MBC (Phase 2) and the Common Premises. The equity fund raising comprised a private placement tranche of 200.9 million new units and a preferential offering tranche of 205.6 million new units.
- The equity fund raising received resounding support from existing and new investors. Priced at S$2.28 per new unit, the private placement tranche was seven times covered. Priced at S$2.24 per new unit and on the basis of 71 units for every 1,000 existing units held by entitled Unitholders, the preferential offering was 1.45 times covered. Total gross proceeds of S$918.5 million were raised.
- Secured MCT's first green loan facilities of S$670.0 million to part finance the acquisition of MBC (Phase 2) and the Common Premises.
- In conjunction with the equity fund raising, 0.61 Singapore cents were declared as advanced DPU for the period 1 July 2019 to 24 October 2019 to entitled Unitholders.

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1 VivoCity Kids Club's second anniversary celebration

2 NTUC FairPrice's integrated store comprising FairPrice Xtra hypermarket, Unity pharmacy and Cheers convenience store at VivoCity

3 MCT eighth AGM

4 MBC and PSA Building in the Alexandra Precinct

5 Existing tenant, Uniqlo, expanded its footprint in VivoCity along with our fifth AEI

November

- Accelerated the completion of the acquisition of MBC (Phase 2) and the Common Premises with the use of bridging loans.
- Issued S$250.0 million 3.05% Fixed Rate Notes due in 2029 for refinancing.
- VivoCity was certified BCA Green Mark Platinum, a marked improvement from Gold certification.
- MCT was included as a constituent in the widely followed MSCI Singapore Index.

December

- Mr Mak Keat Meng and Ms Wendy Koh were respectively appointed as Independent Non-Executive Director and Non-Executive Director for MCTM.
- Mr Wong Mun Hoong stepped down as Non-Executive Director for MCTM.
- Mapletree Anson was re-certified BCA Green Mark Platinum.

2020

January

- VivoCity was voted and awarded the Silver award in the Expat Living Readers' Choice Awards 2020 for the Best Shopping Centre.
- Declared DPU of 2.46 Singapore cents for 3Q FY19/20.
- Singapore reported its first COVID-19 case.

February

- The Singapore Government raised its Disease Outbreak Response System Condition level from yellow to orange.
- MCT announced its first S$11.0 million assistance package to support retail partners amid the COVID-19 outbreak. This comprised S$8.8 million of rental rebates to eligible retail tenants and included the 15% property tax rebate for qualifying commercial properties.
- Mrs Jennifer Loh retired as Independent Non-Executive Director and Chairperson of the AC for MCTM.
- Mr Premod P. Thomas was appointed Chairman of the AC. Mr Mak Keat Meng and Mr Wu Long Peng were appointed as Members of the AC for MCTM.

March and after

- MCT announced its second COVID-19 support package worth S$18.0 million.
- Acquisition of MBC II provided timely diversification and resilience, driving 8.8% and 8.7% year-on-year growth in MCT's FY19/20 gross revenue and NPI respectively.
- For extra prudence and to better position MCT ahead of the uncertainties arising from COVID-19, S$43.7 million of distribution was retained by way of capital allowance claims and capital distribution retention in 4Q FY19/20. As a result, DPU for 4Q FY19/20 was 0.91 Singapore cents. This brought full year DPU to 8.00 Singapore cents.
- Boosted by the addition of MBC II, MCT's portfolio of properties grew 26.7% to S$8.9 billion. Correspondingly, NAV per unit grew 9.4% from a year ago to S$1.75.
- The Singapore government implemented the nationwide "circuit breaker" from 7 April 2020, mandating the closure of all non-essential businesses and retailers, and people to stay at home.
- To provide further assistance, MCT announced its third COVID-19 support package whereby fixed rent for April 2020 would be waived for eligible retail tenants. MCT would also fully pass on the property tax rebates from the Government to qualifying retail, office and business park tenants.
- Moody's affirmed MCT's Baa1 ratings, but changed outlook to negative.

UNIT PRICE PERFORMANCE

The global equity market remained volatile during the financial year given the escalating US-China trade war, prospects of a weaker global economy, and geopolitical tensions. Singapore's economy grew modestly by 0.7% in 2019, a sharp decline from its 3.4% growth recorded in 2018.

The outbreak of the COVID-19 in January 2020 resulted in heightened uncertainties as well as stronger negative pressure to the global economy and the financial markets. Against this backdrop, the Singapore stock market declined sharply, particularly in March 2020, in tandem with the global escalation of the COVID-19 pandemic. The FTSE Straits Times Index and the FTSE Straits Times REIT Index retracted 22.8% and 17.2% respectively for the period from 1 April 2019 to 31 March 2020, while MCT's unit price closed at S$1.83 on 31 March 2020, down 3.2% from the closing price of S$1.89 from a year ago. Taking into account total DPU of 8.00 Singapore cents paid out for FY19/20, MCT delivered a total return of 1.0% to Unitholders during the financial year.

Since IPO, MCT's unit price has gained 108.0% from its IPO price of S$0.88. This represents a healthy outperformance against both the FTSE Straits Times Index which contracted by 22.0% and the FTSE Straits Times REIT Index which rose by 6.7% during the same period. Including total DPU of 70.06 Singapore cents paid, MCT has delivered 187.6% of total return to Unitholders. MCT's market capitalisation has also grown from S$1.6 billion at IPO to S$6.1 billion as at 31 March 2020.

UNIT PRICE AND TRADING VOLUME

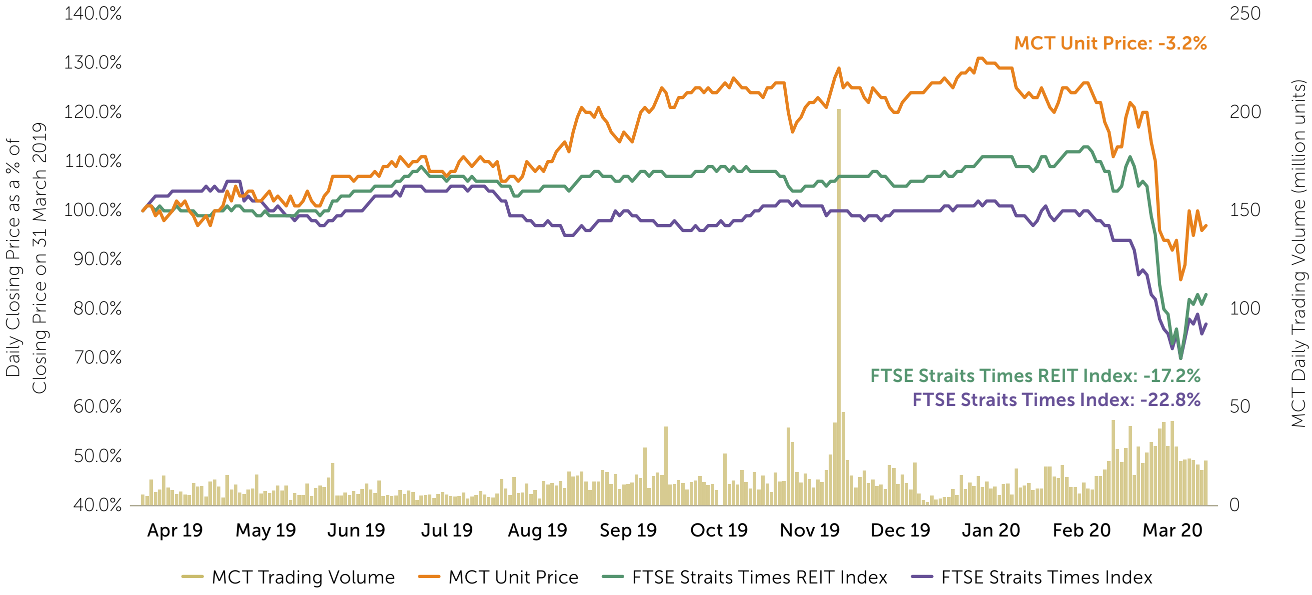
	FY19/20	FY18/19
Closing price on the last trading day prior to the period (S$)	**1.890**	1.570
Highest closing price (S$)	**2.480**	1.910
Lowest closing price (S$)	**1.620**	1.540
Volume weighted average price (S$)	**2.183**	1.669
Closing price for the period (S$)	**1.830**	1.890
Average trading volume (million units)	**13.35**	5.91
Total trading volume (million units)	**3,350**	1,478

RETURN ON INVESTMENT

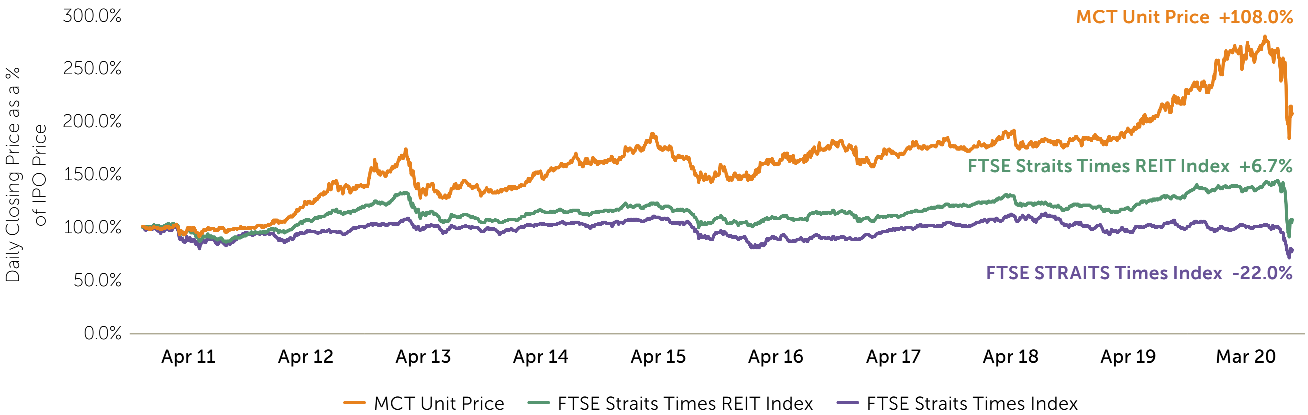
	1-year from 1 April 2019	3-year from 1 April 2017	5-year from 1 April 2015	Since Listing on 27 April 2011
Total return as at 31 March 2020 (%)	**1.0**[1]	36.7[1]	41.2[1]	187.6[2]
Capital appreciation (%)	**-3.2**	19.6	14.4	108.0
Distribution yield (%)	**4.2**	17.1	26.8	79.6
Closing price on the last trading day prior to the period/Unit issue price at listing (S$)	**1.890**	1.530	1.600	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 commencement of the period.
[2] Sum of distributions and capital appreciation for the period over the unit issue price at listing.
Source: Bloomberg

TRADING VOLUME OF MCT AND COMPARATIVE TRADING PERFORMANCE IN FY19/20



COMPARATIVE TRADING PERFORMANCE SINCE LISTING



Source: Bloomberg

MCT IS A CONSTITUENT OF THESE KEY INDICES[1]

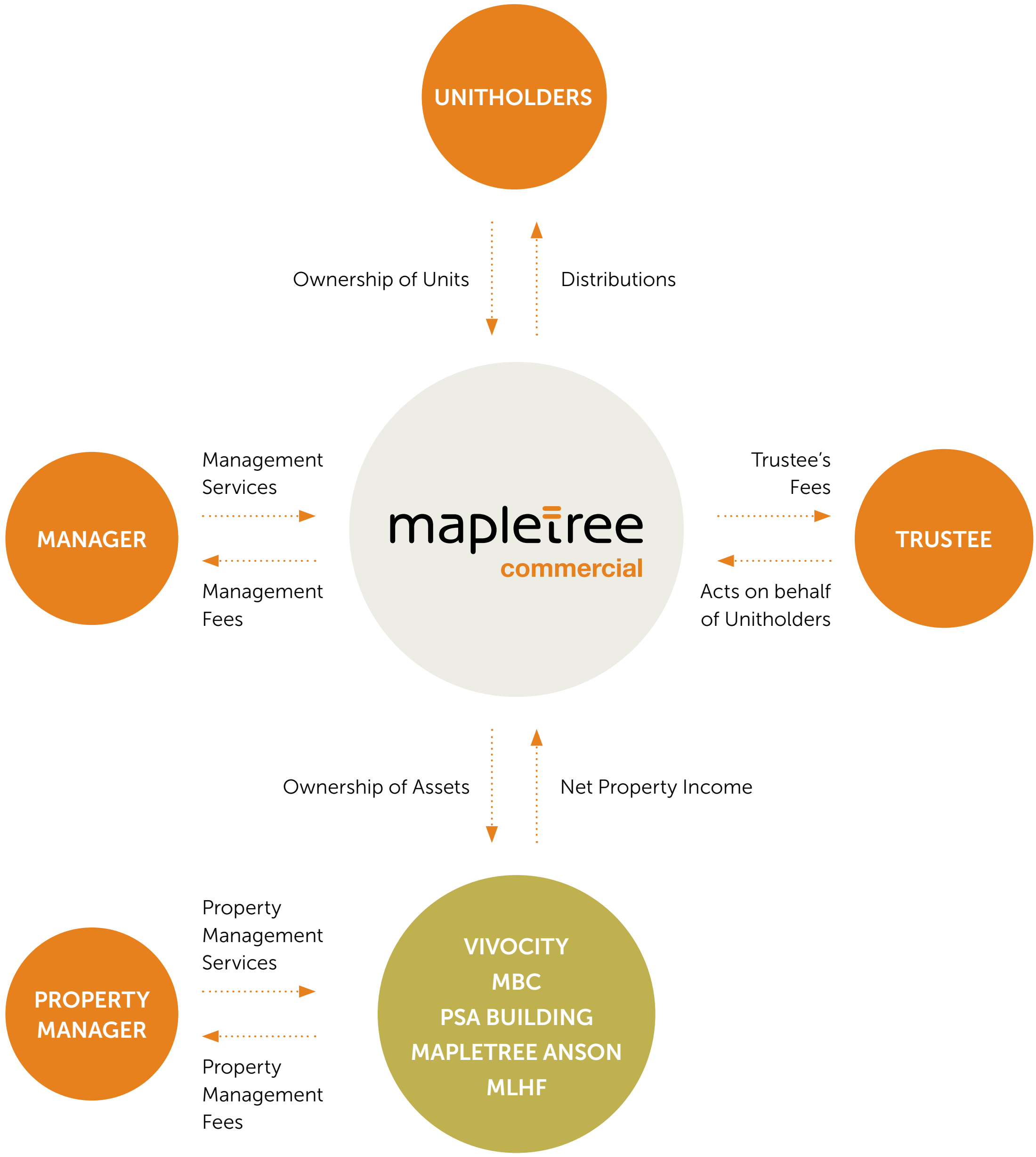
Bloomberg Asia Pacific Financial Index	FTSE EPRA Nareit Developed Index	iEdge APAC ex Japan Dividend Leaders REIT Index
Bloomberg Asia Pacific World Index	FTSE EPRA Nareit Singapore Index	iEdge S-REIT 20 Index
Bloomberg Asia REIT Index	FTSE EPRA Nareit Global Index	iEdge S-REIT Index
Bloomberg World Financial Index	FTSE EPRA Nareit Global REITs TR Index	MSCI Singapore Index
Bloomberg World Index	FTSE EPRA Nareit Real Estate Global Index Series	S&P Developed REIT Index
Bloomberg World REIT Index	FTSE ST All-Share	S&P Global BMI
Dow Jones Global Select REIT Index	FTSE ST REIT Index	S&P Global REIT USD Index
FTSE ASEAN All-Share Index	GPR General (World) Index	S&P Pan Asia Ex Japan REIT Index
FTSE Developed Asia Pacific All Cap	GPR General ex-US Index	S&P Pan Asia REIT Index
FTSE EPRA Nareit Developed Asia Index	GPR General Singapore Index	Straits Times 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 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

Mr Premod P. Thomas
Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director

Mr Koh Cheng Chua
Independent Non-Executive Director

Mr Wu Long Peng
Independent Non-Executive Director

Mr Mak Keat Meng
Independent Non-Executive Director

Mr Alvin Tay
Independent Non-Executive Director

Mr Hiew Yoon Khong
Non-Executive Director

Ms Wendy Koh
Non-Executive Director

Ms Amy Ng
Non-Executive Director

Ms Sharon Lim
Executive Director and Chief Executive Officer

AUDIT AND RISK COMMITTEE

Mr Premod P. Thomas
Chairman

Mr Koh Cheng Chua

Mr Wu Long Peng

Mr Mak Keat Meng

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 MANANGEMENT

Mr Koh Wee Leong
Head

FINANCE

Ms Lynn Lee
Vice President

INVESTOR RELATIONS

Ms Teng Li Yeng
Director

INVESTMENTS & ASSET MANANGEMENT

Ms Goh Peck Cheng
Vice President

BUILDING FORTITUDE

MCT's established track record results from a combination of proactive asset management efforts and a prudent capital management approach. By keeping rooted to our fundamentals and adopting forward-looking strategies, we ensure the robustness of our financial position and our ability in overcoming potential challenges.

PROPERTY OVERVIEW

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

VIVOCITY

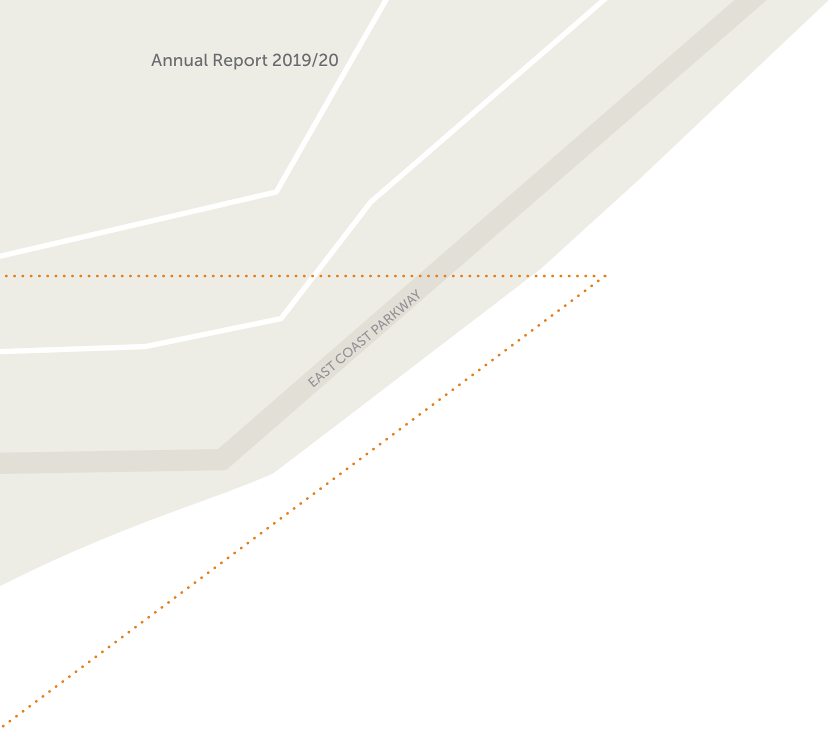
Singapore's largest mall with 1,076,267 square feet of NLA spread over a three-storey shopping complex and two basement levels. Strategically located in the heart of the HarbourFront Precinct, this iconic development is directly connected to the HarbourFront Mass Rapid Transit ("MRT") station and enjoys 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.

MBC

MBC is one of the largest integrated developments in Singapore, conveniently located in the Alexandra Precinct. Comprising MBC I and MBC II, the integrated development is made up of one office tower and seven business park blocks supported by a retail F&B cluster. Together, they offer 2,891,906 square feet of premium office, business park and retail space.

MBC's campus-style work environment features Grade A building specifications as well as a full suite of contemporary facilities and amenities such as state-of-the-art multi-purpose hall and meeting rooms, a gymnasium with heated pool and amenities, childcare centre, clinic and wide-ranging F&B offerings. With its excellent location and connectivity, MBC stands out as the choice location for businesses. It is a ten-minute drive from the CBD and is seamlessly linked to the Labrador Park MRT station and other public transport nodes via sheltered walkways.

MBC's appeal is further enhanced by its wide public spaces, an eco-pond, art installations set amidst 1.8 hectares of lush landscape, as well as convenient access to parks in the vicinity. MBC's environmentally sustainable design and features have also garnered several prestigious local and international awards.



PORTFOLIO NET LETTABLE AREA

5.0 million square feet

PORTFOLIO APPRAISED VALUE

S$8,920 million

SINGAPORE

MAP ZOOMED OUT

PSA BUILDING

An established integrated development with a 40-storey office block and a three-storey retail centre, ARC, with an aggregate NLA of 523,839 square feet. PSA Building's excellent location within the Alexandra Precinct and its short distance from the CBD make 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 328,852 square feet. Mapletree Anson was completed in 2009 with Grade A specifications and 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 is connected to major arterial roads and expressways.

MLHF

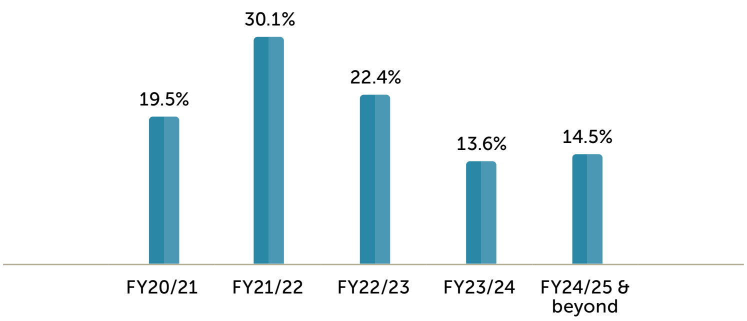
A premium six-storey office building with an NLA of 215,734 square feet. Completed in August 2008, MLHF features modern office specifications such as large and efficient column-free rectangular floor plates of approximately 46,000 square feet and integrated suspended ceiling and raised floors.

PROPERTY OVERVIEW

VIVOCITY

A three-storey shopping complex with two basement levels and an eight-storey annexe carpark	
Net Lettable Area	1,076,267 square feet
Number of Leases	352
Car Park Lots	2,183
Title	Leasehold 99 years commencing from 1 October 1997
Market Valuation	S$3,262.0 million
Key Tenants	FairPrice, Tangs, Zara, Golden Village, H&M
Awards and Accolades	**Expat Living Readers' Choice Awards 2020** – Best Shopping Centre (Silver) **Singapore Tourism Awards 2019** – Best Shopping Mall Experience (Finalist)

LEASE EXPIRY PROFILE BY GROSS RENTAL INCOME[3]
(as at 31 March 2020)

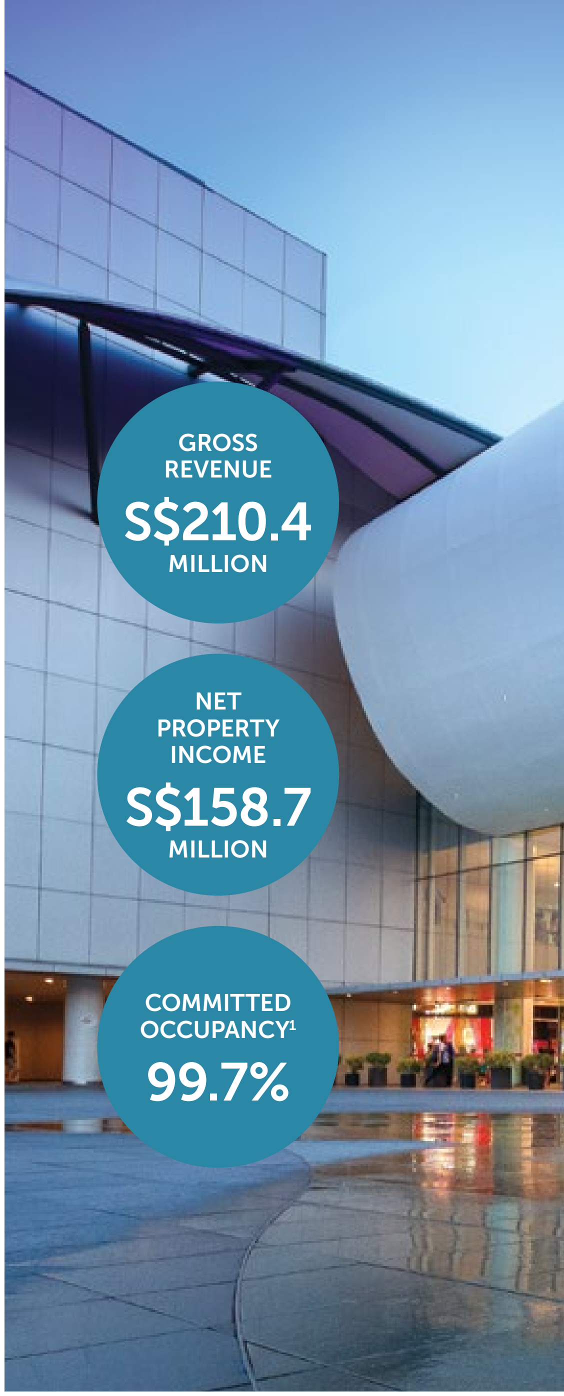


	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25 & beyond
Number of Leases	62	142	98	38	12

TRADE MIX BY GROSS RENTAL INCOME[3]
(as at 31 March 2020)

Food & Beverage	30.4%
Fashion	20.5%
Fashion Related	10.5%
Hypermarket/Departmental Store	8.7%
Beauty	6.4%
Lifestyle	6.0%
Sports	5.4%
Electronics	5.2%
Entertainment	3.3%
Others[2]	3.5%

[1] Actual occupancy was 99.6%.
[2] Others includes Optical, Retail Bank, Education, Services, Medical and Convenience.
[3] Total does not add up to 100% due to rounding.
Data are as at 31 March 2020. Gross revenue and NPI are for the financial year ended 31 March 2020.



VivoCity is Singapore's largest retail and lifestyle destination that surprises and stimulates visitors with its vibrant mix of retail, dining and entertainment experiences.

During the year, VivoCity completed its fifth AEI, comprising the changeover of the hypermarket and partial recovery of anchor space to accommodate new and expanding tenants. The entire changeover, which was fully completed in 2Q FY19/20, added a refreshed concept and broadened VivoCity's offerings.

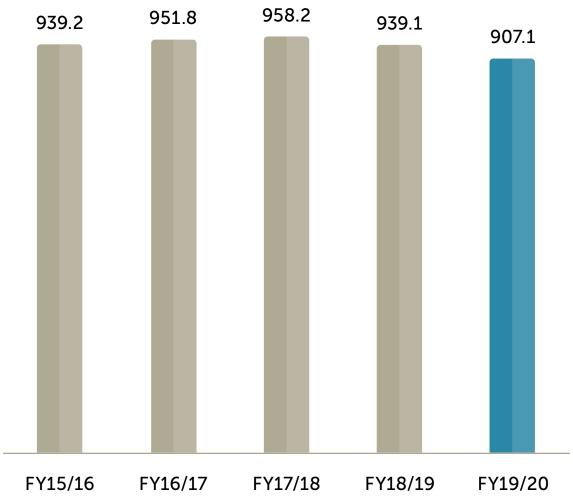
FY19/20 gross revenue and NPI were lower by 1.2% and 2.2% respectively to reach S$210.4 million and S$158.7 million. This was mainly due to the impact from COVID-19 including the rental rebates granted to eligible retail tenants.

PROPERTY OVERVIEW

VIVOCITY

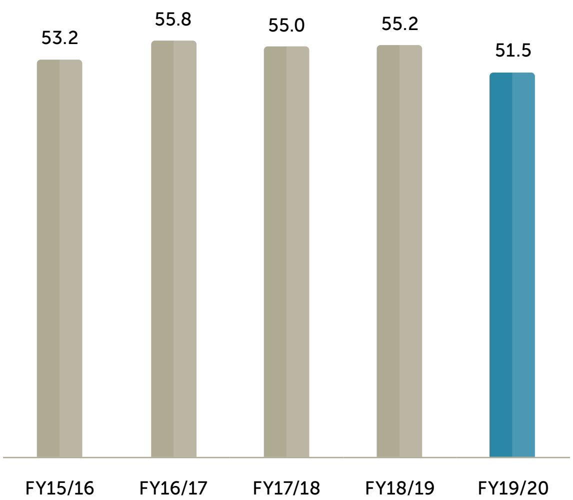
TENANT SALES

S$907.1 million



SHOPPER TRAFFIC

51.5 million



1. NTUC FairPrice launched its largest and most innovative integrated store
2. Freshest and widest range of groceries available at FairPrice Xtra
3. Exciting mid-range F&B options added on Basement 2 as part of VivoCity's fifth AEI
4. The Singapore Navy returned with a six-day large-scale event, Navy@Vivo 2019: Connecting Singaporeans to the Sea
5. VivoCity's Curious Adventures in Wonderland lit up the Sky Park for Mid-Autumn celebrations
6. Christmas late-night shopping and entertainment for all ages

PROPERTY OVERVIEW

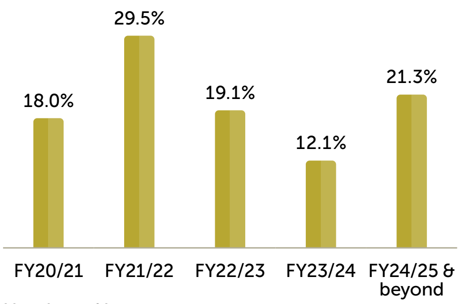
MAPLETREE BUSINESS CITY

Comprising MBC I and MBC II, MBC is a large-scale integrated office and business park complex with Grade A building specifications and ancillary retail space.

MBC I comprises one 18-storey office tower (MBC 10) and three business park blocks (MBC 20E, 20W and MBC 30), and MBC II comprises four business park blocks (MBC 50, 60, 70 and 80) and the Common Premises (the common carpark, multi-purpose hall, retail area and common property which includes the landscape areas, driveways and walkways)

	MBC I	MBC II
Net Lettable Area	1,707,202 square feet	1,184,704 square feet
Number of Leases	39	48
Car Park Lots	2,001 (combined for MBC I and II)	
Title	Strata Lease commencing from 25 August 2016 to 29 September 2096	Leasehold 99 years commencing from 1 October 1997
Market Valuation	S$2,198.0 million	S$1,560.0 million
Purchase Price/ Agreed Property Value	S$1,780.0 million	S$1,550.0 million
Date of Purchase	25 August 2016	1 November 2019
Key Tenants	The Hongkong and Shanghai Banking Corporation Limited, Info-Communications Media Development Authority, SAP Asia Pte. Ltd., Unilever Asia Private Limited	Google Asia Pacific Pte. Ltd., Cisco Systems (USA) Pte. Ltd., Covidien Private Limited, Oracle Corporation Singapore Pte Ltd

LEASE EXPIRY PROFILE BY GROSS RENTAL INCOME[3] (as at 31 March 2020)



Number of Leases				
18	20	25	15	9

TRADE MIX BY GROSS RENTAL INCOME[3] (as at 31 March 2020)

IT Services & Consultancy	38.8%
Banking & Financial Services	15.4%
Government Related	9.8%
Consumer Goods	8.0%
Pharmaceutical	6.2%
Electronics	5.9%
Shipping Transport	5.5%
Others[4]	10.2%

[1] For the five-month period from 1 November 2019 to 31 March 2020.
[2] Actual occupancy was 96.4% for MBC I and 99.4% for MBC II.
[3] Total does not add up to 100% due to rounding.
[4] Others include Energy, Real Estate, F&B, and Services.
Data are as at 31 March 2020, Gross revenue and NPI are for the financial year ended 31 March 2020 except for MBC II.

MBC II

MBC I

MBC has been lauded as a best-in-class integrated office and business park complex. Conveniently located in the Alexandra Precinct, it enjoys close proximity to the CBD. Furnished with Grade A building specifications, full suite of facilities and amenities, as well as lush greenery, MBC has attracted a list of well-established tenants.

MBC I continued to perform well in FY19/20. Driven by higher renewals and re-lets as well as step-up rents in existing leases, MBC I posted 4.6% and 5.7% year-on-year growth in FY19/20 gross revenue and NPI respectively.

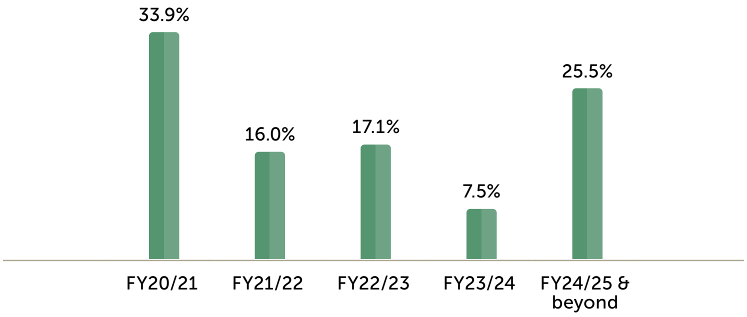
MBC II was successfully acquired on 1 November 2019. The acquisition provided timely diversification and resilience to MCT's portfolio. For the five-month period from 1 November 2019 to 31 March 2020, MBC II contributed S$30.2 million or 8.0% of NPI to MCT's portfolio.

PROPERTY OVERVIEW

PSA BUILDING

Integrated development comprising a 40-storey office building and a three-storey retail centre	
Net Lettable Area	523,839 square feet
Number of Leases	115
Car Park Lots	749
Title	Leasehold 99 years commencing from 1 October 1997
Market Valuation	S$791.0 million
Purchase Price	$477.2 million
Date of Purchase	27 April 2011
Key Tenants	**Office**: PSA Corporation Limited, Mapletree Investments Pte Ltd, Casino Regulatory Authority, AGC Asia Pacific Pte. Ltd. **Retail**: FairPrice, McDonald's, Auntie Kim's Korean Restaurant, Ichiban Sushi

LEASE EXPIRY PROFILE BY GROSS RENTAL INCOME
(as at 31 March 2020)



	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25 & beyond
Number of Leases	28	41	30	10	6

TRADE MIX BY GROSS RENTAL INCOME
(as at 31 March 2020)

Shipping Transport	34.7%
Government Related	16.1%
Food & Beverage	13.0%
Trading	12.4%
Real Estate	6.9%
IT Services & Consultancy	3.9%
Consumer Services	2.3%
Beauty	2.2%
Others[2]	8.5%

[1] Actual occupancy was 88.1%.

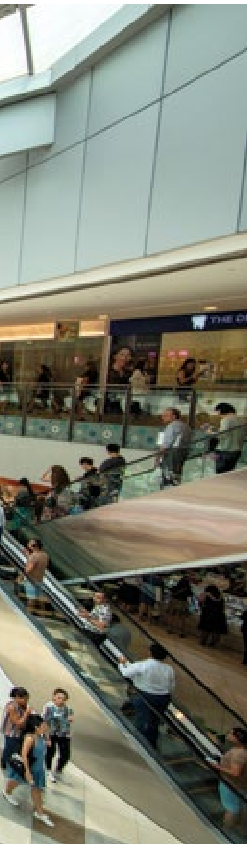
[2] Others includes Hypermarket/Departmental Store, Education, Retail Bank, Medical, Fashion Related, Lifestyle, Insurance, Services, Sports, Convenience, Electrical, and Optical.

Data are as at 31 March 2020. Gross revenue and NPI are for the financial year ended 31 March 2020.

GROSS REVENUE
S$50.1 MILLION

NET PROPERTY INCOME
S$37.6 MILLION

COMMITTED OCCUPANCY[1]
92.7%



Situated in the Alexandra Precinct, PSA Building remains an attractive asset that is recognised by many tenants to be a quality alternative to a CBD office.

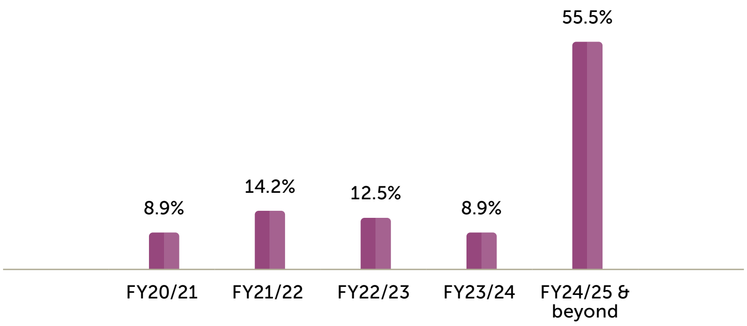
Its retail podium, ARC, provides a wide range of F&B, convenience and services offerings to the working population in the vicinity.

PROPERTY OVERVIEW

MAPLETREE ANSON

A 19-storey office building in the CBD with Grade A building specifications	
Net Lettable Area	328,852 square feet
Number of Leases	23
Car Park Lots	80
Title	Leasehold 99 years commencing from 22 October 2007
Market Valuation	S$762.0 million
Purchase Price	S$680.0 million
Date of Purchase	4 February 2013
Key Tenants	WeWork Singapore Pte. Ltd., Goldman Sachs Services (Singapore) Pte. Ltd., Hubspot Asia Pte. Ltd.

LEASE EXPIRY PROFILE BY GROSS RENTAL INCOME
(as at 31 March 2020)

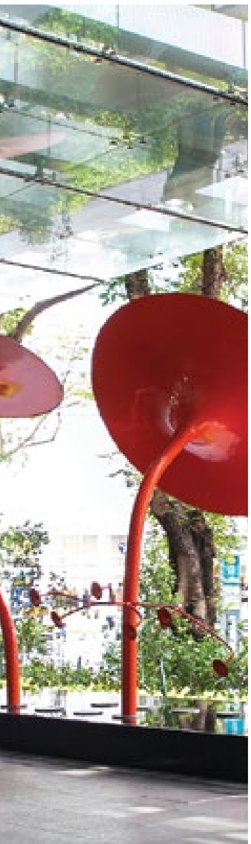


	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25 & beyond
Number of Leases	3	6	5	2	7

TRADE MIX BY GROSS RENTAL INCOME
(as at 31 March 2020)

IT Services & Consultancy	29.0%
Real Estate	25.8%
Banking & Financial Services	20.0%
Trading	7.3%
Insurance	6.6%
Electronics	5.2%
Shipping Transport	2.1%
Energy	2.1%
Others	1.9%

[1] Actual occupancy was 97.8%.
Data are as at 31 March 2020. Gross revenue and NPI are for the financial year ended 31 March 2020.



Mapletree Anson is an attractive quality office building situated in the Tanjong Pagar micro-market. Featuring Grade A building specifications such as large column-free floor plates of over 20,000 square feet per floor, Mapletree Anson has attracted a solid tenant base comprising quality and reputable MNCs.

Through a proactive leasing strategy of early engagements to retain quality tenants and attract new ones, Mapletree Anson secured 100% committed occupancy as at 31 March 2020.

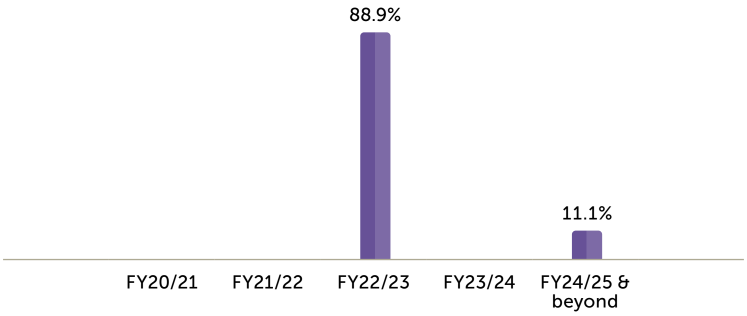
PROPERTY OVERVIEW

BANK OF AMERICA MERRILL LYNCH HARBOURFRONT

A six-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 commencing from 1 October 1997
Market Valuation	S$347.0 million
Purchase Price	S$311.0 million
Date of Purchase	27 April 2011
Key Tenant	Merrill Lynch Global Services Pte. Ltd.

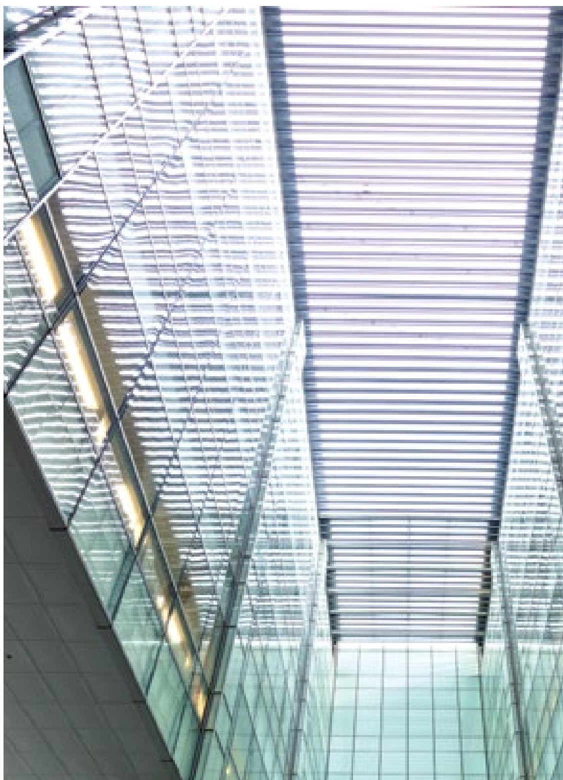
LEASE EXPIRY PROFILE BY GROSS RENTAL INCOME

(as at 31 March 2020)



	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25 & beyond
Number of Leases	–	–	2	–	1

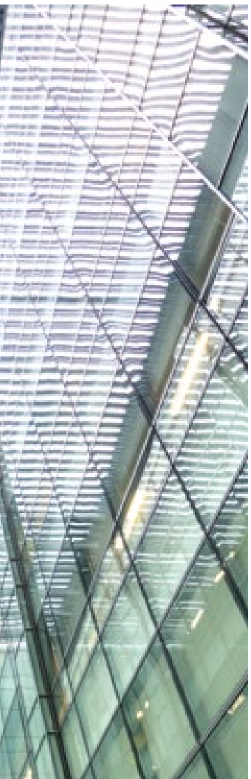
Data are as at 31 March 2020. Gross revenue and NPI are for the financial year ended 31 March 2020.



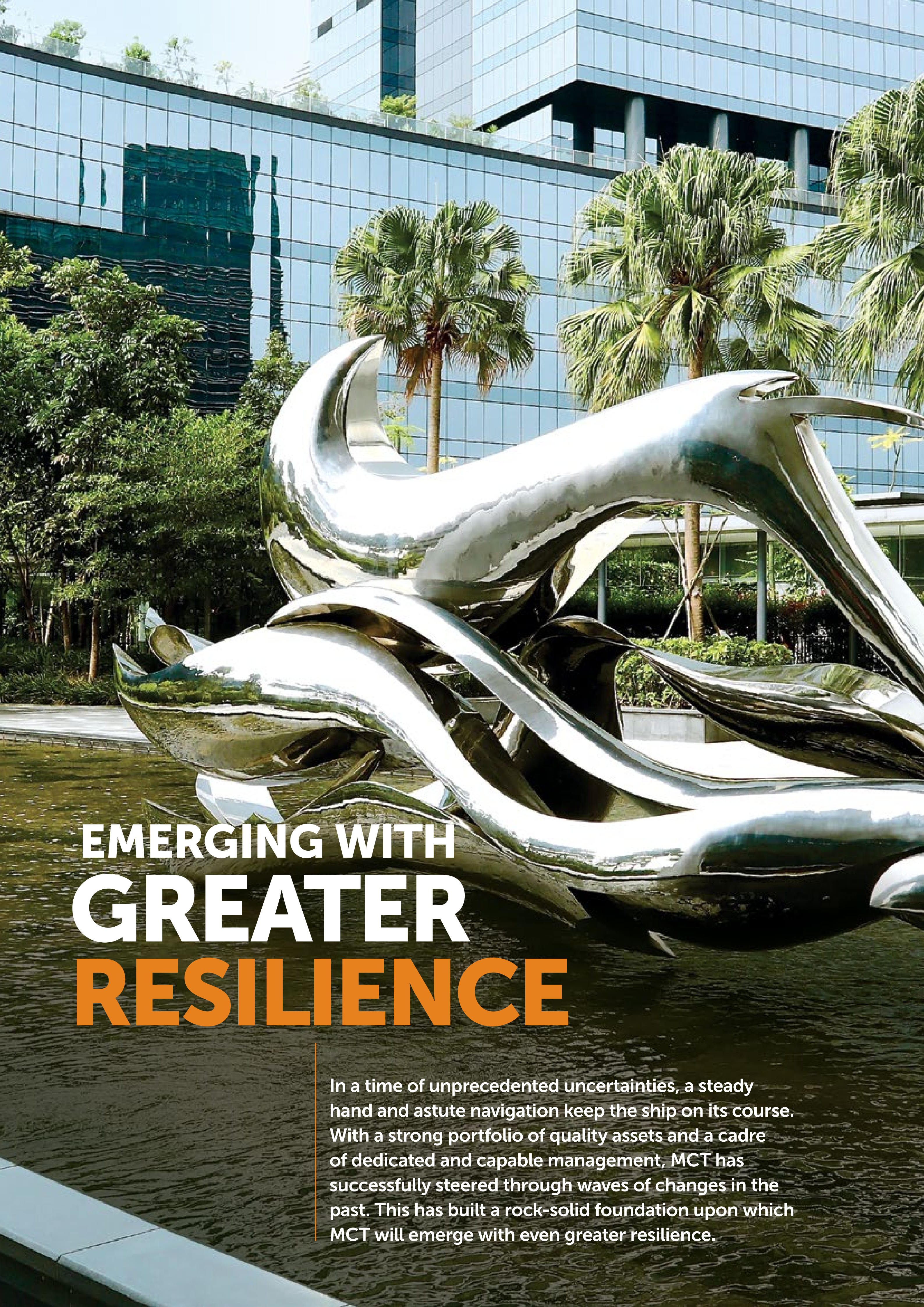
GROSS REVENUE
S$20.0 MILLION

NET PROPERTY INCOME
S$16.2 MILLION

OCCUPANCY
100.0%



MLHF continued to deliver steady and consistent returns to the portfolio, registering 1.5% and 2.6% year-on-year growth in gross revenue and NPI respectively.



EMERGING WITH GREATER RESILIENCE

In a time of unprecedented uncertainties, a steady hand and astute navigation keep the ship on its course. With a strong portfolio of quality assets and a cadre of dedicated and capable management, MCT has successfully steered through waves of changes in the past. This has built a rock-solid foundation upon which MCT will emerge with even greater resilience.

OPERATIONS REVIEW

PORTFOLIO PERFORMANCE

FY19/20 was a particularly challenging year for MCT on the back of global economic uncertainties arising from several key factors such as the US-China trade tensions, Brexit, as well as the unprecedented social unrest in Hong Kong. This was followed by the global COVID-19 pandemic in January 2020. To curb the outbreak, economies around the world, including Singapore, have taken drastic measures such as travel restrictions, closure of borders and tight social distancing measures. These have resulted in wide-ranging economic ramifications both domestically and globally.

Notwithstanding the above, MCT continued to generate growth in gross revenue and NPI. Notably in the first three quarters of the financial year before the COVID-19 outbreak, YTD 3Q FY19/20 gross revenue and NPI increased by 7.4% year-on-year to S$355.5 million and S$279.4 million respectively. While most of the increase was attributed to the new income stream from MBC II which was acquired on 1 November 2019, the existing properties[1] also demonstrated resilience through our active asset management efforts, resulting in 2.9% and 2.8% growth in gross revenue and NPI respectively for YTD 3Q FY19/20.

Given the COVID-19 outbreak and the impact it has inflicted on the retail sector, MCT has committed three rental relief packages amounting to approximately S$50.0 million to assist retail tenants. This is one of the most comprehensive support packages intended to give tangible assistance to eligible retail tenants and to preserve the long-term health of the retail eco-system. In total, the relief packages would help eligible retail tenants offset approximately 3.5 months[2] of rent over March to July 2020 and allow them to plan ahead. As at 31 March 2020, the first S$11.0 million package has been disbursed and this included approximately S$8.8 million[3] of rental rebates granted to eligible retail tenants for the month of March 2020. The remaining would be disbursed in due course. MCT would also fully pass on the property tax rebates from the Government to qualifying office and business park tenants.

To safeguard the well-being of our tenants, shoppers, staff and the local community, MCT has been working very closely with the health authorities to support their effort in containing the COVID-19 outbreak. MCT has put in place protective measures across its properties such as deploying thermal scanners to conduct temperature screenings efficiently, setting up visual guides and reminders for safe distancing, increasing the frequency of cleaning and sanitising of premises, recording of visitors' attendance as well as health and travel declarations for all tenants and visitors to our office and business park properties.

On a full year basis, after taking into account the first S$11.0 million support package that has been disbursed and the increased operating expenses from the protective measures in place, MCT's portfolio gross revenue increased 8.8% year-on-year to S$482.8 million while portfolio NPI grew 8.7% to S$377.9 million. The increase in gross revenue and NPI was largely due to the acquisition of MBC II that started contributing from 1 November 2019. The existing properties posted a 0.3% increase in gross revenue and a steady NPI.

Overall, MCT achieved a high retention rate of 76.8% with rental uplift of 5.0% for the expiring leases during the financial year. Committed occupancy of the portfolio remained high at 98.7% as at 31 March 2020. With the addition of MBC II into the portfolio, MCT's total investment properties grew 26.7% year-on-year in valuation to S$8.9 billion as at 31 March 2020.

SUCCESSFUL ACQUISITION OF MBC II

MCT successfully completed its third accretive acquisition[4] since IPO with the addition of another best in class asset, MBC II, in FY19/20. Together with MBC I, MBC forms one of the largest premium campus-style environments with Grade A building specifications in Singapore. The strategic acquisition also completes MCT's control over the entire Alexandra Precinct, giving us better efficiency and flexibility in meeting tenants' requirements. Post-acquisition, MCT's total managed NLA expanded from 3.9 million square feet to 5.0 million square feet, representing a 30.7% increase.

The transaction was approved at an EGM held on 15 October 2019 and completed on 1 November 2019. The total acquisition cost of approximately S$1,575.7 million, comprising the agreed property value of S$1,550 million[5] and directly attributable acquisition costs of S$25.7 million, was financed through

[1] Namely VivoCity, MBC I, PSA Building, Mapletree Anson and MLHF.

[2] Refers to assistance for eligible retail tenants granted and/or announced up until 22 April 2020 and includes the passing on of property tax rebates from the Government for qualifying commercial properties (equivalent to approximately 1.1 months of fixed rent).

[3] Included the 15% property tax rebate for qualifying commercial properties.

[4] MBC II was acquired through the acquisition of 100% of the ordinary shares in the issued capital of Mapletree Business City Pte. Ltd. ("MBC PL") from Heliconia Realty Pte Ltd.

[5] The agreed property value of MBC II was arrived at on a wiling-buyer-willing-seller basis after taking into account the independent valuation of MBC II. According to the independent valuation reports issued by Savills Valuation and Professional Services (S) Pte. Ltd. and CBRE Pte. Ltd., the market value of MBC II as at 31 August 2019 was S$1,552.0 million and S$1,560.0 million respectively. In arriving at the market value, the independent valuers relied on the income capitalisation method and the discounted cash flow analysis.

an equity fund raising exercise which raised S$918.5 million and MCT's first green loan facilities of S$670.0 million. The equity fund raising received strong support from both existing and new investors resulting in increased market capitalisation and free float.

The accretive acquisition fits into the Manager's investment strategy of investing on a long term basis in a diversified portfolio of income-producing real estate in Singapore while providing Unitholders with an attractive rate of return through regular and stable distributions, as well as long-term stability in DPU and NAV per unit.

ACTIVE ASSET MANAGEMENT AND LEASING

Continued enhancement at VivoCity

In FY19/20, MCT successfully completed VivoCity's fifth AEI, comprising the changeover of the hypermarket and partial recovery of anchor space to accommodate new and expanding tenants. The new hypermarket operator, NTUC FairPrice, is Singapore's leading grocer and multi-format retailer. Spanning more than 91,000 square feet across Level 1 and Basement 2, the integrated store includes the largest and most innovative NTUC FairPrice Xtra hypermarket and Unity pharmacy, as well as a Cheers convenience store. The store, which offers shoppers unique product offerings and needs-based services, was successfully soft-launched on 16 July 2019 and officially opened on 6 August 2019.

Along with the changeover of the hypermarket operator, 24,000 square feet of recovered anchored space was converted into speciality shops on Basement 2 and Level 1. With the recovered spaces fully leased, shoppers would enjoy enhanced retail offerings and F&B options at VivoCity.

The entire changeover, which was fully completed by 2Q FY19/20, added a refreshed concept and broadened VivoCity's offerings. The entire exercise also delivered positive rental uplift and approximately 40% of annual return on investment[1].

Largely due to the impact from the COVID-19 pandemic in 4Q FY19/20, shopper traffic and tenant sales for FY19/20 dipped 6.8% and 3.4% on a year-on-year basis to reach 51.5 million and S$907.1 million respectively. As a result of the weakness in the fourth quarter, occupancy cost for the year was 21.3%[2], slightly higher than 20.5% last year.

For the whole of FY19/20, VivoCity achieved a positive 6.9% rental uplift, with 31.4% of the mall's NLA being renewed and re-let.

Resilience from the Office and Business Park Assets

MCT's office and business park assets continued to demonstrate resilience. Through proactive lease management, the committed occupancy for the office and business park assets remained high at 98.5% as at 31 March 2020. A positive rental uplift of 0.7% was also achieved in FY19/20.

MBC I and MBC II closed the year with high committed occupancy of 98.7% and 100% respectively as at 31 March 2020. With its steady cashflows from high quality tenants, the premium integrated office and business park development will continue to anchor MCT's stable and sustainable performance.

PSA Building maintained better-than-market occupancy of 92.7% as at 31 March 2020. The building is currently undergoing the second phase of upgrading of common areas and toilets for its high-rise zone.

Following the changeover of some tenants at Mapletree Anson during the financial year, the property achieved 100% committed occupancy as at 31 March 2020. MLHF continued to contribute to portfolio stability by maintaining full actual occupancy throughout FY19/20.

SUMMARY OF LEASES COMMITTED IN FY19/20

The retention rate of our tenants in FY19/20 was 76.8%. Retail leases recorded a high retention rate of 89.3% while the office and business park assets recorded a lower retention at 62.6% largely due to some tenant changeover at PSA Building and Mapletree Anson.

On a portfolio basis, rental rates for renewed and new leases in FY19/20 saw an average increase of 5.0% against preceding fixed rents at the end of the expiring leases.

	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[3]
Retail	148	89.3%	6.7%[4]
Office/Business Park	23	62.6%	0.7%
MCT Portfolio	**171**	**76.8%**	**5.0%**

[1] On a stabilised basis and based on approximately S$2.2 million of capital expenditure.

[2] Includes the effect of rental assistance granted in 4Q FY19/20.

[3] 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. Rent reviews are typically not included in the calculation of rental reversions.

[4] Includes the effect from trade mix changes and units subdivided and/or amalgamated.

OPERATIONS REVIEW

PORTFOLIO OCCUPANCY

As a result of our active asset management and proactive leasing strategy, the portfolio maintained a high committed occupancy of 98.7% as at 31 March 2020.

	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020	
					Actual	Committed
VivoCity[1]	99.6%	99.0%	93.1%	99.4%	99.6%	99.7%
MBC I	–	99.0%	99.4%	97.8%	96.4%	98.7%
MBC II	–	–	–	–	99.4%	100.0%
PSA Building	92.8%	98.3%	96.1%	96.4%	88.1%	92.7%
Mapletree Anson	91.0%	100.0%	86.6%	96.8%	97.8%	100.0%
MLHF	100.0%	79.2%	100.0%	100.0%	100.0%	100.0%
MCT Portfolio	**96.6%**	**97.9%**	**96.1%**	**98.1%**	**97.1%**	**98.7%**

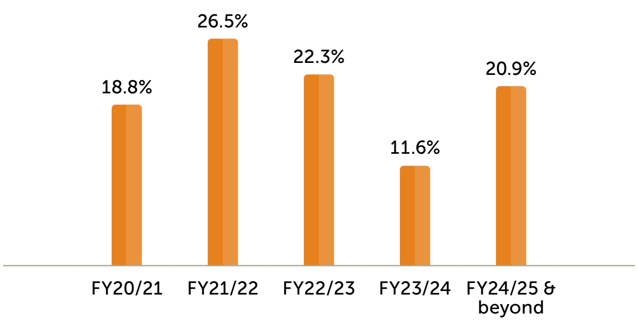
LEASE EXPIRY PROFILE

As at 31 March 2020, the lease expiry profile for MCT remained well-balanced with a portfolio weighted average lease expiry ("WALE") on a committed basis of 2.6 years. With a typical retail lease term of three years, the WALE for the retail leases was 2.2 years. The WALE for the office and business park assets was healthy at 2.9 years largely contributed by the defensive lease profiles at MBC II, Mapletree Anson and the long-term leases secured at MLHF.

Based on the date of commencement of leases, MCT's portfolio WALE was 2.1 years as at 31 March 2020.

LEASE EXPIRY PROFILE BY GROSS RENTAL INCOME[2]

(as at 31 March 2020)



Number of Leases				
111	209	160	65	35

MCT's overall portfolio had 580 committed leases, of which 18.8% of gross rental income would be expiring in FY20/21.

The leases entered into in FY19/20 contributed 17.9% of gross rental income as at 31 March 2020 and had a WALE of 4.0 years.

TENANT PROFILE

MCT's top ten tenants (excluding an undisclosed tenant) contributed 27.9% of gross rental income as at 31 March 2020. For 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 18.5% of MCT's gross rental income.

BREAKDOWN OF TENANTS IN MCT'S PORTFOLIO

(as at 31 March 2020)

Property	Number of Tenants
VivoCity	308
MBC	62[3]
MLHF	3
PSA Building	108
Mapletree Anson	19
Total	**469[4]**

[1] Occupancy rates from 31 March 2018 are based on VivoCity's enlarged NLA mainly resulting from the added public library on Level 3 and bonus GFA from the Community & Sports Facilities Scheme deployed to extend Basement 1. The Basement 1 extension was opened in June 2018 while the public library was opened in January 2019.

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

[3] MBC I and MBC II had 33 and 32 tenants respectively. Total does not add up to 62 due to common tenants.

[4] Total does not add up due to common tenants across properties.

MCT TOP TEN TENANTS BY GROSS RENTAL INCOME

(as at 31 March 2020)

	Tenant	% of Gross Rental Income
1	Google Asia Pacific Pte. Ltd.	10.1%
2	Merrill Lynch Global Services Pte. Ltd.	3.0%
3	The Hongkong and Shanghai Banking Corporation Limited	2.9%
4	(Undisclosed Tenant)	–
5	PSA Corporation Limited	2.3%
6	Info-Communications Media Development Authority	2.3%
7	SAP Asia Pte. Ltd.	2.0%
8	Unilever Asia Private Limited	1.9%
9	Samsung Asia Pte. Ltd.	1.7%
10	NTUC Fairprice Co-operative Ltd	1.7%
	Total	**27.9%**[1]

MCT TRADE MIX BY GROSS RENTAL INCOME

(as at 31 March 2020)

	Trade Mix	% of Gross Rental Income
1	IT Services & Consultancy	18.5%
2	F&B	13.7%
3	Banking & Financial Services	10.8%
4	Fashion	8.0%
5	Shipping Transport	5.8%
6	Government Related	5.5%
7	Fashion Related	4.2%
8	Hypermarket/Departmental Store	3.6%
9	Consumer Goods	3.4%
10	Real Estate	3.3%
11	Beauty	2.9%
12	Electronics[2]	2.8%
13	Pharmaceutical	2.6%
14	Lifestyle	2.4%
15	Sports	2.1%
16	Electronics[3]	2.1%
17	Others[4]	8.4%
	Total MCT Portfolio	**100%**[5]

[1] Excluding the undisclosed tenant.
[2] Refers to tenants in office/business park.
[3] Refers to tenants in retail.
[4] Others includes Trading, Energy, Entertainment, Retail Bank, Optical, Insurance, Education, Consumer Services, Medical, Services and Convenience.
[5] Total does not add up to 100% due to rounding differences.

FINANCIAL REVIEW & CAPITAL MANAGEMENT

	FY19/20 (S$'000)	FY18/19 (S$'000)	Variance %
Gross revenue	482,825	443,893	8.8
Property operating expenses	(104,885)	(96,266)	(9.0)
Net property income	**377,940**	**347,627**	**8.7**
Finance income	813	666	22.1
Finance expenses	(78,787)	(70,014)	(12.5)
Manager's management fees			
- Base fees	(20,031)	(16,972)	(18.0)
- Performance fees	(15,117)	(13,905)	(8.7)
Trustee's fees	(952)	(829)	(14.8)
Other trust expenses	(1,345)	(1,104)	(21.8)
Net foreign exchange (loss)/gain	(7,900)	574	N.M.
Net change in fair value of financial derivatives	8,885	(359)	N.M.
Profit before tax and fair value change in investment properties	**263,506**	**245,684**	**7.3**
Adjustments			
- Unrealised foreign exchange loss/(gain)	7,900	(574)	N.M.
- Net change in fair value of financial derivatives	(8,885)	359	N.M.
- Net effect of other non-tax deductible items and other adjustments	(19,303)	18,558	N.M.
Amount available for distribution to Unitholders	**243,218**	**264,027**	**(7.9)**
DPU (Singapore cents)			
- Taxable distribution	7.97	9.14	(12.8)
- Capital distribution	0.03	–	N.M.
Total DPU	**8.00**	**9.14**	**(12.5)**

N.M.: Not meaningful

GROSS REVENUE

S$482.8 million

8.8%

PROPERTY OPERATING EXPENSES

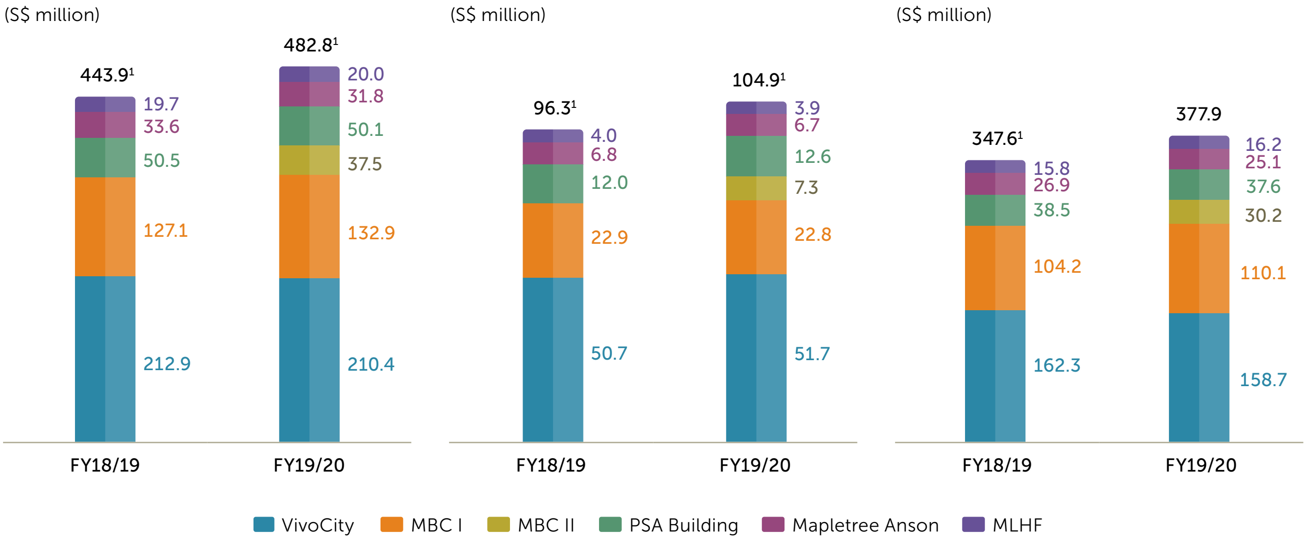
S$104.9 million

9.0%

NET PROPERTY INCOME

S$377.9 million

8.7%



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

The rapid outbreak of COVID-19 since January 2020 has posed significant challenges to the operating environment and caused significant uncertainties for businesses across all industries. Major economies across the globe have implemented drastic measures to combat the spread of COVID-19 and a recession is expected due to the extended period of such measures.

Notwithstanding the above, the acquisition of MBC II during the financial year has added timely diversification and resilience to MCT, driving continued growth in gross revenue and NPI.

GROSS REVENUE

Gross revenue was 8.8% higher at S$482.8 million for FY19/20 compared to FY18/19. This was due to the first time contribution from MBC II (S$37.5 million) from the acquisition completion date, 1 November 2019, and higher year-on-year contribution from MBC I and MLHF, partially offset by lower contribution from VivoCity, PSA Building and Mapletree Anson.

Revenue for MBC I was higher by S$5.8 million mainly due to higher rental income from new and renewed leases and the effects of the step-up rents in existing leases, partially offset by compensation sums received in FY18/19.

Revenue for MLHF was S$0.3 million higher than FY18/19 mainly due to the effects of the step-up rents in existing leases.

Revenue for VivoCity was S$2.5 million lower than FY18/19 mainly due to the rental rebates granted to eligible tenants affected by the COVID-19, lower turnover rent, advertising and other revenue, partially offset by higher rental income from new and renewed leases, achieved together with the asset enhancement initiatives completed to-date and the effects of the step-up rents in existing leases.

Revenue for Mapletree Anson was S$1.8 million lower than FY18/19 mainly due to lower occupancy, offset by the effects of the step-up rents in existing leases and higher compensation sums received in FY18/19.

Revenue for PSA Building was S$0.4 million lower than FY18/19 mainly due to rental rebates granted to eligible retail tenants at ARC, lower occupancy at PSA Building, offset by higher rental income from renewed leases.

PROPERTY OPERATING EXPENSES

Property operating expenses were 9.0% higher at S$104.9 million compared to FY18/19 mainly due to the first time inclusion of property operating expenses of MBC II (S$7.3 million), higher staff costs, utilities expenses, property taxes and marketing and promotion expenses, offset by lower property maintenance expenses incurred by existing properties.

NET PROPERTY INCOME

Accordingly, net property income increased by 8.7% to S$377.9 million for FY19/20.

FINANCE EXPENSES

Finance expenses were 12.5% higher at S$78.8 million for FY19/20 compared to FY18/19 mainly due to the interest expenses of MBC LLP, interest expenses incurred on bridging loans drawn down to accelerate the completion of the acquisition of MBC II and additional loans drawn down for working capital requirements, as well as higher commitment fees incurred. This was partially offset by lower interest costs incurred from the early refinancing of term loans in FY18/19.

MANAGER'S MANAGEMENT FEES

Manager's management fees were 13.8% higher than FY18/19 due to higher total assets and higher net property income achieved mainly resulting from the acquisition of MBC II.

AMOUNT AVAILABLE FOR DISTRIBUTION AND DISTRIBUTION PER UNIT

For extra prudence and to better position MCT ahead of the uncertainties arising from COVID-19, S$43.7 million of distribution was retained by way of capital allowance claims and capital distribution retention in 4Q FY19/20. The distributable amount before the capital allowance claims and capital distribution retention for FY19/20 was S$287.6 million, 8.9% higher as compared to FY18/19. After the capital allowance claims and capital distribution retention, the amount available for distribution retention for FY19/20 was S$243.2 million, 7.9% lower as compared to FY18/19, and the DPU of 8.00 Singapore cents for FY19/20 was 12.5% lower than the DPU achieved in FY18/19 of 9.14 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 end of the financial year.

	As at 31 March 2020	As at 31 March 2019
Total Operating Expenses[1] (S$'000)	142,330	129,076
Net Assets Attributable to Unitholders (S$'000)	5,786,948	4,615,979
Total Operating Expenses as a Percentage of NAV	2.5%	2.8%

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

FINANCIAL REVIEW & CAPITAL MANAGEMENT

Breakdown of the DPU in Singapore cents for FY19/20 as compared to FY18/19 are as follows:

Financial Year	1Q	2Q	3Q	4Q	Full Year
FY19/20	2.31	2.32	2.46	0.91	8.00
FY18/19	2.23	2.27	2.33	2.31	9.14

VALUATION OF ASSETS

As at 31 March 2020, MCT's properties were valued at S$8,920.0 million, mainly boosted by the addition of MBC II and some compression of capitalisation rates and discount rates as compared to a year ago.

	Valuation as at 31 March 2020[1]			Valuation as at 31 March 2019
	S$ million	S$ per square foot ("psf") NLA	Capitalisation Rate	S$ million
VivoCity	3,262.0	3,031 psf	4.625%	3,200.0
MBC I	2,198.0	1,287 psf	Office: 3.90% Business Park: 4.95%	2,018.0
PSA Building	791.0	1,505 psf	Office: 4.00% Retail: 4.85%	763.0
Mapletree Anson	762.0	2,317 psf	3.50%	728.0
MLHF	347.0	1,608 psf	3.90%	330.0
Sub-total	**7,360.0**			**7,039.0**
MBC II	1,560.0	1,317 psf	Business Park: 4.90% Retail: 4.75%	–
MCT Portfolio	**8,920.0**			**7,039.0**

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	As at 31 March 2020	As at 31 March 2019	Change %
Total Assets (S$'000)	9,007,073	7,100,765	26.8
Total Liabilities (S$'000)	3,220,125	2,484,786	29.6
Net Assets Attributable to Unitholders (S$'000)	5,786,948	4,615,979	25.4
NAV per Unit (S$)	1.75	1.60	9.4

Total assets increased by 26.8% to S$9,007.1 million as at 31 March 2020 as compared to S$7,100.8 million as at 31 March 2019. The increase was largely due to the acquisition of MBC II as well as the increase in valuation of the investment properties.

In November 2019, MCT completed the acquisition of MBC II through the acquisition of 100.0% of the equity interest of MBC PL. Subsequent to the acquisition, MBC PL was converted into a limited liability partnership and is now known as MBC LLP. The total acquisition cost was S$1,575.7 million comprising the agreed property value of S$1,550.0 million and directly attributable acquisition costs of S$25.7 million, and was funded by a mix of equity and bank borrowings. The directly attributable acquisition costs included S$85,000 that was paid to the auditor of MCT for the services rendered as the reporting accountant.

Total liabilities increased by 29.6% to S$3,220.1 million as at 31 March 2020 as compared to S$2,484.8 million as at 31 March 2019. This was largely due

[1] The valuation for VivoCity was conducted by Savills Valuation and Professional Services (S) Pte. Ltd., while the valuations for MBC I and MBC II, PSA Building, Mapletree Anson and MLHF were undertaken by CBRE Pte. Ltd.

to the consolidation of MBC II which includes the S$639.0 million of outstanding green loan facilities and higher accrued operating expenses and tenant deposits at MCT.

Correspondingly, net assets attributable to Unitholders increased by 25.4% to S$5,786.9 million as compared to the previous financial year ended 31 March 2019. NAV per unit was higher at S$1.75 as at 31 March 2020. The adjusted NAV per unit (after excluding the distributable amount payable for 4Q FY19/20) was S$1.74.

CHANGE IN REPORTING FREQUENCY

Following the amendment to Rule 75 of the Listing Manual of the SGX-ST on the quarterly reporting framework which has taken effect from 7 February 2020, MCT will adopt the new half-yearly reporting framework and announce its first half financial statements with effect from the financial year ending 31 March 2021 ("FY20/21"). Consequently, any distributions to Unitholders will be on a half-yearly basis with effect from FY20/21.

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 FY19/20, MCT issued S$250.0 million of ten-year fixed rate notes under its S$3.0 billion MTN Programme, executed S$100.0 million of term loans facilities and S$670.0 million of green loan facilities for financing and refinancing needs.

During the year, MCT completed the redemption of S$50.0 million fixed rate notes due in November 2019 and refinanced S$292.7 million of bank borrowings ahead of their maturities in August 2020 and February 2021.

Consistent with the Manager's strategy to deploy an appropriate mix of debt and equity in financing acquisitions, green loan facilities of S$670.0 million, comprising five-year, six-year and seven-year loan facilities, were put in place to part-finance the acquisition of MBC II. This was also MCT's inaugural green loan and attests to the Manager's effort in integrating sustainability into MCT's business. As at 31 March 2020, S$639.0 million of green loan facilities were outstanding.

As part of the Manager's active capital management approach, IRS of notional S$515.0 million and forward start IRS of notional S$50.0 million were executed to provide certainty on interest expenses arising from term loan facilities. As at 31 March 2020, approximately 78.9% of the gross borrowings have been fixed by way of IRS and fixed rate debt.

As at 31 March 2020, MCT's total gross debt was S$3,003.2 million. Despite the upward revaluation of the investment properties coupled with the addition of MBC II, total gross debts had also increased due to the S$639.0 million of green loan facilities drawn for the acquisition of MBC II. Consequently, the aggregate leverage ratio increased marginally from 33.1% as at 31 March 2019 to 33.3% as at 31 March 2020, and this is not expected to have a significant impact on MCT's risk profile. As at 31 March 2020, the aggregate leverage ratio was 51.9% based on net assets.

For the financial year ended 31 March 2020, MCT achieved a healthy interest coverage ratio of 4.3 times and a prudent average all-in cost of debt of 2.94% per annum.

Overall, MCT has maintained a well-distributed debt maturity profile with no more than 17% of debt due for refinancing in any financial year with an average term to maturity of 4.2 years.

All borrowings continued to be unsecured with minimal financial covenants.

ENHANCED FINANCIAL FLEXIBILITY

As the COVID-19 situation is still evolving rapidly, there remains a significant uncertainty over its duration and severity, and when normalcy can resume. The Manager is cognisant of the challenges posed by COVID-19 and will continue to be proactive and nimble in implementing suitable measures to assist tenants, manage costs, and to mitigate potential impact arising from further disruptions.

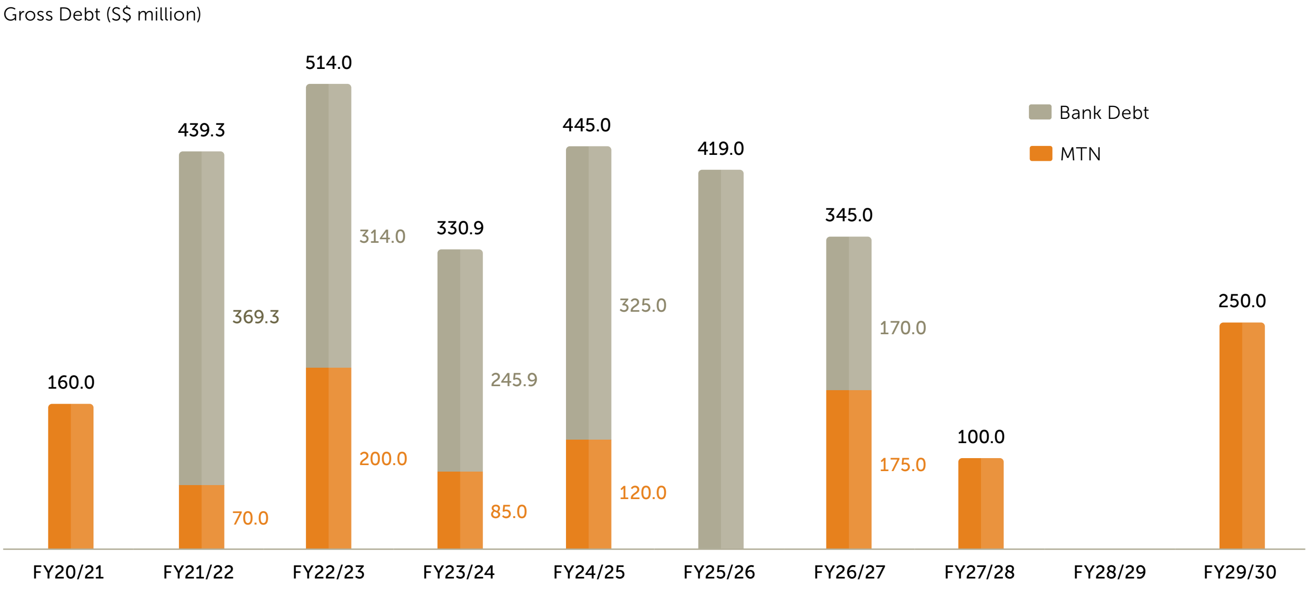
As at 31 March 2020, approximately S$321.0 million of cash and undrawn committed facilities were available for working capital or future financial obligations.

MAS had on 16 April 2020 raised the leverage limit for REITs listed on the Singapore Exchange from 45% to 50% (up to 31 December 2021) and deferred to 1 January 2022, the requirement to have a minimum adjusted interest coverage ratio of 2.5 times before the leverage limit can be increased from the then prevailing 45% limit (up to a maximum of 50%).

While we remain well-capitalised with ample financial flexibility, we will continue to exercise additional prudence to better position MCT for the uncertainties ahead.

FINANCIAL REVIEW & CAPITAL MANAGEMENT

DEBT MATURITY PROFILE (as at 31 March 2020)



% of Total Debt									
5%	15%	17%	11%	15%	14%	12%	3%	–	8%

KEY FINANCIAL INDICATORS

	As at 31 March 2020	As at 31 March 2019
Total Debt Outstanding (S$ million)[1]	3,003.2	2,349.0
% of Fixed Rate Debt	78.9%[2]	85.0%
Gearing Ratio	33.3%	33.1%
Interest Coverage Ratio	4.3 times	4.5 times
Average Term to Maturity of Debt (years)	4.2	3.6
Weighted Average All-In Cost of Debt (per annum)[3]	2.94%	2.97%
Unencumbered Assets as % of Total Assets	100%	100%
MCT Corporate Rating (by Moody's)	Baa1 (Stable)	Baa1 (Stable)

EQUITY FUND RAISING

The Manager launched an Equity Fund Raising on 16 October 2019 to part finance the acquisition of MBC II. Comprising a private placement tranche of 200.9 million new units and a preferential offering tranche of 205.6 million new units, the fund raising received resounding support from existing and new investors. Priced at S$2.28 per new unit (representing a discount of 1.7% to the adjusted volume weighted average price ("VWAP") of S$2.3192 per unit) and S$2.24 per new unit (representing a discount of 3.4% to the adjusted VWAP of S$2.3192 per unit) respectively, the private placement was approximately seven times covered and the preferential offering was approximately 1.45 times covered. Gross proceeds totalling S$918.5 million from both tranches were raised.

USE OF PROCEEDS

The use of the gross proceeds of S$918.5 million from the Equity Fund Raising was in accordance to such use as set out in the Circular dated 27 September 2019. As at 31 March 2020, the gross proceeds have been fully disbursed.

1 Reflects total gross debt after taking into account the CCIRS taken to hedge the JPY8.7 billion floating rate MTN.
2 Including forward start IRS of S$50.0 million, fixed rate debt is 80.5%.
3 Including amortised transaction costs.

INDEPENDENT MARKET OVERVIEW | BY CBRE PTE LTD

1. THE SINGAPORE ECONOMY

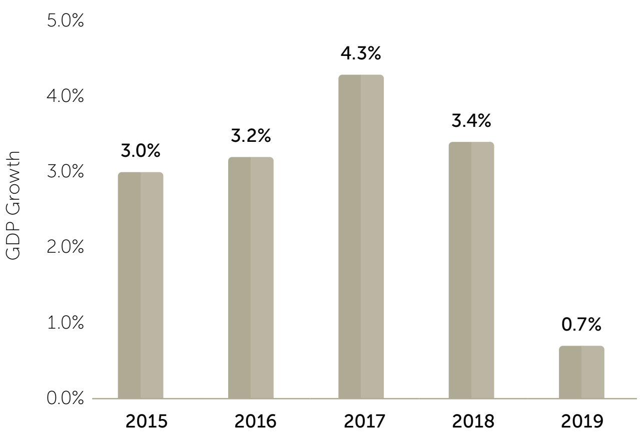
1.1 Economic Overview

According to the MTI, the Singapore economy contracted by 0.7% in 1Q 2020, a reversal from the 1.0% growth in the previous quarter, on a year-on-year basis. The manufacturing sector expanded by 6.6% on a year-on-year basis, reversing the 2.3% decline in the previous quarter. This was attributed to output expansions in the biomedical manufacturing, precision engineering and transport engineering clusters, which helped offset contractions in the electronics, general manufacturing and chemical clusters. For this quarter specifically, there was strong demand in the production of active pharmaceutical ingredients and biological products. In contrast, the construction sector shrank by 4.0% on a year-on-year basis, a reversal from the 4.3% growth the quarter before, caused primarily by the decline in private sector construction works. Due to weaker global demand and disruptions in supply chains amidst COVID-19 outbreak, the wholesale and retail trade sector also contracted by 5.8% year-on-year, a sharper decline than the 1.9% from the previous quarter. Other sectors that recorded year-on-year declines this quarter include, transportation and storage sector (-8.1%), accommodation and food services (-23.8%), business services (-3.3%) and "other services industries" (-3.4%). The finance and insurance sector as well as the information and communications sector, however, grew 8.0% and 3.5% respectively year-on-year.

Globally, the escalation of the COVID-19 pandemic has resulted in significant decline in the external economic environment, alongside uncertainties on the length or severity of the COVID-19 situation. Locally, outward-oriented sectors are expected to be adversely impacted by continued supply chain disruptions as well as slowdown in some of Singapore's key markets. In addition, the introduction of "circuit breaker" measures have reduced domestic economic activities and consumption, whilst other sectors like construction and marine and offshore engineering have seen severe shortages in manpower due to increased infections among foreign workers living in dormitories.

In light of the worsening external demand outlook coupled with the expected economic impact from "circuit breaker" measures, Singapore's GDP 2020 growth forecast has been downgraded to "-7.0 to -4.0%" from the previous "-4.0 to -1.0%". There are, however, pockets of resilience as seen in the biomedical manufacturing cluster as well as continued demand in the services sectors.

Chart 1: Singapore GDP Growth Rate at Chained (2015) Prices



Sources: MTI & CBRE

2. THE OFFICE MARKET

2.1 Existing Office Supply

In 1Q 2020, islandwide office stock rose by 1.6% year-on-year to 61.8 million sf, primarily from the completion of HD 139, 30 Raffles Place, post-AEI works at 55 Market Street in the Core CBD market, and the completion of Woods Square in the Decentralised market.

The Core CBD remains the most sought-after prominent location for large corporate office occupiers to house their front office functions and headquarters. Accounting for 49.7% of islandwide stock, the Core CBD market comprises four submarkets - Raffles Place, Shenton Way, Marina Centre and Marina Bay. The remaining 27.1% and 23.2% of the islandwide office stock are located in the Fringe CBD and Decentralised markets respectively.

Tanjong Pagar and HarbourFront/ Alexandra Micro-market

The office stock in the Tanjong Pagar and HarbourFront/ Alexandra micro-markets stood at 5.4 million sf and 3.6 million sf respectively as at 1Q 2020. Out of the 61.8 million sf of office stock, 8.7% is located in the Tanjong Pagar micro-market and 5.8% belongs to the HarbourFront/Alexandra micro-market.

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.

2.2 Future Office Supply

The office pipeline supply for the next three years (2Q 2020 to 2022 inclusive) is approximately 4.0 million sf. When categorised by submarkets, the future supply is largely concentrated in the Core CBD submarket which accounts for 63.4% of the total pipeline developments. The Fringe CBD and Decentralised submarkets accounts for 19.5% and 17.1% respectively.

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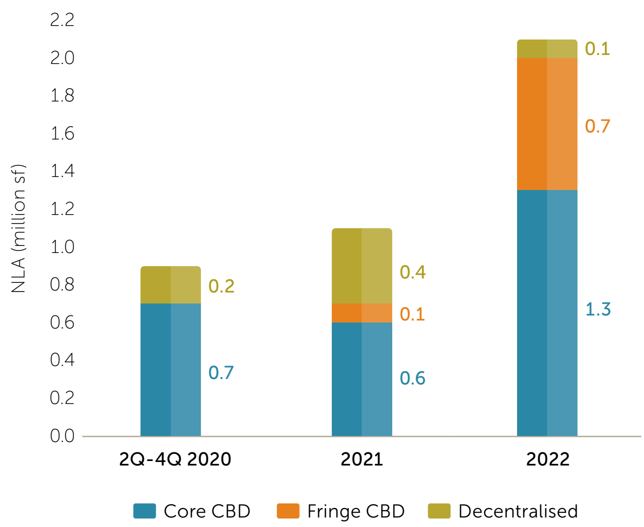
Between 2Q 2020 to 4Q 2020, there is an estimated 0.9 million sf of office space scheduled to complete. Projects in the pipeline include 79 Robinson Road (514,000 sf) and Afro-Asia i-Mark (140,000 sf), which are in the Core CBD submarket. In the Decentralised market, there are two developments slated to complete. They are St James Power Station (118,400 sf) and Centrium Square (107,000 sf).

In 2021, there will be about 1.2 million sf of new office supply. Developments in the pipeline include, CapitaSpring (635,000 sf) in the CBD Core, the redevelopment of Hub Synergy Point (131,200 sf) in the CBD Fringe, the office components in Rochester Commons (195,000 sf) and Surbana Jurong Campus (207,700 sf) in the Decentralised market.

Another 2.0 million sf of supply is likely to come onstream in 2022. These include, Central Boulevard Towers (1,258,000 sf) in the Core CBD, Guoco Midtown (650,000 sf) in the Fringe CBD and One Holland Village (58,600 sf) in the Decentralised market.

Chart 2: Islandwide Future Office Supply



Source: CBRE

Tanjong Pagar and HarbourFront/ Alexandra Micro-market

The redevelopment of Hub Synergy Point is the only office development scheduled for completion in the Tanjong Pagar micro-market. It will add around 131,200 sf of office space to the micro-market when completed in 2021.

Located in the HarbourFront/Alexandra micro-market, St James Power Station is expected to be completed in 2H 2020 and will contribute about 118,400 sf of office space.

2.3 Demand & Occupancy

Total islandwide office net absorption continued to exhibit growth in 2019, coming in at 1.1 million sf. The agile space and technology sector continued to be a major feature for office demand. However, demand from the agile space sector has slowed notably, with only select agile space operators with strong corporate funding displaying appetite for growth.

Amid the uncertainty, net new demand was rather muted in 1Q 2020, with most of the leasing activity driven by renewals. Taking into account the completion of Woods Square, 30 Raffles Place, HD 139 and the asset enhancement works of 55 Market Street, net absorption registered 193,509 sf in 1Q 2020. However, pre-leasing activity in these buildings were relatively subdued and has contributed to an increase in islandwide vacancy to 5.0% in 1Q 2020 up from 4.5% in the last quarter.

Leasing demand in 1Q 2020 was mainly from the technology sector, with pockets of space taken up by firms in the financial services, insurance and agile space sectors.

Tanjong Pagar and HarbourFront/ Alexandra Micro-market

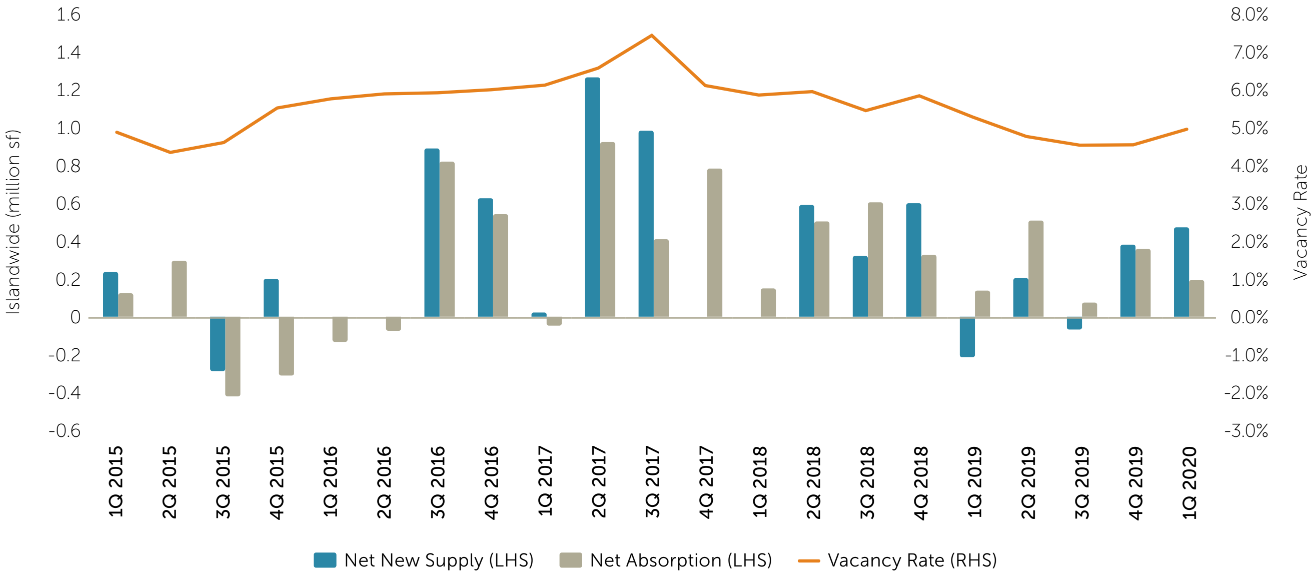
The introduction of Guoco Tower in 2016 to the Tanjong Pagar micro-market had helped to bring up the area's overall branding and positioning, contributing positively to the overall appeal of the micro-market.

The HarbourFront/Alexandra micro-market is located in the city fringe and offers an attractive alternative for occupiers. The introduction of the office component at MBC I and MLHF has increased the quality of offices in the area and attracted demand by tenants who are drawn to the relatively reasonable pricing and large floor plates. The upcoming completion of St James Power Station, which will house the headquarters of British company, Dyson, will help to further add vibrancy to the micro-market.

[1] For confidentiality reasons, CBRE cannot provide the full list of buildings in the particular basket. The key projects in the Tanjong Pagar basket are Guoco Tower, 79 Anson Road, AXA Tower, Mapletree Anson and Twenty Anson among others.

[2] For confidentiality reasons, CBRE cannot provide the full list of buildings in the particular basket. The key projects in the HarbourFront/Alexandra basket are HarbourFront Tower 1 and 2, HarbourFront Centre, MLHF, Keppel Bay Tower, the office component of MBC I, PSA Building, and Fragrance Empire Building among others.

Chart 3: Islandwide Office Demand & Vacancy



Source: CBRE

In URA Master Plan 2019, the HarbourFront/Alexandra micro-market was highlighted under the Greater Southern Waterfront precinct, which extends from Pasir Panjang to Marina East. The Master Plan is expected to be developed in phases over the next five to ten years, with a myriad of land uses and supporting amenities and facilities to successfully position the precinct as the gateway to Future Live, Work and Play.

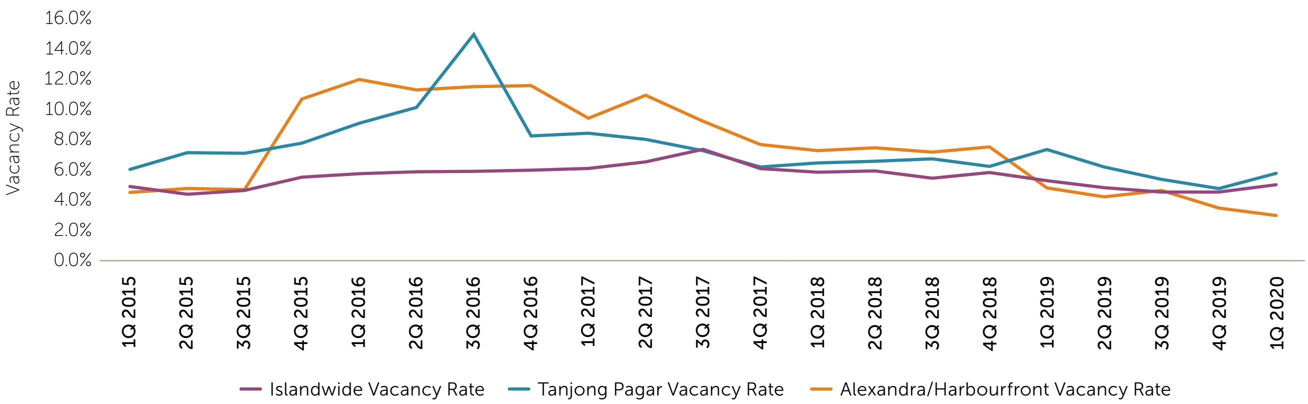
2.4 Office Vacancy

Islandwide net absorption was 193,509 sf in 1Q 2020. Trailing behind the 1Q 2020 net supply of 472,701 sf. As a result, islandwide office vacancy increased from 4.5% in 4Q 2019 to 5.0% in 1Q 2020. However, compared to the corresponding period from a year ago, vacancy levels have tightened from 5.3% in 1Q 2019 to 5.0% in 1Q 2020.

Tanjong Pagar and HarbourFront/ Alexandra Micro-market

As there were no new completions in the Tanjong Pagar and HarbourFront/Alexandra micro-markets in 2019, vacancy rates tightened. In the Tanjong Pagar micro-market, vacancy rate tightened from 7.3% in 1Q 2019 to 5.7% in 1Q 2020. Vacancy rate in the HarbourFront/ Alexandra micro-market also tightened from 4.8% in 1Q 2019 to 2.9% in 1Q 2020.

Chart 4: Office Vacancy Rate



Source: CBRE

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2.5 Office Rents

After ten quarters of rental growth, Grade A (Core CBD) rents corrected 0.4% quarter-on-quarter to S$11.50 psf/month in 1Q 2020 on the back of weaker business sentiment and global uncertainty. Similarly, Grade B (islandwide) office rents contracted by 0.6% quarter-on-quarter to S$8.00 psf/month in 1Q 2020. These were marginal contractions as the downward pressure on rents was cushioned by the prevailing low vacancy levels. In terms of year-on-year growth, both markets grew by 3.1% and 1.3% respectively.

On the back of new recent completions in the Tanjong Pagar submarket, vacancy in this submarket tightened. This low vacancy supported rents in the Tanjong Pagar submarket, particularly the newer office buildings with better building specifications. In addition, the profile of occupiers in Tanjong Pagar micro-market comprises mainly non-banking and financial service industry, which are more resilient in the general market.

Underpinned by low vacancy rates, average office rents in the Alexandra/HarbourFront micro-market held stable. The occupier profile of the Alexandra/HarbourFront submarket is well diversified across different industry types.

2.6 The Office Investment Market and Capital Values

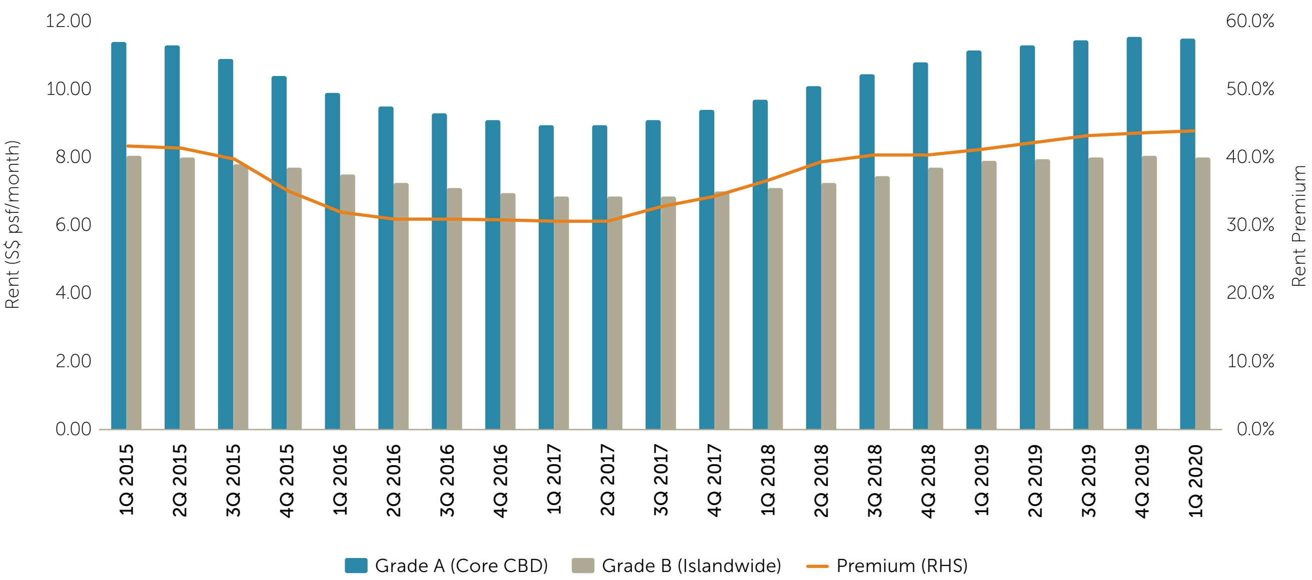
Office investment sales for 2019 amounted to S$7.1 billion. For 2019, the market witnessed several big-ticket office investment deals which included the sale of the office and retail components of DUO by M+S Pte Ltd to Allianz Real Estate and Gaw Capital Partners for S$1.6 billion (S$2,522 psf), 30 Raffles Place by Oxley Beryl Pte Ltd to Golden Compass (BVI) Limited for $1.0 billion (S$2,832 psf) and 71 Robinson Road by COMMERZ Real to SV Robinson for S$655.0 million (S$2,756 psf).

Table 1: Monthly Office Rents

	1Q 2020 (S$ psf/month)	Year-on-year	Quarter-on-quarter
Grade A (CBD Core)	11.50	3.1%	-0.4%
Grade B (Islandwide)	8.00	1.3%	-0.6%

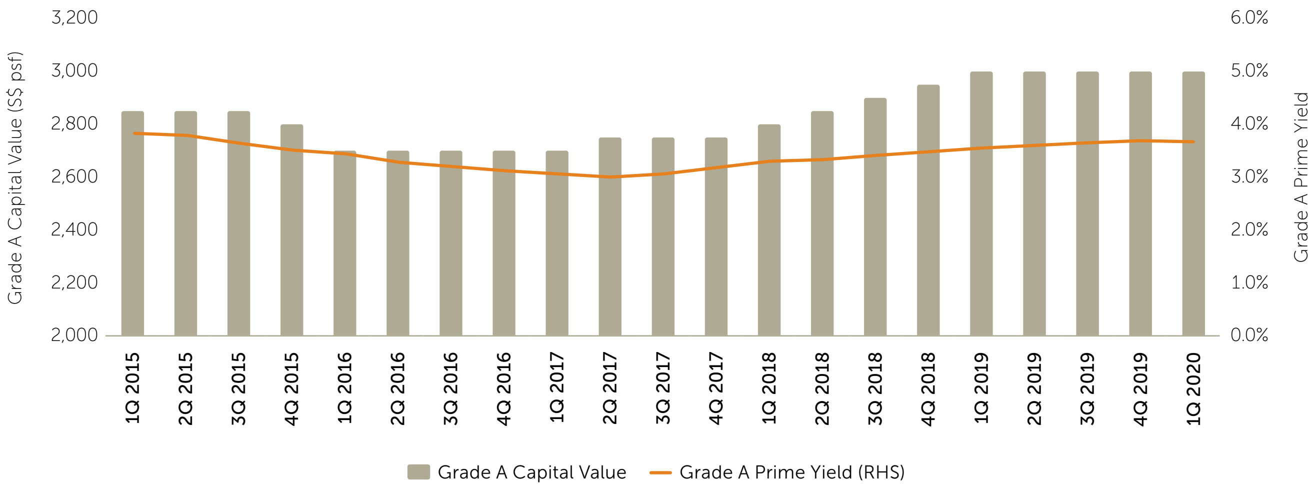
Source: CBRE

Chart 5: Monthly Office Rents



Source: CBRE

Chart 6: Office Capital Values and Net Yield



Source: CBRE

For 1Q 2020, due to the impact of the COVID-19 pandemic, a total of S$136.0 million office assets were transacted, representing an 86.5% decline from the previous quarter. All transactions were strata units due to the lack of sizeable investible assets available in the market.

Grade A office capital values remained at S$3,000 psf in 1Q 2020. Prime yields however dipped from 3.69% in 4Q 2019 to 3.67% 1Q 2020.

Depending on the length and scale of COVID-19, investment in the office sector is likely to decline in 2020; transactions of bite-sized deals are expected to constitute the majority of deals. Meanwhile, investors are adopting a 'wait-and-see' approach as the buyer-seller price gap widens. However, the office sector, a highly sought-after asset class is expected to remain relatively resilient as the sector is fundamentally supported by high occupancy and interest from investors.

There was no enbloc office transaction recorded for the HarbourFront/Alexandra micro-market in 2019. In 2019, selected enbloc office transactions for the Tanjong Pagar submarket include Robinson Centre, which was sold for S$337.4 million to ARA Real Estate Partners Asia II by Homax Development Corporation and Frasers Tower, previously owned by Frasers Property Limited.

2.7 Office Outlook

With the COVID-19 outbreak weighing on economic activity in Singapore, the outlook for 2020 is filled with uncertainty. This is further exacerbated by the introduction of the "circuit breaker" measures which have impacted business activities. The "circuit breaker" was first announced on 3 April 2020, to be implemented for a month from 7 April to 4 May 2020. However, due to the spike in infections domestically, tighter measures to the "circuit breaker" was announced on 21 April 2020, with an additional four weeks till 1 June 2020. This extension of the "circuit breaker" may further reduce Singapore's GDP in 2020.

Amid cautious business sentiments, leasing demand is expected to remain subdued as more firms opt to renew or downsize instead of relocate. Nonetheless, the office market is supported by low vacancy and a limited supply pipeline. The manageable office supply pipeline over the next three years will help to cushion this impact slightly. Moreover, some construction slippage can be expected as construction activity has been adversely affected arising from the quarantine orders imposed on foreign labourers. In addition, construction firms have been granted a temporary six-month contractual relief under the COVID-19 (Temporary Measures) Act and would be able to postpone project completions temporarily.

In the mid to long-term, the COVID-19 outbreak may re-shape office demand as corporates are likely to adopt more flexible working arrangements and invest in technology to support more remote working arrangements. Nonetheless, CBRE expects future office demand to be resilient after firms recover from the impacts of the pandemic. As the pace of technology adoption accelerates further, it will make it even more convenient for employees to work remotely.

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Going forward, as a form of business continuity planning measure, more firms may adopt either the "hub and spoke" or "core and flex" working arrangements. Occupiers with regional headquarters in a single location may begin to consider the "hub and spoke" model by having two or more office locations; an office in the CBD and another office in a decentralised location. An alternative to that is the "core and flex" working arrangement where occupiers with a single office location could consider some short-term occupancy in the agile space sector.

There has been much discussion around greater acceptance and higher levels of remote working, which may potentially be dilutive to demand for conventional leased space. However, at the opposing end, the market may expect to see more 'de-densification' and 'de-concentration' strategies as part of business continuity planning, taking into account increased health safety and welfare requirements.

3. THE RETAIL MARKET

3.1 Existing Retail Supply

The islandwide private retail stock increased by 0.7% year-on-year to 50.0 million sf in 1Q 2020. The Suburban Area accounted for most of the retail stock at 26.4%. This was followed by Fringe Area (25.2%), Rest of Central (18.6%), Orchard Road (14.6%) and Downtown Core (15.1%).

There were several new completions of retail space in 2019. Some notable developments include Jewel Changi Airport, which added approximately 576,000 sf of retail space to the Suburban Area and PLQ Mall, which is part of a mixed-use integrated development comprising retail, office and residential components. PLQ Mall features about 340,000 sf of retail space with over 200 shops across six floors. In terms of asset enhancement initiatives, 111 Somerset underwent a S$120.0 million renovation works in 2019 to enhance retail offerings as well as introduced 32,000 sf of medical suites, amongst others. Funan also reopened in 2019 following three years of redevelopment works. The 887,000 sf property now comprises retail, office and lyf Funan – a co-living serviced residence under The Ascott Limited. The retail space takes up about 319,000 sf of NLA with approximately 180 brands including new-to-market brands and flagship store debuts.

There were several new completions in 1Q 2020, including Woods Square (44,805 sf), 30 Bideford Road (54,400 sf) and asset enhancement works for 30 Raffles Place (38,266 sf).

HarbourFront/Alexandra Micro-market

The HarbourFront/Alexandra precinct is mainly anchored by notable retail developments such as VivoCity, HarbourFront Centre and Resorts World Sentosa ("RWS"). Surrounding and in close proximity to these retail developments are smaller complementary developments like 1) ARC, 2) the retail portion of MBC, 3) Anchorpoint and 4) Alexandra Central, which cater to both the working and residential populations in the vicinity.

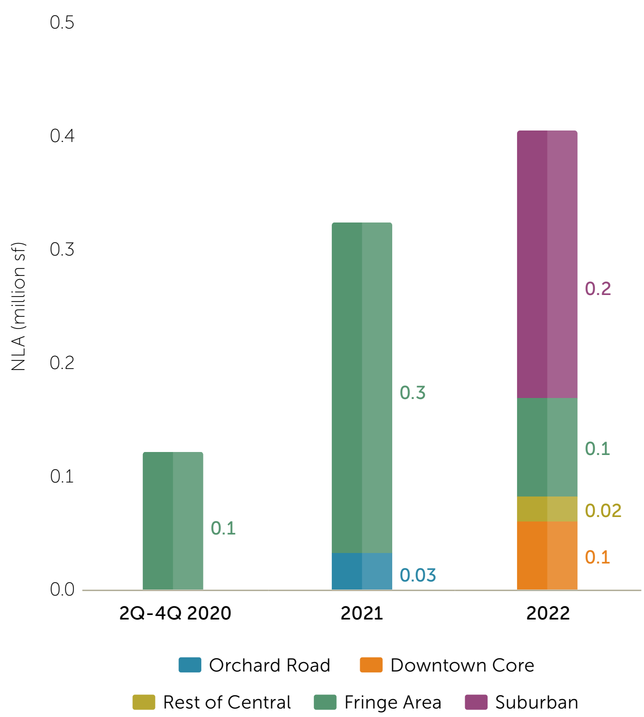
Located adjacent to VivoCity, HarbourFront Centre is a mixed-use development comprising both office and retail offerings as well as an international cruise centre. Both VivoCity and HarbourFront Centre provides a full spectrum of retail, dining and entertainment facilities in the HarbourFront/Alexandra micro-market, enabling the area to establish a strong retail presence that attracts visitors and shoppers across Singapore and from overseas.

Located on Sentosa Island, RWS offers international and local F&B outlets as well as selected luxury boutique outlets primarily catering to tourists. The recently announced expansion of RWS is expected to yield a new waterfront promenade, lined with both retail and F&B outlets over the next five years.

3.2 Future Retail Supply

The total projected islandwide retail supply over the next three years (2Q 2020 to 2022) is estimated at 0.9 million sf. Retail supply is expected to ease in 2020 and 2021, with majority (47.6%) of the retail pipeline is expected to come onboard in 2022.

Chart 7: Future Retail Supply



Source: URA, CBRE

For the rest of 2020, approximately 0.1 million sf of retail space will be added to the inventory. The pipeline includes the reintroduction of Grantral Mall @ Macpherson (67,500 sf) and Centrium Square (32,400 sf), which had undergone asset enhancement initiatives.

After a tightened supply in 2020, 2021 will include retail development such as Boulevard 88 (32,000 sf) in the Orchard area, Changi Garden Homes (24,800 sf), Le Quest (41,300 sf). Other mixed-use developments with retail component that will enter the market include Rochester Commons (16,469 sf) and CapitaSpring (4,602 sf). Located at fringe area, Shaw Plaza and Wilkie Edge will undergo asset enhancement works, similarly for Pan Pacific Orchard. 2021's retail supply will total 324,500 sf.

In 2022, 0.4 million sf of retail space will be added to the market. In the Downtown Core, Central Boulevard Towers (30,000 sf) and Guoco Midtown (30,000 sf) will enter part of mixed-use development project. Other notable retail pipeline includes One Holland Village (77,400 sf) in Fringe area and The Woodleigh Mall 104,000 sf) in the Suburban area. There are also two hotel developments with retail component, namely, Club Street development project and a proposed hotel along Hill Street.

HarbourFront/Alexandra Micro-market

There is no planned retail supply to the HarbourFront/ Alexandra micro-market between 2020 and 2022.

3.3 Demand and Occupancy

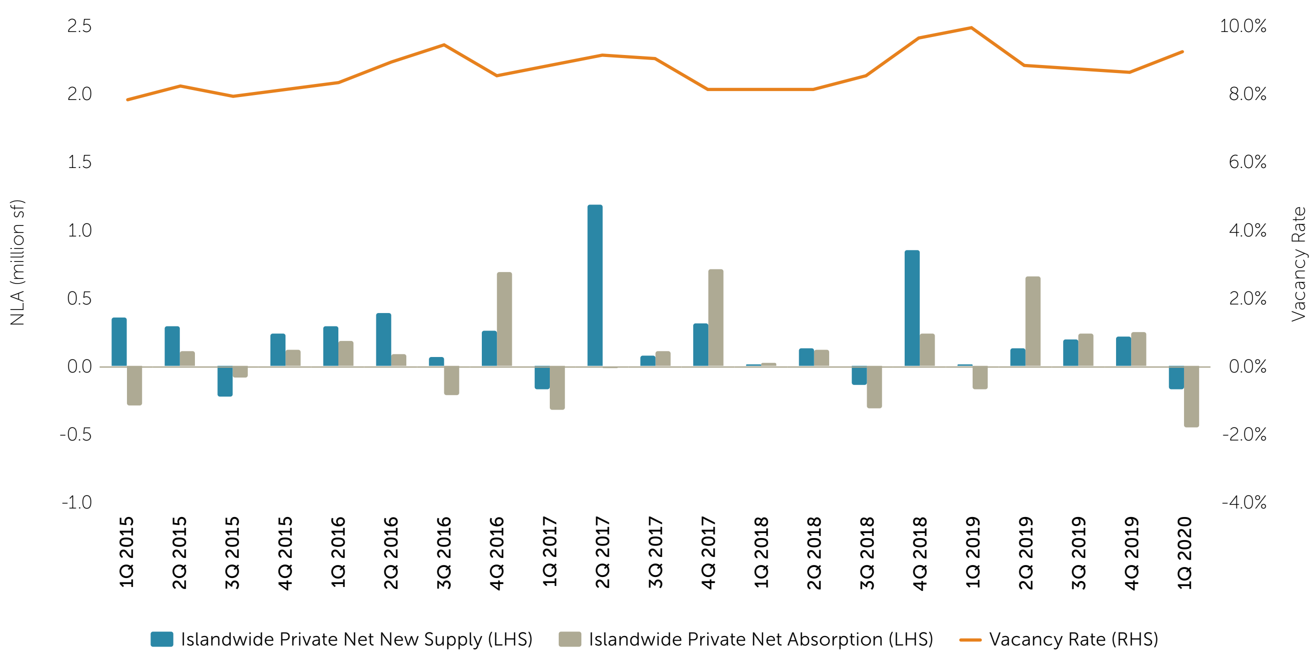
The islandwide private net absorption of retail space was approximately 1.0 million sf in 2019, compared to 64,583 sf in 2018.

The F&B sector continues to be the main driver for leasing demand and opportunities. There have been several expansions in the F&B sector mainly from established F&B players into alternative F&B ventures, such as new brands or cuisines to attract and diversify the customer base. However, despite the expansions, there were also players who have exited, having failed to adjust and adapt to the changing dynamics of the F&B landscape. The health and wellness industry have also been resilient in leasing demand following the expansions of gyms and entrances of niche supermarkets. Consolidations and closures were however witnessed in the department store sector and some furniture shops.

With existing challenges in the retail market today, net absorption has declined. The lack of large-scale retail completions has also contributed to a decrease in new take-up of retail spaces. Islandwide private retail vacancy rates continues to inch up to 9.2% in 1Q 2020 from 8.6% in 4Q 2019 as headwinds persist in the retail sector.

The retail sales index (excluding motor vehicles) dipped marginally to 99.1 in 2019, from 100.6 in the previous year. Retail sales in 2019 were mainly driven by supermarkets

Chart 8: Islandwide Retail Demand and Vacancy



Source: CBRE

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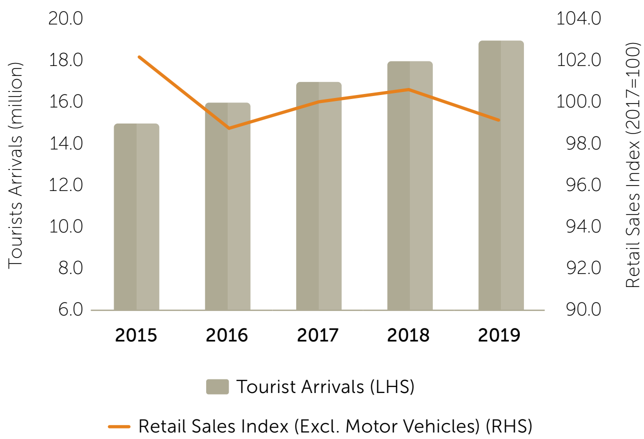
& hypermarkets, mini-marts & convenience stores, cosmetics, toiletries & medical goods & toiletries and wearing apparel & footwear. In March 2020, segments that recorded contractions were department stores (-37.1%), food retailers (-41.4%), medical goods & toiletries (-21.8%), wearing apparel & footwear (-38.5%), watches & jewellery (-43.5%) and optical goods & books (-23.2%). However, segments which have shown an uptick include supermarkets (36.2%), mini-marts & convenience stores (4.2%), furniture & household equipment (4.9%) and telecommunication apparatus & computers (2.5%).

International visitor arrivals grew 3.3% year-on-year to 19.1 million in 2019. Singapore's top five visitor markets are all within the region namely, Indonesia, China, Malaysia, Australia and India. All markets exhibited visitor growth year-on-year, except Malaysia (-6.8%) and India (-2.0%). Visitors from China exhibited the highest year-on-year growth at 14.5% for 2019. Tourism revenue for 2019 was S$27.1 billion, which was a 0.5% year-on-year increase.

Due to the COVID-19 pandemic, the Singapore Tourism Board ("STB") expects visitor arrivals for 2020 to fall by about 25-30%, as reported in February 2020. Given the curtail of travels and widespread lockdowns globally, visitor arrivals have fallen sharply in 1Q 2020. Visitor numbers dropped significantly to 240,000 in March 2020, representing a 84.7% year-on-year decline, the lowest since the SARS outbreak in 2003. Also, there have been additional measures to restrict the spread of COVID-19 such as the restriction of entry into Singapore for all short-term visitors. The country's national carrier, Singapore Airlines, has also reduced its capacity by 96% while Changi Airport Group has suspended operations in Terminal 2 for 18 months starting from 1 May 2020. Operations in Terminal 4 will also be temporarily suspended from 16 May 2020.

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

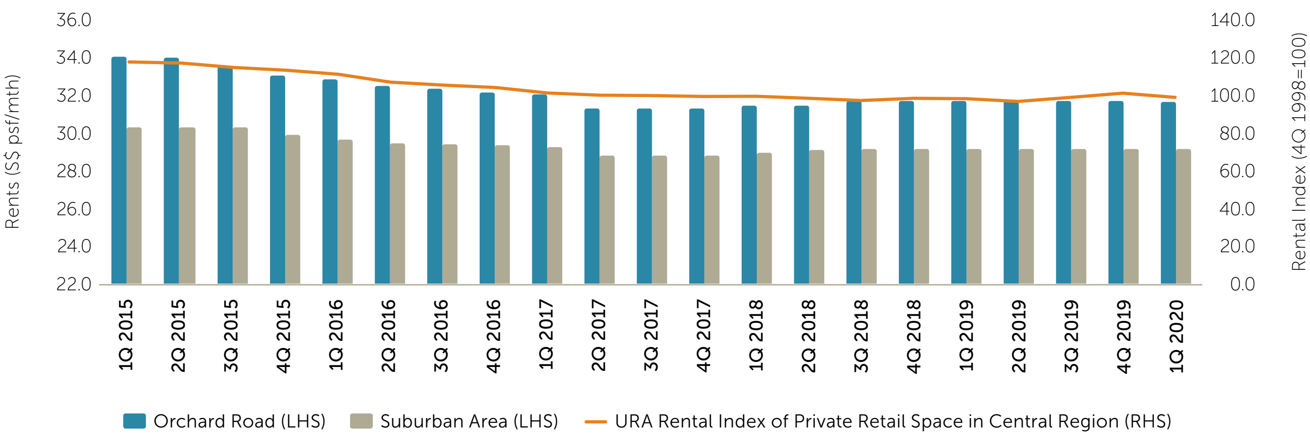


Sources: STB, Department of Statistics & CBRE

3.4 Retail Rents

Both retail rents for Orchard Road and suburban area remained flat at S$31.70 psf/month and S$29.15 psf/month respectively for the whole of 2019. However, amidst structural challenges in the retail sector, retail rents in Orchard Road weakened slightly to S$31.65 psf/month (-0.2% quarter-on-quarter) whilst rents in suburban area held steady at S$29.15 psf/month in 1Q 2020. Suburban rents have exhibited greater resilience to rental compression and volatility as they are mostly supported by steady domestic consumption. Minimal decline in retail rents was witnessed in 1Q 2020 as the full scale of COVID-19's impact will only be translated in the later quarters. The retail rental index for the Central Region, tracked by the Urban Redevelopment Authority ("URA"), stood at 98.7 in 1Q 2020, a decline of 2.3% from the previous quarter.

Chart 10: Monthly Retail Rents



Source: URA, CBRE

Table 2: Selected Retail Transactions in 2019 and 1Q 2020

Quarter	Property Name	Price (S$ million)	Price (S$ psf)	Land Tenure	Buyer	Seller
1Q 2020	People's Park Centre (nine units)	22.15	3,796 on NLA	99 years	K2 F&B Holdings	Travelite Holdings
4Q 2019	The Star Vista (Retail)	296.0	1,822 on NLA	99 years	Rock Productions	CapitaLand
4Q 2019	Punggol Waterway Point (acquired 6.67%)	86.7	3,502 on NLA	99 years	Frasers Centrepoint Trust	Sekisui House
3Q 2019	313@Somerset	1,003.0	N/A	999 years	Lendlease REIT	Lendlease Group
3Q 2019	Punggol Waterway Point (acquired 33.83%)	433.3	3,502 on NLA	99 years	Frasers Centrepoint Trust	FCL Emerald (2) Pte Ltd
2Q 2019	Chinatown Point	520.0	2,453 on NLA	99 years	PAR Chinatown Point Pte Ltd	Perennial Chinatown Point LLP
1Q 2019	Rivervale Mall	230.0	2,833 on NLA	99 years	SC Capital Partners	AEW Asia
1Q 2019	Liang Court	400.0	1,492 on NLA	99 years**	CapitaLand and City Developments Ltd	PGIM Real Estate Asia Retail Fund

** In-principle approval has been obtained.
Note: Transactions are recorded at the point of announcement.
Source: CBRE

3.5 Retail Transactions

Retail transaction volume in 2019 was S$3.1 billion, a 50.0% year-on-year increase, mainly due to several related party transactions. In 3Q 2019, Lendlease Group sold 313@Somerset to RBC Investor Services Trust Singapore Pte Ltd, as trustee of Lendlease Global Commercial REIT, for S$1,003.0 million. Over the same period, Frasers Centrepoint Trust acquired 33.83% of Punggol Waterway Point from Frasers Property's wholly owned unit FCL Emerald (2) Pte Ltd for S$433.3 million. Other major transactions in 2019 include the sale of The Star Vista's retail component to Rock Productions by CapitaLand for S$296.0 million and Liang Court to CapitaLand by PGIM Real Estate Asia Retail Fund for S$400.0 million.

The only retail transaction in 1Q 2020 was the sale of nine strata units at People's Park Centre for S$22.15 million, or S$3,796 psf.

There were no notable retail transactions recorded in the HarbourFront/Alexandra micro-market for the whole of 2019 and 1Q 2020.

3.6 Retail Outlook

The retail market is expected to continue to face headwinds amidst dampened market optimism and business sentiments with the COVID-19 pandemic further exacerbating the situation. Disruption in the tourism and aviation sectors will have an impact on the tourism reliant retail sector. With the implementation of the "circuit breaker" from 7 April 2020, non-essential retailers have been mandated to stop operations. This will further disrupt domestic consumption as well as spending on discretionary items following stay-at-home measures. To alleviate the rental woes from tenants during this unprecedented period, rental reliefs and rebates are being provided by landlords. Despite these temporary relief measures, high operating costs and labour shortage still persist in the retail sector. Retail rents are expected to experience further rental correction pressure in the subsequent quarters.

In terms of upcoming retail supply, the tapering of new supply will ease net absorption, allowing the pace of supply entering the market to be more sustainable in the long-term. Arising from the "circuit breaker", more retailers are also adopting technology, internet platforms and online marketing to stay relevant, boost productivity and efficiency, thereby increasing sales volume. Food retailers, supermarket chains and delivery platforms have experienced a surge in demand over the last few months and is expected continue to dominate retail sales. Essential businesses in suburban malls are expected to better weather through this period as compared to tourism-reliant malls in Orchard Road.

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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 relocate operations that do not require a CBD address to the suburbs.

Based on JTC statistics, Singapore's islandwide business park stock shrank by 0.2% year-on-year to 23.6 million sf as at 1Q 2020. The contraction in stock was from the Queenstown precinct, one-north, International Business Park, and Cleantech Park. There were no new business park completions in 1Q 2020, while the only business park completion in 2019 was 5 Science Park Drive, which was fully leased to Shopee.

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 (58.4%) is distributed in the Central Region of Singapore, which comprises one-north, MBC and Singapore Science Park. 24.2% of total stock is in the Eastern region and is anchored by Changi Business Park. International Business Park, located in the Western region, has the smallest share of 17.4% of total stock.

Over time, some of the business parks have developed their own distinct identities. Changi Business Park is reputed to be a back-office hub for financial institutions such as Citibank, DBS and Standard Chartered, whereas 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 tenants such as Creative Technology, Dell, Evonik, M1 and Sony. 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 CBD Core, Grade A specification buildings and integrated business hub features. The typical tenant profile of MBC differs from those of traditional Business Parks. With tenants such as Google, Infocomm Media Development Authority, Samsung, Unilever and SAP, they bear closer resemblance to tenants in the CBD Core office. Furthermore, there is a wide range of amenities within MBC, including mid-range specialty restaurants, food courts, multipurpose auditorium, conference facilities, tennis and futsal courts, fitness club with lap pool amidst extensive gardens and greenery.

4.2 Future Business Park Supply

Between 2Q 2020 to 2022, the estimated new supply is about 2.4 million sf.

Figure 1: Key Business Park Clusters in Singapore

Sources: OneMap & CBRE

52.3% (1.2 million sf) of this pipeline supply is expected to complete between 2Q to 4Q in 2020. Key completions include the headquarters of Razer Inc (166,200 sf) and PBA Group (228,100 sf), as well as the redevelopment of 13 International Business Park (203,100 sf). Another two JTC projects slated to complete in 2020 include JTC Cleantech Three (530,800 sf) and AEI works to an existing business park in Cleantech Loop (110,100 sf).

The estimated new supply of 0.7 million sf in 2021 comprises projects from Surbana Jurong Campus and Grab headquarters. Firstly, the business park component in Surbana Jurong Campus, which is located in the upcoming Jurong Innovation District, is envisaged to be a campus for advanced manufacturing R&D and training. Secondly, the other development that is scheduled to complete is the headquarters of Grab Holdings Inc (364,300 sf). Initially targeted to complete in 2020, it was reported that there is an expected delay in the completion date due to the "circuit breaker" measures.

In 2022, another 0.4 million sf is slated to complete. They are the headquarters of Wilmar in one-north (198,200 sf) and the redevelopment of iQuest@IBP (212,000 sf).

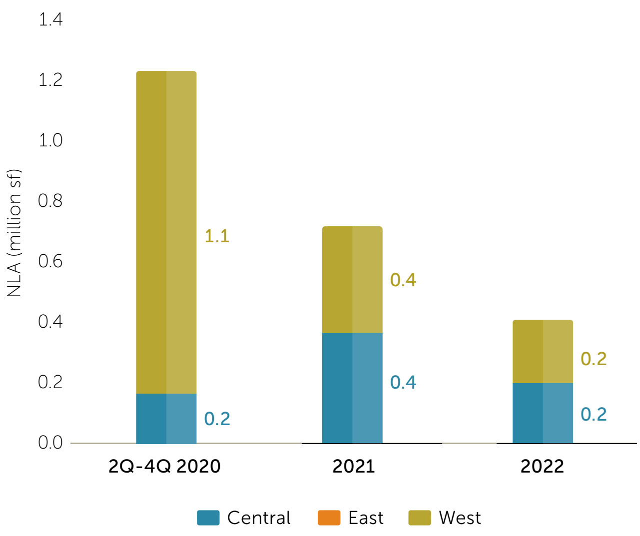
According to URA Master Plan 2019, a statutory land use plan that guides the medium-term physical development of Singapore, there are plans to build a new Business Park in Woodlands North Coast. The development works for Punggol Digital District have commenced and is slated to complete in 2023.

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, hub and spoke model and headquarter type functions that meet the permissible usage requirements by URA.

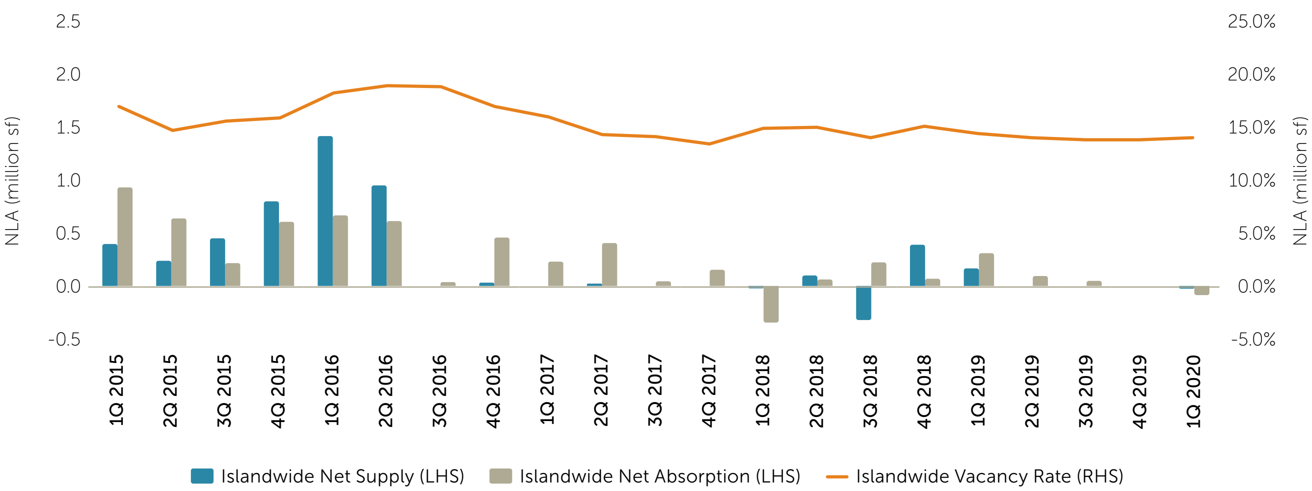
According to JTC, islandwide net absorption for the market came in at 454,465 sf in 2019 and net supply for the year registered at 154,258 sf. Vacancy rate declined marginally year-on-year to 14.0% in 1Q 2020 from 14.4% in 1Q 2019. Leasing demand mainly came from the technology sector, in particular for spaces in the Central Region.

Chart 11: Future Business Park Supply



Source: CBRE

Chart 12: Islandwide Business Park Supply, Demand & Vacancy



Source: JTC, CBRE

INDEPENDENT MARKET OVERVIEW | BY CBRE PTE LTD

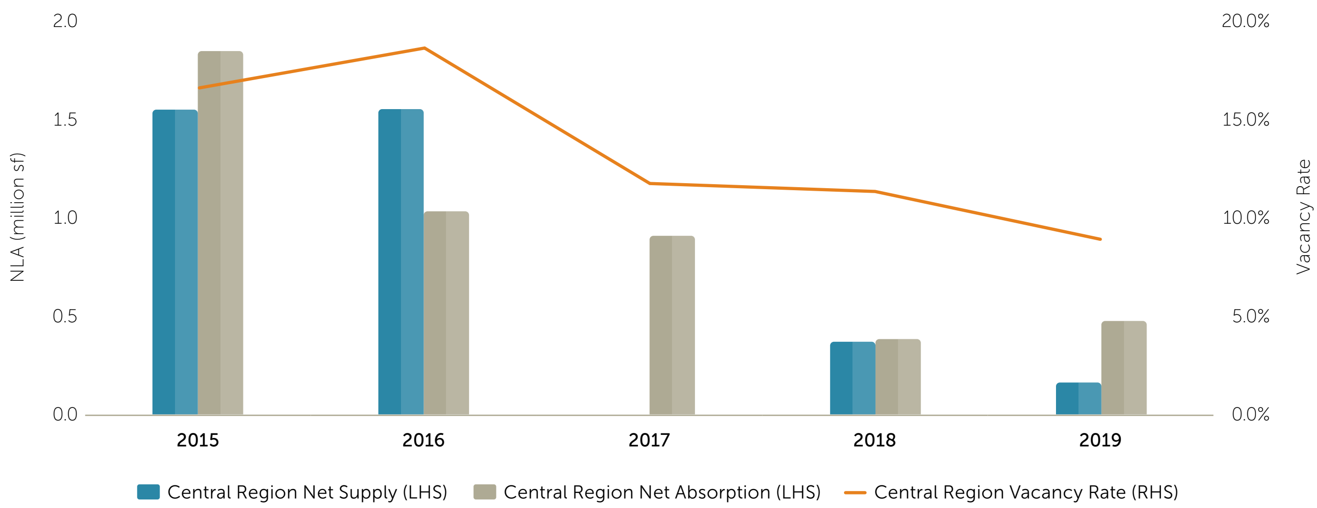
Firms in the infocomm, technology, biomedical and finance sectors are presently among the most prevalent tenants in business parks. Tenants generally exhibit preference for prime business park space in the central region. There is thus demand for business park spaces with good connectivity and quality specifications, resulting in many business park operators to undergo asset enhancement or upgrading works to attract future occupiers. Overall, leasing activities have been fairly muted although interest level in business parks continue to remain steady, as companies seek to equalise occupancy costs by having locations in both the CBD and business parks.

4.4 Business Parks Rents

The rental performance between the two submarkets, City Fringe and Rest of the Island continues to diverge. As at 1Q 2020, the average City Fringe business parks registered rents of S$5.85 psf/month (+0.9% year-on-year) while rest of island submarket rents dipped slightly to S$3.75 psf/month (-1.3% year-on-year) respectively.

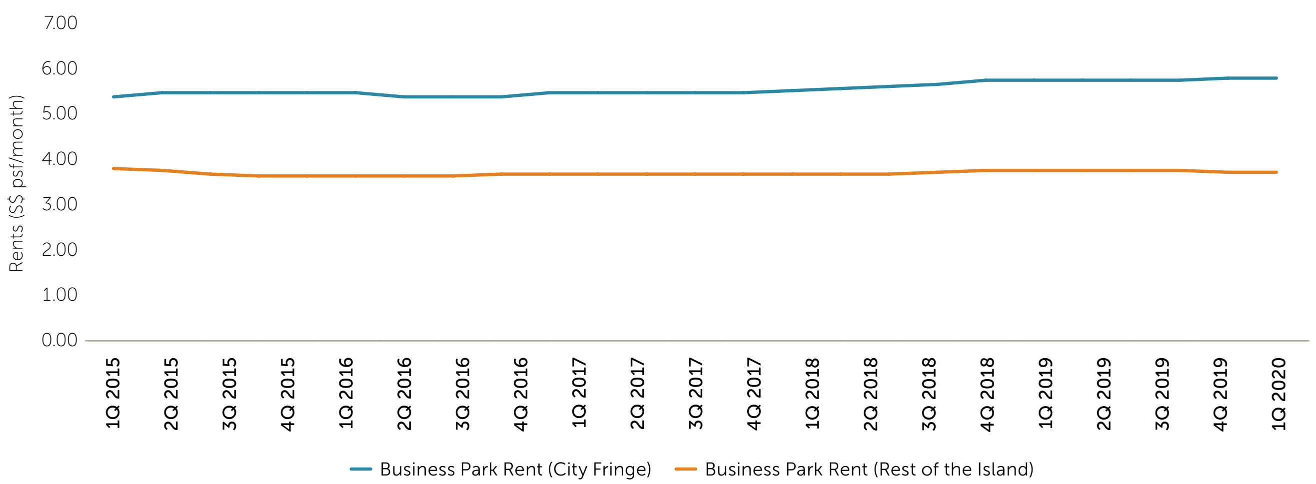
Business parks in the City Fringe submarket have always commanded a rental premium relative to those located at the Rest of the Island. This reflects the clear advantage in attracting occupiers who are drawn to a more competitive rental levels coupled with excellent locational attributes and close proximity to the CBD.

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



Source: CBRE, JTC

Chart 14: Business Park Rents



Source: CBRE

4.5 Business Parks Transactions

Investment activities for Business Park space in 1Q 2020 include both private and public acquisitions. Ascendas REIT acquired 25% stake in Galaxis from MBK RE Asia for a purchase consideration of S$102.9 million.

In addition, Ho Bee Land was recently awarded the tender of Biopolis Phase 6 site by JTC for an acquisition price of S$223.6 million or S$502 psf. The biomedical facility with a GFA of 445,260 sf will be built into a 12-storey multi-tenanted development and is expected to be completed by 2022.

The majority of the business park deals were transacted in 3Q and 4Q 2019 and were mainly related party transactions. They include the sale of Nucleos (S$289.0 million) and FM Global Centre (S$91.0 million), both to Ascendas REIT. For the HarbourFront/Alexandra micro-market, MBC II was transacted at S$1.55 billion to Mapletree Commercial Trust.

4.6 Business Parks Outlook

The short-term outlook for the business park market looks subdued as firms are grappling with the impacts of the COVID-19 pandemic; the weak business climate has made it challenging to obtain approvals for capital expenditures. Eventually, this will contribute to more renewals in 2020. To provide some cashflow support to businesses and individuals, the government has unveiled some cashflow relief in the three stimulus packages. These include property tax rebates and a one-month rental waiver for occupiers located on government land.

It is likely that the disparity between both submarkets will widen further, with the City Fringe submarket showing more resilience than the Rest of Island submarket. The government has adopted a very calibrated approach towards the introduction of new business park space with the majority being built-to-suit projects for single-owner occupier use. Given the limited availability of multi-user space, vacancy in the City Fringe submarket is poised to tighten further. However, the Rest of Island submarket continues to face challenges in shoring up occupancy especially for the older business parks. However, the quality of stock in the Rest of Island submarket is evolving, with redevelopments in the International Business Park as well as new growth areas such as Jurong Innovation District expected to come online in 2020.

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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 the Non-Executive Director and a Member of the Audit and Risk Committee of the Sponsor.

Mr Tsang is concurrently the Non-Executive Director of NWS Holdings Limited and a Non-Executive Director of Bolonia Company Limited. He was formerly the Chief Executive Officer and Executive Director of NWS Holdings Limited from June 2004 until his retirement on 31 December 2018.

Prior to Mr Tsang's appointment at NWS Holdings Limited, he served in the Hong Kong Police Force for 38 years where he held many key appointments before retiring as its Commissioner in 2003.

For his distinguished public service, Mr Tsang 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.

Past directorships in listed entitles over the last three years:

- Wai Kee Holdings Limited (listed in Hong Kong)

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.

At present, she sits on the boards of Jurong Town Corporation and Changi Airport Group (Singapore) Pte. Ltd.. She is also 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 board of Corus Hotels Ltd.

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

Past directorships in listed entitles over the last three years:

Nil

PREMOD P. THOMAS

Chairman, Audit and Risk Committee
(Appointed on 5 March 2020)
Independent Non-Executive Director

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

He is concurrently the Chief Executive Officer and Executive Director of Bayfront infrastructure Management Pte. Ltd. ("Bayfront"), a Singapore-based specialist infrastructure debt securitisation company, and an Executive Director of BIM Asset Management Pte. Ltd., a subsidiary of Bayfront. 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. Before this, he held various appointments in Bank of America, Standard Chartered Bank, Temasek Holdings (Private) Limited and the Hong Leong Group in Malaysia.

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

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

Past directorships in listed entitles over the last three years:

Nil

KAN SHIK LUM

Independent Non-Executive Director
Member, Nominating and Remuneration Committee

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

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

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

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

Past directorships in listed entitles over the last three years:
Nil

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 Limited ("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. Prior to 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.

Past directorships in listed entitles over the last three years:
Nil

WU LONG PENG

Independent Non-Executive Director
Member, Audit and Risk Committee
(Appointed on 5 March 2020)

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

Mr Wu was previously the Executive Director of Kuok (Singapore) Limited until 2017 and has more than 30 years of experience in finance and corporate affairs over various industries.
Mr Wu is a Non-Executive Director of K2 Strategic Pte. Ltd.. Abroad in the United Kingdom, he is a Non-Executive Director of Gamma Communications PLC (a company listed on the Alternative Investment Market (AIM). Mr Wu is also a Non-Executive Director of Epsilon Telecommunications Limited and certain other Epsilon group of companies.

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

Past directorships in listed entitles over the last three years:
- Malaysian Bulk Carriers Berhad (listed in Malaysia)
- PACC Offshore Services Holdings Ltd. (delisted in 2020)

BOARD OF DIRECTORS

MAK KEAT MENG

Independent Non-Executive Director
(Appointed on 15 December 2019)
Member, Audit and Risk Committee
(Appointed on 5 March 2020)

Mr Mak Keat Meng is an Independent Non-Executive Director and a Member of the Audit and Risk Committee of the Manager.

Mr Mak worked with Ernst & Young LLP ("E&Y") for over 37 years before he retired in 2019. He was an Audit Partner and Head of Audit where he oversaw the audit practice in Singapore and ASEAN. He was also a permanent member of E&Y's Audit Review Committee which holds regular meetings to deliberate on technical and accounting/auditing issues.

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

Past directorships in listed entitles over the last three years:
Nil

ALVIN TAY

Independent Non-Executive Director

Mr Alvin Tay is an Independent Non-Executive Director.

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

Mr Tay is also a Non-Executive Director of The Rice Company Limited, a not-for profit organisation involved in the promotion of arts and cultural activities in Singapore and Radion International Ltd., a charitable organization focused on humanitarian work.

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

Past directorships in listed entitles over the last three years:
Nil

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 was formerly a Non-Executive Director of Mapletree Logistics Trust Management Ltd., Mapletree Industrial Trust Management Ltd. and Mapletree North Asia Commercial Trust Management Ltd..

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 under management of more than S$60.5 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 and Board member of Sentosa Development Corporation.

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.

Past directorships in listed entitles over the last three years:
- Mapletree Logistics Trust Management Ltd. (as Manager of Mapletree Logistic Trust)
- Mapletree Industrial Trust Management Ltd. (as Manager of Mapletree Industrial Trust)
- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust)

WENDY KOH
Non-Executive Director
(Appointed on 15 December 2019)

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

Ms Koh is concurrently the Group Chief Financial Officer of the Sponsor. She oversees the Finance, Tax, and Treasury functions of the Sponsor. She is also a Non-Executive Director of Mapletree Logistic Trust Management Ltd., Mapletree Industrial Trust Management Ltd. and Mapletree North Asia Commercial Trust Management Ltd..

Prior to her current role, she was the Regional Chief Executive Officer, South East Asia of the Sponsor from August 2014 to July 2019, heading the Sponsor's business in South East Asia and Head, Strategy and Research in 2014, overseeing strategy, planning and research for the Sponsor. She was also previously engaged by the Sponsor as an advisor to review the Sponsor's strategy implementation from FY09/10 to FY13/14, and was involved in the formulation of the Sponsor's second Five-Year Plan.

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

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

Past directorships in listed entitles over the last three years:
Nil

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, South East Asia & Group Retail of the Sponsor. She oversees the Sponsor's non-real estate investment trust ("REIT") business in Singapore and the rest of the South East Asia region. She also have direct responsibility over the Sponsor's retail assets and operations in Singapore, China, Malaysia and Vietnam, where she provides executive management and leadership. She is the Non-Executive Director of Vietsin Commercial Complex Development Joint Stock Company, Singapore Cruise Centre Pte. Ltd. and Gemstone Asset Holdings Pte. Ltd. as well as an Alternate Director of MS Commercial Pte. Ltd..

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

Past directorships in listed entitles over the last three years:
Nil

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. and 80 Alexandra Pte. Ltd., subsidiaries of Mapletree Commercial Trust and a member of the Management Committee of Mapletree Business City LLP, 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.

Past directorships in listed entitles over the last three years:
Nil

MANAGEMENT TEAM & PROPERTY MANAGEMENT TEAM

SHARON LIM
Chief Executive Officer

JANICA TAN
Chief Financial Officer

KOH WEE LEONG
Head,
Investments & Asset Management

TENG LI YENG
Director,
Investor Relations

GOH PECK CHENG
Vice President,
Investments & Asset Management

LYNN LEE
Vice President,
Finance

MICHELLE LAM
Senior Manager,
Investments & Asset Management

JANICE LIM
Senior Manager,
Finance

PHANG YI LIANG
Senior Manager,
Investments & Asset Management

WAN KWONG WENG
Joint Company Secretary

SEE HUI HUI
Joint Company Secretary

FOO SAY CHIANG
Director, *Mapletree Commercial Property Management*

CHARISSA WONG
Director, *Mapletree Commercial Property Management*
Head, *Retail Management*

GEORGINA GOH
Head,
Office Marketing

GWEN AU
Vice President,
Marketing Communications

CHAY PUI LENG
Vice President,
Office Marketing

SOO WEI-PING
Vice President,
Retail Marketing

TAN PUAY CHER
Vice President,
Portfolio Property Management

ABDUL KALAM BIN MUHAMED
Senior Manager,
Property Management

RICKY SOH
Senior Manager,
Property Management

TERENCE YONG
Senior Manager,
Retail Design 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

Ms Janica Tan is responsible for the overall financial management functions for MCT. She is also a Director of Mapletree Commercial Trust Treasury Company Pte. Ltd. and 80 Alexandra Pte. Ltd., subsidiaries of MCT and a member of the Management Committee of Mapletree Business City LLP, 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 in 2016, she was the Chief Financial Officer of OUE Commercial REIT Management Pte. Ltd., the manager of OUE Commercial REIT. Before that, she was the Senior Vice President of OUE Limited.

She 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 acquisitions and divestments. He is also a member of the Management Committee of Mapletree Business City LLP, a subsidiary of MCT.

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

Before joining the Manager, Mr Koh held various positions in the CapitaLand group from 2007 to 2011. His responsibilities included evaluating and executing investments in real estate and financial products in various countries as well as structuring, marketing and managing private equity real estate funds.

From 2005 to 2007, he was with KPMG where he carried out projects in business advisory and corporate finance. He started his career in the Singapore Economic Development Board in 2002.

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

TENG LI YENG
Director,
Investor Relations

Ms Teng Li Yeng is responsible for 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 degree in Economics from the University College London, United Kingdom, and the International Certificate of Investor Relations.

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 acquisitions 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, investments 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 holds a Bachelor of Science degree (Estate Management) with Honours from the National University of Singapore.

LYNN LEE
Vice President,
Finance

Ms Lynn Lee joined the Finance team of the Manager in 2020. She assists the Chief Financial Officer in the financial management and accounting function of MCT including statutory reporting, compliance, capital management, treasury and taxation matters.

Ms Lee has over 20 years of experience in accounting and finance. She was formerly the Assistant Finance Director of ARA

Trust Management (Suntec) Limited where she was responsible for overseeing the financial activities of Suntec Real Estate Investment Trust. Prior to that, she was a Senior Finance Manager at Wheelock Properties (S) Limited.

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

MICHELLE LAM

Senior Manager,
Investments & Asset Management

Ms Michelle Lam's responsibilities include formulating and executing business plans and asset enhancement initiatives, as well as sourcing and evaluating potential acquisitions 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.

JANICE LIM

Senior Manager,
Finance

Ms Janice Lim is responsible for the day-to-day 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 with OUE Limited as Finance Manager. 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 a non-practising member of the Institute of Singapore Chartered Accountants.

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.

WAN KWONG WENG

Joint Company Secretary

Mr Wan Kwong Weng is the Joint Company Secretary of the Manager as well as the other three Mapletree REIT Managers, and concurrently Group Chief Corporate Officer of the Sponsor, where he is responsible for all legal, compliance and corporate secretarial matters, as well as corporate communications, human resource and administration matters across all business units and countries. In addition, Mr Wan is Secretary and Member of the Singapore Management University Real Estate Programme Advisory Board.

Prior to joining the Sponsor, Mr Wan was Group General Counsel – Asia at Infineon Technologies for seven years, where he was a key member of its Asia Pacific management team. He started his career as a litigation lawyer with one of the oldest law firms 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 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 the Joint Company Secretary of the Manager as well as 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 subsidiaries (collectively, the "Group"). As a REIT manager, the Manager is licensed by the MAS and holds a Capital Markets Services Licence for REIT management ("CMS Licence").

The Manager discharges its responsibility for the benefit of MCT and its unitholders ("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 trustee of MCT (the "Trustee"), on the acquisition, divestment and enhancement of assets of the Group.

The Manager's roles and responsibilities include:

- carrying on the Group's business to generate returns in a sustainable manner and conducting all transactions on normal commercial terms and on an arm's length basis;
- preparing annual budget 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 Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Code on Collective Investment Schemes ("CIS Code") issued by the MAS (including Appendix 6 of the CIS Code, the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time and any tax rulings.

The Manager is committed to complying with the substance and spirit of the Code of Corporate Governance 2018 (the "Code"). The following describes the main corporate governance policies and practices of the Manager with reference to the Code and, where there are deviations from any of the provisions of the Code, explanations for such deviations are provided in this report including an explanation on how the practices adopted are consistent with the intent of the principles of the Code.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Effective Board

Our Policy and Practices

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

The key roles of the Board are to:

- guide the corporate strategy and direction of the Manager;
- ensure that Management discharges business leadership and demonstrates the highest quality of management with integrity and enterprise; and
- oversee the proper conduct of the Manager.

In discharging their roles and responsibilities, all Directors of the Board are expected to act and have acted in the best interests of 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 twelve directors (the "Directors"), of whom eleven are Non-Executive Directors and seven 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;
- Mr Premod P. Thomas, Independent Non-Executive Director and Chairman of the AC[1];
- Mr Kan Shik Lum, Independent Non-Executive Director and Member of the NRC;
- Mr Koh Cheng Chua, Independent Non-Executive Director and Member of the AC;
- Mr Wu Long Peng, Independent Non-Executive Director and Member of the AC[2];
- Mr Mak Keat Meng, Independent Non-Executive Director and Member of the AC[2,3],
- Mr Alvin Tay, Independent Non-Executive Director;
- Mr Hiew Yoon Khong, Non-Executive Director and Member of the NRC;

- Ms Wendy Koh, Non-Executive Director[4];
- Ms Amy Ng, Non-Executive Director; and
- Ms Sharon Lim, Executive Director and CEO.

[1] Appointed as Chairman of the AC on 5 March 2020.
[2] Appointed as Member of the AC on 5 March 2020.
[3] Appointed as Independent Non-Executive Director on 15 December 2019.
[4] Appointed as Non-Executive Director on 15 December 2019.

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

The diverse professional backgrounds of the Directors enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation.

Each Director is appointed on the strength of his or her calibre, experience, stature and potential to give proper guidance to Management on 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 58 to 61 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient to inform Unitholders of their principal commitments. The Board meets regularly, at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any significant acquisitions, disposals, fund-raisings and development projects undertaken by the Group. When exigencies prevent a Director from attending a Board or Board committee meeting in person, such Director can participate by audio or video conference.

The meeting attendance of the Board, the AC, the NRC, the AGM and the EGM for FY19/20 is as follows:

		Board	AC	NRC	AGM[1]	EGM[2]
Number of meetings held in FY19/20		**7**	**5**	**1**	**1**	**1**
Board Members	**Membership**					
Mr Tsang Yam Pui (Appointed on 1 November 2007) (Last reappointment on 30 September 2019)	Non-Executive Chairman and Director	7	N.A.[3]	N.A.[3]	1	1
Ms Kwa Kim Li (Appointed on 30 April 2014) (Last reappointment on 30 September 2019)	Lead Independent Non-Executive Director and Chairperson of the NRC	6	N.A.[3]	1	1	1
Mrs Jennifer Loh (Retired on 5 March 2020)	Chairperson of the AC and Independent Non-Executive Director	6	4	N.A.[3]	1	1
Mr Premod P. Thomas (Appointed on 15 June 2015) (Last reappointment on 29 September 2017)	Chairman of the AC and Independent Non-Executive Director	7	5	N.A.[3]	0	1
Mr Kan Shik Lum (Appointed on 1 December 2015) (Last reappointment on 28 September 2018)	Independent Non-Executive Director and Member of the NRC	7	N.A.[3]	1	1	1
Mr Koh Cheng Chua (Appointed on 9 June 2014) (Last reappointment on 30 September 2019)	Independent Non-Executive Director and Member of the AC	7	5	N.A.[3]	1	1
Mr Wu Long Peng (Appointed on 15 December 2018) (Last reappointment on 30 September 2019)	Independent Non-Executive Director and Member of the AC	7	1[4]	N.A.[3]	1	1
Mr Mak Keat Meng (Appointed on 15 December 2019)	Independent Non-Executive Director and Member of the AC	2	1[4]	N.A.[3]	N.A.[3]	N.A.[3]
Mr Alvin Tay (Appointed on 15 December 2018) (Last reappointment on 30 September 2019)	Independent Non-Executive Director	7	N.A.[3]	N.A.[3]	1	1

CORPORATE GOVERNANCE

		Board	AC	NRC	AGM[1]	EGM[2]
Number of meetings held in FY19/20		7	5	1	1	1
Board Members	**Membership**					
Mr Hiew Yoon Khong (Appointed on 18 May 2007) (Last reappointment on 28 September 2018)	Non-Executive Director and Member of the NRC	6	N.A.[3]	1	0	1
Mr Wong Mun Hoong (Resigned on 15 December 2019)	Non-Executive Director	5	3[5]	N.A.[3]	1	1
Ms Wendy Koh (Appointed on 15 December 2019)	Non-Executive Director	2	2[5]	N.A.[3]	N.A.[3]	N.A.[3]
Ms Amy Ng (Appointed on 1 April 2010) (Last reappointment on 28 September 2018)	Non-Executive Director	7	N.A.[3]	N.A.[3]	1	1
Ms Sharon Lim (Appointed on 1 August 2015) (Last reappointment on 29 September 2017)	Executive Director and CEO	7	5[5]	N.A.[3]	1	1

Notes:

[1] Held on 24 July 2019.
[2] Held on 15 October 2019.
[3] N.A. means not applicable.
[4] Appointed as Member of the AC on 5 March 2020.
[5] Attendance was by invitation.

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

The Board has prescribed certain limits on transactions to be undertaken by the Group, above which approval from the Board is required. The Board's approval is required for material transactions undertaken by the Group. Such material transactions are also included in the set of delegations of authority which has been clearly communicated to Management in writing. These include:

- equity fund-raising;
- acquisition, 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.

The Board recognises that the Directors are fiduciaries who are obliged at all times to act objectively in the best interests of MCT and hold the Management accountable for performance. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to MCT and his or her own interests. The Manager has a policy which provides that where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

The Manager has in place an internal code on general conduct and discipline which sets out the framework and guidelines on ethical values such as honesty and responsibility as well as the appropriate conduct expected of Management and employees. The Board sets the appropriate tone from the top in respect of the desired organisational culture and ensure proper accountability within the Manager.

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

The Management provides the Board with timely and complete information prior to Board meetings, as well as when the need arises.

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

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.

Board Composition and Guidance

Principle 2: Appropriate level of independence and diversity of thought

Our Policy and Practices

The Board reviews from time to time the size and composition of the Board and each Board Committee, to ensure that the size of the Board and each Board Committee is appropriate in facilitating effective decision making.

The Manager adopts the principle that a board composition with a strong and independent element as well as diversity of thought and background will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. 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 Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCB Regulations"). A Director is considered to be independent if he or she is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of MCT; and is independent from the management and any business relationship with the Manager and MCT, every substantial shareholder of the Manager and every substantial unitholder of MCT, is not a substantial shareholder of the Manager or a substantial unitholder of MCT and has not served on the Board for a continuous period of nine years or longer.

For FY19/20, 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.

CORPORATE GOVERNANCE

The Board of the Manager, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations and the Code, wishes to set out its views in respect of each of the Directors as follows:

Name of Director	(i) had been independent from the management of the Manager and MCT during FY19/20	(ii) had been independent from any business relationship with the Manager and MCT during FY19/20	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of MCT during FY19/20	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of MCT during FY19/20	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY19/20
Mr Tsang Yam Pui[1]	✓			✓	
Ms Kwa Kim Li[2,10]	✓		✓	✓	✓
Mr Premod P. Thomas[3,10]	✓			✓	✓
Mr Kan Shik Lum[4,10]	✓			✓	✓
Mr Koh Cheng Chua[5,10]	✓		✓	✓	✓
Mr Wu Long Peng	✓	✓	✓	✓	✓
Mr Mak Keat Meng (appointed on 15 December 2019)	✓	✓	✓	✓	✓
Mr Alvin Tay	✓	✓	✓	✓	✓
Mr Hiew Yoon Khong[6,10]				✓	
Ms Wendy Koh[7,10] (appointed on 15 December 2019)				✓	✓
Ms Amy Ng[8,10]				✓	
Ms Sharon Lim[9,10]				✓	✓

Notes:

1 Mr Tsang Yam Pui is currently a Non-Executive Director and a member of the Audit and Risk Committee of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MCT. Pursuant to the SFLCB Regulations, during FY19/20, Mr Tsang is deemed not to be (a) independent from a business relationship with the Manager and MCT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of his directorship in the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2020, Mr Tsang was able to act in the best interests of all Unitholders as a whole.

2 Ms Kwa Kim Li was an Independent Director of HSBC Bank (Singapore) Limited ("HSBC") up to 19 April 2019. MCT received payments from the HSBC group of companies in excess of S$200,000 and made payments to the HSBC group of companies of less than S$200,000 for the period from 1 to 19 April 2019.

Under Practice Guidance 2 of the Code, a director may be considered as not independent if she is, among others, a director of an organisation which provided to or received from the company or any of its subsidiaries any significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Ms Kwa is also a partner of Lee & Lee Advocate and Solicitors ("Lee & Lee"). The Sponsor group of companies had made payments to Lee & Lee in FY19/20.

Pursuant to the SFLCB Regulations, during FY19/20, Ms Kwa is deemed not to be independent from a business relationship with the Manager and MCT by virtue of (a) the payments received by MCT from the HSBC group of companies and paid by MCT to the HSBC group of companies, as Ms Kwa Kim Li was an independent director of HSBC and (b) the payments made by the Sponsor group of companies, being related corporations of the Manager, to Lee & Lee, as Ms Kwa is a partner of Lee & Lee.

Notwithstanding that the MCT received payments from the HSBC group of companies in excess of S$200,000 and made payments to the HSBC group of companies in FY19/20, the Board, in consultation with the NRC, takes the view that, as at 31 March 2020, Ms Kwa's Independent Director status is not compromised as these amounts relate to rental payments for the HSBC office in MBC I and the HSBC branch in ARC, license fees for the automated teller machine ("ATM") at VivoCity as well as payments for service provided to MCT under its MTN programme. These transactions were all conducted on an arm's length basis and Ms Kwa was not involved in the negotiations of any of the agreements. In respect of the payments made by the Sponsor group of companies to Lee & Lee for legal services rendered to the Sponsor group of companies, Ms Kwa is not involved in the conduct of such matters and therefore her Independent Director status is not compromised.

The Board is satisfied that, as at 31 March 2020, Ms Kwa was able to act in the best interests of all Unitholders as a whole.

[3] Mr Premod P. Thomas is the Chief Executive Officer and Executive Director of Bayfront Infrastructure Management Pte. Ltd. ("Bayfront") and the Executive Director of BIM Asset Management Pte. Ltd. ("BIM"), a subsidiary of Bayfront. Bayfront and BIM are companies in which Temasek Holdings (Private) Limited ("Temasek"), a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MCT, has an effective interest of about 28.4%. He is also an Independent Director of Gemstone Asset Holdings Pte. Ltd., which is a related corporation of both the Manager and the Sponsor.

Pursuant to the SFLCB Regulations, during FY19/20, Mr Thomas is deemed not to be (a) independent from a business relationship with the Manager and MCT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of his directorship in Gemstone Asset Holdings Pte. Ltd. and his employment with Bayfront.

However, in the abovementioned capacity, Mr Thomas is not under an obligation to act in accordance with the directions, instructions or wishes of the Sponsor or Temasek (as the case may be) and therefore, the Board, in consultation with the NRC, takes the view that his independent director status is not compromised.

The Board is satisfied that, as at 31 March 2020, Mr Thomas is able to act in the best interests of all Unitholders as a whole.

[4] Mr Kan Shik Lum is the Independent Director of Azalea Asset Management Pte. Ltd. and its subsidiaries, Astrea III Pte. Ltd., Astrea IV Pte. Ltd. and Astrea V Pte. Ltd, all of which are related corporations of Temasek. Temasek is a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MCT.

Pursuant to the SFLCB Regulations, during FY19/20, Mr Kan is deemed not to be (a) independent from a business relationship with the Manager and MCT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of his directorships in the abovementioned related corporations of Temasek.

However, in the abovementioned capacities, Mr Kan is not under an obligation to act in accordance with the directions, instructions or wishes of Temasek and therefore, the Board, in consultation with the NRC, takes the view that Mr Kan's Independent Director status is not compromised.

The Board is satisfied that, as at 31 March 2020, Mr Kan is able to act in the best interests of all Unitholders as a whole.

[5] Mr Koh Cheng Chua is the Managing Director & Head of Group Credit – Commercial Credit in United Overseas Bank Limited ("UOB"). MCT received payments from UOB in excess of S$200,000 in FY19/20.

Under Practice Guidance 2 of the Code, a director may be considered as not independent if he is, among others, an executive officer of an organisation which provided to or received from the company or any of its subsidiaries any significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

The Sponsor group of companies had also made payment to UOB in FY19/20.

Pursuant to the SFLCB Regulations, during FY19/20, Mr Koh is deemed not to be independent from any business relationship with the Manager and MCT by virtue of (a) the payments received by MCT from UOB and (b) the payments made by the Sponsor group of companies, being related corporations of the Manager, to UOB, as Mr Koh is employed as an executive officer at UOB.

Notwithstanding that MCT received payments from UOB in excess of S$200,000 in FY19/20, the Board, in consultation with the NRC, takes the view that, as at 31 March 2020, Mr Koh's Independent Director status is not compromised as these amounts relate to rental payments for the UOB branch in VivoCity, license fees for the ATMs at VivoCity and ARC and for event spaces at VivoCity and MBC I, 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. In respect of the payments made by the Sponsor group of companies to UOB for banking services rendered to the Sponsor group of companies, the transactions were all conducted on an arm's length basis and Mr Koh was not involved in the negotiations of any of the agreements and therefore his Independent Director status is not compromised.

The Board is satisfied that, as at 31 March 2020, Mr Koh was able to act in the best interests of all Unitholders as a whole.

[6] Mr Hiew Yoon Khong is currently the Executive Director and Group Chief Executive Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MCT.

Pursuant to the SFLCB Regulations, during FY19/20, Mr Hiew is deemed not to be (a) independent from the management of the Manager and MCT by virtue of his employment with the Sponsor; (b) independent from any business relationship with the Manager and MCT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MCT during FY19/20; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of his employment with and his directorship in the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2020, Mr Hiew was able to act in the best interests of all Unitholders as a whole.

[7] Ms Wendy Koh is currently the Group Chief Financial Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MCT. She 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. (the manager of Mapletree North Asia Commercial Trust), all of which are related corporations of the Sponsor.

Pursuant to the SFLCB Regulations, during FY19/20, Ms Koh is deemed not to be (a) independent from the management of the Manager and MCT by virtue of her employment with the Sponsor; (b) independent from any business relationship with the Manager and MCT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MCT during FY19/20; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of her employment with the Sponsor and her directorships in the abovementioned related corporations of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2020, Ms Koh was able to act in the best interests of all Unitholders as a whole.

CORPORATE GOVERNANCE

[8] Ms Amy Ng is currently the Regional Chief Executive Officer, South East Asia & Group Retail of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MCT. She is also the Non-Executive Director of Vietsin Commercial Complex Development Joint Stock Company, Singapore Cruise Centre Pte. Ltd. and Gemstone Asset Holdings Pte. Ltd., all of which are related corporations of the Sponsor.

Pursuant to the SFLCB Regulations, during FY19/20, Ms Ng is deemed not to be (a) independent from the management of the Manager and MCT by virtue of her employment in the Sponsor; (b) independent from any business relationship with the Manager and MCT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MCT during FY19/20; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of her employment with the Sponsor and her directorships in the abovementioned related corporations of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2020, Ms Ng was able to act in the best interests of all Unitholders as a whole.

[9] Ms Sharon Lim is currently the Executive Director and Chief Executive Officer of the Manager, which is a related corporation of the Sponsor.

Pursuant to the SFLCB Regulations, during FY19/20, Ms Lim is deemed not to be (a) independent from the management of the Manager and MCT by virtue of her employment with the Manager; (b) independent from any business relationship with the Manager and MCT by virtue of the payments which the Manager had made to the Sponsor and/or received from the trustee of MCT during FY19/20; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of her employment with and directorship in the Manager which is a related corporation of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2020, Ms Lim was able to act in the best interests of all Unitholders as a whole.

[10] For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 March 2020, each of the abovementioned Directors were able to act in the best interests of all the Unitholders as a whole.

Based on a review of the relationships between the Directors and the Group in accordance with the requirements of the Code and the SFLCB Regulations and declarations of independence by the Independent Directors, the Board considers the following Directors to be independent:

- Ms Kwa Kim Li;
- Mr Premod P. Thomas;
- Mr Kan Shik Lum;
- Mr Koh Cheng Chua;
- Mr Wu Long Peng;
- Mr Mak Keat Meng; and
- Mr Alvin Tay.

In view of the above, more than half of the Board comprises Independent Directors. Non-Executive Directors make up a majority of the Board.

The Board is of the opinion that its current size is appropriate, taking into account the scope and nature of operations of the Manager and MCT, for effective decision-making and constructive debate. The Board comprises Directors who collectively have the core competencies, such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board to be effective in all aspects of its roles.

Provision 2.4 of the Code requires the disclosure of the Manager's board diversity policy and progress made towards implementing the board diversity policy. Given that the Code only recently took effect to apply to annual reports covering financial years commencing from 1 January 2019, the Manager has not formalised a board diversity policy. Nonetheless, the NRC is of the view that it has been and continues to ensure that the Board and board committees have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Group as explained in other parts of this report.

Chairman and CEO
Principle 3: Clear division of responsibilities

Our Policy and Practices

The Board and the Manager adopts the principle of clear separation of the roles and division of responsibilities between the Chairman of the Board and the CEO of the Manager (which has been set out in writing) and that no one individual has unfettered powers of decision-making. The Chairman and the CEO are not related to each other so as to maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman is a Non-Executive Director who is responsible for the overall management of the Board as well as ensuring that the Directors and Management work together with integrity and competency, and he guides the Board in constructive debates on the Group's strategic direction, management of its assets and governance matters.

The CEO is responsible for the running of the Manager's business operations. She has full executive responsibilities over the business and operational decisions of the Group. The CEO is also responsible for ensuring the Group's compliance with the applicable laws and regulations in its day-to-day operations.

As the Chairman is not an independent director, in accordance with Provision 3.3 of the Code, Ms Kwa Kim Li has been appointed as the Lead Independent Director of the Manager. The principal responsibilities of the Lead Independent Director are to act as Chairperson of the Board when matters concerning the Chairman are to be considered, and to be available to the Board and Unitholders for communication of Unitholders' concerns when other channels of communication through the Chairman or CEO are inappropriate, as well as for leading all deliberations on feedback regarding performance of the CEO and any interested party transactions. Ms Kwa also has the discretion to hold meetings with the other independent Directors without the presence of the Management as she deems appropriate or necessary and to provide feedback to the Chairman after such meetings.

Board Membership
Principle 4: Formal and transparent process for appointments

Our Policy and Practices
The Manager adopts the principle that Board renewal is 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 key management personnel of the Manager, as well as the succession plan and framework for the Executive Director, CEO and key management personnel of the Manager;
- the process and criteria for evaluating the performance of the Board, the Board committees and the Directors;
- the training and professional development programmes for the Board; and
- the determination, on an annual basis and as and when circumstances require, of the independent status of a Director, bearing in mind the relevant principles and provisions of the Code and the SFLCB Regulations, as well as any other applicable regulations and guidelines and salient factors.

The composition of the Board is determined based on the following principles:
- the Chairman of the Board should be a non-executive director of the Manager;
- the Board should comprise directors with a broad range of commercial experience including expertise in fund management, law, finance, audit, accounting and real estate;
- independent directors make up a majority of the Board if the Chairman is not an independent director; and
- non-executive directors make up a majority of the Board.

The Board adheres to the principle of progressive renewal and seeks to ensure its composition provides for appropriate level of independence and diversity of thought and background. In identifying suitable candidates for appointment to the Board, the Board prioritises the needs of the Group and takes into account the industry and business experience, skills, expertise and background of the candidates. In addition, the Board will give due regard to the requirements in the Listing Manual and the Code. The Board will also consider the candidate's ability to commit sufficient time to the affairs of the Group so as to diligently fulfil director's duties. The Board has the option to engage external consultants if necessary to assist the Board in identifying suitable candidates.

As at least half of the Board comprises Independent Directors, the Manager will not be voluntarily subjecting any appointment or reappointment of directors to voting by Unitholders.

The 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 FY19/20 as well as the contribution and performance of each individual Director at such meetings, the Board is satisfied that all the Directors have been able to adequately carry out their duties as Director notwithstanding their principal commitments.

In keeping with the principle that a Director must be able to commit his or her time and attention to the affairs of the Group, the Board will generally not approve the appointment of alternate directors. There were no alternate directors appointed in FY19/20.

CORPORATE GOVERNANCE

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 annual confidential board effectiveness surveys. The survey of the effectiveness of the Board, AC and NRC in respect of FY19/20 was undertaken in May 2020.

To this end, the NRC will assist the Board in the assessment of the effectiveness of the Board, its Board committees, as well as the contribution by the Chairman and each Director, by reviewing the performance evaluation process and making recommendations to the Board. The evaluation results will be reviewed by the NRC and then shared with the Board. As part of the assessment, the NRC considers the adequacy of Board composition, the Board's performance and areas of improvement, level of strategic guidance to Management and the overall effectiveness of the Board, as well as each individual Director's attendance, contribution and participation at the Board and Board committee meetings. The Board also believes that performance evaluation is an ongoing process and strives to maintain regular feedback and interactions between Directors and Management.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 6: Formal and transparent procedure for fixing the remuneration of Directors and key management personnel

Level and Mix of Remuneration
Principle 7: Appropriate level of remuneration

Disclosure on Remuneration
Principle 8: Clear disclosure of remuneration matters

Our Policy and Practices

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

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

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

Additional information on remuneration matters are disclosed in 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 an established NRC which consists of a minimum of three members and is constituted in a way that enables it to exercise its judgment and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business.

The current members are: Ms 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 once during FY19/20 and was guided by an independent remuneration consultant, Willis Towers Watson, who has no relationship with the Manager, the controlling shareholders of the Manager or its related entities and the Board of Directors that would interfere with its ability to provide independent advice to the NRC.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating and remuneration committee, which include assisting the Board in matters relating to:

- reviewing and recommending to the Board all nominations for the appointment and re-appointment of Directors and of members to the various Board Committees;

- reviewing and recommending to the Board the succession plan for the Executive Director and CEO of the Manager;
- the remuneration framework for the Directors, the Executive Director and CEO and Management 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 Directors and key management personnel; and
- the termination payment, gratuities, severance payment and other similar payments to the Executive Director and CEO of the Manager.

Decision-making Process for Determining the Remuneration Policy

The NRC is responsible for the annual review of the remuneration policy (including termination terms), its implementation and ensuring that such terms of remuneration are fair and in compliance with relevant legislation and regulation. The NRC makes remuneration decisions for employees annually in May following the end of the performance year. This timing allows the full-year financial results of 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 "Remuneration Principles"). The overarching principle is to promote sustainable long-term success of MCT. The remuneration policy should:

- **Align 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;
- **Align with performance and value creation:** Total variable compensation is managed and structured taking into consideration the level of performance and value creation attained which is being assessed holistically and determined based on financial performance and achievement of non-financial goals;
- **Encourage retention:** Deferred variable compensation does not give rise to any immediate entitlement. Awards normally require the participant to be employed continuously by the Manager until at least the third anniversary of the grant in order to vest in full; and
- **Be competitive:** Employees receive competitive compensation and benefits packages, which are reviewed annually and benchmarked by an independent remuneration consultant to the external market.

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

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its Directors are as follows:

- the level of directors' fees should be appropriate (but not excessive) to attract and retain the Directors to provide good stewardship of the Manager and the Group;
- directors' fees are reviewed annually and subject to the approval of the Manager's shareholder;
- to ensure that each Director's fees are commensurate with his or her responsibilities and time spent, each Director is paid a basic retainer and Directors who perform additional services 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.

Guided by the Remuneration Principles, 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 and the Group.

The CEO is not present during the discussions relating to her own compensation and terms and conditions of service, and the review of her performance. However, the Board, with the assistance of the NRC, reviews the CEO's performance and the NRC Chairperson, or her designate, will share with the CEO their views of her performance. In accordance with the directions and guidelines from the MAS on the remuneration of key executive officers of REIT managers, the Board, with the assistance of the NRC, reviews the CEO's specific remuneration package to ensure its compliance with the substance and spirit of such directions and guidelines from the MAS.

CORPORATE GOVERNANCE

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 FY19/20:

Board Members	Membership	Fees Paid for FY19/20
Mr Tsang Yam Pui	Non-Executive Chairman and Director	S$162,000[1]
Ms Kwa Kim Li	Lead Independent Non-Executive Director and Chairperson of the NRC	S$98,000
Mrs Jennifer Loh (Retired on 5 March 2020)	Chairperson of the AC and Independent Non-Executive Director	S$100,379[2]
Mr Premod P. Thomas	Independent Non-Executive Director and Chairman of the AC	S$94,088
Mr Kan Shik Lum	Independent Non-Executive Director and Member of the NRC	S$83,000
Mr Koh Cheng Chua	Independent Non-Executive Director and Member of the AC	S$93,000
Mr Wu Long Peng	Independent Non-Executive Director and Member of the AC	S$65,177
Mr Mak Keat Meng	Independent Non-Executive Director and Member of the AC	S$19,919[2,3]
Mr Alvin Tay	Independent Non-Executive Director	S$63,000
Mr Hiew Yoon Khong	Non-Executive Director and Member of the NRC	Nil[4]
Mr Wong Mun Hoong (Resigned on 15 December 2019)	Non-Executive Director	Nil[4]
Ms Wendy Koh	Non-Executive Director	Nil[4]
Ms Amy Ng	Non-Executive Director	Nil[4]
Ms Sharon Lim	Executive Director and Chief Executive Officer	Nil[5]

Notes:

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

2 Pro-rated fees paid for FY19/20.

3 The director's fees paid for the period of appointment from 15 December 2019 to 31 March 2020.

4 Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors.

5 The CEO does not receive any director's fees in her capacity as a Director.

Link between pay, performance and value creation

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 non-financial Key Performance Indicators ("KPIs") which are critical to improving the organisational effectiveness, operational efficiency and overall risk profile of the Manager, e.g. improving workflow and processes by implementing e-workflow/e-Approval system, high participation rate in active and healthy lifestyle activities, participation in Corporate Social Responsibility ("CSR") events, investors and tenants engagement, raising the capability of the workforce through increased participation in learning and development. 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 FY19/20 and is satisfied that all KPIs have been achieved.

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

The Manager will continue to be guided by the objective of delivering long term sustainable returns to Unitholders. The remuneration of the Management team will continue to be aligned with the goal of value creation for Unitholders. The performance will be measured over the next five-year period, with an interim review at the end of the third year.

All fixed pay, variable incentives and allowances are payable wholly in cash. All payments are entirely paid by the Manager and not as an additional expense imposed on MCT.

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

The remuneration for the CEO in bands of S$250,000 and a breakdown of the remuneration of the CEO and all of the key management personnel of the Manager in percentage terms, are provided in the remuneration table below. At present, there are only four key management personnel of the Manager (including the CEO).

TOTAL REMUNERATION BANDS OF CEO AND KEY MANAGEMENT PERSONNEL FOR FY19/20

	Salary, Allowances and Statutory Contributions	Bonus[1]	Long-term Incentives[2]	Benefits	Total
Above S$1,250,000 to S$1,500,000					
Sharon Lim	29%	46%	25%	N.M.[4]	100%
Other Key Management Personnel					
Janica Tan	41%	40%	19%	N.M.[4]	100%
Koh Wee Leong	49%	36%	15%	N.M.[4]	100%
Charissa Wong[3]	51%	37%	12%	N.M.[4]	100%

Notes:

[1] The amounts disclosed are bonuses declared during the financial year.

[2] The amounts disclosed include the grant of the LTI award. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MCT's TSR targets and fulfillment of vesting period of up to five years.

[3] Charissa Wong is an employee of the 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 FY19/20 was S$3.21 million.

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The Manager is cognisant of the requirements as set out under Provision 8.1 of the the Code and the "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" to disclose: (a) the remuneration of its CEO and each individual Director on a named basis; (b) the remuneration of at least its top five executive officers (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (c) in aggregate the total remuneration paid to its top five key management personnel (who are not Directors or the CEO), and in the event of non-disclosure, the Manager is required to provide reasons for such non-disclosure. The Board had assessed and decided not to disclose (i) the remuneration of the CEO in exact quantum; (ii) the remuneration of at least its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (iii) the aggregate remuneration paid to its top five key management personnel (who are not Directors or the CEO) as the Manager is of the view that remuneration details are commercially sensitive due to the confidential nature of remuneration matters and with keen competition for management staff in the REIT industry, such disclosure may result in talent retention issues. The Board is of the view that despite the deviation from Provision 8.1 of the Code, the Manager has been transparent on remuneration matters in line with the intent of Principle 8 of the Code, as information on the Manager's remuneration policies, level and mix of remuneration, procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

Since the remuneration of the CEO and key management personnel of the Manager are not separately billed to MCT but instead 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.

There were no employees of the Manager who were substantial shareholder of the Manager, substantial unitholder of MCT or immediate family members of a Director, the CEO or a substantial shareholder of the Manager or substantial unitholder of MCT and whose remuneration exceeded S$100,000 during FY19/20.

In solidarity with its stakeholders in overcoming the challenges posed by COVID-19, the Management and the Board have elected to take a reduction in their base salary and basic retainer fee by between 5% to 10% for FY20/21. This will be subject to review when the COVID-19 situation stabilises.

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 2020 was S$6.40 million. This figure comprised fixed pay of S$3.43 million, variable pay of S$2.70 million and allowances/benefits-in-kind of S$0.27 million. There were a total of 33 beneficiaries of the remuneration described above.

In respect of the Manager's financial year ended 31 March 2020, 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$3.39 million, comprising six individuals identified having considered, among others, their roles and decision making powers.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: Sound system of risk management and internal controls

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

The key elements of the Group's internal controls 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 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 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.

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 controls and risk management systems. The internal audit function is also involved in the validation of the results from the CSA programme.

Whistle-blowing Policy

To reinforce a culture of good business ethics and governance, the Manager has a Whistle-blowing Policy to encourage the reporting, in good faith, of any suspected improper conduct, including possible financial irregularities, while protecting the whistle-blowers from reprisals. Any reporting concerning the Group or the Manager is notified to the AC Chairman of the Sponsor as well as the AC Chairman of the Manager for 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, which is adapted from the International Organisation for Standardisation under (ISO) 31000 Risk Management. It 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 in accordance with market practice and regulatory requirements, under the guidance and direction of the AC and the Board.

The Manager's policies and procedures relating to risk management can be found on pages 86 to 88 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 and cybersecurity threats 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.

On an annual basis, external specialists are engaged to perform a Vulnerability and Penetration Test on the Group's networks and devices as part of cybersecurity measures.

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In addition, an annual review of the information technology controls was conducted by the Sponsor's Internal Audit Department as part of the FY19/20 annual CSA programme. The audit findings were submitted to the AC and the Board for review and appropriate remedial actions were implemented as at 31 March 2020.

Financial Reporting

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

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

The Group's financial results are prepared in accordance with the Singapore Financial Reporting Standards (International) and are reported to Unitholders in accordance with the requirements of the SGX-ST. These results 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 116 to 180 of this Annual Report.

Financial Management

As a matter of financial and operational discipline, Management reviews on a monthly basis the performance of MCT's portfolio properties.

The key financial risks which the Group is exposed to include interest rate risk, foreign exchange rate risk, liquidity risk and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest rate and foreign exchange rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found from pages 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 Sponsor's Internal Audit Department is also involved during the year in conducting ad hoc audits and reviews that may be requested by the AC or Management on specific areas of concern, including validating the responses under the CSA programme. In doing so, the Sponsor's Internal Audit Department is able to obtain assurance that business objectives for the internal controls processes under review are being achieved and key control mechanisms are in place.

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

The external auditor also provides an independent perspective on certain aspects of the internal financial controls system arising from their work and report their findings to the AC on an annual basis. The external auditor is also updated on the findings of the CSA programme.

Interested Person Transactions

All interested person transactions are undertaken on normal commercial terms and the AC regularly reviews all interested person transactions to ensure compliance with the internal controls 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 FY19/20 are set out from pages 181 to 182 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.

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 controls and risk management system to safeguard the assets of the Group and Unitholders' interests, through a framework that enables risks to be assessed and managed.

The AC provides oversight of the financial reporting, accounting policies and the adequacy and effectiveness of the Group's internal controls and risk management systems as well as its compliance processes.

The Board and the AC also take into account the results from the CSA programme, which requires the various departments to review and report on compliance with key control processes. As part of the CSA programme, the Sponsor's Internal Audit Department performs a validation of Management's self-assessment responses on a sampling basis, after which the validated self-assessment results are reported to the AC and the Board.

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

The Board has received written assurance from the CEO and the CFO that the Group's financial records have been properly maintained and the Group's financial statements give a true and fair view

CORPORATE GOVERNANCE

of the Group's operations and finances. It has also received assurance from the CEO and other relevant key management personnel, who have responsibility regarding various aspects of the risk management and internal controls systems, that the systems of risk management and internal controls in place for the Group are adequate and effective to address the risks (including financial, operational, compliance and information technology risks) that the Manager considers relevant and material to the current business environment.

Comment and Opinion on Internal Controls

Based on the internal controls and risk management systems established and maintained by the Manager and the Sponsor, the work performed by the Sponsor's Internal Audit and Risk Management Departments as well as by the external auditor, reviews performed by Management and the above-mentioned assurance from the CEO, the CFO and other key management personnel, the Board is of the opinion that the Group's internal controls and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considered relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business as at 31 March 2020. However, the Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The AC concurs with the Board's comments provided in the foregoing. For the financial year ended 31 March 2020, the Board and the AC have not identified any material weaknesses in the Group's internal controls and risk management systems.

Audit and Risk Committee

Principle 10: The Board has an AC which discharges its duties objectively.

Our Policy and Practices

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

The Manager adopts the principle that the AC shall have at least three members, all of whom must be non-executive and the majority of whom, including the AC Chairman, must be independent. The Board is of the view that the AC members collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities.

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

- Mr Premod P. Thomas, Chairman;
- Mr Koh Cheng Chua, Member;
- Mr Wu Long Peng, Member; and
- Mr Mak Keat Meng, Member.

None of the AC members was a partner or director of the incumbent external auditor, PricewaterhouseCoopers LLP ("PwC"), within the previous two years, and neither do any of them have any financial interest in PwC.

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

- examination of interested person transactions;
- review and approval of the scope of internal and external audit plans and activities;
- review of the adequacy, effectiveness, independence, scope and audit findings of internal and external auditors as well as Management's responses to them and the implementation of remedial actions to address such findings;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY19/20, MCT paid S$199,030 to PwC, of which S$114,030 was for audit services for the Group and S$85,000 for non-audit services rendered as reporting accountant relating to the acquisition of the entity which owns MBC II and the common premises at 10/20/30 Pasir Panjang Road. The AC has undertaken a review of all non-audit services provided by PwC and is of the opinion that such non-audit services would not affect the independence of PwC as the external auditor;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- authority to investigate any matters within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- making recommendation to the Board on the appointment and re-appointment of external auditors; and

- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:
- reviews significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of MCT and any formal announcements relating to MCT's financial performance;
- reviews at least annually the adequacy and effectiveness of MCT's internal controls and risk management systems;
- reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- meets with the external and internal auditors, without the presence of Management, at least once a year to review and discuss the financial reporting process, system of internal controls (including financial, operational, compliance and information technology controls), significant comments and recommendations;
- reviews and, if required, investigates the matters reported via the whistle-blowing mechanism, by which employees may, in confidence, raise concerns about suspected improprieties including financial irregularities. The objective of the whistle-blowing mechanism is to ensure that arrangements are in place for independent investigations of any reported matters and reviews of such investigations, to ensure appropriate follow-up actions are taken; and
- discusses during the AC meetings, any changes to accounting standards and issues which have a direct impact on the financial statements.

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements.

As part of its oversight role over financial reporting, the AC reviewed the financial statements before recommending them to the Board for approval. The process involved discussions with the Management and the external auditor on significant accounting matters. The AC reviewed among other matters, the valuation of investment properties, being the key audit matter identified by the external auditor.

The AC reviewed the outputs from the process of valuing the investment properties and had robust discussions with Management and the professional valuers on the reasonableness of the methodologies and critical assumptions used in deriving at the valuation of the investment properties, including the impact of COVID-19.

The AC also had discussions with the external auditor on their work performed in assessing the appropriateness of their valuation methodologies and the key assumptions applied in the valuation of the investment properties, and their conclusion thereof.

The AC is satisfied with the valuation process, methodologies used and valuation of the investment portfolio as adopted and disclosed in the financial statements. However, the AC noted 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.

A total of five AC meetings were held in FY19/20.

The Manager, on behalf of the Group, confirms that the Group has complied with Rules 712 and 715 of the Listing Manual in relation to the Group's auditing firm.

Internal Audit

Our Policy and Practices

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

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

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

The role of the Sponsor's Internal Audit Department is to conduct internal audit work in consultation with, but independently of, Management. Its annual audit plan and audit findings are submitted to the AC for approval and

CORPORATE GOVERNANCE

review respectively. The AC also meets with the Head of Internal Audit at least once a year without the presence of Management.

The Sponsor's Internal Audit Department is a member of the Singapore branch of the Institute of Internal Auditors Inc. (the "IIA"), which has its headquarters in the United States. The Sponsor's Internal Audit Department subscribes to, and is in conformance with, the International Standards for the Professional Practice of Internal Auditing developed by the IIA (the "IIA Standards") and has incorporated these standards into its audit practices.

The IIA Standards cover requirements on:

- independence and objectivity;
- proficiency and due professional care;
- managing the internal audit activity;
- engagement planning;
- performing engagement;
- communicating results; and
- monitoring progress.

The Sponsor's Internal Audit Department employees involved in information technology audits are Certified Information System Auditors and members of the Information System Audit and Control Association (the "ISACA") in the United States. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to apply in information technology audits.

To ensure that the internal audits are performed by competent professionals, the Sponsor's Internal Audit Department recruits and employs qualified employees. In order that their technical knowledge remains current and relevant, the Sponsor's Internal Audit Department identifies and provides training and development opportunities to the employees.

In compliance with the IIA Standards, an external quality assessment review ("QAR") of the Sponsor's Internal Audit Department is conducted at least once every five years by a qualified, independent reviewer. The last external QAR of the Sponsor's Internal Audit Department was completed in 2018 and it was assessed that the Group's internal audit function is in conformance with the IIA standards. The next external QAR will be conducted in 2023.

For FY19/20, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

(D) UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder Rights and Conduct of General Meetings

Principle 11: Fair and equitable treatment of all Unitholders

Engagement with Unitholders

Principle 12: Regular, effective and fair communication with Unitholders

Our Policy and Practices

The Manager adopts the principle that all Unitholders should be treated fairly and equitably in order to enable them to exercise their ownership rights arising from their unitholdings and have the opportunity to communicate their views on matters affecting MCT. The Manager provides Unitholders with regular, balanced and understandable assessment of MCT's performance, position and prospects.

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

The public can access the electronic copy of the Annual Report via SGXNET as well as MCT's website and under normal circumstances, 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 annual general meeting and a proxy form with instructions on the appointment of proxies. However, in view of the COVID-19 situation, the Manager will be conducting MCT's 9th annual general meeting via electronic means and therefore, alternative arrangements will be made to take into account the online nature of the annual general meeting, further information of which is set out in the notice of the 9th annual general meeting dated 26 June 2020. The notice of annual general meeting for each annual general meeting is also published via SGXNET and MCT's website as well as in the newspaper.

An annual general meeting is held once a year to provide a platform for Unitholders to interact with the Board and Management, in particular the Chairman of the Board, the Chairman of the AC, the CEO and the CFO. The external auditor is also present to address Unitholders' queries about the audit and the financial statements of the Group. A record of the Directors' attendance at the annual general meeting can be found in the record of their attendance of meetings set out from pages 67 to 68 of this Annual Report.

Provision 11.4 of the Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Trust Deed currently does not provide for absentia voting which may be considered by the Manager following careful study to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised and legislative changes are effected to recognise remote voting. The Manager is of the view that despite the deviation from Provision 11.4 of the Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting the Group even when they are not in attendance at general meetings. For example, in an ordinary meeting setting (i.e. physical meetings), Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

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 annual general meeting 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 annual general meeting. Each resolution proposed at an annual general meeting 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.

As the Manager will be conducting MCT's 9th annual general meeting via electronic means and therefore Unitholders are unable to attend the meeting in person, Unitholders may appoint the Chairman of the meeting as proxy to vote on their behalf at the general meeting and submit questions relating to the business of the meeting in advance. Please refer to the notice of the 9th annual general meeting dated 26 June 2020 for further information.

The Manager has an Investor Relations Department which works with the Legal and Corporate Secretariat Department of the Sponsor to ensure the Group's compliance with the legal and regulatory requirements applicable to listed REITs, as well as to incorporate best practices in its investor relations programme. To keep the Board abreast of market perception and concerns, the Investor Relations Department provides regular updates on analyst and investor feedback.

The Manager's investor relations policy prioritises proactive engagement, and timely and effective communication with its stakeholders.

The Manager regularly communicates major developments in the Group's businesses and operations to Unitholders, analysts and the media through the issuance of announcements and press releases. In addition, all announcements and press releases are first made on SGXNET and subsequently on MCT's website.

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 and analyst briefings are also conducted where practicable. Stakeholders can subscribe for email alerts to receive the latest updates on the Group and also contact the Investor Relations Department via a dedicated email address. Further details on the Manager's investor relations activities and efforts are found from pages 113 to 115 of this Annual Report.

Minutes of general meetings recording the substantive and relevant comments made and questions raised by Unitholders are available to Unitholders for their inspection upon request. Minutes of the annual general meeting (which record substantial and relevant comments and queries from Unitholders and the response from the Board and the Management) are also available on MCT's website at www.mapletreecommercialtrust.com.

MCT's distribution policy is to distribute at least 90% of its distributable income. For FY19/20, MCT made four distributions to Unitholders. With effect from FY20/21, MCT will adopt the new half-yearly reporting framework and consequently, any distributions will be on a half-yearly basis with effect from FY20/21.

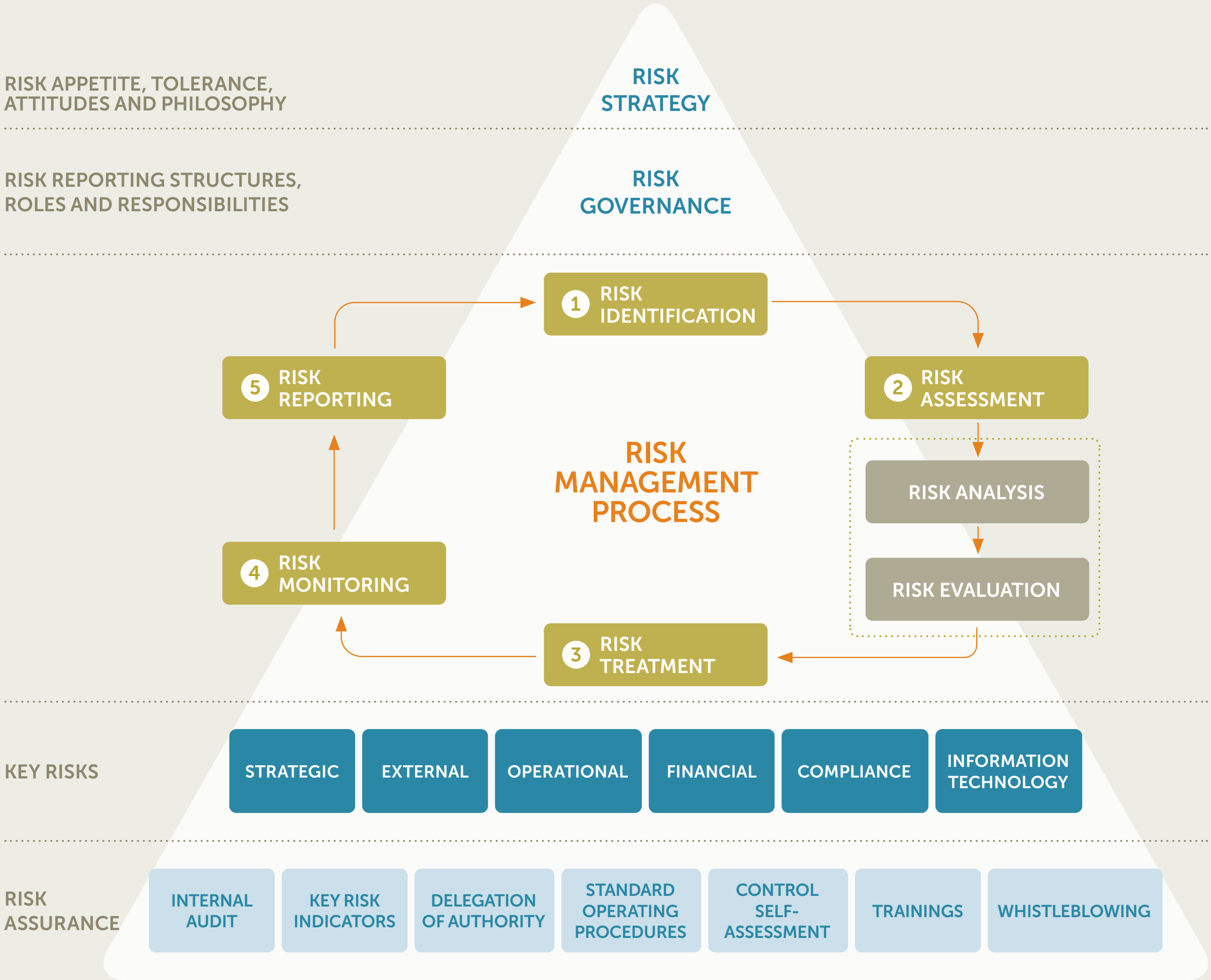
Principle 13: Engagement with Stakeholders

Our Policy and Practices

The Manager adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value. The Sustainability Report from pages 89 to 112 in the Annual Report provides the Group's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report also sets out the key areas of focus in relation to the management of stakeholder relationships.

RISK MANAGEMENT

Risk management continues to be an integral part of the Manager's business strategy in order to deliver regular and steady distributions. To safeguard and create value for Unitholders, the Manager proactively manages risks and embeds the risk management process as part of the planning and decision making process.



STRONG OVERSIGHT AND GOVERNANCE

The Board is responsible for determining the overall risk strategy and risk governance, as well as 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 can be taken to achieve the Manager's business objectives. The Board, which is supported by the AC, comprises directors whose collective diverse experience and knowledge serve to give guidance and provide strategic insights to the Manager. The AC has direct access to the Sponsor's Risk Management ("RM") department, which it engages with quarterly as part of its 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 the business objectives and strategies for MCT, which is also integrated with operational processes for effectiveness and accountability.

The Manager's ERM framework is adapted from International Organisation for Standardisation (ISO) 31000 Risk Management. It is dynamic and evolves with the business, thus providing the Manager with a holistic and consistent process for the identification, assessment, monitoring and reporting of risks. The Sponsor's RM department works closely with the Manager to continually review and enhance the risk management system in accordance with market practices and regulatory requirements. A CSA framework further reinforces risk awareness by fostering accountability, control and risk ownership, as well as 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. 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.

The VaR methodology measures risks consistently across the portfolio. It enables the Manager to quantify the benefits that arise from diversification across the portfolio, and to assess risk by asset class and risk type. The Manager recognises the limitations of any statistically-based analysis that relies on historical data. Therefore, MCT's portfolio is subject to stress testing and scenario analyses 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, as well as 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

Market Risk

MCT's portfolio is subject to real estate market risks such as rental rate and occupancy volatilities and specific factors including competition, supply and demand, as well as regulations in Singapore. 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.

Investment Risk

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 also performed for each acquisition on all key project variables to test the robustness of the assumptions used. For significant acquisitions, independent risk assessments are conducted by the Sponsor's RM department and included in the investment proposal submitted to the Board for approval. The investment proposals are subject to rigorous scrutiny by the Board.

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

The Trustee also monitors the compliance of the Manager's executed investment transactions with the Listing Manual of the Singapore Exchange Securities Trading Limited, the Monetary Authority of Singapore's ("MAS") Property Funds Appendix and the provisions in the Trust Deed.

External Risk

Economic risk

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

Operational Risks

Operational risk

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.

Human resource risk

Loss of key management personnel and identified talents can cause disruptions to the Manager's business operations and hinder the achievement of its business objectives. The Manager has put in place succession planning, talent management, competitive compensation and benefits plans to reward and retain performing personnel.

Property damage & business disruption risks

In the event of unforeseen catastrophic events, the Manager has a Business Continuity Plan and crisis communication plan that enable it to resume operations with

RISK MANAGEMENT

minimal disruptions and loss. MCT's properties are insured in accordance with industry norms in Singapore.

Credit risk

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, tenants' credit worthiness is closely monitored by the Manager's asset management team and arrears are managed by the Manager's Credit Control Committee, who meets regularly to review debtor balances. To further mitigate credit risks, security deposits in the form of cash or banker's guarantees are collected from prospective tenants prior to the commencement of leases.

Financial Risks

Financial market risks and the capital adequacy of MCT are closely monitored and 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 loan maturity profile and credit spread volatility.

Interest rate risk

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

Liquidity risk

The Manager actively monitors MCT's cash flow position and funding requirements to ensure sufficient liquid reserves to fund operations, meet short-term obligations as well as achieve a well staggered debt maturity profile (see Financial Review & Capital Management section on pages 40 to 44 of this annual report).

The Manager also maintains sufficient financial flexibility and adequate debt headroom for MCT to partially finance future acquisitions. In addition, the Manager monitors and mitigates bank concentration risks by having a well-diversified funding base. The limit on MCT's aggregate leverage ratio is observed and monitored to ensure compliance with the MAS' Property Funds Appendix.

Compliance Risks

Regulatory risk

The Manager is committed to complying with the applicable laws and regulations in Singapore. Non-compliance may result in litigation, penalties, fines or revocation of business licenses. The Manager identifies applicable laws and regulatory obligations and ensures compliance with these laws and regulations in its day-to-day business processes.

Fraud risk

A comprehensive corporate governance framework has been established to maintain responsible and transparent business practices. The framework contains specific guidelines on anti-corruption practices – such as the prohibition of bribery, acceptance or offer of gifts and entertainment.

The Manager also has a whistleblowing policy that allows employees and stakeholders to raise any serious concerns, dangers, risks, malpractices or wrongdoings in the workplace while protecting them from reprisals.

Compliance with the policies and procedures is required at all times. This includes policies on ethics and code of conduct, safe work practices and professional conduct. If an employee is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment, the Manager reserves the rights to take appropriate disciplinary action, including termination of employment.

Information Technology Risks

Concerns over the threat posed by cybersecurity attacks have risen as such attacks become increasingly more prevalent and sophisticated. The Manager has in place comprehensive policies and procedures governing information availability, control and governance, as well as data security. An IT disaster recovery plan is in place and tested annually to ensure business recovery objectives are met. All employees are required to complete a mandatory online training on IT security awareness to ensure that they are aware of potential cybersecurity threats. On top of the constant monitoring of Internet gateways to detect potential security events, network vulnerability assessment and penetration testing are also 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 agreed tolerance levels. The Manager has also established required actions to be taken when risk thresholds are breached.

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

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board is pleased to publish MCT's fourth Sustainability Report.

At MCT, we are focused on integrating sustainable practices into our business operations and consider salient sustainability issues as part of the formulation of our strategies. Cognisant of the impacts our businesses have on the environment and community at large, we continuously strive to deliver value to our stakeholders while keeping these impacts to a minimum. The Board maintains overall responsibility on the Group's sustainability strategy and achievement of the Group's long-term performance. The Board is also involved in the review and selection of environmental, social and governance ("ESG") matters based on their significance to the business and its stakeholders.

MCT's sustainability approach is aligned with that of the Sponsor, MIPL, and is anchored by the shared belief that the longevity of our business hinges on the long-term well-being of the community, environment and the economy. Full disclosures of our management approach covering policies, practices and targets of all material sustainability matters have been detailed within this report.

FY19/20 was an eventful one as we took our first step towards green financing. In October 2019, we successfully secured our first S$670.0 million green loan facilities to part finance the acquisition of MBC II. Completed in 2016, MBC II has been designed with environmentally friendly features and has been certified BCA Green Mark Platinum, BCA Universal Design Mark Platinum Award and Leadership in Energy and Environmental Design ("LEED")®Gold.

In view of its green features, VivoCity received a Green Mark Platinum certification from BCA, improving from the Gold certification. With this, three out of five of MCT's properties have been certified Platinum by BCA, the highest accolade in recognition of a building's environmental impact and performance, while the remaining two properties are certified Green Mark Gold^{Plus}.

Some of our other key achievements in FY19/20 include achieving 50,000 kilowatt hours ("kWh") of energy savings from the upgrade of fan coil units ("FCUs") at VivoCity and providing venue sponsorship totalling S$186,027 across MCT's properties to support the community. We will share more details of our sustainability efforts and performance in this report.

As we close the year, it became certain that the COVID-19 outbreak has impacted the community, the economy and our business. In playing our part to safeguard the health and safety of all our stakeholders, we have rolled out wide ranging measures across our properties. Examples include increasing cleaning frequencies, temperature screenings, crowd management and safe distancing measures. Within the Group, we encourage the use of teleconferencing by employees and have implemented split work arrangements telecommuting where possible.

As we continue to refine our sustainability framework, we will include water as a new material sustainability matter. This means that we will be setting concrete goals and reporting performance data relating to water from FY20/21. We hope that our commitment can contribute meaningfully towards global betterment. The goal towards sustainable development is a shared one. As we continue on our journey, we urge stakeholders to join us as we look forward to scaling greater heights and sharing our sustainability progress in the years to come.

BOARD OF DIRECTORS

SUSTAINABILITY REPORT

ABOUT THE REPORT

REPORTING SCOPE

This report covers the sustainability performance of all the five properties within MCT's portfolio for FY19/20, unless otherwise stated. Data from prior years has been included for comparison, where available.

PROPERTIES
VIVOCITY
MBC I & II
PSA BUILDING
MAPLETREE ANSON
MLHF

This Sustainability Report should be read together with the financial, operational and governance information detailed in the Annual Report.

REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option. The GRI Standards was selected as it represents the global best practice for organisations to report on a wide range of sustainability topics. We have also applied additional guidance set forth by the GRI-G4 Construction and Real Estate Sector Disclosures which are relevant to our industry. In addition, the Sustainability Report meets the requirements of the SGX-ST Listing Rules (711A and 711B), as well as the Sustainability Reporting Guide set out in Practice Note 7.6. We have included supplementary details on our methodology on page 108.

While external assurance has not been sought, the Management and external independent consultants have reviewed the data within for accuracy as well as consistency to prior year's data. MCT may consider seeking assurance in subsequent years as reporting practices mature.

FEEDBACK

We value feedback from our stakeholders as it allows us to continually improve our sustainability approach, performance and disclosures. Please share your views, suggestions or feedback via email to Ms Teng Li Yeng, Director, Investor Relations at enquiries_mct@mapletree.com.sg.

OUR APPROACH TO SUSTAINABILITY

At MCT, we strive to create long-term value for our stakeholders by incorporating sustainability into our daily operations and activities. Aligned to the sustainability approach and activities of the Sponsor, it is imperative for us to understand and address our sustainability risks and opportunities. Thereafter, appropriate actions would be rolled out to various aspects of our activities, allowing us to improve day-to-day operations while minimising the impacts to the communities we operate in.

We remain committed to building good relationships with our stakeholders through:

- Maintaining high ethical standards
- Safeguarding the health and safety of our employees and stakeholders[1]
- Supporting projects that have a positive impact on local communities
- Minimising the environmental footprint of our business

SUSTAINABILITY GOVERNANCE

A strong governance structure enables effective implementation of MCT's sustainability approach across its business. Sustainability also underpins strategic decision-making across all levels and supports our long-term goals.

The Board of Directors oversees the formulation of MCT's sustainability strategy, through the identification of sustainability matters that are material to MCT's business and stakeholders to achieve positive sustainability performance.

Supporting the Board, the Sustainability Steering Committee ("SSC") leads the development of, and oversees progress on, policies and initiatives in line with MCT's sustainability strategy. The SSC is led by the Sponsor's Deputy Group Chief Executive Officer and the Group Chief Corporate Officer and Group General Counsel. It 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, represents MCT on the SSC.

The Sustainability Working Committee ("SWC") is made up of representatives across various business functions at MCT. They work closely with the SSC, primarily focused on the implementation, execution and monitoring of various sustainability policies and practices. They focus on communicating MCT's sustainability efforts to employees and other stakeholders as well as report upwards to the SWC.

[1] Stakeholders refer to third-party service providers ("TPSPs"), tenants and visitors.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

We believe the key to long-term growth and success hinges on our ability to understand stakeholders' concerns and identifying the sustainability topics that matter most to them. We maintain regular engagement with major stakeholders so as to respond to their needs in a timely manner. The table below summarises the ways in which we engage with our major stakeholders.

Key stakeholder groups	Engagement methods	Key concerns	Relevant material sustainability matters
Shoppers	• Customer feedback through customer service and surveys throughout the year • Online and mobile communications platforms, as well as social media • Advertisements, marketing and promotional events to engage shoppers throughout the year	• Safety and well-being of our shoppers • Range and quality of retail offerings and services for shoppers' convenience • Safe, pleasant and vibrant shopping environment • Connectivity and access to public transport	• Health and Safety • Local Communities
Tenants	• Ongoing proactive engagements with existing and new tenants through calls, regular meetings, gatherings as well as informal engagement programmes • Joint promotions and partnerships with tenants throughout the year • Tenant Handbook and circulars during the year	• Safety and well-being of tenants and their employees, as well as visitors to the properties • High quality and comfortable retail/office environment • Efficiency and safety of buildings • Competitive rental rates • Range of supporting amenities • Connectivity and access to public transport • Shopper traffic • Collaboration in marketing and promotional events	• Health and Safety • Local Communities
Investment Community (Investors, Unitholders, Analysts and Media)	• Annual and/or Extraordinary General Meetings • Website and SGXNet announcements, presentations and press releases • Annual reports, results briefings and webcasts • Ongoing one-on-one meetings and property tours where applicable • Local and overseas investor conferences and non-deal roadshows • Electronic communication and feedback channels as well as enquiries hotline	• Steady and sustainable distributions • Operational and financial performance • Business strategy and long-term outlook • Good corporate governance • Timely and transparent reporting	• Economic Performance • Compliance with Laws and Regulations
Employees	• Communication sessions by senior management at least once a year • Electronic communication through emails, intranet and newsletters • Ongoing robust compensation and benefits framework • Regular two-way dialogues with employees through informal feedback sessions and performance appraisals • Recreational and team building activities during the year • Staff communication and feedback sessions with Management • Ongoing training programmes and education sponsorships • Employee Engagement surveys every two to three years • Employee Handbook	• Equitable reward and recognition • Fair and competitive employment policies and practices • Safe and healthy working environment • Learning and development • Regular engagement	• Economic Performance • Employment and Talent Retention • Health and Safety
Trustee	• Monthly reporting and updates • Ongoing dialogues and regular feedback	• Safeguard the rights and interests of Unitholders • Ensure compliance with the Trust Deed and regulations • Open communication channels	• Compliance with Laws and Regulations
Business Partners (Government, Regulators, Industry Associations and TPSPs)	• Participation in industry associations such as the REIT Association of Singapore ("REITAS") during the year • Ongoing dialogues, feedback and networking events • Meetings, briefings, consultations and inspections throughout the year • Letters and electronic communication throughout the year	• Compliance with rules and regulations • Fair and reasonable business practices • Win-win partnerships	• Local Communities • Anti-corruption • Compliance with Laws and Regulations
Local Communities	• Collaborations with non-profit organisations to raise visibility and impact of philanthropic, social and environmental causes during the year • Channels for public feedback throughout the year including information counters, social media channels, customer service hotlines and electronic feedback forms	• Health and safety • Sustainable environmental practices • Positive impact on the local community	• Energy • Water • Local Communities

Sustainability matters material to MCT's business operations are reviewed on an annual basis to ensure their continued relevance and to manage their impact to our business. Drawing upon insights from emerging global trends and the industry, we have included a new material sustainability matter – water – for the coming financial year. In this report, we will discuss the material sustainability matters, detailing the respective policies, practices and performance.

As we uphold our commitment to the global agenda for sustainable development, we continue to align our sustainability targets and activities with the United Nations ("UN") Sustainable Development Goals ("SDGs"). We are cognisant of the impacts our businesses have on the communities we operate in and strive to also encourage stakeholders to join us in creating meaningful impact together.

SUSTAINABILITY REPORT

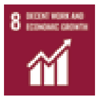
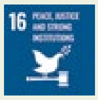
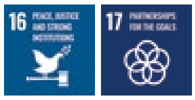
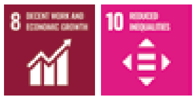
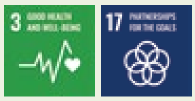
SUSTAINABILITY MATTERS, TARGETS AND PERFORMANCE

The table below summarises our material sustainability matters, targets and performance and how we contribute to the SDGs.

Our material sustainability matters		FY19/20 targets	Status
ECONOMIC PERFORMANCE	We strive to achieve stable and sustainable returns to our stakeholders.	• Strive to provide unitholders of MCT with relatively attractive rate of return on investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit	✓
ANTI-CORRUPTION	We strive to conduct our work with utmost integrity & accountability.	• Maintain zero incidences of non-compliance with anti-corruption laws and regulations	✓
COMPLIANCE WITH LAWS AND REGULATIONS	We strive to achieve full regulatory compliance in everything we do.	• Achieve no material incidences of non-compliance with relevant laws and regulations	✓
HEALTH AND SAFETY	We strive to maintain a safe environment for all our stakeholders, the community and care for the well-being of our employees.	• Achieve zero incidences resulting in employee permanent disability or fatality • Achieve 100% relevant trainings for eligible staff members	✓ ✓
EMPLOYMENT AND TALENT RETENTION	We strive to provide a positive work environment for our employees through fair employment practices & equal opportunities.	• Continue to commit to fair employment practices by ensuring that our hiring process remains stringent and to offer equal opportunity to all potential candidates	✓
LOCAL COMMUNITIES	We strive to support initiatives and projects that have a positive impact on communities.	• 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	✓ ✓
ENERGY	We strive to improve our energy performance and efficiency.	• Maintain landlord's energy intensity (of all MCT's properties) to within ±1% of FY18/19's baseline • Upgrade FCUs progressively at VivoCity with a target to achieve energy savings of 50,000 kWh in FY19/20 as compared to FY18/19 • At least maintain the respective BCA Green Mark certifications for all MCT properties	✓ ✓ ✓
WATER	We strive to manage our water usage in a sustainable manner.	N.A.	

Met ✓

Not met ⭘

FY20/21 targets[1]	Contribution to the SDGs
• Strive to provide unitholders of MCT with relatively attractive rate of return on investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit	
• Maintain zero incidences of non-compliance with anti-corruption laws and regulations	
• Achieve no material incidences of non-compliance with relevant laws and regulations	
• Achieve zero incidences resulting in employee permanent disability or fatality • Achieve 100% relevant trainings for eligible staff members	
• 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 diverse and relevant learning and professional development programmes	
• Encourage employee participation in Mapletree CSR events	
• Maintain or improve landlord's like-for-like energy intensity by up to 1% of FY19/20's baseline • Chiller upgrading at VivoCity with a target to achieve 1,157,000 kWh of energy savings (for the period January 2021 to March 2021) • Installation of solar panels at VivoCity and MLHF with a target to achieve additional energy savings of 306,000 kWh (as compared to FY19/20) • At least maintain the respective BCA Green Mark certifications for all MCT properties	
• Maintain landlord's like-for-like[2] water consumption to within $\pm$1% of FY19/20's baseline	

[1] The FY20/21 targets were established at the point of writing, and may be revised depending on the progression of the COVID-19 situation.

[2] Properties covered in the like-for-like reporting excluded newly acquired property within the year. Please refer to the methodology on page 108 for more details.

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

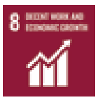
MCT's key objectives are to provide Unitholders with relatively attractive rate of return on their investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit.

To do so, we have a three-pronged strategy that is focused on value creation through active asset management and sustainable growth through suitable asset acquisitions, while keeping a disciplined approach on capital and risk management.

HIGHLIGHTS DURING THE YEAR

S$670.0 million
Green loan facilities to part finance the acquisition of MBC II

Contribution to SDG



In FY19/20, MCT reported revenue and NPI of S$482.2 million and S$377.9 million respectively. DPU totalled 8.00 Singapore cents for the year. For detailed information on MCT's financial performance, please refer to Financial Highlights (pages 4 to 5), Financial Review & Capital Management (pages 40 to 44) and Financial Statements (pages 116 to 180) of this Annual Report.

MCT's inaugural green loan

Sustainable finance generally refers to the process of integrating ESG criteria into financial services and business decision-making, leading to activities that drive long-term sustainable economic growth.

In October 2019, we secured our first S$670.0 million green loan facilities to part finance the acquisition of MBC II, a top-notch property designed with environmentally friendly features.

At the same time, we have established a Green Loan Framework guided by the Green Loan Principles (2018) published by the Loan Market Associations and the Asia Pacific Loan Market Association. This framework outlines the criteria and guidelines on the allocation and management of proceeds raised as green loans.

This move heralds MCT's first step in green financing. Over the years, we have continuously strived to enhance the environmental performance of our portfolio. This green loan attests to our efforts in taking conscious care of the environment and integrating sustainability into MCT's business.

ANTI-CORRUPTION

COMPLIANCE WITH LAWS AND REGULATIONS

We are committed to upholding the highest standards of corporate governance and transparency. This includes striving to maintain full compliance to local laws and regulations. We also adopt a zero-tolerance approach against all forms of bribery and corruption.

OUR POLICIES

Groupwide

- Whistleblowing Policy
- Code of Conduct
- Gifts Policy
- Confidentiality of Information
- Personal Data Policy
- Securities Trading Policy
- Contract Review Policy
- Enterprise Risk Management Framework
- Anti-Money Laundering Policy
- Anti-Corruption Policy
- Annual Employee Declaration
- Dealing in units of the sponsor's REITs

OUR TARGETS AND PERFORMANCE

FY19/20 targets	Status	FY20/21 targets
Maintain zero incidences of non-compliance with anti-corruption laws and regulations	✓	Maintain zero incidences of non-compliance with anti-corruption laws and regulations
Achieve no material incidences of non-compliance with relevant laws and regulations	✓	Achieve no material incidences of non-compliance with relevant laws and regulations

HIGHLIGHTS DURING THE YEAR

0
material incidences of non-compliance with anti-corruption laws and regulations

0
material incidences of non-compliance with relevant laws and regulations

5th
year as a REITAS member where we engage actively with policy makers and participate in talks, courses and education events to promote understanding in Singapore REITs

Contribution to SDG

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

ANTI-CORRUPTION

The Mapletree Group adopts a zero-tolerance approach against all forms of bribery and corruption and has instituted measures to guard against any unethical behaviour. Such measures include a strong corporate governance framework which emphasises transparency and accountability, and groupwide policies on anti-corruption practices which detail the prohibition of lavish gift giving and acceptance. All MCT employees are required to adhere to the Group's policies and procedures at all times. To reinforce a culture of good business ethics and governance, we have a Whistleblowing Policy to encourage the reporting of any actual or suspected dangers, risk, misconduct, or unlawful activities. Queries or reports can be made to reporting@mapletree.com.sg.

COMPLIANCE WITH LAWS AND REGULATIONS

We are firmly committed to ensuring that all our activities and operations fully comply with the relevant local laws and regulations. While this maintains our licences to operate, it also enables effective management of risks associated with our activities. MCT has identified applicable laws and regulatory obligations which include, but are not limited to, listing rules stipulated by SGX-ST, Code on Collective Investment Schemes (in particular Appendix 6 – Investment: Property Funds) by the MAS and the Securities and Futures Act of Singapore

Our directors and employees are provided training whenever there are new or updated regulatory requirements. Annually, our employees also actively participate in courses and seminars on regulatory and compliance requirements organised by REITAS. Some of these courses include Rules & Ethics and REIT Management.

Within the Mapletree Group, our Employee Handbook includes policies surrounding professional conduct, ethics, and safe work practices. It is mandatory for all employees to comply with SGX's listing rules prohibiting insider trading. In particular, they should not deal with any listed units of Mapletree REITs during the trading ban period and when in possession of price-sensitive information. To ensure this, employees receive a notification via email before the start of any trading ban. Failure to comply could result in disciplinary action being taken, including termination of employment, should the employee be found guilty of fraud, criminal

SUSTAINABILITY REPORT

conduct or dishonesty in relation to his/her employment.

We also have monitoring procedures which track the effectiveness of our risk management processes and mitigate compliance risks. Cases of threatened or pending litigation are carefully monitored and promptly reported to the CEO of the Manager, the Group Chief Corporate Officer, and the Group General Counsel to ensure their timely resolution.

Responsible marketing and advertising practices are key at MCT. We strive to comply strictly with the Singapore Code of Advertising Practice. For instance, marketing collaterals are reviewed to ensure that they remain within regulated boundaries. All personal data is handled in accordance to the requirements of the Personal Data Protection Act. Additionally, we ensure that application and renewal of licenses for the use of music in building premises and the setting up of temporary structures within malls are carried out in a timely manner.

In FY19/20, we are pleased to announce that there were no material incidences of non-compliance relating to laws and regulations, including environmental, socioeconomic compliance as well as marketing communications – a performance we aim to upkeep.

HEALTH AND SAFETY

Safeguarding the health and safety of our employees and all stakeholders at our properties remains our highest priority because every life matters. At MCT, lapses that could lead to injuries or loss of lives are simply unacceptable. Very importantly as well, maintaining a healthy and safe working environment leads to greater morale, efficiency and increases stakeholder confidence in the quality that Mapletree is known for.

OUR POLICIES

Groupwide

- Safety & Health Policy

OUR TARGETS AND PERFORMANCE

FY19/20 targets	Status	FY20/21 targets
Achieve zero incidences resulting in employee permanent disability or fatality	✓	Achieve zero incidences resulting in employee permanent disability or fatality
Achieve 100% relevant trainings for eligible staff members	✓	Achieve 100% relevant trainings for eligible staff members

HIGHLIGHTS DURING THE YEAR

902 employees, TPSPs and visitors participated in the two fire drills held at VivoCity

2 safety drills held

114 employees who received safety training

Contribution to SDG

3 GOOD HEALTH AND WELL-BEING

CREATING A SAFETY-FIRST CULTURE AT MCT

MCT strives to provide a safe and healthy environment for employees and stakeholders, which include TPSPs, tenants and visitors. Our Management has instituted several measures that range from policies, risk assessments, safety trainings, installation of safety equipment to conducting regular safety inspections. Whether our stakeholders spend long hours within our premises or are simply passing through, these initiatives allow us to be a responsible provider of safe and vibrant spaces. For instance, all employees have to adhere to our Health and Safety Policy detailed within the Employee Handbook upon induction. As they go about their daily work and activities, they have to comply with safe work practices listed within, and consider the impact their actions have onto colleagues and other stakeholders.

Likewise, we expect the same from our TPSPs and tenants. Health and safety requirements are detailed within our selection framework which contractors and TPSPs have to acknowledge prior to engagement.

Tenants are provided with instruction manuals that contain information on health and safety standards. For example, the Fit-out Manual includes clauses on safety rules relating to additions and alternation works. We also provide tenants with a Tenant Handbook that details safety rules and some "Dos and Don'ts" for them to conduct their business in a safe manner.

An incident reporting system has also been established that allows for prompt reporting, timely investigation and prudent incident management in the event of any incidents at any of our properties.

Regular health and safety trainings are conducted for all employees, equipping them with necessary knowledge and skills to carry out their duties safety. These trainings also keep them updated with changes in regulatory requirements and leading safety practices. Safety-related training programmes conducted in the year included Company Emergency Response Team ("CERT") First Aid, Fire Safety, Managing Bomb Threats, Managing Work at Heights and Building Maintenance Management.

PROMOTION OF EMPLOYEE WELL-BEING

Aside from ensuring the safety of employees, strong emphasis is also placed on their health and general well-being. We engage them through a range of voluntary health and well-being programmes including the annual free on-site health screening exercise for employees and programmes under Wellness@Mapletree to promote healthy and active lifestyles. Employment benefits such as insurance and medical benefits are also regularly reviewed and updated. Some of the anchor initiatives are detailed in the table below.

Wellness initiatives	Objectives	Description	Frequency
Mapletree Recreation Club	To promote a positive and engaging work environment for employees	The Recreation Club regularly organises activities that promote staff interaction and family cohesiveness. These included Durian Fest and movie screenings.	Ongoing throughout the year
Wellness@ Mapletree	To promote employee well-being through informative health guides, talks and activities	Programmes under Wellness@Mapletree includes mass walks, lunchtime workouts, monthly team challenges as well as nutrition and health-related workshops.	Ongoing throughout the year
Workplace Health Promotion Programmes	To advocate a healthy lifestyle among all employees and tenants	This involves conducting health screening, lunch talks on health topics and lifestyle and fitness programmes. Tenants at Mapletree Business City were encouraged to actively participate in the myriad of events.	Ongoing throughout the year

SUSTAINABILITY REPORT

HAZARD IDENTIFICATION AND RISK ASSESSMENT

We are committed to ensuring that employees and stakeholders are safe within our premises and protected from health and safety risks. Throughout the year, regular safety inspections are conducted by the Property Manager to ensure no potential safety and health hazards. Should there be any findings, the property management team will promptly work to rectify the hazard which may include maintenance, removal of the hazard or replacement of certain materials. Our TPSPs are involved in regular meetings to discuss and monitor their health and safety performance. Fire safety audits are also conducted annually to ensure that operations are in line with the Fire Safety Act and its regulations, and to ensure that robust hazard identification procedures are in place. Some of our in-house property managers are certified fire safety managers. Submissions are made to the Singapore Civil Defence Force ("SCDF") annually to renew and maintain the fire safety certifications for all our properties.

EMERGENCY PREPAREDNESS AND RESPONSE

At MCT, we have established a planned response to emergency situations and regularly communicate information to all relevant stakeholders. Aside from arranging safety trainings for all employees, we also bear a social responsibility on the engagement with our local community and to raise public awareness on safety matters. Throughout the year, we held a myriad of events where employees, tenants, contractors and visitors have participated in. Some of these events are detailed below.

HEALTH AND SAFETY PERFORMANCE

In FY19/20, there were zero reported incidents that resulted in employee permanent disability or fatality among the Manager's employees. However, there was an employee who sustained injuries while on duty. This resulted in a recordable work-related injury rate of 2.5, a 7% decrease from 2.7 in the prior year. Following this incident, the Property Manager has taken prompt actions to minimise the risk of similar incidents in the future.

We are also pleased to report that there were no incidences of significant non-compliance with relevant health and safety regulatory requirements during the year. All eligible staff members have also completed 100% of relevant trainings assigned to them. We aim to upkeep this track record and continue to inculcate a safety-first mindset among our stakeholders.

Keeping Singapore Safe and Secure

VIVOCITY MALL-WIDE EMERGENCY EVACUATION EXERCISE

Our biannual fire drill exercise conducted at VivoCity has seen an average of over 450 participants comprising employees, tenants, contractors and visitors with each run. Through this exercise, we aim to increase the level of preparedness and enhance our stakeholders' familiarity towards evacuation procedures in the event of a fire or emergency.

The event is helmed by CERT who are first-aid certified and equipped with fire-fighting abilities, and is observed by the Singapore Police Force and SCDF. Results and feedback from the exercises are reviewed to enhance our response plans and safety protocols.

SG SECURE AND SHOP THEFT AWARENESS TRAINING

In April 2019, we collaborated with police officers from the Bukit Merah Neighbourhood Police Centre to conduct a training for employees, tenants as well as their staff on anti-shop theft measures. During this session, experienced officers shared real-life situations and best practices. There was also an insightful Q&A session.

CRIME PREVENTION OUTREACH PROGRAM FOR NATIONAL POLICE CADET CORPS ("NPCC") CADETS AT VIVOCITY

This is a regular outreach programme initiated by the Singapore Police Force during the school holidays for NPCC Cadets in creating and promoting crime awareness. Conducted across four weeks in November and December 2019 at VivoCity, participating NPCC Cadets distributed tissue packets with crime prevention taglines to shoppers at VivoCity. By engaging with VivoCity's patrons, this encourages NPCC cadets to develop their social awareness skills.

Educate, Remind and Regulate – VivoCity's response to the COVID-19 outbreak

At the time of this publication, the world is still facing the global COVID-19 pandemic. It is a priority and our duty to safeguard the health and safety of our employees and all stakeholders at our properties and to treat the outbreak with utmost vigilance. We work closely with the authorities and public health agencies in managing our approach towards the outbreak and in taking the necessary precautionary measures to minimise community transmission.

As the largest shopping mall in Singapore, VivoCity receives over 150,000 visitors each day. Since the outbreak, VivoCity has adopted a three-pronged approach to "educate, remind and regulate" shoppers on the importance of safe distancing. Some of the measures include:

Educating Shoppers on Safe Distancing
Informational posters and notices on the importance of safe distancing were displayed across VivoCity. 11 Golden Village employees were also redeployed as Safe Distancing Ambassadors to intensify efforts on the ground. They patrolled the mall daily to advise shoppers on safe social distancing and to disperse groups with more than ten people.

Reminding Shoppers on Best Practices
Use of notices, posters, digital panels and regular safety announcements over the public announcement system to inform and remind shoppers on best practices to combat the spread of COVID-19.

Such visual reminders are placed throughout the mall, such as storefronts, customer service desk, ATM, lift lobbies and on common seating areas.

Regulating Traffic Flow and Crowd
VivoCity was one of the first few shopping malls to deploy a thermal scanner for efficient temperature screening of large volumes of shoppers. Traffic trends and analysis on crowd density have further enabled better crowd management and regulation on weekdays and weekends.

With the government's implementation of "circuit breaker" measures nationwide from 7 April 2020 to stop the further spread of COVID-19, VivoCity has temporarily closed all non-essential retail stores and services in accordance to regulations.

SUSTAINABILITY REPORT

EMPLOYMENT AND TALENT RETENTION

Consistent growth and long-term success hinge upon a skilled and motivated workforce. Human capital is therefore our most valuable asset and we are committed to fostering an inclusive environment which values diversity, recognises and rewards talent.

To that end, we have in place a robust set of human resource policies and incentives to attract, develop and retain the best within MCT.

OUR POLICIES

Groupwide

- Compensation, Benefits & Leave Policy
- Learning & Development Policy
- Performance Management Policy
- Resourcing & Employment Policy
- Safety & Health Policy
- Talent Management Policy
- Overseas Business Travel & International Assignment Policy

OUR TARGETS AND PERFORMANCE

FY19/20 targets	Status	FY20/21 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	✓	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 diverse and relevant learning and professional development programmes

HIGHLIGHTS DURING THE YEAR

184
full-time, permanent employees in FY19/20

199[1]
employees who attended training courses

Contribution to SDGs

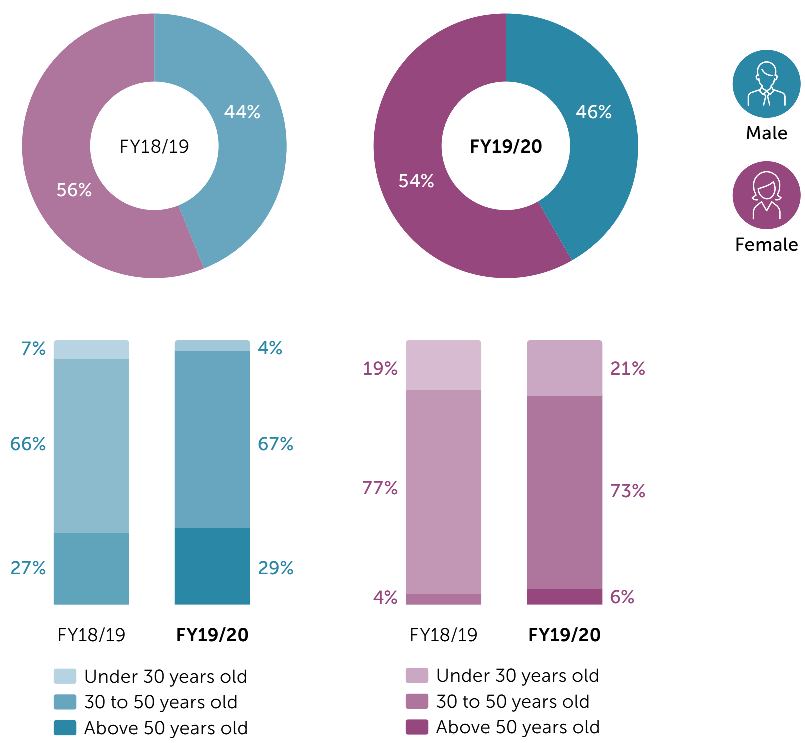
[1] Includes employees who have left MCT as at end of FY19/20.

MCT is guided by the Sponsor's strategy, policies and initiatives on human capital management. This holistic approach allows the Group to work towards a common goal of recruiting suitable employees, developing their skillset, providing equal benefits and opportunities as well as ensuring compliance with labour laws in Singapore. Upon induction, the Employee Handbook will be made available to every employee where information on hiring, equal opportunity, learning and development and remuneration are detailed.

PROFILE OF OUR WORKFORCE

Our people matter to us, and we recognise that our employees' diverse backgrounds, talents and skillsets provide us with that competitive edge within this fast-moving industry. In FY19/20, there were 184 employees at the Manager and Property Manager who were all based in Singapore.

Distribution by Gender and Age Group



Across both genders, 13% of MCT's employees were under 30 years of age (FY18/19: 15%), 70% were between 30 to 50 years of age (FY18/19: 72%), and 17% were above 50 years of age (FY18/19: 13%). The distribution charts on the previous page show the breakdown of age groups by gender.

Female and male employees composed 54% and 46% of the entire staff population respectively (FY18/19: 56% and 44% respectively). Across both years, the average turnover rate for the year remained at 1.0% which is similar to the average new hire rate.

TALENT DEVELOPMENT AND MANAGEMENT

At MCT, we firmly believe in the value of continuous learning. Leveraging on the Group's learning and development programmes, we promote a culture of learning and self-improvement by offering a wide range of training programmes suitable across all levels. Functional and technical trainings offered during the year spanned across nine broad areas including building and safety, communication, finance, leadership, information and technology, personal effectiveness, real estate, leasing and marketing, and orientation.

EMPLOYEE ENGAGEMENT

We strive to ensure that every employee's voice is heard and has access to various platforms to share their valuable feedback and raise concerns confidentially. We conduct employee engagement surveys which aim to obtain feedback from employees on how improvements can be made at the workplace.

In the townhall held on 3 June 2019, the Group's senior management engaged with employees by sharing with them achievements and goals of the Group.

From these various platforms, the Group Human Resource ("HR") have collated and prioritised these findings. Subsequently, MCT's management and representatives have worked alongside Group HR and made suitable adjustments to ensure that the needs of our employees are met where possible.

Additionally, we also gather feedback and comments from employees through exit interviews. These allows us to identify areas of improvement and continually enhance the overall working experience of the Group.

EMPLOYEE WELL-BEING

A healthy and motivated workforce is the core of every business. Likewise for MCT, the well-being of our employees is key to our long-term growth and success. We strive to create a culture of inclusiveness and improved job satisfaction among employees. Since FY19/20, a mobile application was launched with the Group to build a virtual community for like-minded employees to participate in wellness activities and to be updated on the latest in health and lifestyle.

Aside from the numerous health and well-being events organised throughout the year, the Group has also engaged with our employees at the Chinese New Year celebration.

Within the Mapletree family, we continue to recognise the academic excellence and achievements of our employees' children through the Mapletree Education Award ("EduAward"). In FY19/20, the Sponsor presented a total of 123 EduAwards worth S$28,850 to the children of Mapletree employees, including employees of the Manager and the Property Manager.

1 Traditional games, "five stones", at the Learning Fiesta.
2 Employees browsing through books at the Learning Fiesta.
3 Participating staff showcasing their artworks at the Happiness Campaign.

SUSTAINABILITY REPORT

LOCAL COMMUNITIES

At MCT, we are committed to making meaningful contributions by supporting programmes which address key issues of our local communities. Cognisant that our long-term success hinges on well-bring of our communities, we endeavour to play a useful role in the empowerment of our stakeholders. Aligned with the Group's approach, we pledge to build positive relationships with the local community and work together towards an ecosystem that is more inclusive, responsible and sustainable.

OUR POLICIES

Groupwide
• Mapletree Shaping & Sharing (Corporate Social Responsibility Framework)

OUR TARGETS AND PERFORMANCE

FY19/20 targets	Status	FY20/21 targets
Provide venue sponsorship of at least S$150,000 across MCT's properties to support the community and institutes of learning	✓	Encourage employee participation in Mapletree CSR events
Organise two CSR events with staff participation per year	✓	

HIGHLIGHTS DURING THE YEAR

S$186,027
venue sponsorships provided in FY19/20

46
employee volunteers at Hair for Hope and WondeRead Programme with NLB

2
CSR events across MCT properties

100%
of MCT's operations (across five properties) with local community involvement through CSR activities

Contribution to SDGs

Improving quality of life for beneficiaries of Children's Cancer Foundation ("CCF")

Since 2010, VivoCity has been supporting the CCF and their anchor initiative, Hair for Hope charity event. This has evolved into an iconic annual event at VivoCity, attracting large crowds every year.

This year, the event was successfully held on 28-29 July 2019. Over 2,800 participants shaved their heads on-site to support the cause. We also had 22 employees helping the event, clocking altogether 104 volunteer hours.

VivoCity also provided space for CCF's Donation Roadshows in August 2019 and January 2020. Through showcasing of programmes and services, the roadshows aim to raise public awareness of CCF's efforts. Display panels and on-site sharing of experiences by employees and volunteers gave insights on what they do at CCF. Members of the public were also encouraged to participate in CCF's regular-giving donation programme at the roadshows.

"CCF would like to express our heartfelt gratitude to VivoCity for their longstanding support as the Venue Sponsor for our annual signature outreach event, Hair for Hope. We have been running this highly anticipated event smoothly at the mall since 2010 and it has significantly raised public awareness on childhood cancer, and the work we do to help support children with cancer and their families."

– Peng Hai Ying, Executive Director, Children's Cancer Foundation

CORPORATE SOCIAL RESPONSIBILITY

Our CSR approach is guided by a groupwide framework, the Mapletree Shaping & Sharing Programme, which aims to achieve greater impact through four pillars – education, the arts, healthcare and the environment. The objectives of the framework are as follow:

- Empowering individuals through various educational and healthcare initiatives
- Enriching communities with the arts and functional design
- Building environmentally sustainable real estate developments

Our CSR commitment is also closely aligned to the Group's business performance. For every S$500 million of profit after tax and minority interests ("PATMI"), or part thereof, S$1 million is allocated by the Sponsor annually to fund CSR projects programmes. A dedicated five-member CSR Board Committee provides strategic oversight of the Group's CSR efforts. The CSR Board Committee comprises Mapletree's Chairman, two Board representatives from the REITs (rotated on a two-year basis) and senior management. Selection of programmes starts at the Mall Marketing Communications Team where they receive proposals on community involvement initiatives from non-profit organisations, educational institutions and various agencies. They evaluate initiatives against the guidelines of the Mapletree CSR framework. Thereafter, the team makes recommendations to the CSR Board Committee for their final decision. Priority will be given to activities with specific social outcomes, long-term engagement as well as opportunities for self-volunteerism.

In FY19/20 MCT provided a total of S$186,027 in venue sponsorships. Some of the venue-sponsored events held at our properties are shown below.

ARTS

- **Boys' Town 70th Anniversary Photo Exhibition:** Provided a venue at VivoCity to the Boys' Town Fostering Services to host a photo exhibition of the boys' early years to raise awareness on the increasing need for foster families.
- **School of the Arts ("SOTA") Visual Arts Primary 6 Arts Competition Exhibition:** VivoCity hosted the exhibition organised by MIPL, featuring works of art from SOTA's annual nation wide drawing and painting competition.
- **Arts in the City and Arts in the Neighbourhood:** Held in partnership with the National Arts Council. This provides local performing groups a platform and brings arts closer to the working community. MBC has been a venue sponsor since FY14/15.
- **Mapletree-Nanyang Technological University Centre for Contemporary Art Singapore Public Art Education Programme:** Features a series of public art installations, as well as develop and establish art education programmes at MBC (since FY17/18). An Art Book Launch was hosted at MBC II's Green Bowl as part of this programme in January 2020.
- **The TENG Ensemble:** Sponsored VivoCity's Level 3 Amphitheatre for its "Once Upon a Full Moon" performance to celebrate Mid-Autumn Festival. The event attracted over 900 attendees. Since FY15/16, The TENG Ensemble has been performing regularly at VivoCity to mark key festivals.
- **Celebration of Drums Performance:** Since FY13/14, VivoCity has been a venue sponsor of the Community Drumming Network's annual key event where various professional groups performed live to nearly 1,000 audience. This event also provides budding drumming enthusiasts a platform to perform and showcase their skills.
- **Singapore Biennale 2019 - Converse Chucks Design Competition:** As part of Singapore Biennale 2019's public outreach and access, VivoCity sponsored Level 1 West Boulevard for the "Every Step in the Right Direction" shoe display event.

ENVIRONMENT

- **35th Singapore Bird Race:** Provided a venue for MIPL to host the event in partnership with the Nature Society (Singapore). This shows our support to the environment and promotes the appreciation of birds and biodiversity to the public. Participants started off at the MBC Plaza which is in close proximity to various parks in the Alexandra Precinct.
- **'Singapore Birds on the Brink' Photo Exhibition:** Sponsored a venue at VivoCity to MIPL, Nature Society (Singapore) and BirdLife International where a specially-curated photo exhibition was held to raise awareness on threatened birdlife.
- **Singapore Institute of Technology Scooter Event:** As part of Mapletree's support for education, the partnership with SIT brought about a competition for students to design innovative products and services with a focus on sustainability. One of the teams, "Scooter Power", designed a pedal-powered scooter where it went for a test run at MBC, and collated recommendations from the public for further improvements. This project is also aligned to the CSR pillar of environment where the human-powered scooter could represent the future of environment-friendly and sustainable personal mobility devices.

HEALTHCARE

- **Health Promotion Board's Healthy Workplace Ecosystem:** Sponsored venue at MBC I for various mass exercise programmes conducted for the office crowds. This aims to enhance vibrancy and the environment for tenants and their employees.

SUSTAINABILITY REPORT

CUSTOMER AND TENANT ENGAGEMENT

We strive to foster strong tenant relations through regular engagement and interactions. Networking sessions are organised regularly to provide a platform for tenants to share feedback and raise any concerns that they may have. We value each and every feedback as it allows us to provide specific solutions to their needs. Some of these include the involvement of tenants at various events, roll out of promotions to increase footfall as well as to help them with marketing needs.

For new employees of our tenants, a Service Excellence Workshop is conducted monthly to train them on VivoCity's Service Culture. The workshop covers aspects on techniques to build customer loyalty, managing customer feedback as well as the "Dos and Don'ts" of service delivery.

Across our properties, we gather feedback from our shoppers to ensure their concerns and interests are addressed. Dedicated public feedback channels are available for shoppers to share their feedback and concerns on their shopping experience at our properties. These channels include electronic feedback forms, customer service hotlines, social media channels as well as information counters located in our shopping malls.

ENERGY

The Mapletree Group aligns itself to Singapore's commitment on climate change action. At MCT, we are guided by the Sponsor and we strive to integrate environmentally friendly initiatives throughout our operations. This improves our environmental performance and translates into a lower carbon footprint. This can also result in significant cost savings, thereby creating more value for our stakeholders.

OUR TARGETS AND PERFORMANCE

FY19/20 targets	Status	FY20/21 targets
Maintain landlord's energy intensity (of all MCT's properties) to within ±1% of FY18/19's baseline	✓	Maintain or improve landlord's like-for-like energy intensity by up to 1% of FY19/20's baseline
Upgrade FCUs progressively at VivoCity with a target to achieve energy savings of 50,000 kWh in FY19/20 as compared to FY18/19	✓	• Chiller upgrading at VivoCity with a target to achieve 1,157,000 kWh of energy savings (for the period January 2021 to March 2021) • Installation of solar panels at VivoCity and MLHF with a target to achieve additional energy savings of 306,000 kWh (as compared to FY19/20)
At least maintain the respective BCA Green Mark certifications for all MCT properties	✓	At least maintain the respective BCA Green Mark certifications for all MCT properties

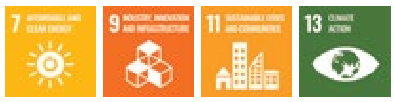
HIGHLIGHTS DURING THE YEAR

ALL
properties have achieved BCA Green Mark Certification

BCA GREEN MARK PLATINUM
for VivoCity, a marked improvement from the Gold Certification

50,000 kWh
energy savings achieved in FY19/20 from the upgrade of FCUs at VivoCity

Contribution to SDGs



ENERGY USE

Across our properties, purchased electricity remains our major source of energy consumption which powers the lighting, air-conditioning and various equipment. As such, we are firmly committed to pursuing new initiatives and reviewing existing ones that focus on improving energy efficiency and conservation. Where applicable, we have also considered the feasibility of incorporating renewable energy into our energy mix.

The property management team tracks and monitors energy and water usage at each property, oversees the day-to-day operations and ensures that consumption levels remain within a reasonable range. The Energy Monitoring System ("EMS"), which gathers data from power meters installed at high consumption equipment such as chillers, is deployed to enable more accurate tracking of consumption. Monthly data from the EMS are retrieved for comparison and analysis. Energy consumption data, as well as other building-related information, would then be submitted to the BCA annually through the Building Energy Submission System.

Each year, cross audits are conducted and relevant findings from these audits are consolidated and shared across properties for them to adopt leading practices.

Over the past few years, we have rolled out initiatives focused at reducing energy consumption across MCT's properties. At VivoCity, we have commissioned the upgrading of FCUs on a progressive basis to improve energy efficiency. We are pleased to have achieved our target of 50,000 kWh energy savings from this enhancement. Following which, we will embark on the upgrading of chillers at VivoCity with a target to achieve 1,157,000 kWh of energy savings for the period January 2021 to March 2021.

The progressive installation of photovoltaic ("PV") panels at VivoCity and MLHF have been effective in reducing energy imported from the grid. With this success, we will continue to install additional PV panels at these two properties with a target to achieve a further 306,000 kWh of energy savings (as compared to FY19/20).

Aside from these initiatives, we have also upgraded air-conditioning systems, improved monitoring and control systems. With new technologies being developed and released into the market each day, we will continue to explore new ways to incorporate them within our operations where practical.

ENGAGEMENT WITH STAKEHOLDERS

The Property Manager also encourages tenants and their employees to join them in raising environmental awareness. Throughout the year, energy-saving initiatives introduced to them includes:

- Encouraging tenants to opt for energy-efficient light fittings and adopt recommended practices set out in the Green Building Guide
- Encouraging tenants to adopt energy-saving habits such as switching off appliances and systems when not in use
- Participating in Earth Hour where lighting within leased spaces were switched off for an hour on 28 March 2020
- Topics on environmental awareness covered during Service Excellence Workshop

PERFORMANCE DATA

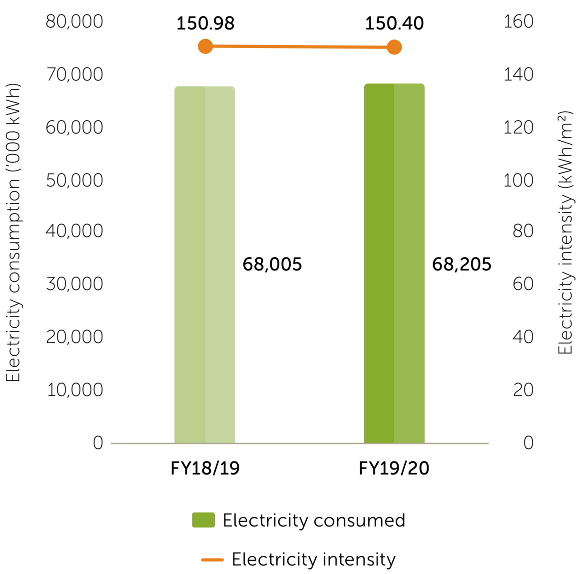
Purchased electricity for our business operations remains the primary source of energy consumption.

In FY19/20, the total energy consumption and Scope 2 GHG emissions of all our properties (including MBC II) were 73,018,168 kWh and 30,580 tonnes of carbon dioxide equivalent ("tCO_2e") respectively.

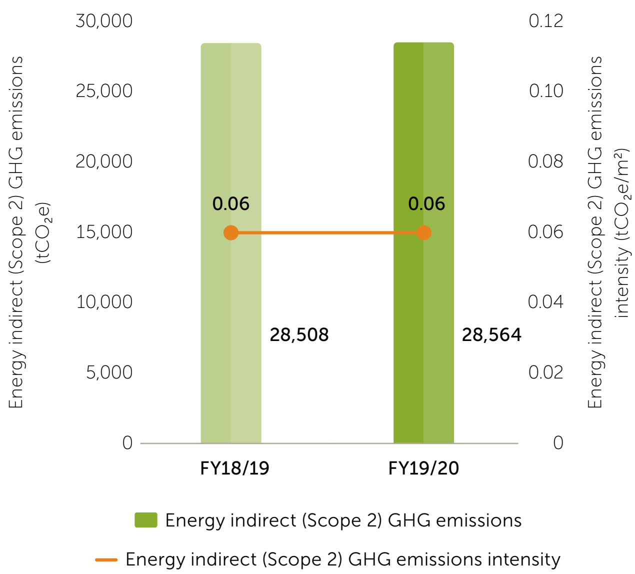
On a like-for-like basis (excluding MBC II), the energy consumption and energy intensity were 68,205,016 kWh and 150.4 kWh/m² respectively. This translated to 28,564 tCO_2e of Scope 2 GHG emissions with a corresponding emissions intensity of 0.06 tCO_2e/m^2.

Please refer to the charts below for more details.

Like-for-like energy consumption and intensity



Like-for-like Scope 2 GHG emissions and intensity



SUSTAINABILITY REPORT

WATER

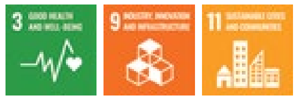
Due to the increasing demand for water and limited water resources, water scarcity is a prevalent challenge for Singapore. We understand that water supply is essential for us to operate and thus have included it as a new material sustainability matter for the coming financial year. At MCT, we are committed to responsible use and management of water through close monitoring and the implementation of water-efficient technologies.

OUR TARGETS

FY20/21 targets

Maintain landlord's like-for-like water consumption to within ±1% of FY19/20's baseline

Contribution to SDGs



INTERACTIONS WITH WATER

Water across our properties is provided by the Public Utilities Board ("PUB"), whose water supply comprises the 'Four National Taps' – water from local catchment, imported water, highly-purified reclaimed water known as NEWater and desalinated water.

Water is essential to our business operations – primarily for use in common areas, such as restrooms and pantries, and in cooling towers, irrigation systems and some of our water features. These are areas where we will continue to make improvements where possible to minimise our water-related impacts.

From a value chain perspective, we also work closely with our tenants to steward water as a shared resource, and regularly engage them through our water-saving initiatives. For instance, promoting water conservation at the restrooms and pantries and when carrying out fitting-out, and additions and alterations works. Tenants are also encouraged to use Water Efficiency Labelling Scheme ("WELS") fittings in their premises.

In FY19/20, we have also sent our facility managers to attend PUB's Water Efficiency Manager Course. Through the three-day course, they are equipped with knowledge and skills on various water efficiency measures and to conduct water audits. From here, our facility managers will work to identify potential areas to reduce water consumption.

REDUCING WATER WITHDRAWAL AND IMPROVING WATER EFFICIENCY

While we understand that water consumption may not have significant room for reduction, we have adopted various initiatives to optimise its consumption and improve efficiency. Across all properties, the property management team maintains close monitoring on water usage and the implementation of water-saving initiatives.

Water-saving measures are also established during the design, development and operation processes, including:

- Use of NEWater for cooling towers and other means where possible and practicable
- Proper water treatment for cooling towers
- Maintaining cooling towers' Cycle of Concentration ("COC") to ≥ 7 to minimise make-up water consumption
- Collection of condensates from air handling units ("AHUs") and rainwater
- Maintaining all building system operations' schedules and settings
- Ensuring that building systems' maintenance are carried out effectively to maintain equipment efficiency
- Daily tracking of water meter readings to detect leakages
- Use of PUB's WELS sanitary fittings and accessories for toilets

GREENING OUR ASSETS

At MCT, we invest in greening existing properties and green buildings. Over the years, MCT has integrated sustainability into architectural design, building details, construction as well as maintenance activities to reduce our carbon footprint and contribute to the development of sustainable cities.

We continue to support the BCA Green Building Masterplan to shape a safe, high quality, sustainable and friendly built environment. Today, all of MCT's properties have achieved at least the BCA Green Mark Gold^{Plus} Award. During the year, VivoCity received a Green Mark Platinum certification from BCA, a marked improvement from the Gold certification. With this, three out of five of MCT's properties have been certified Platinum by BCA, the highest accolade in recognition of a building's environmental impact and performance, while the remaining two properties are certified Green Mark Gold^{Plus}. In addition, MBC II was also awarded a LEED certification which further demonstrates our best-in-class building strategies and practices.

To ensure that our properties continually meet the Green Building requirements, engineering forums are held monthly to discuss ongoing applications or renewals of these certifications. We remain committed to our goal in ensuring that all MCT's properties maintain their respective BCA Green Mark certifications.

Property	Awards and Accolades
VivoCity	BCA Green Mark Platinum
MBC I	BCA Green Mark Platinum
MBC II	BCA Green Mark Platinum BCA Universal Design Mark Platinum Award LEED®Gold
PSA Building	BCA Green Mark Gold^{PLUS}
Mapletree Anson	BCA Green Mark Platinum
MLHF	BCA Green Mark Gold^{PLUS}

SUSTAINABILITY REPORT

SUPPLEMENTARY INFORMATION

METHODOLOGY

This section explains the boundaries, methodologies and assumptions used in the computation of MCT's sustainability data and information.

EMPLOYEES DATA

"Employees" refer to all employees of the Manager and the Property Manager. They include permanent and temporary contract staff for FY18/19 and FY19/20. The employee data does not include TPSPs engaged to perform certain property management services.

MCT does not have a significant portion of its activities carried out by workers who are not employees.

OCCUPATIONAL HEALTH AND SAFETY

Work-related injuries are defined as a negative impact on an employee's health arising from exposure to hazards at work. Injuries as a result of commuting incidents are only included if the transport has been organised by MCT. The rate of work-related injuries is computed based on 1,000,000 man-hours worked.

ENVIRONMENTAL DATA

Actual data relates to the five properties under MCT's portfolio – (i) VivoCity, (ii) MBC, (iii) PSA Building, (iv) Mapletree Anson, and (v) MLHF, whereas like-for-like data excludes MBC II.

ENERGY CONSUMPTION AND INTENSITY

Only purchased electricity has been included in this report. Diesel is only used for gensets during schedule shutdowns and maintenance. The usage is very minimal and has been excluded from the reporting scope. Energy consumption includes all tenants' energy consumption for air-conditioning within the leased premises, less the renewable energy generated at the properties.

Like-for-like energy consumption and intensity includes only properties with full-year data for FY18/19 and FY19/20, and excludes MBC II where full-year data is unavailable.

Energy intensity is derived by taking electricity consumption divided by the GFA, including common and tenants' areas, less unoccupied NLA.

GHG EMISSIONS AND INTENSITY

GHG emissions are reported in line with the guidance from the GHG Protocol Corporate Accounting and Reporting Standard. The operational control approach is applied, and MCT accounts for GHG emissions from operations over which it has operational control.

Like-for-like energy indirect (Scope 2) GHG and intensity includes only properties with full-year data for FY18/19 and FY19/20, and excludes MBC II where full-year data is unavailable.

Scope 2 GHG intensity is derived by taking total energy indirect (Scope 2) GHG emissions divided by the GFA, including common and tenants' areas, less unoccupied NLA.

A location-based method is adopted to reflect the average emissions intensity of Singapore's grid. The emission factors used are obtained from the Singapore Energy Statistics published by the Energy Market Authority. We adopt the latest available Grid Emission Factor ("GEF") calculated using the average operating margin ("OM") method for the reporting period.

GRI CONTENT INDEX

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
GRI 102 (2016): GENERAL DISCLOSURES			
ORGANISATIONAL PROFILE			
102-1	Name of the organisation	Mapletree Commercial Trust Corporate Overview, Page 2	
102-2	Activities, brands, products, and services	Corporate Overview, Page 2	
102-3	Location of headquarters	Corporate Directory, Page 183	
102-4	Location of operations	Corporate Overview, Page 2	
102-5	Ownership and legal form	Trust Structure, Page 16	
102-6	Markets served	Corporate Overview, Page 2	
102-7	Scale of the organisation	Corporate Overview, Page 2; Financial Highlights, Page 4-5; Employment and Talent Retention, Page 100	
102-8	Information on employees and other workers	Employment and Talent Retention, Page 100	
102-9	Supply chain	Supply chain activities are minimal and not significant to MCT's operations.	
102-10	Significant changes to the organisation and its supply chain	MBC II was acquired in October 2019. There were no significant changes to MCT's supply chain.	
102-11	Precautionary principle or approach	Risk Management, Page 86-88	
102-12	External initiatives	Sustainability Matters, Targets and Performance, Page 92-93	
102-13	Membership of associations	REIT Association of Singapore	
STRATEGY			
102-14	Statement from senior decision-maker	Board Statement, Page 89	
ETHIC AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	Our Approach to Sustainability, Page 90; Anti-corruption | Compliance with Laws and Regulations, Page 95	
GOVERNANCE			
102-18	Governance structure	Our Approach to Sustainability, Page 90	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Stakeholder Engagement and Materiality, Page 91	
102-41	Collective bargaining agreements	Not applicable. No collective bargaining agreements are in place.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement and Materiality, Page 91	
102-43	Approach to stakeholder engagement	Stakeholder Engagement and Materiality, Page 91	
102-44	Key topics and concerns raised	Stakeholder Engagement and Materiality, Page 91	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial	Notes to the Financial Statements, Page 151	
102-46	Defining report content and topic Boundaries	About the Report, Page 90; Sustainability Matters, Targets and Performance, Page 92-93	
102-47	List of material topics	Sustainability Matters, Targets and Performance, Page 92-93	

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
102-48	Restatement of information	There has been no restatement of figures or information disclosed in our previous report.	
102-49	Changes in reporting	Energy, Page 104-105	
102-50	Reporting period	1 April 2019 – 31 March 2020	
102-51	Date of most recent report	The Annual Report/Sustainability Report for FY18/19 was published on 28 June 2019.	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	About the Report, Page 90	
102-54	Claims of reporting in accordance with the GRI Standards	About the Report, Page 90	
102-55	GRI content index	GRI Content Index, Page 109-112	
102-56	External assurance	MCT has not sought external assurance on this report but may do so in the future.	
MATERIAL TOPIC: ECONOMIC PERFORMANCE			
GRI 103 (2016): MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 92-93	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 92-93;	
103-3	Evaluation of the management approach	Economic Performance, Page 94	
GRI 201 (2016): ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	Financial Statements Page 116-180	
MATERIAL TOPIC: ANTI-CORRUPTION			
GRI 103 (2016): MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 92-93	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 92-93; Anti-corruption | Compliance with Laws and Regulations, Page 95	
103-3	Evaluation of the management approach	Anti-corruption | Compliance with Laws and Regulations, Page 95	
GRI 205 (2016): ANTI-CORRUPTION			
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption | Compliance with Laws and Regulations, Page 95	
MATERIAL TOPIC: COMPLIANCE WITH LAWS AND REGULATIONS			
GRI 103 (2016): MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 92-93	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 92-93; Anti-corruption | Compliance with Laws and Regulations, Page 95-96	
103-3	Evaluation of the management approach	Anti-corruption | Compliance with Laws and Regulations, Page 95-96	

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
GRI 417 (2016): MARKETING AND LABELLING			
417-3	Incidents of non-compliance concerning marketing communications	Anti-corruption | Compliance with Laws and Regulations, Page 95-96	
GRI 419 (2016): SOCIOECONOMIC COMPLIANCE			
419-1	Non-compliance with laws and regulations in the social and economic area	Anti-corruption | Compliance with Laws and Regulations, Page 95-96	
MATERIAL TOPIC: HEALTH AND SAFETY			
GRI 103 (2016): MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 92-93	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 92-93; Health and Safety, Page 96-99	
103-3	Evaluation of the management approach	Health and Safety, Page 96-99	
GRI 403 (2018): OCCUPATIONAL HEALTH AND SAFETY			
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety, Page 96-99	
403-5	Worker training on occupational health and safety	Health and Safety, Page 96-99	
403-6	Promotion of worker health	Health and Safety, Page 96-99	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety, Page 96-99	
403-9	Work-related injuries	Health and Safety, Page 96-99	(b) – Information unavailable for workers who are not employees but whose work and/or workplace is controlled by the organisation
GRI 416 (2016): CUSTOMER HEALTH AND SAFETY			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health and Safety, Page 98	
MATERIAL TOPIC: EMPLOYMENT AND TALENT RETENTION			
GRI 103 (2016): MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 92-93	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 92-93; Employment and Talent Retention, Page 100-101	
103-3	Evaluation of the management approach	Employment and Talent Retention, Page 100-101	
GRI 401 (2016): EMPLOYMENT			
401-1	New employee hires and employee turnover	Employment and Talent Retention, Page 101	(a), (b) - Breakdown by age group, gender and region is not applicable

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
MATERIAL TOPIC: LOCAL COMMUNITIES			
GRI 103 (2016): MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 92-93	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 92-93; Local Communities, Page 102-104	
103-3	Evaluation of the management approach	Local Communities, Page 102-104	
GRI 413 (2016): LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments, and development programmes	Local Communities, Page 102-104	
MATERIAL TOPIC: ENERGY			
GRI 103 (2016): MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 92-93	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 92-93; Energy, Page 104-105	
103-3	Evaluation of the management approach	Energy, Page 104-105	
GRI 302 (2016): ENERGY			
302-1	Energy consumption within the organisation	Energy, Page 105	
302-3	Energy intensity	Energy, Page 105	
GRI 305 (2016): EMISSIONS			
305-2	Energy indirect (Scope 2) GHG emissions	Energy, Page 105	
305-4	GHG emissions intensity	Energy, Page 105	
GRI-G4 SECTOR DISCLOSURES: CONSTRUCTION AND REAL ESTATE			
CRE1	Building energy intensity	Energy, Page 105	
CRE3	GHG emissions intensity from buildings	Energy, Page 105	
CRE8	Type and number of sustainability certification, rating and labelling schemes	Greening our Assets, Page 107	
MATERIAL TOPIC: WATER			
GRI 103 (2016): MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 92-93	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 92-93; Water, Page 106	
103-3	Evaluation of the management approach	Water, Page 106	
GRI 303 (2018): WATER AND EFFLUENTS			
303-1	Interactions with water as a shared resource	Water, Page 106	
303-2	Management of water discharge-related impacts	Water, Page 106	
GRI-G4 SECTOR DISCLOSURES: CONSTRUCTION AND REAL ESTATE			
CRE8	Type and number of sustainability certification, rating and labelling schemes	Greening our Assets, Page 107	

INVESTOR RELATIONS

COMMITMENT TO HIGH STANDARDS OF DISCLOSURE AND CORPORATE TRANSPARENCY

The Manager is committed to high standards of disclosure and corporate transparency. This is to instil stakeholder confidence and to ensure that they are equipped with the necessary information to make sound judgements about MCT. Because of this, we place a high priority on providing accurate and timely disclosure of financial results, announcements and relevant information related to MCT to the public, and we endeavour to use clear language and maintain consistent disclosures on all relevant 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:

- All financial news releases and announcements are published and available on the SGX-ST website.
- Announcements, press releases, investor presentations, and related general information are updated and available on MCT's website at www.mapletreecommercialtrust.com.
- 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.

PROACTIVE ENGAGEMENT OF INVESTORS

We place emphasis on quality interaction with the investment community through platforms such as AGMs, briefings, face-to-face investor meetings, teleconferences, investor conferences, roadshows and property visits. Analysts' briefings are conducted every six months to provide updates on MCT's half-year and full year financial results and operational performance. To strengthen understanding by existing investors and to reach out to new ones, we participated in several conferences and non-deal roadshows in Singapore, Hong Kong and Bangkok in FY19/20. In total, we met over 450 fund managers, institutional investors and analysts during the year.

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. We successfully held our eighth AGM on 24 July 2019 and third EGM on 15 October 2019. Both meetings were well-attended by Unitholders and all resolutions were approved.

To further support investor education, MCT took part in the REITs Symposium for the fifth running year on 18 May 2019. This one-day event, jointly organised by REITAS and ShareInvestor, was attended by over 1,200 members of the investment community.

RESEARCH COVERAGE

As at 31 March 2020, MCT was actively covered by 13 research houses.

- Bank of America Merrill Lynch
- CGS-CIMB
- Citigroup
- CLSA
- Credit Suisse
- DBS
- Goldman Sachs
- HSBC
- JP Morgan
- Macquarie Bank
- Maybank Kim Eng
- OCBC
- UOB KayHian

INVESTOR RELATIONS

INVESTOR RELATIONS ACTIVITIES IN FY19/20

	Event	Venue
First Quarter (period from 1 April 2019 to 30 June 2019)	Analysts' Results Briefing and 'Live' Webcast for 4Q and FY18/19 Results	Singapore
	4Q and FY18/19 Results Investors Tea Session hosted by Credit Suisse	Singapore
	REITs Symposium 2019	Singapore
	dbAccess Asia Conference 2019	Singapore
	Non-deal Roadshow hosted by HSBC	Hong Kong
Second Quarter (period from 1 July 2019 to 30 September 2019)	Eighth AGM	Singapore
	1Q FY19/20 Results Investors Tea Session hosted by DBS	Singapore
	Mapletree Day in Bangkok hosted by DBS	Bangkok
	Citi-REITAS-SGX C-Suite Singapore REITs and Sponsors Forum	Singapore
	HSBC Private Banking Singapore REITs Corporate Day 2019	Singapore
	Non-deal Roadshow and Conference Calls to investors in Australia, Canada, Hong Kong, Netherlands, Singapore, Thailand, the UK and the USA	Singapore, Hong Kong and Thailand
Third Quarter (period from 1 October 2019 to 31 December 2019)	Third EGM	Singapore
	Analysts' Results Briefing and 'Live' Webcast for 2Q and 1H FY19/20 Results	Singapore
Fourth Quarter (period from 1 January 2020 to 31 March 2020)	Analysts' Results Call Briefing for 3Q and FY19/20 Results	Singapore
	3Q and YTD FY19/20 Results Investors Tea hosted by JP Morgan	Singapore

FINANCIAL AND DISTRIBUTIONS CALENDAR

23 April 2019	4Q and FY18/19 Results Announcement
30 May 2019	Payment of 4Q FY18/19 Distribution
25 July 2019	1Q FY19/20 Results Announcement
29 August 2019	Payment of 1Q FY19/20 Distribution
15 October 2019	2Q and 1H FY19/20 Results Announcement
21 November 2019	Payment of 2Q FY19/20 Distribution and Advance Distribution for the period from 1 October 2019 to 24 October 2019
22 January 2020	3Q and YTD FY19/20 Results Announcement
26 February 2020	Payment of Distribution for the period from 25 October 2019 to 31 October 2019
22 April 2020	4Q and FY19/20 Results Announcement
29 May 2020	Payment of 4Q FY19/20 Distribution

FINANCIAL & DISTRIBUTION CALENDAR FOR FY20/21 (TENTATIVE)

Following the amendments to Rule 705 of the Listing Manual of the Singapore Exchange Securities Trading Limited on the quarterly reporting framework which has taken effect from 7 February 2020, MCT will adopt the new half-yearly reporting framework and announce its first half financial statements with effect from FY20/21. Consequently, any distributions to Unitholders will be on a half-yearly basis with effect from FY20/21.

July 2020	Ninth AGM
October 2020	1H FY20/21 Results Announcement
November 2020	Payment of 1H FY20/21 Distribution
April 2021	FY20/21 Results Announcement
May 2021	Payment of 2H FY20/21 Distribution

To subscribe to the latest news on MCT, please visit www.mapletreecommercialtrust.com

For more information about MCT, please contact:

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SUBSTANTIAL UNITHOLDER'S NOTIFICATIONS AND RELATED ENQUIRIES

E : _MCT_disclosure@mapletree.com.sg

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

T : (65) 6536 5355
F : (65) 6438 8710
E : srs.teamd@boardroomlimited.com

UNITHOLDER DEPOSITORY

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

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#01-19/20 The Metropolis Tower 2
Singapore 138589

T : (65) 6535 7511
F : (65) 6535 0775
E : asksgx@sgx.com
W: www.sgx.com/cdp

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

For the financial year ended 31 March 2020

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Commercial Trust ("MCT") and its subsidiaries (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 123 to 180, 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, 22 April 2020

STATEMENT BY THE MANAGER

For the financial year ended 31 March 2020

In the opinion of the directors of Mapletree Commercial Trust Management Ltd., the accompanying financial statements of Mapletree Commercial Trust ("MCT") and its subsidiaries (the "Group") as set out on pages 123 to 180, comprising the Statements of Financial Position and Portfolio Statement of MCT and the Group as at 31 March 2020, the Statements of Profit or Loss, Statements of Comprehensive Income, 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 2020 and the profit or loss and other comprehensive income, 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 Singapore Financial Reporting Standards (International) and relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that 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 Sharon
Director

Singapore, 22 April 2020

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 subsidiaries (the "Group") and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement, Statement of Movements in Unitholders' Funds and Portfolio Statement of MCT are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code"), so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MCT as at 31 March 2020 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 profit or loss of the Group and MCT for the financial year ended 31 March 2020;
- the statements of comprehensive income of the Group and MCT for the financial year ended 31 March 2020;
- the statements of financial position of the Group and MCT as at 31 March 2020;
- the distribution statements of the Group and MCT for the financial year ended 31 March 2020;
- the consolidated statement of cash flows of the Group for the financial year ended 31 March 2020;
- the statements of movements in unitholders' funds for the Group and MCT for the financial year ended 31 March 2020;
- the portfolio statement for the Group and MCT for the financial year ended 31 March 2020; 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 2020. 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 13 - Investment Properties As at 31 March 2020, the carrying value of the Group's investment properties of $8.92 billion accounted for 99.0% 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 independent valuation reports have highlighted that with the heightened uncertainty of the Coronavirus Disease 2019 ("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. The key inputs are disclosed in Note 13 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; • assessed the reasonableness of the capitalisation rates, discount rates and adjusted price per square feet by benchmarking these against those of comparable properties and prior year inputs; and • discussed the COVID-19 implications on the critical assumptions used by the external valuers. 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 valuers to be members 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 2020 ("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 express any form of assurance conclusion thereon.

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

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

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

RESPONSIBILITIES OF THE MANAGER FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with SFRS(I)s, applicable requirements of the CIS Code and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 Rebekah Khan.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 22 April 2020

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 March 2020

		Group		MCT	
	Note	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Gross revenue	3	**482,825**	443,893	**454,557**	443,893
Property operating expenses	4	**(104,885)**	(96,266)	**(97,586)**	(96,266)
Net property income		**377,940**	347,627	**356,971**	347,627
Finance income		**813**	666	**786**	666
Finance expenses	5	**(78,787)**	(70,014)	**(71,852)**	(70,014)
Manager's management fees					
– Base fees		**(20,031)**	(16,972)	**(18,378)**	(16,972)
– Performance fees		**(15,117)**	(13,905)	**(13,908)**	(13,905)
Trustee's fees		**(952)**	(829)	**(952)**	(829)
Other trust expenses	6	**(1,345)**	(1,104)	**(1,260)**	(1,111)
Foreign exchange (loss)/gain		**(7,900)**	574	**(7,900)**	574
Net change in fair value of financial derivatives		**8,885**	(359)	**8,885**	(359)
Profit before tax and fair value change in investment properties		**263,506**	245,684	**252,392**	245,677
Net change in fair value of investment properties	7	**279,591**	336,618	**303,866**	336,618
Profit for the financial year before tax		**543,097**	582,302	**556,258**	582,295
Income tax expense	8(a)	**(2)**	(*)	**–**	–
Profit for the financial year after tax before distribution		**543,095**	582,302	**556,258**	582,295
Earnings per unit (cents)					
– Basic	9	**17.74**	20.10[1]		
– Diluted	9	**17.74**	20.10[1]		

* Amount is less than $1,000

[1] The figures have been restated to reflect the bonus element in the new units issued pursuant to the preferential offering on 15 November 2019 in accordance to the requirement of Paragraph 64 under SFRS(I) 1-33 Earnings per Share.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2020

		Group		MCT	
	Note	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Profit for the financial year after tax before distribution		**543,095**	582,302	**556,258**	582,295
Other comprehensive income — items that may be reclassified subsequently to profit or loss					
Cash flow hedges					
– Fair value losses	22	**(24,244)**	(2,809)	**(19,623)**	(2,809)
– Reclassification to profit or loss	22	**(389)**	530	**(333)**	530
Total comprehensive income for the financial year		**518,462**	580,023	**536,302**	580,016

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

		Group		MCT	
		31 March		31 March	
	Note	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**65,857**	49,119	**46,280**	49,071
Trade and other receivables	11	**5,027**	4,004	**4,896**	4,004
Tax recoverable		**1,852**	–	**–**	–
Other current assets	12	**526**	982	**376**	982
Derivative financial instruments	16	**–**	93	**–**	93
		73,262	54,198	**51,552**	54,150
Non-current assets					
Investment properties	13	**8,920,000**	7,039,000	**7,360,000**	7,039,000
Plant and equipment	14	**329**	128	**265**	128
Investments in subsidiaries	15	**–**	–	**910,964**	*
Derivative financial instruments	16	**13,482**	7,439	**18,159**	7,439
		8,933,811	7,046,567	**8,289,388**	7,046,567
Total assets		**9,007,073**	7,100,765	**8,340,940**	7,100,717
LIABILITIES					
Current liabilities					
Derivative financial instruments	16	**376**	9	**376**	9
Trade and other payables	17	**104,448**	80,965	**87,650**	80,959
Borrowings	18	**159,971**	49,984	**–**	–
Loans from a subsidiary	18	**–**	–	**159,971**	49,984
Current income tax liabilities	8(c)	**2**	*	**–**	–
		264,797	130,958	**247,997**	130,952
Non-current liabilities					
Derivative financial instruments	16	**22,943**	1,612	**22,943**	1,612
Other payables	17	**59,362**	52,063	**52,306**	52,063
Borrowings	18	**2,848,049**	2,300,153	**1,200,933**	1,385,461
Loans from a subsidiary	18	**–**	–	**1,012,015**	914,692
Deferred tax liabilities	19	**24,974**	–	**–**	–
		2,955,328	2,353,828	**2,288,197**	2,353,828
Total liabilities		**3,220,125**	2,484,786	**2,536,194**	2,484,780
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**5,786,948**	4,615,979	**5,804,746**	4,615,937
Represented by:					
Unitholders' funds		**5,786,948**	4,615,979	**5,804,746**	4,615,937
UNITS IN ISSUE ('000)	21	**3,307,510**	2,889,690	**3,307,510**	2,889,690
NET ASSET VALUE PER UNIT ($)		**1.75**	1.60	**1.76**	1.60

* 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 2020

	Group		MCT	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Amount available for distribution to Unitholders at beginning of financial year	**102,519**	101,062	**102,519**	101,062
Profit for the financial year after tax before distribution	**543,095**	582,302	**556,258**	582,295
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**(299,879)**	(318,275)	**(325,660)**	(318,268)
Amount available for distribution	**345,735**	365,089	**333,117**	365,089
Distribution to Unitholders:				
Distribution of 2.31 cents per unit for the period from 1 January 2019 to 31 March 2019	**(66,752)**	–	**(66,752)**	–
Distribution of 2.31 cents per unit for the period from 1 April 2019 to 30 June 2019	**(66,864)**	–	**(66,864)**	–
Distribution of 2.32 cents per unit for the period from 1 July 2019 to 30 September 2019	**(67,179)**	–	**(67,179)**	–
Distribution of 0.61 cents per unit for the period from 1 October 2019 to 24 October 2019	**(17,663)**	–	**(17,663)**	–
Distribution of 1.85 cents per unit for the period from 25 October 2019 to 31 December 2019	**(61,170)**	–	**(61,170)**	–
Distribution of 2.27 cents per unit for the period from 1 January 2018 to 31 March 2018	**–**	(65,379)	**–**	(65,379)
Distribution of 2.23 cents per unit for the period from 1 April 2018 to 30 June 2018	**–**	(64,353)	**–**	(64,353)
Distribution of 2.27 cents per unit for the period from 1 July 2018 to 30 September 2018	**–**	(65,538)	**–**	(65,538)
Distribution of 2.33 cents per unit for the period from 1 October 2018 to 31 December 2018	**–**	(67,300)	**–**	(67,300)
Total Unitholders' distribution	**(279,628)**	(262,570)	**(279,628)**	(262,570)
Amount available for distribution to Unitholders at end of financial year	**66,107**	102,519	**53,489**	102,519
Note A:				
Adjustment for net effect of non-tax chargeable items and other adjustments comprise:				
Major non-tax deductible/(chargeable) items:				
– Management fees paid/payable in units	**16,143**	15,439	**16,143**	15,439
– Trustee's fees	**952**	829	**952**	829
– Financing fees	**2,787**	2,225	**2,455**	2,225
– Net change in fair value of financial derivatives	**(8,885)**	359	**(8,885)**	359
– Net change in fair value of investment properties	**(279,591)**	(336,618)	**(303,866)**	(336,618)
– Unrealised foreign exchange loss/(gain)	**7,900**	(574)	**7,900**	(574)
– Other non-tax deductible items and other adjustments	**(39,185)**	65	**(40,359)**	72
	(299,879)	(318,275)	**(325,660)**	(318,268)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Profit for the financial year after tax before distribution		**543,095**	582,302
Adjustments for:			
– Income tax expense	8(a)	**2**	*
– Depreciation	14	**70**	72
– Impairment of trade receivables	24(c)	**77**	61
– Plant and equipment written off	14	**17**	–
– Unrealised foreign exchange loss/(gain)		**7,900**	(574)
– Net change in fair value of investment properties	7	**(279,591)**	(336,618)
– Net change in fair value of financial derivatives		**(8,885)**	359
– Finance income		**(813)**	(666)
– Finance expenses	5	**78,787**	70,014
– Manager's management fees paid/payable in units		**16,143**	15,439
		356,802	330,389
Change in working capital:			
– Trade and other receivables		**1,833**	(1,119)
– Other current assets		**(142)**	13
– Trade and other payables		**11,723**	7,759
Cash generated from operations		**370,216**	337,042
– Income tax paid	8(c)	**(*)**	(*)
Net cash provided by operating activities		**370,216**	337,042
Cash flows from investing activities			
Additions to investment properties		**(17,088)**	(22,108)
Acquisition of interest in investment property- Note A		**(887,741)**	–
Additions to plant and equipment	14	**(216)**	(29)
Finance income received		**806**	666
Net cash used in investing activities		**(904,239)**	(21,471)
Cash flows from financing activities			
Proceeds from borrowings		**2,276,500**	695,600
Repayments of borrowings		**(2,472,301)**	(674,200)
Proceeds from issue of notes		**250,000**	–
Redemption of notes		**(50,000)**	–
Payments of financing fees		**(5,814)**	(2,618)
Payments of distribution to Unitholders		**(279,628)**	(262,570)
Finance expenses paid		**(76,434)**	(67,756)
Payments of transaction costs related to issuance of new units		**(10,119)**	–
Proceeds from issue of new units		**918,557**	–
Net cash generated from/(used in) financing activities		**550,761**	(311,544)
Net increase in cash and cash equivalents		**16,738**	4,027
Cash and cash equivalents			
Beginning of financial year		**49,119**	45,092
End of financial year	10	**65,857**	49,119

* Amount is less than $1,000

Note A – This relates to the purchase consideration paid on the adjusted net asset value (net of cash and cash equivalents acquired) of Mapletree Business City Pte Ltd ("MBC PL") and the related transaction costs. The amount excludes the acquisition fee paid to the Manager by way of issuance of units.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

Reconciliation of liabilities arising from financing activities

	Borrowings and interest payable	
	2020 **$'000**	2019 $'000
Beginning of financial year	**2,359,337**	2,338,277
Proceeds from borrowings	**2,276,500**	695,600
Repayments of borrowings	**(2,472,301)**	(674,200)
Asset acquisition	**653,229**	–
Proceeds from issue of notes	**250,000**	–
Redemption of notes	**(50,000)**	–
Finance expenses paid	**(76,434)**	(67,756)
Payment of financing fees	**(5,814)**	(2,618)
Change in working capital:		
– Trade and other receivables	**(598)**	577
– Trade and other payables	**2**	17
Non-cash changes:		
– Finance expenses	**78,787**	70,014
– Unrealised foreign exchange loss/(gain)	**7,900**	(574)
End of financial year	**3,020,608**	2,359,337

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2020

		Group		MCT	
	Note	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
OPERATIONS					
Balance at beginning of financial year		**1,603,936**	1,284,204	**1,603,894**	1,284,169
Profit for the financial year		**543,095**	582,302	**556,258**	582,295
Distributions to Unitholders		**(279,628)**	(262,570)	**(279,628)**	(262,570)
Balance at end of financial year		**1,867,403**	1,603,936	**1,880,524**	1,603,894
UNITHOLDERS' CONTRIBUTION					
Balance at beginning of financial year		**3,010,729**	2,995,576	**3,010,729**	2,995,576
Movement during the financial year					
– Manager's management fees paid in units		**15,947**	15,153	**15,947**	15,153
– Manager's acquisition fee paid in units		**7,750**	–	**7,750**	–
– Issue of new units pursuant to private placement		**458,036**	–	**458,036**	–
– Issue of new units pursuant to preferential offering		**460,521**	–	**460,521**	–
– Issue costs		**(10,119)**	–	**(10,119)**	–
Balance at end of financial year		**3,942,864**	3,010,729	**3,942,864**	3,010,729
HEDGING RESERVE					
Balance at beginning of financial year		**1,314**	3,593	**1,314**	3,593
Fair value losses	22	**(24,244)**	(2,809)	**(19,623)**	(2,809)
Reclassification to profit or loss	5	**(389)**	530	**(333)**	530
Balance at end of financial year	22	**(23,319)**	1,314	**(18,642)**	1,314
Total Unitholders' funds at end of financial year		**5,786,948**	4,615,979	**5,804,746**	4,615,937

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

PORTFOLIO STATEMENT

As at 31 March 2020

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
VivoCity	N.A[2]	Leasehold	99 years	76 years	1 HarbourFront Walk VivoCity Singapore
Mapletree Business City ("MBC")	25 August 2016, 1 November 2019[3]	Leasehold	99 years	76 years	10, 20, 30 Pasir Panjang Road ("MBC I") and 40, 50, 60, 70, 80 Pasir Panjang Road ("MBC II") Singapore
PSA Building (excludes 17th-21st, 33rd and 39th storeys)	27 April 2011[4]	Leasehold	99 years	76 years	460 Alexandra Road PSA Building Singapore
Mapletree Anson	4 February 2013[4]	Leasehold	99 years	86 years	60 Anson Road Mapletree Anson Singapore
Bank of America Merrill Lynch HarbourFront ("MLHF")	27 April 2011[4]	Leasehold	99 years	76 years	2 HarbourFront Place Bank of America Merrill Lynch HarbourFront Singapore
Gross revenue/Investment properties – Group					
Other assets and liabilities (net) – Group					
Net assets attributable to Unitholders – Group					

Notes:

1 Refers to the leasehold tenure of the land.

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

3 MBC comprises MBC I and MBC II. MBC I was acquired from MBC PL on 25 August 2016 and MBC II was acquired from Heliconia Realty Pte. Ltd. ("HRPL") on 1 November 2019. Accordingly, the comparative information presented does not include MBC II.

4 PSA Building, Mapletree Anson and MLHF were acquired from HRPL, Mapletree Anson Pte. Ltd. and HarbourFront Place Pte. Ltd. respectively, which are direct and indirect wholly-owned subsidiaries of Mapletree Investments Pte Ltd.

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 2020 conducted by Savills Valuation And Professional Services (S) Pte Ltd ("Savills") for VivoCity and CBRE Pte. Ltd. ("CBRE") for MBC, PSA Building, Mapletree Anson and MLHF (2019: the carrying amounts of the investment properties were based on independent valuations as at 31 March 2019 conducted by CBRE for VivoCity and Knight Frank Pte. Ltd. ("Knight Frank") for MBC I, PSA Building, Mapletree Anson and MLHF). Savills, CBRE and Knight Frank have appropriate professional qualifications and experience in the location and category of the properties being valued. As at 31 March 2020, the valuations of the investment properties were based on the income capitalisation method, discounted cash flow method and direct comparison method (31 March 2019: income capitalisation method, discounted cash flow method and direct comparison method).

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

Gross revenue for the financial year ended 31/03/2020 $'000	Gross revenue for the financial year ended 31/03/2019 $'000	**Occupancy rate as at 31/03/2020 %**	Occupancy rate as at 31/03/2019 %	**At valuation as at 31/03/2020 $'000**	At valuation as at 31/03/2019 $'000	**Percentage of total net assets attributable to Unitholders as at 31/03/2020 %**	Percentage of total net assets attributable to Unitholders as at 31/03/2019 %
210,401	212,927	**99.6**	99.4	**3,262,000**	3,200,000	**56.4**	69.3
170,451	127,067	**MBC I: 96.4 MBC II: 99.4**	MBC I: 97.8	**MBC I: 2,198,000 MBC II: 1,560,000**	MBC I: 2,018,000	**64.9**	43.7
50,141	50,540	**88.1**	96.4	**791,000**	763,000	**13.7**	16.5
31,807	33,628	**97.8**	96.8	**762,000**	728,000	**13.1**	15.8
20,025	19,731	**100.0**	100.0	**347,000**	330,000	**6.0**	7.2
482,825	443,893			**8,920,000**	7,039,000	**154.1**	152.5
				(3,133,052)	(2,423,021)	**(54.1)**	(52.5)
				5,786,948	4,615,979	**100.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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. The principal activities of its subsidiaries are set out in Note 15.

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 from MCT and 100% of its management fees in cash from Mapletree Business City LLP ("MBC LLP") from the date of acquisition, 1 November 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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 2020

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Monetary Authority of Singapore ("MAS") has granted the Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes (the "CIS Code") to prepare its financial statements in accordance with Singapore Financial Reporting Standards ("SFRS").

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"), the applicable requirements of the CIS Code issued by MAS and the provisions of the Trust Deed.

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 SFRS(I) 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 13 – Investment Properties.

Interpretations and amendments to published standards effective in 2019

On 1 April 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") as below 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 transitional provisions in the respective SFRS(I) and INT SFRS(I).

Adoption of SFRS(I) 16 Leases ("SFRS(I) 16")

(a) *When the Group is the lessee*

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group has applied SFRS(I) 16 retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application in accordance with the transition provisions permitted.

The adoption of SFRS(I) 16 did not have a material impact on the Group's financial statements.

(b) *When the Group is a lessor*

There are no material changes to accounting by the Group as a lessor.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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 include gross turnover rental, are recognised as income in profit or loss when earned and the amount can be measured reliably.

(b) Car parking income

Car parking income from the operation of car parks is recognised as it accrues on a time apportioned basis.

(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 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Borrowing costs

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

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

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

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.

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

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Income taxes (continued)

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 Singapore branch of a company incorporated outside Singapore;
- A body of persons (excluding companies or partnerships) registered or incorporated in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or
- A real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

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.

2.6 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (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. Subsidiaries are 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 subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Group accounting (continued)

(a) Subsidiaries (continued)

(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 profit or loss or transferred directly to Unitholders' funds if required by SFRS(I).

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 profit or loss.

Please refer to Note 2.11 "Investment in subsidiaries" for the accounting policy on investments in subsidiaries in the financial statements of MCT.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Non-derivative financial assets

(a) Classification and measurement

The Group classifies its non-derivative financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Financial assets at amortised cost

(i) At initial recognition

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

(ii) At subsequent measurement

Debt instruments include "cash and cash equivalents", "trade and other receivables" and deposits presented in "other current assets" in the Statements of Financial Position. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 24(c) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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 Code. Changes in fair value are recognised in profit or loss.

Investment properties are subject to renovations or improvements from time to time. The costs of major renovations and improvements are capitalised while the carrying amounts of replaced components are recognised in profit or loss. The costs of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to profit or loss.

If an investment property becomes substantially owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

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 – 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 profit or loss for the financial year when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in MCT's Statement of Financial Position. On disposal of the investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.12 Impairment of non-financial assets

Plant and equipment and investments in subsidiaries 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 profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount or if there is a change in the events that had given rise to the impairment since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

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 profit or loss over the period of the borrowings using the effective interest method.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in cash flows of the hedged items.

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.

Cash flow hedge – Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges to manage the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 SGD, 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 profit or loss.

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, and of its tax-exempt income (if any). 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 SGD.

3. GROSS REVENUE

	Group		MCT	
	2020 $’000	2019 $’000	**2020 $’000**	2019 $’000
Gross rental income	**453,022**	416,018	**419,210**	416,018
Car parking income	**11,409**	9,260	**9,078**	9,260
Other operating income	**18,394**	18,615	**17,000**	18,615
Dividend income	**–**	–	**9,269**	–
	482,825	443,893	**454,557**	443,893

Gross revenue is generated by the Group’s and MCT’s investment properties.

Included in gross rental income was a rebate of $2,744,000 (2019: Nil) provided to eligible retail tenants arising from the 15% property tax rebate granted for the period 1 January 2020 to 31 December 2020 as announced at Budget 2020, on 18 February 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

4. PROPERTY OPERATING EXPENSES

	Group		MCT	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Operation and maintenance	**19,569**	18,933	**17,940**	18,933
Utilities	**8,002**	7,098	**7,598**	7,098
Property tax	**40,619**	36,623	**37,532**	36,623
Property management fees	**19,595**	18,019	**18,050**	18,019
Staff costs	**11,081**	9,875	**10,654**	9,875
Marketing and professional expenses	**4,644**	4,258	**4,586**	4,258
Depreciation (Note 14)	**70**	72	**62**	72
Other operating expenses	**1,305**	1,388	**1,164**	1,388
	104,885	96,266	**97,586**	96,266

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.

5. FINANCE EXPENSES

	Group		MCT	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Interest expense	**76,333**	67,220	**69,674**	67,220
Derivative hedging instruments				
– Cash flow hedges, reclassified from hedging reserve (Note 22)	**(389)**	530	**(333)**	530
Financing fees	**2,843**	2,264	**2,511**	2,264
	78,787	70,014	**71,852**	70,014

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

6. OTHER TRUST EXPENSES

	Group		MCT	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Audit fee	**114**	98	**96**	96
Consultancy and professional fees	**319**	384	**293**	381
Valuation fees	**74**	108	**56**	108
Other trust expenses	**838**	514	**815**	526
	1,345	1,104	**1,260**	1,111

Included in other trust expenses of MCT was an amount of $12,000 (2019: $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").

7. NET CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES

	Group		MCT	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Change in fair value of investment properties (Note 13)	**295,239**	336,618	**303,866**	336,618
Effects of recognising rental incentives on a straight-line basis over the lease terms	**(15,648)**	–	**–**	–
Net change in fair value of investment properties	**279,591**	336,618	**303,866**	336,618

8. INCOME TAXES

(a) Income tax expense

	Group		MCT	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Tax expense attributable to profit is made up of:				
Current income tax				
– Current financial year	**2**	*	**–**	–
– Under provision in prior years	*****	*	**–**	–
	2	*	**–**	–

* Amount is less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

8. INCOME TAXES (continued)

(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	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Profit before tax	**543,097**	582,302	**556,258**	582,295
Tax calculated at a tax rate of 17% (2019: 17%)	**92,326**	98,991	**94,564**	98,990
Effects of:				
– Expenses not deductible for tax purposes	**2,181**	3,359	**2,105**	3,359
– Income not subject to tax due to tax transparency ruling (Note 2.5)	**(48,390)**	(44,884)	**(46,431)**	(44,884)
– Income not subject to tax	**(46,115)**	(57,466)	**(50,238)**	(57,465)
– Under provision in prior years	*****	*	**–**	–
	2	*	**–**	–

* Amount is less than $1,000

(c) Current income tax liabilities

	Group		MCT	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Beginning of financial year	*****	*	**–**	–
Income tax paid	**(*)**	(*)	**–**	–
Income tax expense	**2**	*	**–**	–
Under provision in prior years	*****	*	**–**	–
End of financial year	**2**	*	**–**	–

* Amount is less than $1,000

The current income tax liabilities refer to income tax provision based on the taxable income of MCTTC and 80 Alexandra Pte. Ltd.

9. EARNINGS PER UNIT

	Group	
	2020	2019
Profit attributable to Unitholders of MCT ($'000)	**543,095**	582,302
Weighted average number of units outstanding during the financial year ('000)	**3,062,010**	2,897,740[1]
Basic and diluted earnings per unit (cents)	**17.74**	20.10

[1] The figures have been restated to reflect the bonus element in the new units issued pursuant to the preferential offering on 15 November 2019 in accordance to the requirement of Paragraph 64 under SFRS(I) 1-33 Earnings per Share.

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

10. CASH AND CASH EQUIVALENTS

	Group		MCT	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Cash at bank and on hand	**47,357**	16,619	**33,280**	16,571
Short-term bank deposits	**18,500**	32,500	**13,000**	32,500
	65,857	49,119	**46,280**	49,071

Short-term bank deposits at the reporting date have a weighted average maturity of 1.1 months (31 March 2019: 1.8 months) from the end of the financial year. The effective interest rate at reporting date of the Group is 1.1% (31 March 2019: 1.7%) per annum.

11. TRADE AND OTHER RECEIVABLES

	Group		MCT	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade receivables:				
– related parties	**91**	*	**91**	*
– non-related parties	**2,484**	1,009	**2,426**	1,009
Trade receivables – net	**2,575**	1,009	**2,517**	1,009
Non-trade receivables due from a subsidiary	**–**	–	**41**	–
Non-trade receivables due from related parties	**–**	65	**–**	65
Interest receivable:				
– non-related parties	**13**	6	**11**	6
Other receivables	**–**	137	**44**	137
Accrued revenue	**2,439**	2,787	**2,283**	2,787
	5,027	4,004	**4,896**	4,004

* Amount is less than $1,000

The non-trade receivables due from subsidiaries and related parties are unsecured, interest free and repayable on demand.

12. OTHER CURRENT ASSETS

	Group		MCT	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Deposits	**161**	93	**94**	93
Prepayments	**365**	889	**282**	889
	526	982	**376**	982

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

13. INVESTMENT PROPERTIES

	Group		MCT	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Completed investment properties				
Beginning of financial year	**7,039,000**	6,682,000	**7,039,000**	6,682,000
Additions	**17,221**	20,522	**17,171**	20,522
Acquisition	**1,568,577**	–	**–**	–
Adjustments to prior year accrued development costs	**(37)**	(140)	**(37)**	(140)
Change in fair value of investment properties (Note 7)	**295,239**	336,618	**303,866**	336,618
End of financial year	**8,920,000**	7,039,000	**7,360,000**	7,039,000

In November 2019, MCT acquired MBC II and the common premises located in MBC I for an agreed property value of $1,550,000,000 and incurred directly attributable acquisition costs of $18,577,000. Included in the directly attributable acquisition costs is an acquisition fee of $7,750,000 paid to the Manager through the issuance of 3,377,642 units, stamp duty, professional and other fees paid amounting to $10,827,000, of which $85,000 was paid to the auditor of MCT for the services rendered as the reporting accountant.

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) and Note 23(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

13. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

All properties within the Group's and MCT'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.

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's and MCT's properties have been generally derived using the income capitalisation method, discounted cash flow method and direct comparison 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. Under the direct comparison method, properties are valued using transacted prices for comparable properties in the vicinity and other locations with adjustments made for differences in size, number of storeys, tenure, age, location, siting and building specifications. The Manager is of the view that the valuation methods and estimates adopted and considered by the professional valuers are reflective of the current market conditions.

The independent valuation reports have highlighted that with the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak, a higher degree of caution should be exercised when relying upon their 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.

Description	Fair value $'000	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Properties for leasing	**8,920,000** (31 March 2019: 7,039,000)	Income capitalisation	Capitalisation rate	**3.50% – 4.95%** (31 March 2019: 3.60% – 5.10%)
		Discounted cash flow	Discount rate	**6.50% – 7.25%** (31 March 2019: 6.75% – 7.25%)
		Direct Comparison	Adjusted price per square feet	**$2,503** (31 March 2019: $2,264)

Relationship of key unobservable inputs to fair value

- The higher the capitalisation rate, the lower the fair value.
- The higher the discount rate, the lower the fair value.
- The higher the adjusted price per square feet, the higher the fair value.

There were no significant inter-relationships between unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

14. PLANT AND EQUIPMENT

	Group		MCT	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Cost				
Beginning of financial year	**335**	306	**335**	306
Additions	**216**	29	**216**	29
Acquisition	**72**	–	**–**	–
Written off	**(86)**	–	**(86)**	–
End of financial year	**537**	335	**465**	335
Accumulated depreciation				
Beginning of financial year	**207**	135	**207**	135
Depreciation charge	**70**	72	**62**	72
Written off	**(69)**	–	**(69)**	–
End of financial year	**208**	207	**200**	207
Net book value				
End of financial year	**329**	128	**265**	128

15. INVESTMENTS IN SUBSIDIARIES

	MCT	
	31 March	
	2020 $'000	2019 $'000
Equity investments at cost		
Beginning of financial year	*****	*
Additions	**910,964**	–
End of financial year	**910,964**	*

* Amount is less than $1,000

On 26 September 2019, MCT acquired 100% of the equity interest in 80 Alexandra Pte. Ltd. ("80 Alexandra"), a special purpose vehicle which has been incorporated for the purpose of the acquisition of MBC PL. In October 2019, MCT increased its investment in 80 Alexandra by $910,000.

On 1 November 2019, MCT and 80 Alexandra completed the acquisition of 100% of the equity interest in MBC PL from Heliconia Realty Pte. Ltd., a related company. MCT's cost of investment of $910,054,000 includes purchase consideration paid on the adjusted net asset value of MBC PL and the related transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

15. INVESTMENTS IN SUBSIDIARIES (continued)

Subsequent to the acquisition, MBC PL was converted into a limited liability partnership and is now known as MBC LLP. The principal activities of MBC LLP are those relating to that of property owner and development of properties for investments.

Fees paid to the auditor of MCT of $85,000 (2019: Nil) relating to its role as reporting accountant for the acquisition of MBC PL are included in the additions to investments in subsidiaries.

The Group has the following subsidiaries as at 31 March 2020 and 31 March 2019:

Name of company	Principal activities	Country of business/ incorporation	Proportion of shares held by Group		Proportion of shares held by MCT	
			31 March		31 March	
			2020 %	2019 %	**2020 %**	2019 %
Mapletree Commercial Trust Treasury Company Pte. Ltd. [(a)]	Provision of treasury services	Singapore/ Singapore	**100**	100	**100**	100
80 Alexandra Pte. Ltd. [(a)]	Investment holding	Singapore/ Singapore	**100**	–	**100**	–
Mapletree Business City LLP [(b)]	Property development and investment	Singapore/ Singapore	**100**	–	**99.9**	–

(a) Audited by PricewaterhouseCoopers LLP, Singapore

(b) There is no statutory requirement for the financial statements of Mapletree Business City LLP to be audited.

There are no significant restrictions on the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
Group				
31 March 2020				
Hedge accounting cash-flow hedges:				
Interest rate swaps	May 2020 – December 2025	**1,359,000**	**–**	**(23,319)**
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	**100,000**	**13,482**	**–**
Total		**1,459,000**	**13,482**	**(23,319)**
Current portion			**–**	**(376)**
Non-current portion			**13,482**	**(22,943)**
31 March 2019				
Hedge accounting cash-flow hedges:				
Interest rate swaps	April 2019 – April 2023	1,201,000	2,935	(1,621)
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	100,000	4,597	–
Total		1,301,000	7,532	(1,621)
Current portion			93	(9)
Non-current portion			7,439	(1,612)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
MCT				
31 March 2020				
Hedge accounting cash-flow hedges:				
Interest rate swaps	May 2020 – December 2025	**1,109,000**	**–**	**(18,642)**
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	**100,000**	**13,482**	**–**
Interest rate swaps	December 2023 – December 2025	**250,000**	**4,677**	**(4,677)**
Total		**1,459,000**	**18,159**	**(23,319)**
Current portion			**–**	**(376)**
Non-current portion			**18,159**	**(22,943)**
31 March 2019				
Hedge accounting cash-flow hedges:				
Interest rate swaps	April 2019 – April 2023	1,201,000	2,935	(1,621)
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	100,000	4,597	–
Total		1,301,000	7,532	(1,621)
Current portion			93	(9)
Non-current portion			7,439	(1,612)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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 profit or loss 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 profit or loss when the changes arise.

As at 31 March 2020, the interest rate swaps include forward start interest rate swap contract for notional amount of $50,000,000 that will mature in April 2025, which the Group has entered into for the purposes of fixing the interest rate of the floating rate borrowings.

Cross currency interest rate swap

Cross currency interest rate swaps are transacted to hedge foreign currency interest rate risk arising from foreign denominated borrowings.

As at 31 March 2020, the Group held a Japanese Yen ("JPY")/SGD cross currency interest rate swap to provide SGD variable rate funding. The cross currency interest rate swap matures on the same date as the borrowings. Fair value changes on the cross currency interest rate swap are recognised in profit or loss when the changes arise.

Hedging instruments used in the Group's hedging strategy were as follows:

		Carrying Amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount $'000	Assets $'000	Liabilities $'000	Financial statement line item	Hedging instruments $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000	Weighted average hedged rate	Maturity date
Group									
31 March 2020									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**1,359,000**	**–**	**(23,319)**	**Derivative financial instruments**	**(24,244)**	**24,244**	**–**	**1.60%**	**May 2020 – December 2025**
31 March 2019									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	1,201,000	2,935	(1,621)	Derivative financial instruments	(2,809)	2,809	–	1.82%	April 2019 – April 2023

NOTES TO THE FINANCIAL STATEMENTS

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16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

		Carrying Amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount $'000	Assets $'000	Liabilities $'000	Financial statement line item	Hedging instruments $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000	Weighted average hedged rate	Maturity date
MCT									
31 March 2020									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**1,109,000**	**–**	**(18,642)**	**Derivative financial instruments**	**(19,623)**	**19,623**	**–**	**1.64%**	**May 2020 – December 2025**
31 March 2019									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	1,201,000	2,935	(1,621)	Derivative financial instruments	(2,809)	2,809	–	1.82%	April 2019 – April 2023

17. TRADE AND OTHER PAYABLES

	Group		MCT	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Current				
Trade payables	**1,078**	1,159	**555**	1,159
Amounts due to related parties:				
– trade	**–**	106	**–**	106
– non-trade	**56**	–	**56**	–
Accrued capital expenditure	**3,966**	3,959	**3,966**	3,959
Accrued operating expenses	**44,865**	39,320	**39,542**	39,312
Interest payable	**12,588**	9,200	**10,842**	9,200
Tenancy related deposits	**17,136**	13,066	**14,391**	13,066
Other deposits	**224**	204	**204**	204
Rental received in advance	**12,228**	5,437	**7,188**	5,437
Net Goods and Services Tax payable	**6,335**	6,210	**5,220**	6,212
Other payables	**5,972**	2,304	**5,686**	2,304
	104,448	80,965	**87,650**	80,959
Non-current				
Tenancy related deposits	**59,362**	52,063	**52,306**	52,063
	163,810	133,028	**139,956**	133,022

The non-trade payables due to related parties are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

18. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group		MCT	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Borrowings				
Current				
Medium term notes	**160,000**	50,000	**–**	–
Transaction cost to be amortised	**(29)**	(16)	**–**	–
	159,971	49,984	**–**	–
Non-current				
Bank loans	**1,843,200**	1,389,001	**1,204,200**	1,389,001
Medium term notes	**1,014,353**	916,453	**–**	–
Transaction cost to be amortised	**(9,504)**	(5,301)	**(3,267)**	(3,540)
	2,848,049	2,300,153	**1,200,933**	1,385,461
Loans from a subsidiary				
Current				
Loans from a subsidiary	**–**	–	**160,000**	50,000
Transaction cost to be amortised	**–**	–	**(29)**	(16)
	–	–	**159,971**	49,984
Non-current				
Loans from a subsidiary	**–**	–	**1,014,353**	916,453
Transaction cost to be amortised	**–**	–	**(2,338)**	(1,761)
	–	–	**1,012,015**	914,692
	3,008,020	2,350,137	**2,372,919**	2,350,137

The above bank loans and borrowings are unsecured. In accordance with the various facility agreements, VivoCity, MBC I, MBC II and Mapletree Anson (31 March 2019: VivoCity, MBC I and Mapletree Anson) are subject to a negative pledge.

As at 31 March 2020, DBS Trustee Limited, in its capacity as Trustee of MCT ("MCT Trustee") has provided guarantees amounting to $639,000,000 (31 March 2019: Nil) to the bank in respect to bank loans outstanding in a subsidiary.

(a) Maturity of borrowings

Group

The non-current bank loans mature between 2021 and 2026 (31 March 2019: 2020 and 2024). The non-current medium term notes will mature between 2021 and 2029 (31 March 2019: 2020 and 2027).

MCT

The non-current bank loans mature between 2021 and 2025 (31 March 2019: 2020 and 2024). The non-current medium term notes and loans from a subsidiary will mature between 2021 and 2029 (31 March 2019: 2020 and 2027).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(b) Medium term notes

In 2012, the Group established a $1,000,000,000 MTN Programme via its subsidiary, MCTTC. The Programme limit has been increased to $3,000,000,000 with effect from 29 June 2018. 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 SGD 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 MCT Trustee.

Total notes outstanding as at 31 March 2020 under the MTN Programme is $1,174,353,000 (31 March 2019: $966,453,000), consisting of:

Maturity date	Interest rate per annum	Interest payment in arrears	**31 March 2020 '000**	31 March 2019 '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
(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**	$100,000
(viii) 23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(ix) 22 November 2029	3.05%	Semi-annually	**$250,000**	–
(x) 16 March 2023[1]	3 month JPY LIBOR + 0.30%	Quarterly	**JPY8,700,000**	JPY8,700,000

[1] A cross currency interest rate swap has been entered into to hedge the JPY8,700,000,000 (31 March 2019: JPY8,700,000,000) Floating Rate Notes into notional principal amount of $100,000,000 (31 March 2019: $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 2020

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(c) Loans from a subsidiary

MCTTC has on-lent the proceeds from the issuance of the notes to MCT, which 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	31 March 2020 '000	31 March 2019 '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
(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**	$100,000
(viii) 23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(ix) 22 November 2029	3.05%	Semi-annually	**$250,000**	–
(x) 16 March 2023[1]	3 month JPY LIBOR + 0.30%	Quarterly	**JPY8,700,000**	JPY8,700,000

[1] A cross currency interest rate swap has been entered into to hedge the JPY8,700,000,000 (31 March 2019: JPY8,700,000,000) Floating Rate Notes into notional principal amount of $100,000,000 (31 March 2019: $100,000,000) at a floating rate SGD basis payable semi-annually in arrears.

(d) Effective interest rates

The weighted average all-in cost of borrowings, including amortised cost charged on the loans were as follows:

	Group		MCT	
	31 March		31 March	
	2020	2019	**2020**	2019
Bank loans	**2.64%**	2.91%	**2.70%**	2.91%
Medium term notes	**3.08%**	3.20%	**–**	–
Loans from a subsidiary	**–**	–	**3.08%**	3.20%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(e) Carrying amount and fair value

The carrying amounts of the current and non-current borrowings, which are at variable market rates, approximate their fair values at reporting date.

The carrying amounts of the fixed rate current borrowings approximate their fair values at reporting date. The carrying amount and fair value of the fixed rate non-current borrowings are as follows:

	Carrying amount		Fair value	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Group				
Medium term notes (non-current)	**900,000**	810,000	**891,492**	811,395
MCT				
Loans from a subsidiary (non-current)	**900,000**	810,000	**891,492**	811,395

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:

	31 March	
	2020	2019
Group		
Medium term notes (non-current)	**2.32% – 3.42%**	2.48% – 3.38%
MCT		
Loans from a subsidiary (non-current)	**2.32% – 3.42%**	2.48% – 3.38%

The fair values are within Level 2 of the fair value hierarchy.

(f) Undrawn committed borrowing facilities

	Group and MCT	
	31 March	
	2020 $'000	2019 $'000
Expiring beyond one year	**255,100**	231,999

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

19. DEFERRED TAX LIABILITIES

	Group	
	31 March	
	2020 **$'000**	2019 $'000
Beginning of financial year	**–**	–
Acquisition of a subsidiary	**24,974**	–
End of financial year	**24,974**	–

The movement in deferred income tax liabilities during the financial year is as follows:

Deferred tax liabilities

	Accelerated tax depreciation $'000	Total $'000
2020		
Beginning of financial year	**–**	**–**
Acquisition of a subsidiary	**24,974**	**24,974**
End of financial year	**24,974**	**24,974**
2019		
Beginning and end of financial year	–	–

20. LEASES

(a) The Group as a lessee

Nature of the Group's leasing activities

Leasehold land

The right-of-use of leasehold land is secured during acquisition of investment properties and as at 31 March 2020, the right-of-use of leasehold land is classified as Investment Properties (Note 13).

There are no externally imposed covenant on these lease arrangements.

(b) The Group and MCT as a lessor

The Group has leased out their owned investment properties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees or deposits for the term of the lease. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Gross rental income from investment properties are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. LEASES (continued)

(b) The Group and MCT as a lessor (continued)

Undiscounted lease payments from the operating leases to be received after the reporting date are as below:

	Group	MCT
	31 March	
	2020 **$'000**	**2020** **$'000**
Not later than one year	**487,374**	**398,677**
One to two years	**364,978**	**294,748**
Two to three years	**242,378**	**209,521**
Three to four years	**152,945**	**129,966**
Four to five years	**92,225**	**89,813**
Later than five years	**168,843**	**168,843**
Total undiscounted lease payments	**1,508,743**	**1,291,568**

The contingent lease payments recognised as revenue for the financial year ended 31 March 2020 were $11,103,000.

21. UNITS IN ISSUE

		Group and MCT	
	Note	**2020** **'000**	2019 '000
Units at beginning of financial year		**2,889,690**	2,880,156
Units issued as settlement of Manager's management fees	(a)	**7,959**	9,534
Units issued as settlement of Manager's acquisition fee	(b)	**3,378**	–
Units issued pursuant to private placement	(c)	**200,893**	–
Units issued pursuant to preferential offering	(d)	**205,590**	–
Units at end of financial year		**3,307,510**	2,889,690

(a) During the financial year, 7,959,350 new units (31 March 2019: 9,534,167) were issued at the issue price range of $1.8687 to $2.3339 (31 March 2019: $1.5519 to $1.6840) per unit, in respect of the payment of management fees to the Manager in units. 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) 3,377,642 (31 March 2019: Nil) new units issued at the price of $2.2945 per unit, amounting to $7,750,000 (31 March 2019: Nil), as payment of the Manager's acquisition fee arising from the acquisition of subsidiaries during the financial year. The issuance represents a non-cash transaction.

(c) 200,893,000 new units were issued at the issue price of $2.28 per unit, amounting to $458,036,000 for cash, as part of the private placement undertaken by MCT.

(d) 205,589,840 new units were issued at the issue price of $2.24 per unit, amounting to $460,521,000 for cash, as part of the preferential offering undertaken by MCT, where Unitholders were entitled to subscribe for 71 new units for every 1,000 existing units held.

The proceeds raised from the private placement and preferential offering were used to fund the acquisition of subsidiaries and the related acquisition costs during the financial year. As at 31 March 2020, the gross proceeds have been fully disbursed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

21. 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.

22. HEDGING RESERVE

	Group		MCT	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Beginning of financial year	**1,314**	3,593	**1,314**	3,593
Fair value losses	**(24,244)**	(2,809)	**(19,623)**	(2,809)
Reclassification to profit or loss				
– Finance expenses (Note 5)	**(389)**	530	**(333)**	530
End of financial year	**(23,319)**	1,314	**(18,642)**	1,314

Hedging reserve is non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

23. COMMITMENTS

(a) Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements amounted to $16,153,000 (31 March 2019: $5,022,000).

(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.

As at 31 March 2019, 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
	31 March 2019 $'000
Not later than 1 year	400,038
Between 1 and 5 years	761,847
Later than 5 years	182,967
	1,344,852

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 as at 31 March 2019 are used.

The contingent lease payments recognised as revenue for the financial year ended 31 March 2019 were $12,938,000.

On 1 April 2019, the Group has adopted SFRS(I) 16 and the undiscounted lease payments from the operating leases to be received after 1 April 2020 is disclosed in Note 20(b).

(c) During the year, the Group has announced a commitment to provide approximately $18,000,000 of rental relief to eligible retail tenants affected by the COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. 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 rates on borrowings closely to ensure that the borrowings are maintained at favourable rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate bank borrowings and medium term notes. The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps.

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	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
6 months or less:				
Revolving credit facilities	**34,200**	68,001	**15,200**	68,001
Term loans	**500,000**	185,000	**130,000**	185,000
Medium term notes	**100,000**	100,000	**–**	–
Loans from a subsidiary	**–**	–	**100,000**	100,000
	634,200	353,001	**245,200**	353,001

During the financial year, the Group has hedged its exposure to changes in interest rates on its variable rate borrowings by entering into the following contracts:

(i) Interest rate swaps, with notional contract amounts of $1,359,000,000 (31 March 2019: $1,201,000,000) whereby it receives variable rates equal to the Singapore swap offer rate on the notional amounts and pays fixed interest rates ranging from 1.24% to 2.18% (31 March 2019: 1.40% to 2.33%) per annum.

(ii) Cross currency interest rate swap, with a notional contract amount of $100,000,000 (31 March 2019: $100,000,000) whereby it receives a variable rate of JPY LIBOR + 0.3% (31 March 2019: JPY LIBOR + 0.3%) per annum on the notional amount and pays a variable rate of Singapore swap offer rate + 1.08% (31 March 2019: Singapore swap offer rate + 1.08%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. 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 SGD. If the SGD interest rates increase/(decrease) by 0.50% (31 March 2019: 0.50%) with all other variables including tax rate being held constant, the profit after tax and hedging reserve attributable to Unitholders will (decrease)/increase by the amounts as follows, as a result of higher/lower interest expenses and higher/lower fair value of interest rate swaps and cross currency interest rate swap respectively:

	Increase / (Decrease)			
	Profit after tax		Hedging Reserve	
	Increase by 0.50% $'000	Decrease by 0.50% $'000	Increase by 0.50% $'000	Decrease by 0.50% $'000
Group				
31 March 2020				
Interest bearing borrowings	**(3,171)**	**3,171**	**–**	**–**
Interest rate swaps	**–**	**–**	**14,253**	**(14,402)**
Cross currency interest rate swap	**7**	**(7)**	**–**	**–**
	(3,164)	**3,164**	**14,253**	**(14,402)**
31 March 2019				
Interest bearing borrowings	(1,765)	1,765	–	–
Interest rate swaps	–	–	9,854	(9,854)
Cross currency interest rate swap	28	(29)	–	–
	(1,737)	1,736	9,854	(9,854)
MCT				
31 March 2020				
Interest bearing borrowings	**(1,226)**	**1,226**	**–**	**–**
Interest rate swaps	**–**	**–**	**8,971**	**(9,043)**
Cross currency interest rate swap	**7**	**(7)**	**–**	**–**
	(1,219)	**1,219**	**8,971**	**(9,043)**
31 March 2019				
Interest bearing borrowings	(1,765)	1,765	–	–
Interest rate swaps	–	–	9,854	(9,854)
Cross currency interest rate swap	28	(29)	–	–
	(1,737)	1,736	9,854	(9,854)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. FINANCIAL RISK MANAGEMENT (continued)

(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 a cross currency interest rate swap with notional contract amount of JPY8,700,000,000 into SGD amounting to $100,000,000. The cross currency interest rate swap matures on the same date that the JPY medium term notes are due for repayment.

(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.

As at 31 March 2020 and 31 March 2019, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statements of Financial Position.

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The expected credit losses also incorporate forward looking information such as forecast of macro-economic conditions. The loss allowance for trade receivables as at 31 March 2020 and as at 31 March 2019 was assessed as not material.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The Group considers a financial asset as impaired (net of security deposits and bankers' guarantee) when the counterparty fails to make payments in accordance with the contractual terms of agreement. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. When recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The ageing of trade receivables at the reporting date was:

	Gross Carrying Amount $'000	Loss Allowance $'000
Group		
31 March 2020		
Past due < 3 months	**2,414**	**9**
Past due over 3 months	**70**	**68**
	2,484	**77**
31 March 2019		
Past due < 3 months	1,002	–
Past due over 3 months	7	–
	1,009	–
MCT		
31 March 2020		
Past due < 3 months	**2,356**	**9**
Past due over 3 months	**70**	**68**
	2,426	**77**
31 March 2019		
Past due < 3 months	1,002	–
Past due over 3 months	7	–
	1,009	–

The movement in allowance for expected credit losses of trade receivables computed based on lifetime expected credit losses are as follows:

	Group and MCT	
	2020 $'000	2019 $'000
Expected credit loss allowance		
Beginning of financial year	**–**	42
Allowance made	**77**	61
Allowance utilised	**–**	(103)
End of financial year	**77**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. 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 following table 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 2020			
Trade and other payables	**85,885**	**52,689**	**6,673**
Borrowings	**233,320**	**1,930,928**	**1,176,693**
	319,205	**1,983,617**	**1,183,366**
As at 31 March 2019			
Trade and other payables	69,318	44,991	7,072
Borrowings	118,270	1,888,755	596,211
	187,588	1,933,746	603,283
MCT			
As at 31 March 2020			
Trade and other payables	**75,242**	**45,779**	**6,526**
Borrowings	**27,761**	**1,198,992**	**50,747**
Loans from a subsidiary	**190,444**	**572,422**	**575,359**
	293,447	**1,817,193**	**632,632**
As at 31 March 2019			
Trade and other payables	69,311	44,991	7,072
Borrowings	41,108	1,294,409	175,907
Loans from a subsidiary	77,162	594,346	420,304
	187,581	1,933,746	603,283

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Group's 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 profit or loss.

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group and MCT			
As at 31 March 2020			
Net-settled interest rate swaps			
– Net cash outflows	**5,345**	**11,263**	**224**
Gross-settled cross currency interest rate swap			
– Cash inflows	**(242)**	**(106,926)**	**–**
– Cash outflows	**1,642**	**103,213**	**–**
	6,745	**7,550**	**224**
As at 31 March 2019			
Net-settled interest rate swaps			
– Net cash inflows	(2,040)	(1,196)	–
Gross-settled cross currency interest rate swap			
– Cash inflows	(242)	(107,168)	–
– Cash outflows	3,060	109,022	–
	778	658	–

(e) Capital risk

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS Code to fund acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in the Appendix 6 of the CIS Code ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% (31 March 2019: 45.0%) of its Deposited Property. As at the reporting date, the Group has a corporate family rating of Baa1 Stable (31 March 2019: Baa1 Stable) by Moody's Investors Service.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk (continued)

The Group has complied with the Aggregate Leverage requirements for the financial years ended 31 March 2020 and 31 March 2019.

	Group	
	31 March	
	2020 **$'000**	2019 $'000
Total gross borrowings[1]	**3,003,200**	2,349,001
Total deposited property	**9,007,073**	7,100,765
Aggregate leverage ratio	**33.3%**	33.1%

[1] Reflects total gross borrowings after taking into account the cross currency interest rate swap entered into to hedge the JPY8,700,000,000 (31 March 2019: 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 2020 and 31 March 2019.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
As at 31 March 2020				
Assets				
Derivative financial instruments				
– Interest rate swaps	**–**	**–**	**–**	**–**
– Cross currency interest rate swap	**–**	**13,482**	**–**	**13,482**
	–	**13,482**	**–**	**13,482**
Liabilities				
Derivative financial instruments				
– Interest rate swaps	**–**	**(23,319)**	**–**	**(23,319)**
	–	**(23,319)**	**–**	**(23,319)**
As at 31 March 2019				
Assets				
Derivative financial instruments				
– Interest rate swaps	–	2,935	–	2,935
– Cross currency interest rate swap	–	4,597	–	4,597
	–	7,532	–	7,532
Liabilities				
Derivative financial instruments				
– Interest rate swaps	–	(1,621)	–	(1,621)
	–	(1,621)	–	(1,621)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
MCT				
As at 31 March 2020				
Assets				
Derivative financial instruments				
- Interest rate swaps	**–**	**4,677**	**–**	**4,677**
- Cross currency interest rate swap	**–**	**13,482**	**–**	**13,482**
	–	**18,159**	**–**	**18,159**
Liabilities				
Derivative financial instruments				
– Interest rate swaps	**–**	**(23,319)**	**–**	**(23,319)**
	–	**(23,319)**	**–**	**(23,319)**
As at 31 March 2019				
Assets				
Derivative financial instruments				
– Interest rate swaps	–	2,935	–	2,935
– Cross currency interest rate swap	–	4,597	–	4,597
	–	7,532	–	7,532
Liabilities				
Derivative financial instruments				
– Interest rate swaps	–	(1,621)	–	(1,621)
	–	(1,621)	–	(1,621)

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 values of trade and other receivables, other current assets and trade and other payables (including non-current tenancy related deposits) approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes as disclosed in Note 18(e) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

24. FINANCIAL RISK MANAGEMENT (continued)

(g) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Statements of Financial Position and in Note 16 to the financial statements, except for the following:

	Group		MCT	
	31 March		31 March	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Financial assets at amortised cost	**71,045**	53,216	**51,270**	53,168
Financial liabilities at amortised cost	**3,153,268**	2,471,518	**2,500,466**	2,471,510

25. INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

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.

26. 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:

	2020 $'000	2019 $'000
Manager's management fees paid/payable to the Manager	**35,148**	30,877
Manager's acquisition fee in units paid to the Manager	**7,750**	–
Acquisition of a subsidiary and repayment of shareholder loans to related companies of the Manager	**1,549,842**	–
Property operating expenses recovered/recoverable from and paid/payable to related party of the Manager[1]	**1,296**	2,274
Property and project management fees paid/payable to the Property Manager	**19,595**	18,433
Staff costs paid/payable to the Property Manager	**11,087**	9,875
Trustee's fees paid/payable to the Trustee	**952**	829
Rental and other related income received/receivable from related parties	**24,413**	21,382
Capital expenditure paid/payable to a related party	**20**	–
Finance income received/receivable from a related company of the Manager	**161**	–
Other products and service fees paid/payable to related parties	**3,128**	3,079
Interest expenses, financing fees and fees related to the issue of units paid/payable to a related party	**27,481**	19,064

[1] This amount reflects the costs relating to the provision of shared services to MBC I for contracts procured by MCT and MBC LLP respectively pursuant to the Shared Services Agreement for the provision of property maintenance services for MBC I for the period 1 April 2019 to 31 October 2019 (2019: 1 April 2018 to 31 March 2019). The costs and expenses apportionment is based on agreed terms as set out in the Shared Services Agreement.

Following the acquisition of MBC LLP by MCT on 1 November 2019, the costs relating to the provision of shared services pursuant to the Shared Services Agreement shall ceased to be a related party transaction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

27. FINANCIAL RATIOS

	31 March	
	2020	2019
Ratio of expenses to weighted average net assets [1]		
– including performance component of asset management fees	**0.72%**	0.76%
– excluding performance component of asset management fees	**0.43%**	0.44%
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 Code. The portfolio turnover ratio was Nil for the financial years ended 31 March 2020 and 31 March 2019 as there were no sales of investment properties.

28. 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 2020

28. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2020 is as follows:

	VivoCity $'000	MBC[#] $'000	PSA Building $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Gross revenue	210,401	170,451	50,141	31,807	20,025	482,825
Property operating expenses	(51,670)	(30,081)	(12,567)	(6,712)	(3,855)	(104,885)
Segment net property income	158,731	140,370	37,574	25,095	16,170	377,940
Finance income						813
Finance expenses						(78,787)
Manager's management fees						(35,148)
Trustee's fees						(952)
Other trust expenses						(1,345)
Foreign exchange loss						(7,900)
Net change in fair value of financial derivatives						8,885
Profit before tax and fair value change in investment properties						263,506
Net change in fair value of investment properties	48,948	154,922	25,605	33,694	16,422	279,591
Profit for the financial year before tax						543,097
Income tax expense						(2)
Profit for the financial year after tax before distribution						543,095

[#] For the financial year ended 31 March 2020, the MBC operating segment includes MBC II which was acquired on 1 November 2019. Accordingly, the comparative information presented does not include MBC II.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

28. SEGMENT REPORTING (continued)

	VivoCity $'000	MBC# $'000	PSA Building $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Segment assets						
– Investment properties	3,262,000	3,758,000	791,000	762,000	347,000	8,920,000
– Plant and equipment	145	137	19	28	–	329
– Trade receivables	2,771	1,040	338	427	441	5,017
	3,264,916	3,759,177	791,357	762,455	347,441	8,925,346
Unallocated assets						
– Cash and cash equivalents						65,857
– Other receivables						10
– Tax recoverable						1,852
– Other current assets						526
– Derivative financial instruments						13,482
Total assets						9,007,073
Segment liabilities	50,272	25,195	10,759	6,358	572	93,156
Unallocated liabilities						
– Trade and other payables						70,654
– Borrowings						3,008,020
– Current income tax liabilities						2
– Deferred tax liabilities						24,974
– Derivative financial instruments						23,319
Total liabilities						3,220,125
Other segmental information						
Additions to:						
– Investment properties	13,077	852	2,408	306	578	17,221
– Plant and equipment	110	73	19	14	–	216

For the financial year ended 31 March 2020, the MBC operating segment includes MBC II which was acquired on 1 November 2019. Accordingly, the comparative information presented does not include MBC II.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

28. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2019 is as follows:

	VivoCity $'000	MBC# $'000	PSA Building $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Gross revenue	212,927	127,067	50,540	33,628	19,731	443,893
Property operating expenses	(50,659)	(22,875)	(12,002)	(6,753)	(3,977)	(96,266)
Segment net property income	162,268	104,192	38,538	26,875	15,754	347,627
Finance income						666
Finance expenses						(70,014)
Manager's management fees						(30,877)
Trustee's fees						(829)
Other trust expenses						(1,104)
Foreign exchange gain						574
Net change in fair value of financial derivatives						(359)
Profit before tax and fair value change in investment properties						245,684
Net change in fair value of investment properties	157,349	125,373	18,445	26,713	8,738	336,618
Profit for the financial year before tax						582,302
Income tax expense						(*)
Profit for the financial year after tax before distribution						582,302

For the financial year ended 31 March 2020, the MBC operating segment includes MBC II which was acquired on 1 November 2019. Accordingly, the comparative information presented does not include MBC II.

* Amount is less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

28. SEGMENT REPORTING (continued)

	VivoCity $'000	MBC# $'000	PSA Building $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Segment assets						
– Investment properties	3,200,000	2,018,000	763,000	728,000	330,000	7,039,000
– Plant and equipment	94	2	*	32	–	128
– Trade receivables	1,326	1,408	288	239	535	3,796
	3,201,420	2,019,410	763,288	728,271	330,535	7,042,924
Unallocated assets						
– Cash and cash equivalents						49,119
– Other receivables						208
– Other current assets						982
– Derivative financial instruments						7,532
Total assets						7,100,765
Segment liabilities	48,516	9,356	9,546	6,274	1,209	74,901
Unallocated liabilities						
– Trade and other payables						58,127
– Borrowings						2,350,137
– Current income tax liabilities						*
– Derivative financial instruments						1,621
Total liabilities						2,484,786
Other segmental information						
Additions to:						
– Investment properties	14,697	627	4,649	287	262	20,522
– Plant and equipment	27	2	–	–	–	29

For the financial year ended 31 March 2020, the MBC operating segment includes MBC II which was acquired on 1 November 2019. Accordingly, the comparative information presented does not include MBC II.

* Amount is less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

29. EVENTS OCCURRING AFTER REPORTING DATE

The COVID-19 pandemic has led to health, social and economic challenges globally. Within Singapore, increasingly tighter health measures implemented to combat the outbreak have impacted the retail industry adversely, with lower retail footfall and sales registered across the country.

As part of the Resilience Budget that was announced on 26 March 2020, the Singapore Government will be providing enhanced property tax rebate to alleviate pressure on businesses. Subsequently, on 7 April 2020, COVID-19 (Temporary Measures) Act ("COVID-19 Act") was passed. The COVID-19 Act mandates property owners to pass the full benefit of the reduction in property tax on the property to the tenants. As the property tax rebate will be passed through in full to the tenants, this will have no material financial impact to the Group.

In addition, the Singapore government announced circuit breaker measures to be implemented nationwide from 7 April 2020, to minimise further spread of COVID-19. In view of the circuit breaker measures, fixed rental for April 2020 will be waived for eligible retail tenants.

MCT is cognisant of the challenges posed by COVID-19 on the overall sector, including lower prospective demand for commercial space. With the newly-introduced COVID-19 Act, some tenants can also be expected to defer lease payments. However, as the COVID-19 situation is still evolving, the full impact of the COVID-19 pandemic to the Group's performance for the financial year ending 31 March 2021 cannot be ascertained at the point when this set of financial statements were authorised for issue.

Subsequent to the reporting date, the Manager announced a distribution of 0.91 cents per unit for the period 1 January 2020 to 31 March 2020.

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATION

(a) Amendments to SFRS(I) 3 Business Combination (effective for annual periods beginning on or after 1 January 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATION (continued)

(a) Amendments to SFRS(I) 3 Business Combination (effective for annual periods beginning on or after 1 January 2020) (continued)

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 April 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

(b) Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform (effective for annual periods beginning on or after 1 January 2020)

In December 2019, the ASC issued "Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform" (effective 1 January 2020). The amendments provide exceptions that allow entities to continue hedge accounting for existing hedge relationships under the assumption that Inter Bank Offer Rate (IBOR) based hedged cash flows are not altered as a result of the IBOR reform.

These amendments are issued due to global reform of interest rate benchmarks such as IBORs. IBORs are key reference rates for financial instruments such as derivatives, loans and bonds. Regulators in a number of jurisdictions, including Singapore, are in the midst of phasing out IBORs and replacing them with more suitable alternative reference rates. There is currently uncertainty around the timing and precise nature of these changes.

The Group continues to monitor the developments of IBOR reform and it will assess the impact for the Group as further information becomes available.

31. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 22 April 2020.

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 March 2020

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than S$100,000 each) are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Mapletree Investments Pte Ltd and its related companies	**Mapletree Investments Pte Ltd:** Controlling shareholder of the Manager and controlling unitholder, and its subsidiaries or associates		
– Acquisition of a subsidiary and repayment of shareholder loans to related companies of the Manager		1,549,842	–
– Manager's management fees		35,148	–
– Property and lease management fees		19,595	–
– Staff costs		11,087	–
– Manager's acquisition fee		7,750	–
– Property operating expenses under Shared Service Agreement		1,296	–
– Operating related expenses		1,127	–
– Lease related income		388	–
Temasek Holdings (Private) Limited and its related companies	**Temasek Holdings (Private) Limited:** Controlling shareholder of the Manager and controlling unitholder, and its subsidiaries or associates		
– Finance expenses		17,933	–
– Operating related expenses		259	–
DBS Group Holdings Ltd and its related companies	**DBS Trustee Limited:** Trustee of MCT, its holding company and subsidiaries or associates		
– Finance expenses		7,479	–
– Trustee's fees		952	–
– Lease related income		206	–
– Marketing partnerships		188	–

For the purpose of the disclosure, the full contract sum was used where an interested person transaction had a fixed term and contract value, while the annual amount incurred and accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

Save as disclosed above, there were no interested person transactions (excluding transactions of less than S$100,000 each), during the financial year under review.

Save as disclosed above, there were no material contracts entered into by MCT and its subsidiaries that involved the interests of the CEO or Director of the Manager, or any controlling Unitholder of MCT, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

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 SGX-ST's Listing Manual.

Please also see Significant Related Party Transactions on Note 26 in the financial statements.

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 March 2020

Manager's Management Fees and Acquisition Fee Paid and Payable in Units

A summary of Units issued and issuable for payment of the manager's management fees and acquisition fee during or in respect of the financial year are as follows:

For Period	Issue Date	Units Issued	Issue Price* (S$)
Manager's Base Management Fee			
1 April 2019 to 30 June 2019	7 August 2019	1,084,780	2.0402
1 July 2019 to 30 September 2019	18 November 2019	994,450	2.2812
1 October 2019 to 31 December 2019	5 February 2020	1,024,068	2.3339
1 January 2020 to 31 March 2020	6 May 2020	1,310,285	1.7686
Manager's Performance Fee			
1 April 2019 to 31 March 2020	6 May 2020	3,931,944	1.7686
Manager's Acquisition Fee	18 November 2019	3,377,642	2.2945

* Based on the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten business days of the relevant period in which the management fees accrued.

STATISTICS OF UNITHOLDINGS

As at 27 May 2020

Issued and Fully Paid Units

3,312,752,784 units (voting rights: one vote per unit)
Market Capitalisation: S$6,426,740,400.96 (based on closing price of S$1.940 per unit on 27 May 2020)

Distribution of Unitholdings

	No. of Unitholders	%	No. of Units	%
1 – 99	303	1.44	12,897	0.00
100 – 1,000	3,288	15.62	2,678,748	0.08
1,001 – 10,000	12,373	58.76	55,352,094	1.67
10,001 – 1,000,000	5,056	24.01	188,503,971	5.69
1,000,001 and above	35	0.17	3,066,205,074	92.56
Total	**21,055**	**100.00**	**3,312,752,784**	**100.00**

Location of Unitholders

Country	No. of Unitholders	%	No. of Units	%
Singapore	20,608	97.88	3,305,224,797	99.77
Malaysia	280	1.33	4,193,698	0.13
Others	167	0.79	3,334,289	0.10
Total	**21,055**	**100.00**	**3,312,752,784**	**100.00**

Twenty Largest Unitholders

No.	Name	No. of Units	%
1.	Citibank Nominees Singapore Pte Ltd	583,049,440	17.60
2.	HarbourFront Place Pte. Ltd.	442,846,329	13.37
3.	DBS Nominees (Private) Limited	428,804,978	12.94
4.	DBSN Services Pte. Ltd.	361,477,750	10.91
5.	HarbourFront Eight Pte Ltd	352,238,977	10.63
6.	HSBC (Singapore) Nominees Pte Ltd	302,693,497	9.14
7.	The HarbourFront Pte Ltd	137,699,999	4.16
8.	Raffles Nominees (Pte.) Limited	119,695,241	3.61
9.	Mapletree Commercial Trust Management Ltd.	93,205,401	2.81
10.	NTUC Fairprice Co-operative Limited	67,198,400	2.03
11.	BPSS Nominees Singapore (Pte.) Ltd.	50,308,690	1.52
12.	Sienna Pte. Ltd.	47,201,893	1.42
13.	United Overseas Bank Nominees (Private) Limited	10,055,969	0.30
14.	DB Nominees (Singapore) Pte Ltd	6,817,544	0.21
15.	Toh Ting Feng (Zhuo Tingfeng) or Lim Bee Lian @ Low Ah Moy	5,340,000	0.16
16.	DBS Vickers Securities (Singapore) Pte Ltd	4,774,075	0.14
17.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	4,661,880	0.14
18.	UOB Kay Hian Private Limited	4,567,229	0.14
19.	OCBC Nominees Singapore Private Limited	4,370,536	0.13
20.	Societe Generale Singapore Branch	4,037,251	0.12
	Total	**3,031,045,079**	**91.48**

STATISTICS OF UNITHOLDINGS

As at 27 May 2020

Substantial Unitholdings as at 27 May 2020

No.	Name of Company	No. of Units: Direct Interest	No. of Units: Deemed Interest	% of Total Issued Capital
1.	Temasek Holdings (Private) Limited[1]	–	1,125,075,619	33.96
2.	Fullerton Management Pte Ltd[1]	–	1,073,192,599	32.39
3.	Mapletree Investments Pte Ltd[2]	–	1,073,192,599	32.39
4.	The HarbourFront Pte Ltd[3]	137,699,999	795,085,306	28.16
5.	HarbourFront Place Pte. Ltd.	442,846,329	–	13.37
6.	HarbourFront Eight Pte Ltd	352,238,977	–	10.63
7.	Schroders plc[4]	–	190,404,653	5.74
8.	BlackRock, Inc.[5]	–	166,532,815	5.02

Notes:

1 Each of Temasek Holdings (Private) Limited ("**Temasek**") and Fullerton Management Pte Ltd ("**Fullerton**") is deemed to be interested in the 137,699,999 units held by The HarbourFront Pte Ltd ("**THFPL**"), 442,846,329 units held by HarbourFront Place Pte. Ltd. ("**HFPlace**"), 352,238,977 units held by HarbourFront Eight Pte Ltd ("**HF8**"), 47,201,893 units held by Sienna Pte. Ltd. ("**Sienna**") and 93,205,401 units held by Mapletree Commercial Trust Management Ltd. ("**MCTM**"). In addition, Temasek is deemed to be interested in the 51,883,020 units in which its other subsidiaries and associated companies have direct or deemed interests. THFPL, HFPlace, HF8, Sienna and MCTM are wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("**MIPL**"). MIPL is a wholly-owned subsidiary of Fullerton which is in turn a wholly-owned subsidiary of Temasek. Each of MIPL and such other subsidiaries and associated companies referred to above is an independently-managed Temasek portfolio company. Neither Temasek nor Fullerton are involved in their business or operating decisions, including those regarding their unitholdings.

2 MIPL is deemed to be interested in the 137,699,999 units held by THFPL, 442,846,329 units held by HFPlace, 352,238,977 units held by HF8, 47,201,893 units held by Sienna and 93,205,401 units held by MCTM.

3 THFPL as holding company of HFPlace and HF8, is deemed to be interested in the 442,846,329 units held by HFPlace and 352,238,977 units held by HF8.

4 Schroders plc is deemed to be interested in the 190,404,653 units held on behalf of clients as Investment Managers.

5 BlackRock, Inc. is deemed to be interested in the 166,532,815 units held through BlackRock, Inc.'s subsidiaries.

Unitholdings of the Directors of the Manager as at 21 April 2020

No.	Name	No. of Units: Direct Interest	No. of Units: Deemed Interest
1.	Tsang Yam Pui	–	426,043
2.	Kwa Kim Li	10,000	29,600
3.	Premod P. Thomas	–	–
4.	Kan Shik Lum	–	–
5.	Koh Cheng Chua	–	–
6.	Wu Long Peng	–	–
7.	Mak Keat Meng	–	–
8.	Alvin Tay	–	–
9.	Hiew Yoon Khong	612,751	4,226,380
10.	Wendy Koh	–	1,128,699
11.	Amy Ng	680,513	–
12.	Sharon Lim	–	20,200

Free Float

Based on the information made available to the Manager as at 27 May 2020, approximately 65.82% 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.

CORPORATE DIRECTORY

MANAGER
Mapletree Commercial Trust Management Ltd.

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Non-Executive Chairman and Director

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

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

Mr Kan Shik Lum
Independent Non-Executive Director
Member of the Nominating and Remuneration Committee

Mr Koh Cheng Chua
Independent Non-Executive Director
Member of the Audit and Risk Committee

Mr Wu Long Peng
Independent Non-Executive Director
Member of the Audit and Risk Committee

Mr Mak Keat Meng
Independent Non-Executive Director
Member of the Audit and Risk Committee

Mr Alvin Tay
Independent Non-Executive Director

Mr Hiew Yoon Khong
Non-Executive Director
Member of the Nominating and Remuneration Committee

Ms Wendy Koh
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
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Partner-in-charge
Ms Rebekah Khan
(since financial year ended 31 March 2020)

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