MANAGING CHALLENGES
DIVERSIFYING PORTFOLIO
ENHANCING RESILIENCE

ANNUAL REPORT 2019/2020

mapletree
north asia commercial

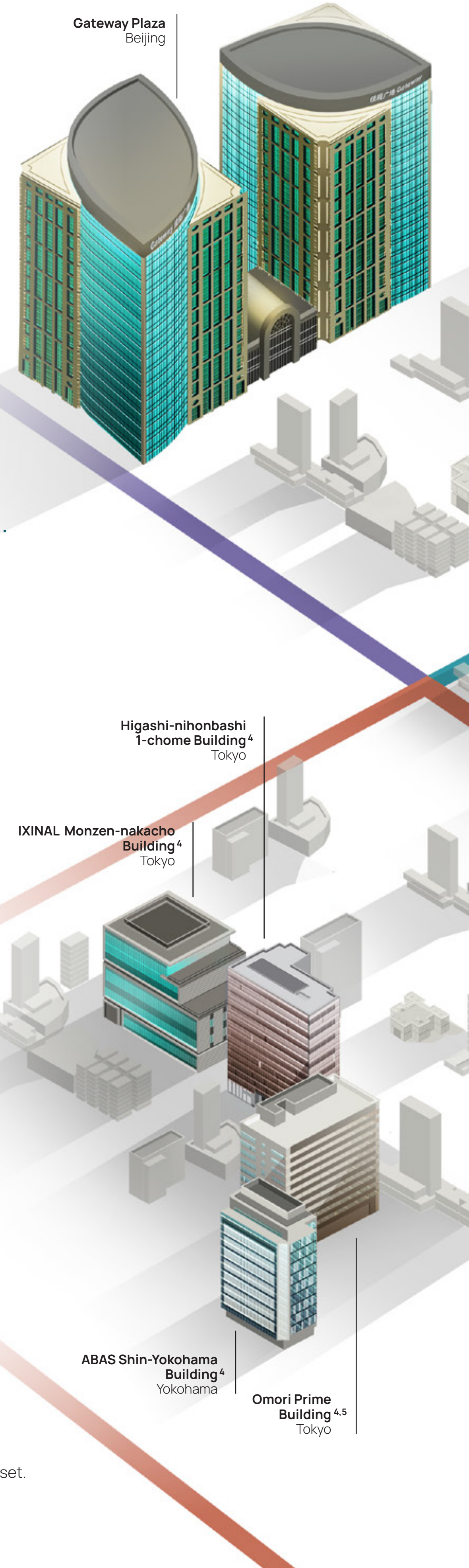
MANAGING CHALLENGES
DIVERSIFYING PORTFOLIO
ENHANCING RESILIENCE

FY19/20 was a year of exceptional challenges for MNACT in the wake of the social unrests in Hong Kong SAR and then COVID-19, and which was not helped by the continuing global political and trade tensions. Navigating through this very difficult operating environment, the Manager has remained vigilant and adaptive in executing its strategy across the markets which MNACT operates in.

On the operational front, the Manager stood in support of our loyal tenants whose businesses have been severely impacted, by providing rental reliefs over the third quarter and fourth quarter of FY19/20 to help them tide through the period.

At the same time, the strategic acquisitions of the two office properties in Greater Tokyo, Japan, in February 2020 have buffered the impact on MNACT's profit and resulted in greater diversification of MNACT's portfolio.

The Manager remains committed and disciplined in managing the challenges ahead, and will continue to accelerate income diversification through accretive acquisitions, and further reinforce the resilience of MNACT's portfolio through active asset management and prudent capital management, to deliver balanced and long-term returns to the Unitholders.



CORPORATE PROFILE

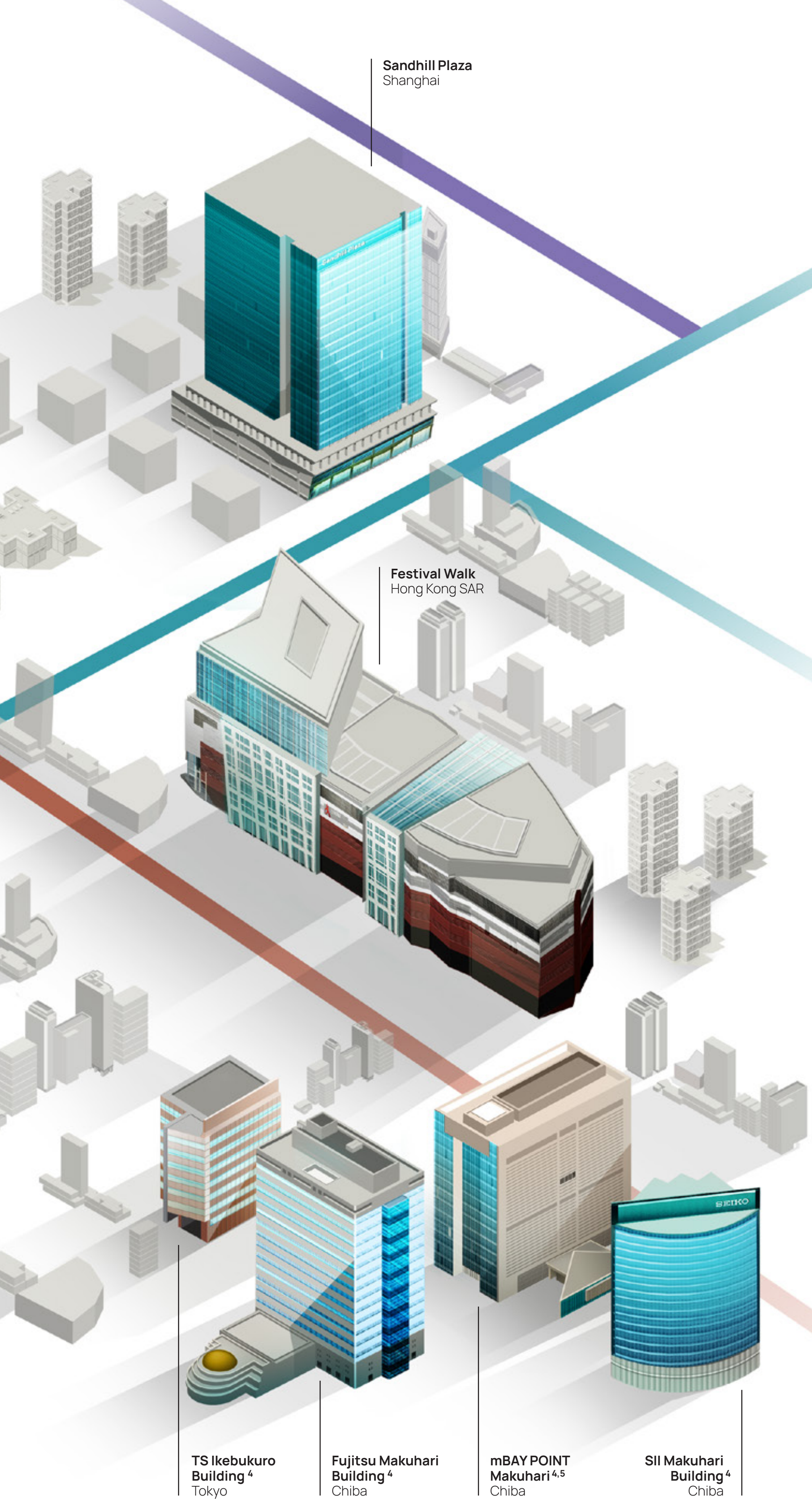
Listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 7 March 2013, Mapletree North Asia Commercial Trust ("MNACT") is the first real estate investment trust ("REIT") that offers investors the opportunity to invest in best-in-class commercial properties situated in prime locations in China, in Hong Kong SAR[1] and in Japan. MNACT is also the fourth 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. It is managed by Mapletree North Asia Commercial Trust Management Ltd. ("MNACTM", or the "Manager"), a wholly-owned subsidiary of MIPL. As of 31 March 2020, MNACT had a market capitalisation of approximately S$2.7 billion.

MNACT's portfolio comprises 11 properties[2] in China, in Hong Kong SAR and in Japan. As of 31 March 2020, they cover a lettable area of approximately 5.2 million square feet, with a combined book value[3] of S$8.3 billion.

1 Hong Kong SAR refers to the Hong Kong Special Administrative Region ("SAR").

2 Includes the two new office properties (mBAY POINT Makuhari ("MBP") and Omori Prime Building ("Omori")) located in Greater Tokyo, Japan, which were acquired on 28 February 2020. Please refer to MNACT's SGX-ST Announcement dated 28 February 2020 titled "Issuance of the Transaction Units to Sponsor's Nominee, and Completion of Acquisitions of Two Office Properties in Greater Tokyo and Use of Proceeds".

3 Please refer to page 22 in the Financial Review and Capital Management section for the valuations by asset.



These are illustrations of MNACT's properties, and are not drawn to scale.

OVERVIEW

PERFORMANCE

GOVERNANCE & SUSTAINABILITY

FINANCIALS & OTHERS

Kindly refer to the following information on this Annual Report:

1. Online Annual Report: As part of the Manager's environmental conservation efforts, only limited copies of MNACT's Annual Report are printed. A PDF version of the Annual Report is available for download from **www.mapletreenorthasiacommercialtrust.com.**
2. Any discrepancies in the figures and percentages within the tables and charts are due to rounding. Where applicable, these are rounded to one decimal place.

[4] Collectively known as the "Japan Properties".

[5] Please refer to MNACT's SGX-ST Announcement dated 4 December 2019 titled "The Proposed Acquisitions of Two Office Properties in Greater Tokyo".

FINANCIAL HIGHLIGHTS

The continuing global political and trade tensions, the social unrests in Hong Kong SAR, and then COVID-19, have impacted the financial performance of MNACT during the year. Festival Walk turned in lower revenue due to rental reliefs granted to support retail tenants affected by the social unrests in Hong Kong SAR as well as COVID-19. There was also no rental collection during the temporary closure of Festival Walk's mall from 13 November 2019 to 15 January 2020 and its office tower from 13 to 25 November 2019. Additionally, revenue from Gateway Plaza was lower due to lower average occupancy.

To mitigate the cash flow impact on the distributable income ("DI") when Festival Walk's mall and office tower were closed with no rental collection, and until such time the loss of revenue is recovered through the insurance claims[1], the Manager has implemented distribution top-ups for 3Q FY19/20 and 4Q FY19/20. The acquisition of two office properties in Greater Tokyo was also completed on 28 February 2020, accelerating the income diversification of MNACT and mitigating the decline in distribution per unit ("DPU"). Accordingly, DPU declined by 7.4% for FY19/20 compared to FY18/19.

Cognizant of market uncertainty and volatility, the Manager maintained a healthy liquidity position to meet the maturing debt obligations in FY20/21 and remained prudent in its capital management strategy to mitigate the impact of interest rate and foreign exchange exposures.

GROSS REVENUE
(S$M)

S$354.5m

FY19/20	**354.5**
FY18/19	408.7
FY17/18	355.0
FY16/17	350.6
FY15/16	336.6

NET PROPERTY INCOME ("NPI")
(S$M)

S$277.5m

FY19/20	**277.5**
FY18/19	329.0
FY17/18	287.2
FY16/17	285.6
FY15/16	277.5

DI
(S$M)

S$227.9m

FY19/20	**227.9**[2]
FY18/19	240.7
FY17/18	210.9
FY16/17	204.6
FY15/16	199.9

DPU[3]
(cents)

7.124cents

FY19/20	**7.124**[4]
FY18/19	7.690[4]
FY17/18	7.481
FY16/17	7.341
FY15/16	7.270

INVESTMENT PROPERTIES
(S$M)

S$8,347.2m

FY19/20	**8,347.2**
FY18/19	7,609.5
FY17/18	6,292.0
FY16/17	6,226.3
FY15/16	5,922.5

NET ASSET VALUE ("NAV") PER UNIT
(S$)

S$1.412

FY19/20	**1.412**
FY18/19	1.445
FY17/18	1.376
FY16/17	1.301
FY15/16	1.239

1 Please refer to page 18 in the Financial Review and Capital Management section and page 33 in the Property Portfolio Summary and Review section.

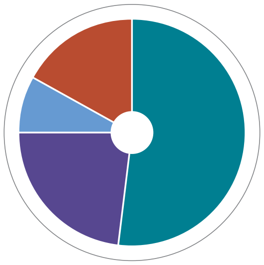
2 Includes distribution top-ups of S$32.9 million. Please refer to page 18 in the Financial Review and Capital Management section for further details.

3 For FY18/19 and FY19/20, full-year DPU is the sum of the 1Q, 2Q, 3Q and 4Q available DPU based on the number of issued units as of the end of the respective quarters. Prior to FY18/19, MNACT's distribution policy was on a semi-annual basis. From FY15/16 to FY17/18, full-year DPU is the sum of the first-half and second-half DPU paid to the Unitholders for the financial year based on the number of issued units as of the end of the respective half-year periods ending 30 September and 31 March.

Full-year DPU, as shown in the full-year results announcements for FY15/16 and FY16/17 (FY15/16: 7.248 cents, FY16/17: 7.320 cents), was computed based on the income available for distribution for the year over the number of issued units as of the end of the year.

4 Unitholders received advanced distributions in both FY18/19 and FY19/20. Please refer to page 19 in the Financial Review and Capital Management section for further details.

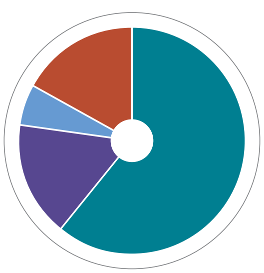
CONTRIBUTION TO NPI
(FY19/20)



S$277.5m

Festival Walk	53.7%
Gateway Plaza	23.5%
Sandhill Plaza	8.4%
Japan Properties[1]	14.4%

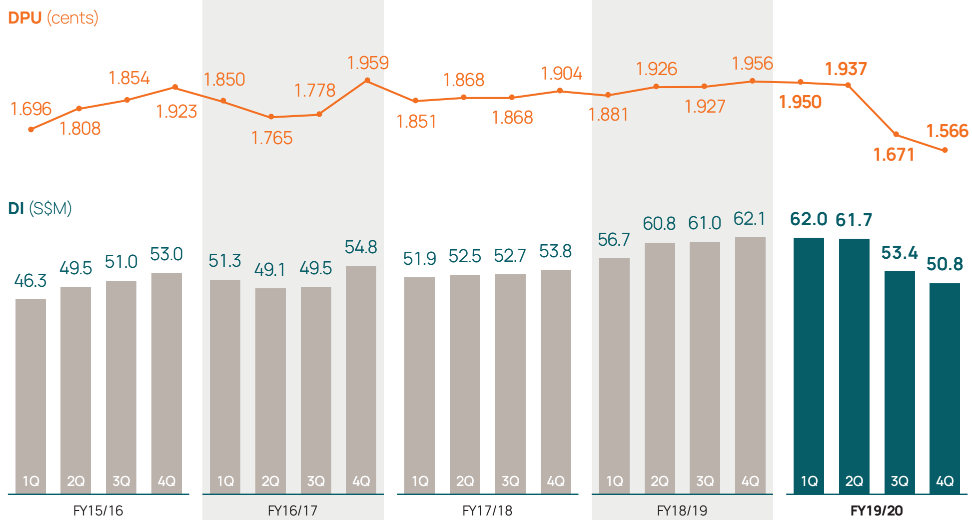
CONTRIBUTION TO PORTFOLIO VALUATION
(As of 31 March 2020)



S$8,347.2m

Festival Walk	61.0%
Gateway Plaza	16.4%
Sandhill Plaza	5.8%
Japan Properties[1]	16.8%

FIVE-YEAR QUARTERLY DI AND DPU[2]



STATEMENT OF FINANCIAL POSITION HIGHLIGHTS (S$M)

As of 31 March	2016	2017	2018	2019	2020
Total Assets	6,153.5	6,528.9	6,522.7	7,820.4	**8,586.7**
Total Borrowings	2,422.3	2,556.2	2,361.1	2,867.9	**3,372.3**
Net Assets Attributable to Unitholders	3,416.2	3,636.3	3,888.8	4,585.5[3]	**4,721.5[3]**

KEY FINANCIAL INDICATORS

As of 31 March	2016	2017	2018	2019	2020
Distribution Yield[4] for the Financial Year (%)	7.6	7.2	6.5	5.8	**8.8**
Aggregate Leverage Ratio[5] (%)	39.5	39.2	36.2	36.6	**39.3**
Average Term to Maturity for Debt (years)	3.01	3.73	3.43	3.70	**3.35**
Effective Interest Rate for the Financial Year (% per annum)	2.43	2.72	2.72	2.47	**2.43**
Interest Cover Ratio[6] for the Financial Year (times)	3.9	3.6	3.9	4.2	**3.5**
Percentage of Debt with Fixed Interest Cost (%)	77	71	78	86	**77**
Unencumbered Assets as % of Total Assets (%)	100	100	100	90[7]	**81[7]**

[1] Includes contribution from MBP and Omori from 28 February 2020, following the completion of the acquisitions.

[2] DPU per quarter is calculated based on the distributable income for the quarter over the number of issued units as of the end of the quarter.
The reported number of units in issue as of the end of each quarter does not include the payment of the Manager's base fee and property management fees for Mapletree North Asia Property Management Limited (the "Property Manager") (collectively referred to as "Fees") in units for the quarter. These units issued are included in the computation of the DPU payable (on a quarterly basis) for the following quarter. Please refer to pages 144 and 145 in the Notes to the Financial Statements section for more information on the Manager's base fee and the Property Manager's management fees respectively.

[3] MNACT holds a 98.47% effective interest in the Japan Properties. The net assets attributable to Unitholders as of 31 March 2019 and 31 March 2020 exclude the non-controlling interests of 1.53% held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ" or the "Japan Asset Manager").

[4] Percentage of full-year available DPU over closing unit price for the financial year.

[5] In accordance with Property Funds Guidelines, the leverage ratio is aggregated on a proportionate basis based on MNACT's share of both Japanese Yen ("JPY") onshore borrowings and total assets attributed to the Japan Properties.

[6] Interest cover ratio is calculated based on profit before income tax not taking into account net finance costs, foreign exchange differences, depreciation and changes in fair value of derivatives and investment properties, and over net finance costs.

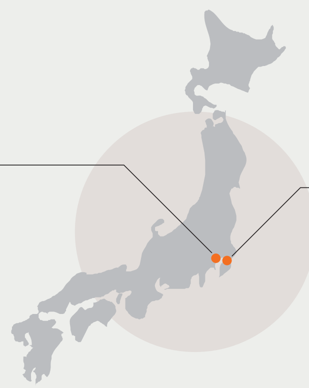
[7] JPY onshore borrowings are secured against the Japan Properties.

PORTFOLIO HIGHLIGHTS
(For FY19/20)

DIVERSIFYING THE PORTFOLIO

Increased Japan's contribution by portfolio valuation from **10.3%** as of end FY18/19 to **16.8%** as of end FY19/20 following the acquisitions of **MBP** and **Omori**.

Omori Prime Building
Shinagawa-ku, Tokyo



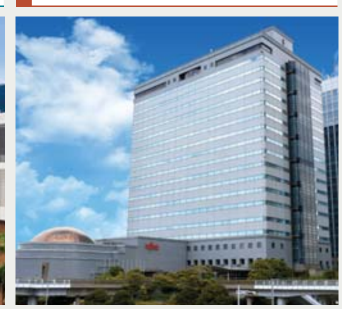
mBAY POINT Makuhari
Mihama-ku, Chiba

(As of 31 March 2020)

CHINA

HONG KONG SAR

GREATER TOKYO, JAPAN



	Gateway Plaza	Sandhill Plaza	Festival Walk	Japan Properties
Valuation	S$1,368m	S$484m	S$5,090m	S$1,405m
Occupancy Rate (Japan Properties: Average Occupancy Rate)	91.5%	98.0%	99.8%	94.7%
WALE[2]	2.6 years	2.5 years	2.3 years	3.8 years
Tenants	91	53	185	85

[1] Based on the independent valuations of MBP and Omori as of 1 November 2019 undertaken by Cushman & Wakefield K.K.

[2] Weighted Average Lease Expiry ("WALE") measures the remaining lease terms of the committed leases weighted by the gross rental income for the month of March 2020.

ENHANCING RESILIENCE

Implemented

Distribution Reinvestment Plan[1] ("DRP")

from 3Q FY19/20 to strengthen MNACT's balance sheet and resulted in additional liquidity[2] of approximately

S$23.1m.

Please refer to:
Financial Review and Capital Management — pages 16-27

Put in place

enhanced protective measures

across all properties to safeguard the health and safety of the local communities, shoppers, tenants and employees in response to COVID-19.

Please refer to:
Property Portfolio Summary and Review — pages 28-45

Rolled out

support measures to the portfolio's tenants

amid COVID-19 and social unrests, including rental reliefs of

S$18.1m

granted to tenants in FY19/20.

ENHANCING THE ASSETS

Upgrading of toilets and common corridors at Gateway Plaza is near completion.

Upgraded toilets, lobby and common areas of one of the low-rise multi-tenanted blocks at Sandhill Plaza.

Please refer to:
Property Portfolio Summary and Review — pages 28-45

CONTINUING SUSTAINABLE PRACTICES

Entered into a **sustainability-linked loan** of approximately

S$174m

designed to track MNACT's sustainability performance.

Improved average electricity intensity and **average water intensity** by

1.7% and **14.9%**

respectively in FY19/20 compared to FY18/19 across various assets.

Please refer to:
Sustainability Report — pages 98-124

Initiated and carried out

14

corporate social responsibility ("CSR") activities including venue sponsorships for charitable causes during FY19/20.

Please refer to:
Sustainability Report — pages 98-124

[1] Please refer to MNACT's SGX-ST Announcement dated 4 December 2019 titled "Update on Festival Walk and Impact on MNACT".

[2] The additional liquidity arises from the take-up of DRP units for 3Q FY19/20. There will be an additional liquidity of S$12.8 million, arising from the issuance of DRP units on 14 April 2020 for the Advanced Distribution for the period from 1 January 2020 to 27 February 2020. Please refer to MNACT's SGX-ST Announcement dated 13 April 2020 titled "Issue and Listing of New Units under the DRP for the Advanced Distribution". For the period from 28 February 2020 to 31 March 2020, Unitholders can also elect to participate for DRP units and the issuance of these DRP units will be on 24 June 2020. Please refer to MNACT's SGX-ST Announcement dated 29 April 2020 titled "Notice of Record Date and Distribution Payment Date, and Application of Distribution Reinvestment Plan to the Distribution".

LETTER TO UNITHOLDERS

Managing Challenges, Diversifying Portfolio

MR. PAUL MA KAH WOH
Non-Executive Chairman and Director

MS. CINDY CHOW PEI PEI
Executive Director and Chief Executive Officer

Dear Unitholders,

On behalf of the Board of Directors of the Manager, we are pleased to present MNACT's Annual Report to Unitholders for the financial year from 1 April 2019 to 31 March 2020 ("FY19/20").

FY19/20 was far from business as usual for MNACT. Geopolitical, trade and social tensions continued to impact economic growth, with increased market volatility. Many months of social unrests in Hong Kong SAR had culminated in severe vandalism and extensive damage to Festival Walk, which caused the mall to be closed for major repair and recovery works from 13 November 2019 to 15 January 2020, while the office tower was closed from 13 November 2019 to 25 November 2019. Revenue was not collectable during these closure periods. After the mall re-opened on 16 January 2020, COVID-19 emerged in Hong Kong SAR on 23 January 2020. The consequential restrictive measures that were introduced to combat COVID-19 have severely impacted the business environment, in particular for our retail tenants in Festival Walk's mall.

With the emergence of COVID-19, and as a first priority, immediate steps were taken to implement precautionary measures across our properties to protect the health and safety of our staff, tenants and visitors.

And to support and sustain the long-standing relationships with our tenants, we have extended S$18.1 million of rental reliefs during FY19/20, mainly to our retail tenants who were adversely affected by the difficult retail market conditions as a result of the earlier social unrests and subsequently COVID-19.

We have also extended rental reliefs through to 1Q FY20/21, and will consider the need for continuing with these relief measures as the impact of the COVID-19 continues to evolve.

The Manager has also taken steps to manage the impact to our Unitholders and portfolio from these unprecedented events.

To mitigate the cash flow impact [1] of Festival Walk's mall closure on the distributable income payable for 3Q FY19/20 and 4Q FY19/20, the Manager implemented distribution top-ups of S$32.9 million to enable a certain level of distributable income to our Unitholders.

To accelerate the diversification of MNACT's portfolio and reduce the asset and income concentration from any single asset, we acquired [2] an effective interest of 98.47% in two freehold office properties, MBP and Omori, in Greater Tokyo, Japan, in February 2020 from the Sponsor at a total acquisition cost of S$480.0 million. The addition of these assets contributed to the diversification of MNACT's portfolio across geographies, tenant mix and lease tenure, providing Unitholders with a more diversified and sustainable income stream.

Notwithstanding a difficult operating environment, we have maintained good financial flexibility with a healthy liquidity position of around S$374.4 million comprising both committed and uncommitted credit facilities as of 31 March 2020. To strengthen MNACT's balance sheet and lower the gearing level progressively, the DRP was implemented from 3Q FY19/20 and resulted in additional liquidity of approximately S$23.1 million [3].

FINANCIAL PERFORMANCE FOR FY19/20

We achieved a portfolio gross revenue [4] of S$354.5 million and NPI of S$277.5 million for FY19/20 compared to S$408.7 million and S$329.0 million respectively for FY18/19. Accordingly, distributable income for FY19/20 was S$227.9 million compared to S$240.7 million for FY18/19. Taking into account the lower income available for distribution, the distribution top-ups and the enlarged unit base [5], FY19/20 DPU was 7.124 cents compared to 7.690 cents for the last financial year. The DPU of 7.124 cents translated to a distribution yield of 8.8% based on MNACT's closing unit price of S$0.805 on 31 March 2020 (last trading day of the financial year).

As of 31 March 2020, portfolio value [6] increased 9.7% to S$8,347.2 million from S$7,609.5 million as of 31 March 2019. This was mainly due to the acquisitions of MBP and Omori, fair value gains on Gateway Plaza, Sandhill Plaza and the Japan Properties (including MBP and Omori), and net translation gains (against Singapore Dollar ("SGD")) from the stronger Hong Kong Dollar ("HKD") and JPY, partially offset by the fair value loss on Festival Walk and weaker Renminbi ("RMB") against SGD.

The independent valuers are of the view that the valuation techniques and estimates they have employed are reflective of the current market conditions and have taken into account the impact of COVID-19 based on information available as of 31 March 2020. Further, with the heightened uncertainty over the length and severity of the COVID-19 outbreak in the respective countries in which

MNACT operates and the ongoing measures being adopted by them to address the outbreak, valuations may be subjected to more fluctuations subsequent to 31 March 2020 than during normal market conditions.

Taking into account the issuance of Transaction Units[7] (in connection with the acquisitions of MBP and Omori), advanced distribution paid and lower profit, NAV[8] per unit decreased to S$1.412 as of 31 March 2020 (2019: S$1.445).

OPERATING PERFORMANCE

Against this backdrop, while our properties were impacted on several fronts, the overall portfolio registered a high occupancy level of 95.2%, with a WALE of 2.7 years as of 31 March 2020, attesting to the resilience of our portfolio of quality assets.

For Festival Walk, the office space was fully occupied, with an average rental reversion[9] of 6%. The mall achieved an occupancy of 99.8% as of 31 March 2020 and an average rental reversion of 8% for leases that expired in FY19/20. However, due to disruptions from the social unrests and the restrictive measures introduced to combat COVID-19, retail sales[10] and footfall[10] recorded a decrease of 18.1% and 18.7% respectively compared to a year ago.

To support retail tenants and boost shopper spending, we implemented a series of marketing promotions including gift redemptions and complimentary parking coupons for shoppers as well as free promotions for our tenants via our marketing channels. More initiatives including a partnership with Deliveroo to facilitate and boost the delivery sales of our F&B tenants will be introduced. An enhanced mobile app featuring a loyalty programme has also been lined up to generate more sales and enrich our shoppers' experience.

Acquisition of MBP (FJM and SMB are MNACT's two existing properties in the Makuhari area).

At Gateway Plaza, we continued to focus on active leasing and stabilising occupancy level. With the slowing economy due to trade tensions and new supply that came onstream during the financial year, occupancy of the property declined to 91.5% as of 31 March 2020 from 99.0% as of 31 March 2019. Rental levels of new and renewed leases at the property in FY19/20 were also impacted by the weak market conditions.

Operating performance at Sandhill Plaza was relatively more resilient. Although some tenants were cautious about the economic outlook, demand from the technology, media and telecommunications ("TMT") sector remained. The occupancy of the property was 98.0% as of 31 March 2020, with an average rental reversion of 10%, achieved for leases that expired in FY19/20.

During the financial year, demand for Tokyo office space remained relatively steady, underpinned by economic and political stability, and low vacancy rates. The six offices in Greater Tokyo which were acquired in May 2018 registered an average occupancy of 99.1% as of 31 March 2020. However, as one of these properties was converted from single- to multi-tenancies upon expiry of the single tenancy, leases were negotiated at lower rates to ramp up occupancy. For the newly acquired MBP and Omori, we will focus efforts on increasing occupancy and cost efficiencies to improve the net property income margin.

PRUDENT CAPITAL MANAGEMENT

The Manager continued to diversify the funding sources of MNACT throughout the financial year, and to manage prudently the cost and tenure of borrowings to meet our financial and operational obligations.

As of 31 March 2020, our cash balance stood at S$207.8 million, backed by a further S$374.4 million of committed and uncommitted undrawn bank facilities. Approximately S$267 million of debt is due for refinancing by March 2021, with no more than 25% of total debt due in any financial year over the next seven years.

MNACT's aggregate leverage ratio stood at 39.3% (from 36.6% a year ago) mainly due to the borrowings drawn to fund

[1] The loss of such revenue may be recovered through insurance claims. Please refer to page 18 in the Financial Review and Capital Management section and page 33 in the Property Portfolio Summary and Review section.

[2] Please refer to MNACT's SGX-ST Announcement dated 4 December 2019 titled "The Proposed Acquisitions of Two Office Properties in Greater Tokyo".

[3] Please refer footnote 2 of page 5 in the Portfolio Highlights section.

[4] Revenue is presented net of value added tax applicable to Gateway Plaza and Sandhill Plaza in China. Revenue is presented net of consumption tax applicable to the Japan Properties.

[5] The enlarged unit base was mainly due to the issuance of Transaction Units to the Sponsor's Nominee, new units in respect of DRP and also the payment of management fees to the Manager and the Property Manager. For further details, please refer to page 19 in the Financial Review and Capital Management section.

[6] Please refer to page 22 in the Financial Review and Capital Management section on the appointed valuers and valuation methodologies used.

[7] Please refer to MNACT's SGX-ST Announcement dated 28 February 2020 titled "Issuance of Transaction Units to Sponsor's Nominee, and Completion of Acquisition of Two Office Properties in Greater Tokyo and Use of Proceeds".

[8] After taking into account distribution payments to Unitholders on 24 June 2020 and 27 May 2019, NAV per unit would have been S$1.407 and S$1.425 respectively.

[9] Average rental reversion is calculated based on the change in the effective rental rates of the new leases compared to the previous leases. It takes into account rent-free periods and step-up rental rates over the lease term (if any). It excludes rental rates for short-term leases that are less than or equal to 12 months as these are usually at a rental premium, and therefore not reflective of prevailing market rents. In view of the COVID-19 situation, there has been a slight increase in the number of short term renewals with rental rates that trend lower. Taking into account these leases, the average rental reversion for Festival Walk for retail leases that were renewed or re-let in FY19/20 would have been 5%.

[10] To provide the same basis of comparison, the period of mall closure from 13 November 2019 to 15 January 2020 and the corresponding period a year ago were not taken into account for footfall and retail sales.

LETTER TO UNITHOLDERS

the acquisitions of MBP and Omori. The remaining acquisition cost was funded through gross proceeds of approximately S$144.8 million from the issuance of Transaction Units to the Sponsor's Nominee, demonstrating the Sponsor's commitment to support MNACT's growth and diversification strategy.

In addition, we have maintained a well-staggered debt maturity profile with an average term to maturity for debt of 3.35 years and kept the effective interest rate for the financial year low at 2.43% per annum.

To enhance the stability of distributions, approximately 77% of MNACT's interest cost has been hedged into fixed rates as of 31 March 2020. About 65% of expected foreign-sourced distributable income for 1H FY20/21 has also been hedged into SGD to mitigate exchange rate risk.

INTEGRATING SUSTAINABILITY

Sustainable and responsible environmental, social and governance ("ESG") practices are intrinsically linked to MNACT's ability to deliver long-term value and growth to all our stakeholders. We remain committed to identifying, managing and monitoring material ESG matters and will continue to make progress towards a more sustainable growth. The FY19/20 Sustainability Report shares our practices and improvement efforts during the financial year, as well as our plans for the year ahead.

ENHANCING RESILIENCE

Looking ahead, FY20/21 is likely to be another challenging year. Globally, economic growth is expected to be severely curtailed, and likely to be negative, while geopolitical issues and COVID-19 will continue to bear on the macro environment.

In Hong Kong SAR, while some of the social distancing measures have eased since early May 2020, the operating environment for retailers remains very difficult. It remains to be seen when normalcy will return. Vacancies are expected to rise over the next six to 12 months, which will place further pressure on rents over the rest of the year[1]. The uncertainties are expected to result in lower renewal or re-let rental rates for Festival Walk going forward.

For the Beijing office market[2], with reduced demand and new supply coming onstream, occupancy rates will come under pressure while rents will edge down further. All efforts will continue to be made in marketing and leasing to stabilise rentals and occupancy levels at Gateway Plaza.

Business parks[3] in Shanghai are expected to continue to play a significant role in Shanghai's transition to a global centre of innovation. Sandhill Plaza's performance is expected to remain resilient, underpinned by TMT tenants which are relatively less affected by the current situation.

Japan's economy has been impacted by COVID-19, with a nationwide state of emergency being declared since mid-April 2020. The resulting market uncertainties has led to a slower leasing momentum[4] in the office sector, with potential tenants adopting a wait-and-see attitude towards new commitments. We will focus on tenant retention to maintain a high level of occupancy and stability for the Japan Properties.

In view of the heightened uncertainties and headwinds, MNACT's performance is expected to be lower in FY20/21 compared to FY19/20.

Nevertheless, we remain committed to navigate through this challenging business climate together with our tenants. We will continue to adopt flexible leasing strategies to boost occupancy levels, while maintaining financial discipline. Simultaneously, we will also further leverage on technology to drive improvements in our operations and streamline workflow processes. Furthermore, we will continue to explore accretive acquisition opportunities to achieve greater diversification for MNACT's portfolio.

As announced in April 2020, MNACT will adopt half-yearly announcements of financial statements as well as half-yearly distributions, with effect from the financial year from 1 April 2020 to 31 March 2021 ("FY20/21"). We will continue to engage investors and other stakeholders, and to provide interim business updates between the announcements of half-yearly financial statements through SGX announcements.

ACKNOWLEDGEMENTS

On behalf of the Board, we express our appreciation to Mr. Hiew Yoon Khong, who stepped down from the Board with effect from 15 December 2019. We deeply appreciate his invaluable guidance and contributions as a Non-Executive Director and Member of the Nominating and Remuneration Committee ("NRC") of the Manager.

At the same time, we are delighted to have Mr. Chua Tiow Chye, a Non-Executive Director, appointed as a Member of the NRC of the Manager with effect from 15 December 2019. We also extend a warm welcome to Ms. Koh Mui Ai Wendy, who joined the Board as a Non-Executive Director of the Manager on 15 December 2019.

We would like to thank our Unitholders, tenants, shoppers and business partners for their continued trust and valuable support. We would also like to express our appreciation to our Board of Directors for their commitment and insightful counsel. And most of all, we would like to thank our management and employees for soldiering through and managing the many challenges that they faced during the year. They remain dedicated and committed to maintain the resiliency of MNACT's portfolio so as to deliver sustainable value to our tenants and Unitholders.

MR. PAUL MA KAH WOH
Non-Executive Chairman and Director

MS. CINDY CHOW PEI PEI
Executive Director and Chief Executive Officer

1 Savills, Hong Kong Retail Leasing (April 2020).
2 Savills, Beijing Office Leasing (April 2020).
3 Colliers, Business Park Research, "Opportunities and Market Trends that Reshape Shanghai Business Parks" (24 March 2020).
4 Cushman & Wakefield, APAC Office Report Outlook 2020 (March 2020).

YEAR IN REVIEW

2019

JULY

- MNACT's 6th Annual General Meeting was held on 17 July 2019.

NOVEMBER

- Festival Walk was accorded the '*Mall's Cartoon Character Themed Events Award*' at the Sing Tao Parents' Choice-Brand Awards 2019 for the second consecutive year.
- The Manager announced that there was extensive damage incurred at Festival Walk's mall, which was caused by a few groups of protestors on the night of 12 November 2019[1]. The mall was subsequently closed for recovery works from 13 November 2019. For the office tower, it was closed from 13 November 2019 to 25 November 2019.

DECEMBER

- With Festival Walk's mall closure, rentals from the retail tenants were not collectable over the period that the mall remained closed. The mall was expected to re-open, either partially or fully, in 1Q FY20/21. To mitigate the cash flow impact of Festival Walk's mall closure on the distributable income payable to Unitholders, the Manager announced the implementation of distribution top-ups[2] for 3Q FY19/20, 4Q FY19/20 and 1Q FY20/21.
- To accelerate income diversification and to reduce the income and asset concentration from Festival Walk, the Manager announced the proposed acquisition of 98.47% effective interest in two freehold office properties located in Greater Tokyo, Japan.
- The DRP was implemented starting from the quarter from 1 October 2019 to 31 December 2019.
- Mr. Hiew Yoon Khong stepped down as a Non-Executive Director of the Manager with effect from 15 December 2019.
- Mr. Chua Tiow Chye was appointed as a Member of the Nominating and Remuneration Committee of the Manager with effect from 15 December 2019.
- Ms. Koh Mui Ai Wendy was appointed as a Non-Executive Director of the Manager with effect from 15 December 2019.

2020

JANUARY

- The Manager announced the re-opening of Festival Walk from 16 January 2020. With the re-opening, the distribution top-ups would be implemented only for 3Q FY19/20 and 4Q FY19/20. There will be no further distribution top-up for 1Q FY20/21 as rental collection had resumed.
- Unitholders approved the proposed acquisition of 98.47% effective interest in two freehold office properties located in Greater Tokyo, Japan[3].

FEBRUARY

- Festival Walk was conferred the *'My Favourite 25 Shopping Mall Events Award'* at the Shopping Mall Awards 2019-2020 by Hong Kong Economic Times.
- Mapletree North Asia Commercial Treasury Company (HKSAR) Limited[4] fully redeemed HK$550 million 2.80% Fixed Rate Notes due 2020 upon its maturity.
- The acquisition of 98.47% effective interest in MBP and Omori was completed. The entire gross proceeds of approximately S$144.8 million (approximately JPY11,433.0 million) received from the Sponsor's Nominee pursuant to the Transaction Units Agreement has been used to partially fund the Total Acquisition Cost of S$480.0 million (approximately JPY37,905.6 million). The issuance of the 123,708,135 Transaction Units was priced at S$1.1703, at no discount to the volume weighted average price ("VWAP") for a unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of these units. These units were listed on SGX-ST on 3 March 2020.

MARCH

- 19,391,049 new units[5] in MNACT were issued at a price of S$1.1884 per unit pursuant to the DRP in respect of MNACT's 3Q FY19/20 Distribution. These units were listed on SGX-ST on 10 March 2020.

[1] Please refer to MNACT's SGX-ST Announcement dated 13 November 2019 titled "Festival Walk Incident".
[2] Please refer to MNACT's SGX-ST Announcement dated 4 December 2019 titled "Update on Festival Walk and Impact on MNACT".
[3] Please refer to MNACT's SGX-ST Announcement dated 20 January 2020 titled "Results of Extraordinary General Meeting held on 20 January 2020".
[4] A wholly-owned subsidiary of MNACT.
[5] Please refer to MNACT's SGX-ST Announcement dated 9 March 2020 titled "Issue and Listing of New Units under the DRP for 3Q FY19/20 Distribution".

致信托单位持有人之信函

尊敬的信托单位持有人，

我们在此谨代表丰树北亚商业信托管理有限公司董事会，向信托单位持有人提交丰树北亚商业信托2019年4月1日至2020年3月31日（"19/20财政年度"）的年度报告。

克服挑战，实现资产组合多元化

19/20财政年度对丰树北亚商业信托而言非比寻常。地缘政治、贸易纠纷和社会紧张局势持续对经济增长造成影响，并导致市场波动加剧。长达数月的香港社会动荡，演变成对于财物的肆意破坏，信托旗下又一城遭到大幅度损毁，使商场从2019年11月13日至2020年1月15日被迫停业，以进行整修和恢复工程，而办公楼亦于2019年11月13日至25日关闭。停业期间，又一城无法获取租金营收。商场于2020年1月16日重新开放后，香港于1月23日发现首例新冠患者。随后，政府为抗击疫情而推出的限制措施对商业环境造成了很大影响，其中又一城零售租户受到的冲击尤为严重。

新冠疫情出现后，我们立刻采取行动，在所有物业落实预防措施，以保护员工、租户及访客的健康与安全为首要。

此外，为了维护与租户建立的长远关系并与他们共渡难关，我们在19/20财年提供了1,810万新元的租金减免。因为早前的社会动荡和随后的新冠疫情使零售市场运营艰难，上述减免主要面向零售租户。我们亦将租金减免延长至20/21财年第一季度，并将根据疫情发展情况，考虑是否需要继续采取上述减免扶持措施。

与此同时，我们也积极采取措施，以减轻这些历来未有的事件对我们的信托单位持有人及资产组合造成的影响。

为了减轻又一城暂停营业期间对19/20财年第三季度和第四季度的可派发收入带来的现金流[1]影响，我们提供了3,290万新元的补充派发，以确保我们的信托单位持有人能够获得一定数量的可派发收入。

为了加快丰树北亚商业信托资产组合的多元化，避免将资产和收入集中于任何单项资产，我们于2020年2月以4.8亿新元的总价向保荐人收购[2]了位于日本大东京区的两处永久产权办公楼（MBP和Omori）98.47%的有效股权。购入上述物业有助于让信托的资产组合实现地理位置、租户群和租赁契约的多样化，从而为信托单位持有人提供更多元化和可持续的收入来源。

尽管经营环境困难，我们仍保持良好的财务灵活性。截至2020年3月31日，我们的现金流（包括已承诺及未承诺信贷）维持在3.744亿新元的健康水平。为强化信托的资产负债结构，逐步降低总资债比率，我们从19/20财年第三季度起实施派发再投资计划（DRP），从而获得约2,310万新元[3]的额外流动资金。

19/20财年的财务表现

19/20财年，我们实现了3.545亿新元的资产组合总营收[4]，及2.775亿新元的净房地产收入，而18/19财年，这两项数字分别为4.087亿新元和3.290亿新元。相应地，19/20财年的可派发收入为2.279亿新元，而18/19财年为2.407亿新元。综合考虑可派发收入减少、补充派发和单位基数扩大[5]等因素，19/20财年的每单位可派发收入为7.124分，而上一财年为7.690分。按信托2020年3月31日（最后交易日）0.805新元的闭市价格计算，7.124分的每单位可派发收入折合派息率达8.8%。

截至2020年3月31日，信托的资产组合[6]估值为83.472亿新元，比截至2019年3月31日的76.095亿新元提高9.7%。增值部分主要来自MBP和Omori的收购，佳程广场、展想广场和日本物业（包括MBP和Omori）的公允估值收益，以及较强劲的港元和日元对新元的净货币兑换收益，但部分被又一城的公允估值损失及人民币对新元汇率走软所造成的汇兑损失抵消。

独立评估机构认为他们采用的评估方法和数值已经反映了当前的市场状况，并且根据截至于2020年3月31日的信息，已将新冠疫情带来的影响考虑在内。然而，鉴于信托业务所在国的疫情持续时间和严重程度的不确定性均有所增加，以及为应对疫情所不断采取的措施，2020年3月31日之后的估值可能比正常市场条件下波动更大。

考虑到交易信托单位[7]的发行（与收购MBP和Omori两个办公楼有关），已支付的预付派发和利润降低，截至2020年3月31日，每单位净资产值[8]降至1.412新元（2019年：1.445新元）。

经营业绩

在此背景下，虽然我们的资产受到多方面的影响，总体出租率仍高达95.2%。截至2020年3月31日，加权平均租期为2.7年，这足以证明我们的优质资产组合具有稳健抗逆能力。

又一城的办公楼一直保持满租，平均租金调升率[9]为6%。截至2020年3月31日，商场出租率为99.8%，且19/20财年到期的所有租约获得8%的平均租金调升率。然而，社会动荡所造成的破坏和为抗击疫情所采取的限制措施令零售额[10]和客流量[10]同比分别下降18.1%和18.7%。

1 该等营收损失或能通过保险索赔弥补。请参阅"Financial Review and Capital Management"（财务回顾及资本管理）章节的第18页，以及"Property Portfolio Summary and Review"（资产组合摘要及回顾）章节的第33页。

2 请参阅丰树北亚商业信托于2019年12月4日在新加坡证券交易所发布的，题为"The Proposed Acquisitions of Two Office Properties in Greater Tokyo"的通告。

3 请参阅"Portfolio Highlights"（资产组合摘要）章节的第5页脚注2。

4 该营收数字已扣除适用于佳程广场和展想广场（位于中国）的增值税，以及适用于日本物业的消费税。

5 单位基数扩大主要归因于向被保荐人提名者发行的交易信托单位，以及派发再投资计划和支付丰树北亚商业信托管理公司及物业管理公司的管理费所产生的新信托单位。更多详情请参阅财务回顾及资本管理章节的第19页 。

6 关于指定评估机构和所采用的评估方法，请参阅财务回顾及资本管理章节的第22页。

7 请参阅MNACT于2020年2月28日在新加坡证券交易所发布的，题为"Issuance of Transaction Units to Sponsor's Nominee, and Completion of Acquisition of Two Office Properties in Greater Tokyo and Use of Proceeds"的通告。

8 扣除2020年6月24日和2019年5月27日给信托单位持有人的派发收入后，每单位净资产值分别为1.407新元和1. 425新元 。

9 平均租金调升率是根据新租约的实际平均租金与先前租约相比计算得出，并已将免租期和租期内的递增费率（如有）考虑在内。它不包括短于或等于12个月的短期租金，因为相关租约通常存在溢价，并不反映当前的市场水平。鉴于疫情状况，短期续租的数量略有增加，而租金呈下降趋势。若将这些租约考虑在内，则19/20财年又一城续租或重新出租的平均租金调升率为5%。

10 为提供相同的比较依据，在计算客流量和零售额时，未将2019年11月13日至2020年1月15日的商场关闭期和一年前的同期包括在内。

为支持零售租户并促进顾客消费，我们推出了一系列的营销活动，其中包括为购物者提供礼品兑换和免费停车券，以及通过营销渠道为租户提供免费促销。其它将推出的举措包括与Deliveroo合作，为餐饮租户创造条件以提升送餐销售。此外，我们还将推出一款以会员计划为特色的进阶移动应用，以带动销售并丰富购物者体验。

佳程广场方面，我们继续采取积极的租赁策略，努力保持稳定的出租率。因贸易纠纷导致经济放缓，且本财年北京不断有新的物业面市，截至2020年3月31日，佳程广场的出租率从2019年3月31日的99.0%降至91.5%。19/20财年新租约和续租租约的租金水平也受到市场环境疲软的影响。

相比而言，展想广场的经营业绩更具韧性。尽管一些租户对经济前景持谨慎态度，但技术、媒体和电信领域的需求依然存在。截至2020年3月31日，展想广场的出租率为98.0%，而19/20财年到期租约所实现的平均租金调升率为10%。

得益于经济和政治局势稳定和低空置率，本财年东京市场的办公楼需求保持相对稳定。截至2020年3月31日，2018年5月于大东京区收购的六栋办公楼的平均出租率达99.1%。然而，由于其中一栋楼的整楼包租期满后转为分租，为提高出租率，租金有所降低。至于新收购的MBP和Omori，我们将致力于提高出租率和成本效益，以提高净房地产利润。

审慎的资本管理

整个财年我们一直不断促进信托资金来源多元化，审慎控制借贷成本和期限，以履行我们的财务及经营职责。

截止2020年3月31日，我们的现金余额为2.078亿新元，另有总额达3.744亿新元的未动用银行贷款额度(含已承诺和未承诺)。到2021年3月，将有约2.67亿新元的债务到期需要进行再融资，但未来七年的任一财年内，到期债务总额均不超过25%。

因收购MBP和Omori而筹集借款，信托的总资债比率为39.3%(一年前为36.6%)。其余的收购资金来自向保荐人提名者发行交易信托单位而获得的约1.448亿新元收入。这表明了保荐人致力为信托的增长和多样化战略提供支持的承诺。

此外，我们一直保持良好的债务交叉到期模式，平均到期期限为3.35年，且本财年的实际年利率保持在2.43%的较低水平。

为了提高派发的稳定性，截至2020年3月31日，信托有约77%的利息成本已通过避险操作转化为固定利率；而20/21财年上半年有约65%的预期外来可派发收入也已通过避险操作转为新元，以降低汇兑风险。

综合可持续性

可持续、负责任的环境、社会和企业管治实践，与丰树北亚商业信托向所有利益相关者提供长期价值和增长的能力密不可分。我们将一如既往，致力于甄选相关重要事务、管理和监督其执行，并继续朝更可持续的增长推进。我们在19/20财年可持续发展报告中分享了信托在本财年的相关实践和为不断改善所作的努力，以及来年的计划。

提高韧性

展望未来，20/21财年可能仍将充满挑战。预计全球经济增长将受到严重阻碍，甚至出现负增长，而地缘政治问题和新冠疫情也将给宏观经济环境带来压力。

香港方面，尽管社交隔离措施已从2020年5月初开始放松，但零售商的经营环境依然困难重重，何时恢复正常尚不明朗。预计未来6到12个月内，空置率将会上升，对今年余下时间的租金构成进一步压力[1]。市场的不确定性预计也将令又一城的续租或新租租金降低。

随着租赁需求放缓和新楼面市，北京办公楼市场[2]的空置率料将持续受压，租金也会微降。我们将继续针对营销和租赁采取各种措施，以使佳程广场的租金和出租率保持稳定。

预计商业园区[3]将继续在上海向全球创新中心转型的过程中发挥重要作用。鉴于科技、媒体和电信租户受当前局势的影响较小，有他们提供支撑，展想广场的表现预计将保持韧性。

受新冠疫情影响，日本自2020年4月中旬起宣布全国进入紧急状态，令经济受到冲击。由此产生的不确定性使得办公楼租赁势头[4]放缓，潜在租户在签署新租约之前多采取观望态度。我们将把重点放在留住现有租户，以保持日本物业的高出租率和稳定性。

鉴于不确定性和不利因素增加，预计20/21财年信托的业绩将低于19/20财年。

尽管如此，我们坚守承诺，与租户共度时艰。在遵守财务纪律的同时，我们将继续采取灵活的租赁策略以提高出租率。此外，我们还将进一步利用数码化技术推动运营优化及精简工作流程，继续寻求增值收购商机，以拓展信托的资产组合多样化。

我们在2020年4月已宣布，自2020年4月1日至2021年3月31日的财政年度("20/21财年")起，丰树北亚商业信托将每半年发布一次财务报表并进行派发。我们将继续与投资者和其他利益相关者保持沟通，并及时通过新加坡证券交易所公告，在半年期财务报表之间发布关于业务进展的更新。

致谢

我们谨代表董事会，向邱运康先生致谢，他已于2019年12月15日卸任离开董事会。我们非常感谢他作为非执行董事及提名与薪酬委员会成员，所给予的宝贵指导和贡献。

与此同时，我们很高兴委任非执行董事蔡兆才先生出任丰树北亚商业信托提名与薪酬委员会成员，上述任命已于2019年12月15日生效。此外我们也热忱欢迎许美艾女士于2019年12月15日加入董事会，成为非执行董事。

我们籍此机会感谢信托单位持有人、租户、购物者和商业伙伴对我们持续的信任与宝贵的支持。我们也对董事会的尽心尽责和深刻见解表达由衷的谢意。最重要的是，我们要感谢管理层和广大员工，在面临诸多挑战时依然能砥砺前行。正是他们的奉献精神，才能保持丰树北亚商业信托的资产组合足够韧性，从而为租户及信托单位持有人提供可持续的价值。

马家和先生
非执行主席兼董事

周佩佩女士
执行董事兼总裁

[1] 第一太平戴维斯，《香港零售市场》(2020年4月)。
[2] 第一太平戴维斯，《北京办公楼市场》(2020年4月)。
[3] 高力国际，《商业园市场研究》，"Opportunities and Market Trends that Reshape Shanghai Business Parks" (2020年3月24日)。
[4] 戴德梁行，《亚太办事处前景报告 2020》(2020年3月)。

STRATEGY

In line with MNACT's corporate vision and mission, the Manager remains focused on a four-pronged strategy to create sustainable value over the long term.

DRIVEN BY

Our Vision

To be a leading commercial REIT, by portfolio value and returns, comprising quality assets in North Asia

Our Mission

- To deliver regular and stable returns to Unitholders and to achieve long-term sustainable growth in DPU
- To be the landlord of choice for our tenants and be committed to the delivery of quality products and services
- To acquire high-quality assets that are yield accretive

DIFFERENTIATED BY

Our focus on commercial real estate
(including real estate used predominantly for retail and/or office purposes) in North Asia

We are the first Singapore REIT with fee structure aligned with investors' interest
where management fee structure is based on distributable income and DPU growth

Our experienced Sponsor which owns and manages S$60.5 billion of real estate assets
in Asia Pacific, Canada, Europe, the United Kingdom ("UK") and the United States ("US") as of 31 March 2020

IMPACTED BY

How We Manage

Retail

Office

Where Our Properties are

How We Engage

Shoppers, Tenants, Investors, the Trustee[1], Employees, Business Partners, Local Communities

[1] DBS Trustee Limited, in its capacity as trustee of MNACT (the "Trustee").

HOW WE ADD VALUE

Key Strategies and Objectives

Active Asset Management

Objective:

Achieve organic growth in revenue and NPI

- Achieve optimal tenant mix
- Adopt proactive leasing strategies
- Introduce innovative retail and marketing concepts
- Deepen engagement with tenants to effectively customise initiatives and programmes to enhance sales and sustain long-standing relationships
  - Introduce digital apps to enhance shopper engagement
  - Adopt online marketing channels to boost tenants' sales
  - Facilitate food delivery of F&B tenants through partnership with external delivery service provider
  - Enhance tenant's experience by ensuring delivery of quality property and customer services
  - Organise networking events and activities to promote a vibrant tenant community
  - Provide financial reliefs to tenants in times of need
- Improve operational efficiency

Progress in FY19/20

Please refer to:
Property Portfolio Summary and Review — pages 28-45

Active Asset Enhancement

Objective:

Improve competitiveness of properties

- Maintain the quality of assets through regular preventive maintenance
- Optimise or increase leasable area
- Offer improved amenities and facilities
- Incorporate energy-efficient and eco-friendly initiatives

Please refer to:
Property Portfolio Summary and Review — pages 28-45
Sustainability Report — pages 98-124

Value-Creating Acquisition Growth

Objective:

Achieve inorganic growth through acquisitions

- Invest in a diversified portfolio of income-producing commercial real estate assets in Greater China and in Japan
- Source from Sponsor's pipeline and/or third-party vendors
- Adopt a disciplined approach, with focus on the following acquisition criteria:
  - Yield and DPU accretion
  - Asset enhancement potential
  - High-quality building and facilities specifications
  - Attractive tenant mix and occupancy level

Please refer to:
Letter to Unitholders — pages 6-8
Financial Review and Capital Management — pages 16-27

Active and Prudent Capital and Risk Management

Objective:

Maintain a strong balance sheet and ensure sufficient liquidity for working capital and acquisition needs. Implement sound risk management strategies.

- Actively monitor, manage and balance the cost of debt and debt maturity profile
- Diversify sources of funding in debt and equity capital markets
- Proactively monitor and undertake hedging strategies to minimise interest rate and foreign currency risks
- Regularly review processes and controls, and monitor key risks

Please refer to:
Financial Review and Capital Management — pages 16-27
Risk Management — pages 74-76
Financial Statements — pages 125-196

VALUE CREATED

Acquisitions of MBP and Omori in Greater Tokyo at

S$480.0m[1]

during FY19/20

Increased Japan's contribution by portfolio valuation to

16.8%

as of end FY19/20 compared to 10.3% as of end FY18/19

Fair value gains[2] **for China and Japan Properties of**

S$28.6m

as of 31 March 2020 compared to 31 March 2019

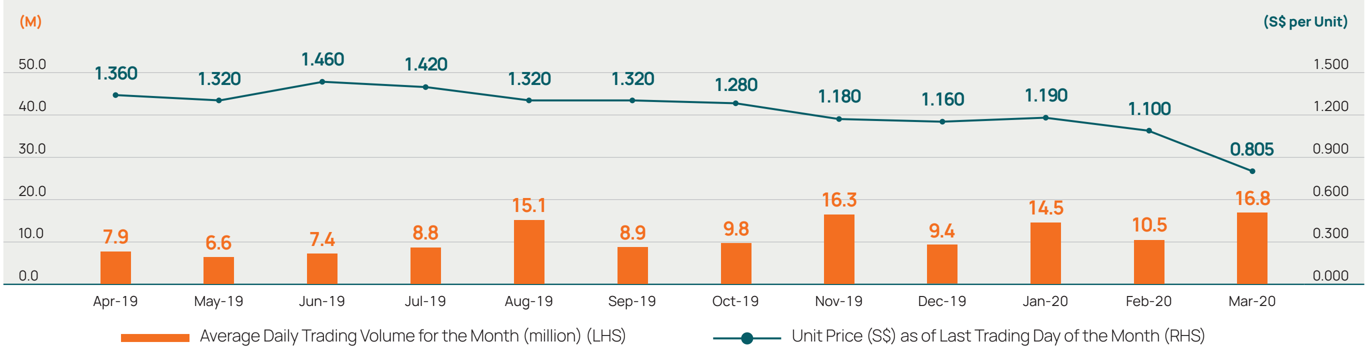
[1] The Total Acquisition Cost of approximately S$480.0 million (approximately JPY37,905.6 million), comprised: (i) the Aggregate Consideration at approximately S$475.2 million (approximately JPY37,526.9 million); and (ii) the estimated professional and other fees and expenses of approximately S$4.8 million. The Aggregate Consideration is 98.47% of the Aggregate Agreed Property Value of MBP and Omori of JPY38,110.0 million (approximately S$483.0 million). Based on exchange rate of S$1.00 = JPY78.97.

[2] Includes the fair valuation gains of Sandhill Plaza and Gateway Plaza of S$14.2 million and S$0.3 million respectively, and the fair valuation gain of S$14.1 million for the Japan Properties (including MBP and Omori). The fair value gain of MBP and Omori as of 31 March 2020 was the difference between the aggregate agreed property value of the two properties and their valuations by Cushman & Wakefield K.K. as of 1 November 2019. For Festival Walk, there was a fair value loss of S$46.5 million.

UNIT PRICE PERFORMANCE

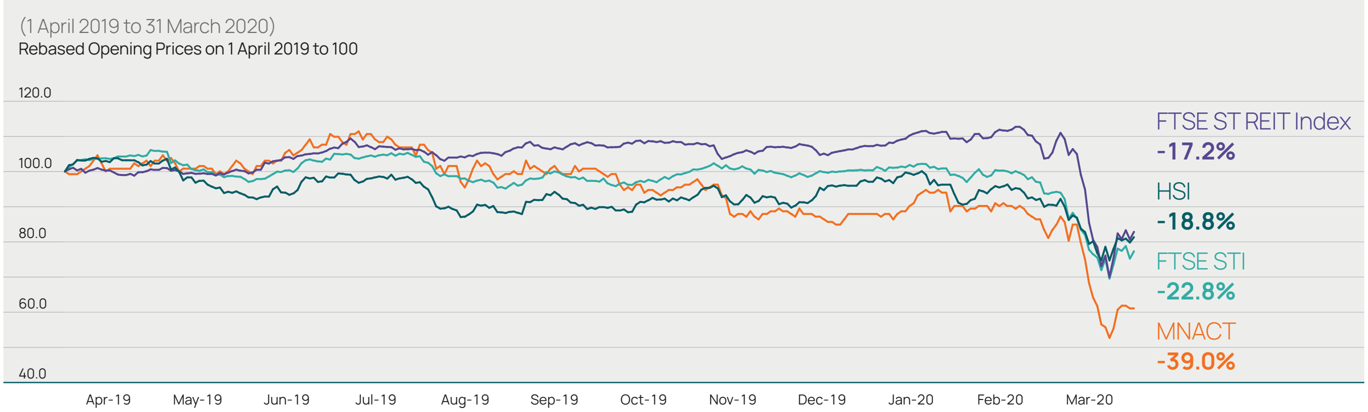
FY19/20 was a highly volatile year for the equity markets. While the year started on an optimistic note for REITs due to US Federal Reserve's dovish stance, the markets were roiled by the escalating trade tensions, a sluggish economic outlook and geopolitical threats including the social unrests in Hong Kong SAR. Towards the fourth quarter of the financial year, COVID-19 and the oil-price war resulted in an unprecedented downturn in equities including S-REITs. Against this backdrop, MNACT's unit price closed at S$0.805 on 31 March 2020, 39.0% lower than the closing price of S$1.320 on 29 March 2019 (last trading day of FY18/19).

MONTHLY TRADING PERFORMANCE IN FY19/20



Amid the confluence of market developments, all the three indices were down at the end of March 2020 compared to a year ago, with the FTSE Straits Times Index ("FTSE STI") declining by 22.8%, Hang Seng Index ("HSI") lower by 18.8% and FTSE ST Real Estate Investment Trusts Index ("FTSE ST REIT Index") falling by 17.2%.

TRADING PERFORMANCE OF MNACT COMPARED TO MAJOR INDICES IN FY19/20



RETURNS TO UNITHOLDERS

	1-year from 1 April 2019	3-year from 1 April 2017	Since Listing on 7 March 2013
Unit Price Appreciation[1]	-39.0%	-21.1%	-13.4%
+	+	+	+
Total Distribution Yield[2]	5.4%	21.9%	53.1%
Total Return[3]	-33.6%	0.8%	39.7%

[1] Unit price appreciation is based on the opening unit price and the closing unit price during the period.

[2] Total distribution yield is based on DPU for the period over the opening unit price. The distribution yield since listing on 7 March 2013 excludes the stub period from 7 to 31 March 2013.

[3] Sum of unit price appreciation and total distribution yield for the period.

MNACT's average unit price traded in the range of between S$0.964 and S$1.254 over the last five financial years. Average daily trading volume has also grown from 5.0 million units in FY15/16 to 11.0 million units in FY19/20. At the end of FY19/20, MNACT had a market capitalisation of approximately S$2.69 billion and was one of the top ten REITs in Singapore by market capitalisation, based on figures from Bloomberg.

FIVE-YEAR TRADING PERFORMANCE

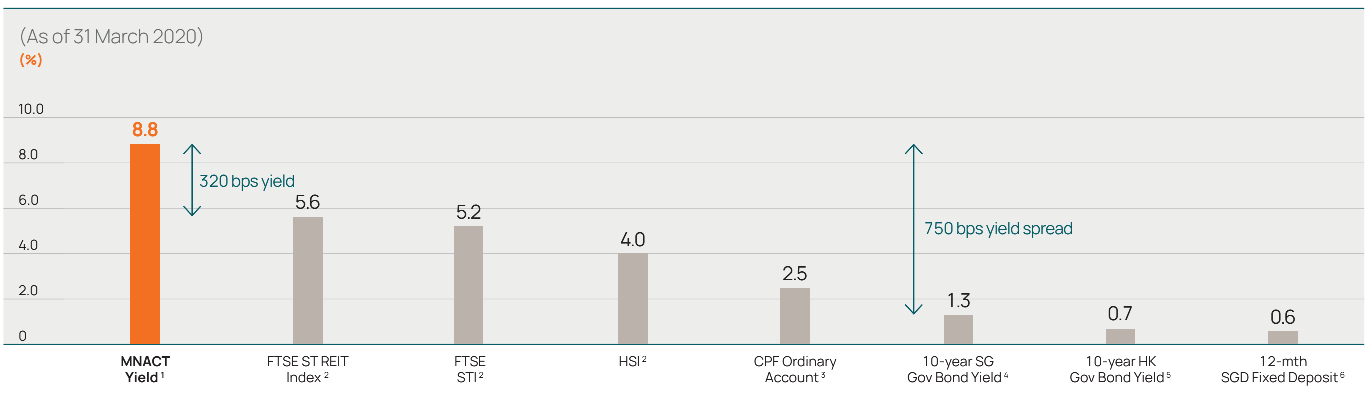
	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
Average Unit Price (S$)	0.964	1.008	1.144	1.168	**1.254**
Opening Unit Price (S$)	1.040	0.955	1.020	1.150	**1.320**
Closing Unit Price (S$)	0.955	1.020	1.150	1.320	**0.805**
Highest Unit Price (S$)	1.095	1.135	1.280	1.330	**1.470**
Lowest Unit Price (S$)	0.810	0.925	1.020	1.080	**0.695**
Total Trading Volume (million units)	1,245.8	1,209.3	1,233.2	1,642.2	**2,776.6**
Average Daily Trading Volume (million units)	5.0	4.8	5.0	6.6	**11.0**
Market Capitalisation[1] as of end financial year (S$ million)	2,633.5	2,851.3	3,250.2	4,189.5	**2,691.0**

Source: Bloomberg

1 Based on the closing unit price on the last trading day and number of issued units as of year-end for each financial year.

MNACT's distribution yield stood at 8.8% as of 31 March 2020, higher than the yields of FTSE ST REIT Index, FTSE STI and HSI, CPF Ordinary Account interest rate, the 10-year Singapore and Hong Kong Government Bond yields and the 12-month SGD fixed deposit rate.

MNACT OFFERS A HIGHER RETURN VS OTHER COMPARABLE INSTRUMENTS



1 Based on available DPU to Unitholders of 7.124 cents for FY19/20 over the closing unit price of $0.805 on 31 March 2020.
2 Trailing 12-month gross dividend yield of FTSE ST REIT Index, FTSE STI and HSI as of 31 March 2020, Bloomberg.
3 Prevailing interest rate on Central Providend Fund ("CPF") Ordinary Account Savings from CPF Board, January to March 2020.
4 Singapore Government Bond Yield from the Monetary Authority of Singapore ("MAS") as of 31 March 2020.
5 Hong Kong Government Bond Yield from Hong Kong SAR Government Bond Programme website as of 31 March 2020.
6 12-month SGD fixed deposit savings rate from the MAS as of 31 March 2020.

Constituent of Selected Indices

- BI Singapore REIT Competitive Peers
- Bloomberg Asia Real Estate Investment Trust Index
- FTSE EPRA/NAREIT Global REITs Index
- FTSE Straits Times Mid-Cap Index
- FTSE Straits Times REIT Index
- GPR/APREA Composite REIT Index
- GPR/APREA Investable 100 Index
- MSCI World Small Cap Index
- MSCI Singapore Small Cap Index
- iEdge S-REIT Index
- iEdge S-REIT 20 Index
- iEdge SG Real Estate 20 Index
- iEdge SG ESG Leaders Index
- S&P Asia Pacific BMI (US Dollar)
- S&P Developed Property Index
- S&P Developed REIT Index
- S&P Developed LargeMidCap (US Dollar)
- S&P Global Ex U.S. Property U.S. Dollar Index
- S&P Global REIT USD Index
- S&P Singapore BMI Index

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

STATEMENT OF PROFIT AND LOSS AND DISTRIBUTION STATEMENT HIGHLIGHTS

Statement of Profit and Loss	FY19/20 (S$'000)	FY18/19 (S$'000)	Variance % Positive/ (Negative)
Gross Revenue[1]	354,478	408,687	(13.3)
Property Operating Expenses	(76,991)	(79,657)	3.3
Net Property Income	**277,487**	**329,030**	**(15.7)**
Net Foreign Exchange Gain	5,110	2,792	83.0
Net Change in Fair Value of Investment Properties	(17,906)	465,152	NM
Net Change in Fair Value of Financial Derivatives	(4,070)	(604)	NM
Manager's Management Fees			
– Base Fee[2]	(23,217)	(24,378)	4.8
– Performance Fee[3]	-	(1,560)	100.0
Trustee's Fee	(787)	(737)	(6.8)
Other Trust Expenses	(2,112)	(1,495)	(41.3)
Finance Costs (Net)	(72,787)	(72,366)	(0.6)
Income Tax Expenses	(37,452)	(61,422)	39.0
Profit After Income Tax	**124,266**	**634,412**	**(80.4)**
Profit Attributable to:			
Unitholders	123,556	633,933	(80.5)
Non-controlling Interests[4]	710	479	48.2
Profit for the Financial Year	**124,266**	**634,412**	**(80.4)**
Distribution Statement			
Profit for the Financial Year Attributable to Unitholders	123,556	633,933	(80.5)
Distribution Adjustments	104,372	(393,268)	NM
Distributable Income to Unitholders	**227,928**	**240,665**	**(5.3)**

NM – Not Meaningful

[1] Revenue is presented net of value added tax applicable to Gateway Plaza and Sandhill Plaza in China. Revenue is presented net of consumption tax applicable to the Japan Properties.

[2] The Manager's base fee is calculated based on 10.0% of the distributable income for the financial year. The base fee also includes the asset management fee payable to MIJ in cash in relation to the six office properties in Greater Tokyo, Japan, that were acquired on 25 May 2018 as well as MBP and Omori that were acquired on 28 February 2020. The asset management fee is calculated based on 10% of distributable income from the Japan Properties.

[3] There is no performance fee for FY19/20. Performance fee is calculated based on 25.0% of the growth on DPU in a financial year over DPU in the preceding year multiplied by the weighted average number of units in issue for such financial year.

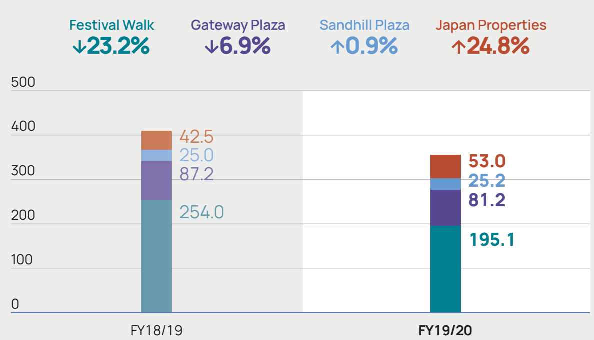
[4] Non-controlling interests refer to the 1.53% effective interest of the Japan Properties held by MIJ.

Gross Revenue

S$354.5m From **S$408.7m** in FY18/19

- Gross revenue decreased 13.3% mainly due to rental reliefs granted to tenants of S$18.1 million as a result of the COVID-19 impact and the social unrests prior to Festival Walk's mall closure.
- There were also no rentals collected during the closure of the mall during 13 November 2019 to 15 January 2020 as well as lower average occupancy at Gateway Plaza.
- The decrease was buffered by a full year's contribution from the six office properties in Greater Tokyo, Japan, that were acquired on 25 May 2018 and one month's contribution from the acquisitions of MBP and Omori on 28 February 2020. This is consistent with MNACT's diversification strategy.
- There was also the higher average rates of HKD and JPY, partially offset by the lower average rate of RMB against SGD during FY19/20.
- Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties contributed 55.1% (FY18/19: 62.1%), 22.9% (FY18/19: 21.4%), 7.1% (FY18/19: 6.1%), and 14.9% (FY18/19: 10.4%) respectively to the portfolio gross revenue in FY19/20.

Gross Revenue by Asset
(S$M)



Property Operating Expenses

S$77.0m From **S$79.7m** in FY 18/19

- The 3.3% decrease in property operating expenses was primarily attributable to lower expenses at Festival Walk due to the closure of the mall from 13 November 2019 to 15 January 2020.
- The decrease was partially offset by the full-year's operations of the six office properties in Greater Tokyo, Japan, that were acquired on 25 May 2018 and one month's operations of MBP and Omori acquired on 28 February 2020.
- There was also the higher average rates of HKD and JPY offset by the lower average rate of RMB against SGD.

Net Change in Fair Value of Investment Properties

Net Loss of S$17.9m From Net Gain of **S$465.2m** in FY 18/19

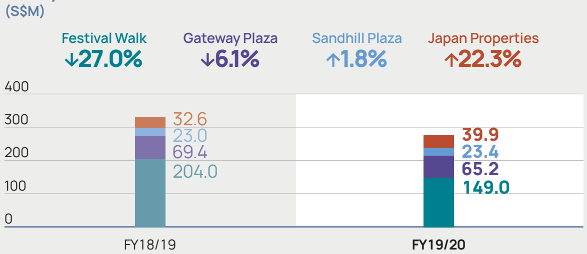
- Cushman & Wakefield Limited and Cushman & Wakefield K.K. have performed a valuation of the investment properties as of 31 March 2020.
- The net fair value loss of S$17.9 million was mainly due to the fair value loss of Festival Walk of S$46.5 million (FY18/19: gain of S$326.8 million).
- This was partially offset by the fair value gain of Sandhill Plaza of S$14.2 million (FY18/19: S$50.4 million), the fair value gain of Japan Properties (including MBP and Omori) of S$14.1 million (FY18/19: S$4.7 million) as well as the fair value gain of Gateway Plaza of S$0.3 million (FY18/19: S$83.3 million).
- The total fair value change is unrealised and has no impact on the distribution to Unitholders.

NPI

S$277.5m From **S$329.0m** in FY 18/19

- NPI in FY19/20 declined by 15.7%. By percentage contribution to portfolio NPI in FY19/20, Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties accounted for 53.7% (FY18/19: 62.0%), 23.5% (FY18/19: 21.0%), 8.4% (FY18/19: 7.0%), and 14.4% (FY18/19: 10.0%) respectively.

NPI by Asset
(S$M)



Net Change in Fair Value of Financial Derivatives

Net Loss of S$4.1m From Net Loss of **S$0.6m** in FY18/19

- Net change in fair value of financial derivatives relates to the mark-to-market movement of currency forward contracts entered into to hedge currency exposures of future HKD, RMB and JPY distributable income.
- Currency forward contracts are entered into to limit the impact of currency volatility on future distributable income streams.
- As these contracts are not due to be settled, they will not have an impact on current year income available for distribution to Unitholders.

Foreign Exchange Gain (Net)

S$5.1m From **S$2.8m** in FY 18/19

- This was mainly due to the exchange gain of S$1.9 million (FY18/19: S$3.8 million) from the partial settlement of inter-company loans, which is mainly capital in nature and not distributable.
- Additionally, there was a net realised exchange gain of S$3.0 million (FY18/19: loss of S$0.9 million) from the settlement of foreign currency contracts to hedge HKD, RMB and JPY distributable income.

Finance Costs (Net)

S$72.8m From **S$72.4m** in FY 18/19

- Amid the higher HKD interest rate environment during FY19/20, finance costs (net) remained relatively stable.
- While there was incremental finance costs on borrowings to partially fund the six office properties in Greater Tokyo, Japan, that were acquired on 25 May 2018 (S$0.6 million) and the acquisitions of MBP and Omori on 28 February 2020 (S$0.3 million), as well as the rising interest rate on floating rate debt (S$2.3 million), this was partially mitigated by interest savings from the refinancing of borrowings at a lower cost of debt (S$3.4 million).

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

Income Tax Expenses

S$37.5m From **S$61.4m** in FY18/19

- The lower income tax expenses was mainly due to the lower profit and lower deferred tax attributable to the net change in fair value of the investment properties.

Profit after Income Tax

S$124.3m From **S$634.4m** in FY18/19

- The lower profit after income tax was mainly due to the decline in NPI as well as losses in fair value of investment properties net of deferred tax impact and fair value of financial derivatives.
- The decline was partially mitigated by lower base fee and zero performance fee in FY19/20.

Distribution Adjustments

S$104.4m From **S$393.3m** in FY18/19

- Distribution adjustments mainly include non-cash items such as the Manager's management fees and Property Manager's management fees which are payable in the form of units, amortisation of financing fees, as well as the change in the fair value of financial derivatives and investment properties (net of deferred tax).
- In FY19/20, the distribution adjustments also included the distribution top-ups relating to Festival Walk.

Festival Walk Top-Ups

S$32.9m From **nil** in FY18/19

- As announced on 4 December 2019, due to the extensive damage sustained at Festival Walk, the mall was closed from 13 November 2019 to 15 January 2020 and rentals from the retail tenants were not collectable over the period. Rental collection resumed on 16 January 2020.
- As for the office tower, it was closed from 13 November 2019 to 25 November 2019. Rentals were not collectable from the office tenants during this period. Rental collection for the office tower resumed upon re-opening on 26 November 2019.
- The insurance coverage for Festival Walk includes property damage and loss of revenue due to business interruptions. The loss of retail and office revenue as well as property damage are covered under the insurance policies. While the assessment of the full quantum of revenue loss and property damage recoverable from insurance claims remains underway, the insurers have made a without prejudice interim payment in June 2020, as partial payment on account of the estimated claims relating to property damage. The Manager will continue to provide further updates when available.
- To mitigate the cash flow impact on the distributable income as rentals from tenants were not collectable over these periods that the mall and offices were closed until such time as the loss of such revenue may be recovered through insurance claims, the Manager has implemented distribution top-ups ("Festival Walk Top-Ups") over the two quarters, 3Q FY19/20 and 4Q FY19/20.
- Festival Walk Top-Ups represent the distribution top-ups which comprise the proportionate share of (i) the estimated loss of Festival Walk retail rental revenue for the period from 13 November 2019 to 15 January 2020; and (ii) the estimated loss of Festival Walk office rental revenue for the period from 13 November 2019 to 25 November 2019. These top-ups amounted to S$32.9 million.
- The Festival Walk Top-Ups are funded from capital, and will be paid as capital income distribution to the Unitholders. When the insurance claims proceeds are received, any amount which may exceed the Festival Walk Top-Ups will be paid as distributable income from operations to the Unitholders.

Income Available for Distribution

S$227.9m From **S$240.7m** in FY18/19

DPU (Paid)

7.124 cents From **7.690 cents** in FY18/19

- The decrease in income available for distribution took into account the distribution adjustments and was mitigated by the Festival Walk Top-Ups.
- The Manager continued to pay out 100.0% of the income available for distribution to Unitholders in FY19/20.
- Total number of units in issue as of 31 March 2020 was 3,342,916,300 (2019: 3,173,891,965).
- The increase in number of units in issue was partially due to the issuance of 123,708,135 Transaction Units (in connection with the acquisitions of MBP and Omori) to the Sponsor's Nominee. The issue price of these units at S$1.1703 was at no discount to the VWAP for a unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of these units.
- In addition, there were 19,391,049 new units (in respect of the DRP) and also a payment of management fees to the Manager and the Property Manager of 25,925,151 new units during the year.
- Taking into account the lower income available for distribution and the enlarged unit base, DPU in FY19/20 was lower by 7.4% compared to FY18/19.

Units Issued in FY19/20 for Base Fee, Property Manager's Fees and Performance Fee

Type of Fees[1]	For Period	Issued Date	Number of Units	Issued Price[2] (S$)
Base Fee & Property Manager's Fees	1 January to 31 March 2019	27 May 2019	6,606,976	1.3025
Performance Fee	1 April 2018 to 31 March 2019	27 May 2019	1,197,943	1.3025
Base Fee & Property Manager's Fees	1 April to 30 June 2019	27 August 2019	6,166,165	1.4194
Base Fee & Property Manager's Fees	1 July to 30 September 2019	22 November 2019	6,480,105	1.3203
Base Fee & Property Manager's Fees	1 October to 31 December 2019	10 March 2020	5,473,962	1.1360
		Total:	**25,925,151**	

Units Issued in FY19/20 in Relation to the Acquisitions of the Two Office Properties

	Issued Date	Number of Units	Issued Price (S$)
Transaction Units	28 February 2020	123,708,135	1.1703

Units Issued in FY19/20 in Relation to DRP

	Issued Date	Number of Units	Issued Price[3] (S$)
DRP Units	10 March 2020	19,391,049	1.1884

[1] The Manager has elected to receive 100% of the Base Fee and the Performance Fee in the form of units. In relation to the Japan Properties, the asset management services are provided by the Japan Asset Manager. In view of the fees payable in cash to the Japan Asset Manager for the Japan Properties, the Manager has elected to waive the Base Fee, which it is otherwise entitled to under the Trust Deed for as long as the Manager and the Japan Asset Manager are wholly-owned by the Sponsor and the Japan Asset Manager continues to receive an asset management fee for the Japan Properties.
The Manager has elected to pay the Property Manager the Property Manager's Fees relating to Festival Walk and Gateway Plaza in the form of units. For Sandhill Plaza, the Manager has elected to pay the Property Manager's Fees in cash from the date of acquisition on 17 June 2015. For the Japan Properties, the Manager has elected to pay the fees to Mapletree Management Services Japan Kabushiki Kaisha (the "Japan Property Manager") in cash from the date of acquisition on 25 May 2018 for the six office properties and from the date of acquisition on 28 February 2020 for MBP and Omori.

[2] The issued prices were determined based on the VWAP for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant quarter on which the fees were accrued.

[3] The issued price was determined based on the VWAP for all trades done on the SGX-ST for the period of 10 business days immediately preceeding the date of issuance of these units.

DRP

- As part of the Manager's proactive capital management efforts to maintain an optimal overall aggregate leverage for MNACT, the Manager had applied the DRP for MNACT's distribution for 3Q FY19/20 and continued with the DRP for 4Q FY19/20. The DRP provides Unitholders with the option to receive their distributions declared, either in the form of units or cash or a combination of both. The issue of units in lieu of cash distributions under the DRP will strengthen MNACT's balance sheet and lower the gearing level progressively.

Quarterly Distribution

Quarter	Period	Distributable Income for the Period (S$'000)	Number of Issued Units as of End Period[1]	DPU Paid (cents)	Payment Date
1Q FY19/20	1 April to 30 June 2019	62,045	3,181,696,884	1.950	27 August 2019
2Q FY19/20	1 July to 30 September 2019	61,743	3,187,863,049	1.937	22 November 2019
3Q FY19/20	1 October to 31 December 2019	53,379	3,194,343,154	1.671	10 March 2020
4Q FY19/20	1 January to 27 February 2020[2]	50,761	3,194,343,154	1.070	14 April 2020
	28 February to 31 March 2020		3,342,916,300	0.496	24 June 2020

[1] There were no convertibles, treasury units and subsidiary holdings as of 31 March 2020 and 31 March 2019.

[2] Unitholders received an advanced distribution for the period from 1 January to 27 February 2020, which was the day immediately prior to the date on which the Transaction Units were issued (please refer to MNACT's SGX-ST announcement dated 27 February 2020 titled "Details of Advanced Distribution in Connection with the Issuance of the Transaction Units, and Issue Price of New Units to be Issued Pursuant to the Distribution Reinvestment Plan for the Advanced Distribution").

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

Quarterly Distribution (cont'd)

- The quarterly DPU was calculated based on the distributable income for the period over the number of issued units as of the end of the quarter.
- The reported number of units in issue as of the end of each quarter does not include the payment of the Manager's Base Fee and the Property Manager's Management Fees in units for the quarter. These units issued are included in the computation of the DPU payable (on a quarterly basis) for the following quarter.
- MNACT's distribution policy is to distribute at least 90.0% of its distributable income on a quarterly basis. However, in view of the rapidly evolving COVID-19 situation and with the significant uncertainty over its duration and severity, the Manager may use its discretion to amend the distribution policy.
- 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, MNACT will adopt the announcement of financial statements on a half-yearly basis with effect from FY20/21. The next financial results announcement will be for the six-month period ending 30 September 2020. Consequently, MNACT will also amend its distribution policy to make distributions on a half-yearly basis. The next distribution period will be for the six-month period ending 30 September 2020.
- Notwithstanding the above, the Manager will continue its proactive engagement with Unitholders, including providing relevant and material updates between the announcements of half-yearly financial statements through SGX announcements.

Analysis of Quarterly DPU

1Q FY19/20

- 1Q FY19/20 DPU of 1.950 cents was 3.7% higher than 1Q FY18/19 DPU of 1.881 cents.
- The year-on-year improvement was primarily due to higher rental income from Festival Walk, Gateway Plaza and Sandhill Plaza, and the higher average rate of HKD, partially offset by the lower average rate of RMB.
- The full quarter contribution from the six office properties following the completion of acquisition on 25 May 2018 also added to MNACT's income stream for 1Q FY19/20.

2Q FY19/20

- 2Q FY19/20 DPU of 1.937 cents was 0.6% higher than 2Q FY18/19 DPU of 1.926 cents.
- The year-on-year increase was mainly due to higher rental income from Festival Walk and the higher average rate of HKD and JPY, partially offset by the lower average rate of RMB.

3Q FY19/20

- 3Q FY19/20 DPU of 1.671 cents was 13.3% lower than 3Q FY18/19 DPU of 1.927 cents.
- The lower DPU was mainly due to the rental reliefs granted of S$7.5 million to support retail tenants affected by the social unrests prior to the mall closure, and the closure of the mall from 13 November 2019 to 31 December 2019. There was also lower revenue from one of the Japan Properties due to expiry of the single tenancy for the building and conversion into multi-tenancies as well as lower revenue from Gateway Plaza due to lower average occupancy. There was also lower average rate of HKD and RMB.
- The decline was partially offset by the Festival Walk Top-Up of S$25.8 million relating to the mall closure and a higher average rate of JPY.

4Q FY19/20

- 4Q FY19/20 DPU of 1.566 cents was 19.9% lower than 4Q FY18/19 DPU of 1.956 cents.
- The decrease in DPU was primarily due to rental reliefs granted to tenants of S$10.6 million as a result of COVID-19, as well as the closure of the mall from 1 to 15 January 2020. There was also lower average occupancy at Gateway Plaza and a lower average rate of RMB against SGD.
- This was partially offset by the one-month contribution from MBP and Omori, the Festival Walk Top-Up of S$7.1 million relating to the mall closure as well as the higher average rates of HKD and JPY against SGD.

STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

	As of 31 March 2020 (S$M)	As of 31 March 2019 (S$M)	Variance %
Investment Properties	**8,347.2**	7,609.5	9.7
Total Assets	**8,586.7**	7,820.4	9.8
Total Liabilities	**3,856.0**	3,230.2	19.4
Net Assets Attributable to Unitholders	**4,721.5**	4,585.5	3.0
NAV per Unit (S$)	**1.412**	1.445	(2.3)

Acquisition

S$480.0m Total Acquisition Cost

- On 28 February 2020, MNACT completed the acquisition of an effective interest of 98.47% in MBP and Omori at a total acquisition cost of S$480.0 million from the Sponsor. The total acquisition cost comprises the Aggregate Consideration of approximately S$475.2 million (approximately JPY37,526.9 million) and estimated professional and other fees and expenses of approximately S$4.8 million.
- The Aggregate Consideration is 98.47% of the Aggregate Agreed Property Value of MBP and Omori of JPY38,110.0 million (approximately S$483.0 million).

The Aggregate Agreed Property Value of JPY38,110 million was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of MBP and Omori commissioned by the Trustee and the Manager. It was also at a discount of approximately 1.8% to the valuation[1] conducted by Cushman and Wakefield K.K. ("C&W") (commissioned by the Trustee) and approximately 3.1% to the valuation[2] conducted by CBRE K.K., Valuation & Advisory Services ("CBRE") (commissioned by the Manager).

- There was no acquisition fee for the transaction. The Manager has waived the acquisition fee of S$3.5 million, which it is entitled for the acquisitions of MBP and Omori, to demonstrate its support of the initiatives to achieve greater diversification of MNACT's portfolio.

Valuation of Properties

S$8.3b From **S$7.6b** as of End FY 18/19

- The higher portfolio value was mainly due to the acquisitions of MBP and Omori at S$484.7 million, the fair valuation gains of Sandhill Plaza and Gateway Plaza of S$14.2 million and S$0.3 million respectively, the fair valuation gain of S$14.1 million for the Japan Properties (including MBP and Omori) as well as the net translation gain (against SGD) of S$258.1 million from the stronger HKD and JPY, partially offset by the weaker RMB. This was offset by the fair value loss of S$46.5 million for Festival Walk.
- The independent valuers are of the view that the valuation techniques and estimates they have employed are reflective of the current market conditions and have taken into account the impact of COVID-19 based on information available as of 31 March 2020. Further, with the heightened uncertainty over the length and severity of the COVID-19 outbreak in the respective countries in which MNACT operates and the ongoing measures being adopted by them to address the outbreak, valuations may be subjected to more fluctuations subsequent to 31 March 2020 than during normal market conditions.

[1] In arriving at the valuations, C&W relied on the discounted cash flow method.
[2] In arriving at the valuations, CBRE relied on the discounted cash flow method.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

Valuation of Properties (cont'd)

($M)	Valuation (Local Currency/S$) As of 31 March 2020[1]	As of 31 March 2019[2]	% Change Year-on-year	Valuation Cap Rate As of 31 March 2020	As of 31 March 2019	Valuer[3]
Festival Walk	**HK$28,530 S$5,090**	HK$28,750 S$4,967	↓0.8% ↑2.5%	**4.15% (Gross)**	4.15% (Gross)	Cushman & Wakefield Limited
Gateway Plaza	**RMB6,853 S$1,368**	RMB6,851 S$1,385	↑0.03% ↓1.2%	**5.50% (Gross)**	5.75% (Gross)	
Sandhill Plaza	**RMB2,424 S$484**	RMB2,352 S$475	↑3.1% ↑1.9%	**5.00% (Gross)**	5.00% (Gross)	
Six of the Japan Properties acquired on 25/5/2018[4]	**JPY65,250 S$881**	JPY64,310 S$783	↑1.5% ↑12.6%	**4.10%-4.70% (Net)**	4.10%-4.80% (Net)	Cushman & Wakefield K.K.
Portfolio *(excluding MBP and Omori)*	**S$7,823**	S$7,610	**↑2.8%**			
MBP and Omori acquired on 28/2/2020[4]	**JPY38,800[5] S$524**	Acquisition Price JPY38,110 S$483[7]	↑1.8%[6] ↑8.5%[6]	**MBP: 4.50% (Net)[5] Omori: 4.20% (Net)[5]**	–	Cushman & Wakefield K.K.
Portfolio *(including MBP and Omori)*	**S$8,347**	**↑9.7%** (31 March 2020 compared to 31 March 2019)				

[1] Valuation methodologies used as of 31 March 2020 by Cushman & Wakefield Limited include: income capitalisation method, discounted cash flow method and direct comparison method (for Gateway Plaza and Sandhill Plaza). Valuation methodologies used as of 31 March 2020 by Cushman & Wakefield K.K. include discounted cash flow method and direct capitalisation method.
Based on exchange rates S$1 = HK$ 5.6051, S$1 = RMB 5.0095 and S$1 = JPY 74.0401.
[2] Based on exchange rates S$1 = HK$ 5.7884, S$1 = RMB 4.9483 and S$1 = JPY 82.1477.
[3] The Trustee had appointed both valuers for the valuations as of 31 March 2020.
[4] Based on 100% effective interest in the properties.
[5] Based on the independent valuations of MBP and Omori as of 1 November 2019.
[6] As compared to acquisition price (28 February 2020).
[7] Based on exchange rate S$1 = JPY 78.9702.

Total Assets

S$8,586.7m From **S$7,820.4m** as of End FY18/19

- The higher total assets was mainly attributed to the increase in investment properties of S$737.7 million as well as an increase in trade and other receivables of S$8.3 million due to the consumption and withholding taxes that would be refundable from the local governments.
- There was also an increase in cash and bank balances of S$29.0 million arising from the net proceeds from borrowings for working capital and offset by distributions to Unitholders. The issue of units in lieu of cash distributions under the DRP also helped to conserve cash and bank balances by approximately S$23.1 million.
- The increase in total assets was partially offset by the decrease in financial derivative assets of S$9.1 million due to the movement in fair value.

Total Liabilities

S$3,856.0m From **S$3,230.2m** as of End FY18/19

- The higher total liabilities was mainly due to the increase in borrowings of S$504.4 million from (a) a translation loss of S$123.7 million due to the stronger HKD and JPY offset by the weaker RMB, and (b) a net increase in borrowings of S$380.7 million (to partially finance the acquisitions of MBP and Omori (S$654.7 million), and offset by the repayment of bank loans and MTN (S$272.6 million) and the amortisation of transaction costs (S$1.4 million)).
- Trade and other payables also increased by S$67.0 million mainly due to advanced distribution payable (on 14 April 2020) as well as tenancy deposits, advanced rent and accrued expenses relating to the acquisitions of MBP and Omori.
- Financial derivative liabilities was also higher by S$38.4 million due to movements in fair value.
- There was also an increase in deferred tax liabilities by S$13.3 million mainly due to provision of current year taxes.

Net Assets Attributable to Unitholders

S$4,721.5m From **S$4,585.5m** as of End FY18/19

NAV per Unit

S$1.412 From **S$1.445** as of End FY18/19

- The increase in net assets attributable to Unitholders was mainly due to issuance of Transaction Units to partially fund the acquisitions of MBP and Omori, net profit and translation gains for the year, partially offset by distribution payments to Unitholders.
- The NAV per unit was lower, after taking into account the issuance of Transaction Units, advanced distribution payable for the period from 1 January to 27 February 2020 (payable on 14 April 2020) and the lower profit.
- After taking into account distribution payments to Unitholders on 24 June 2020 and 27 May 2019, NAV per unit would have been lower at S$1.407 and S$1.425 respectively.

Project Management Fee

- Beijing Mapletree Huaxin Management Consultancy Co. Ltd, a subsidiary of the Sponsor, was contracted to carry out project management for the corridor and toilet refurbishment works at Gateway Plaza which commenced in FY18/19. In FY19/20, there were additional works carried out, and construction costs incurred, as part of the corridor and toilet refurbishment, scheduled to complete by 1Q FY20/21 and with an estimated project management fee of RMB294,419 (approximately S$57,883) payable. The estimated project management fee represents approximately 3% of the total construction costs for the additional works, which was within market norms and reasonable range as assessed by an independent quantity surveyor, Arcadis Consultancy (Shanghai) Co., Ltd. on 15 November 2019. The fee and disclosure are in accordance with the Manager's undertaking as disclosed in the MNACT IPO prospectus.

CONSOLIDATED STATEMENT OF CASH FLOW HIGHLIGHTS

(S$'000)	FY19/20	FY18/19
Net Cash Provided by Operating Activities	**265,768**	308,972
Net Cash Used in Investing Activities	**(476,250)**	(736,530)
Net Cash Provided by Financing Activities	**221,300**	426,365
Net Increase/(Decrease) in Cash and Cash Equivalents Held	**10,818**	(1,193)
Cash and Cash Equivalents at End of the Financial Year	**188,208**	175,168

- Lower net cash provided by operating activities for FY19/20 was mainly due to lower profit generated from operations.
- Decrease in net cash used in investing activities was mainly attributed to the lower cash outflow for the acquisitions of MBP and Omori on 28 February 2020 compared to the acquisition of the six office properties in Greater Tokyo, Japan, that were acquired on 25 May 2018 in FY18/19.
- Lower net cash provided by financing activities was mainly due to lower net proceeds from borrowings and lower gross proceeds of S$144.8 million in FY19/20 from the issuance of new units pursuant to the Transaction Units Agreement for the acquisitions of MBP and Omori, compared to the gross proceeds of S$330.3 million from the issuance of new units pursuant to the private placement in FY18/19. This was partially offset by the implementation of DRP in FY19/20. The implementation of DRP has resulted in additional liquidity of approximately S$23.1 million.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

CAPITAL MANAGEMENT

Amid the market uncertainty and volatilities, the Manager remains prudent in its capital management strategy to address funding requirements, mitigate the impact of interest rate and foreign exchange exposures, as well as diversify sources of funding. Accordingly, MNACT has a healthy liquidity position to meet its maturing debt obligations as of 31 March 2020.

Key Financial Indicators

	As of 31 March 2020	As of 31 March 2019
Total Gross Debt Outstanding (S$ million)	**3,383**	2,878
Aggregate Leverage Ratio[1] (%)	**39.3**	36.6
Average Term to Maturity for Debt (years)	**3.35**	3.70
Effective Interest Rate (% per annum) for the Financial Year	**2.43**	2.47
Interest Cover Ratio[1] (times) for the Financial Year	**3.5**	4.2
Unencumbered Assets as % of Total Assets (%)	**81**	90
MNACT's Corporate Rating by Moody's	**Baa3 Negative[2]**	Baa1 Stable

[1] The leverage ratio and interest cover ratio are within the financial covenants stipulated in the unsecured debt facility agreements.
[2] Please refer to page 25 of this Annual Report on the change in Moody's Rating.

Total Gross Debt

S$3,383m From **S$2,878m** as of End FY 18/19

- MNACT's borrowings of S$3,383 million as of 31 March 2020 comprised bank debt of S$2,567 million and bonds of S$816 million (TMK bonds and bonds issued under MNACT's Euro Medium Term Securities Programme ("Euro MTN Programme") established on 31 May 2013).
- As of 31 March 2020, MNACT has a healthy liquidity position with an untapped balance of approximately US$902 million from its Euro MTN Programme, unutilised committed and uncommitted bank facilities of approximately S$374 million as well as a cash balance of S$208 million.
- During FY19/20, MNACT and its subsidiaries entered into five loan facility agreements[1], each with a lower all-in cost of debt. Approximately S$111 million of debt due by March 2020 was refinanced during the year and another S$174 million of the debt maturing by March 2022 was converted to MNACT's sustainability-linked loan in November 2019.
- In February 2020, Mapletree North Asia Commercial Treasury Company (HKSAR) Limited, a wholly owned subsidiary of MNACT, redeemed HK$550 million Fixed Rate Notes due 2020 at a lower all-in cost of debt.
- As of 31 March 2020, MNACT had approximately S$267 million (equivalent to approximately 8% of the total gross debt) refinancing requirement due by March 2021. The Manager is in active discussions with lenders to refinance these loans.
- About 64% of the total gross debt are denominated in HKD, providing a natural hedge up to the corresponding amount of borrowings for MNACT's property in Hong Kong SAR (Festival Walk).
- About 35% of the total gross debt is denominated in JPY[2].
- Only a small percentage of the total gross debt is denominated in RMB and the debt relates to the onshore debt for the acquisition of Sandhill Plaza.

[1] Please refer to MNACT's SGX-ST announcements dated 7 November 2019, 8 November 2019, 17 February 2020, 24 February 2020 and 26 February 2020 on MNACT's disclosures pursuant to Rule 704(31) of the Listing Manual of the SGX-ST.
[2] JPY debt relates to the debt from the acquisitions of the six office properties in Greater Tokyo, Japan, in May 2018 and acquisitions of MBP and Omori in February 2020. The JPY debt also included HK$580 million Fixed Rate Notes issued in March 2019, with its HKD fixed interest rate swapped into JPY interest rate.

Aggregate Leverage Ratio

39.3% From **36.6%** as of End FY 18/19

- The increase was largely due to borrowings to partially fund the acquisitions of MBP and Omori and fair valuation loss of the properties partially offset by net translation gains from the stronger HKD and JPY, partially offset by the weaker RMB.
- Nevertheless, the resultant aggregate leverage ratio is below the MAS regulatory limit of 45%[1] and less than the Manager's target aggregate leverage limit of not more than 42.0%. The ratio of 39.3% is not expected to have a significant impact on MNACT's risk profile.
- The aggregate leverage ratio of 39.3% also provides a debt headroom of approximately S$400 million and S$900 million before reaching the 42% and 45% aggregate leverage limits respectively. This provides the REIT with financial flexibility to fund potential acquisitions.
- As of 31 March 2020, total debt to net asset value ratio and total debt less cash and cash equivalents held in MNACT's functional currency (SGD) to net asset value ratio were 71.2% and 70.2% respectively.

Average Term of Maturity for Debt

3.35 years From **3.70 years** as of End FY 18/19

- Average term to maturity for debt was 3.35 years compared to 3.70 years as of 31 March 2019.

Effective Interest Rate

2.43% From **2.47%** for FY 18/19

- The effective interest rate was lowered despite the effects of higher interest rates on floating rate debt, due to proactive refinancing activities and lower cost of borrowings to partially fund the acquisitions of MBP and Omori.

Interest Cover Ratio

3.5 times From **4.2 times** for FY 18/19

- While the lower rental revenue from Festival Walk as a result of rental reliefs to support retail tenants affected by the social unrests prior to the mall closure and subsequently COVID-19 led to a decline in interest cover ratio, MNACT's acquisitions of MBP and Omori in February 2020 and the full year contribution from the six office properties in Greater Tokyo, Japan, acquired in May 2018 cushioned the impact on the interest cover ratio.

Unencumbered Assets

81% From **90%** as of End FY 18/19

- The percentage of total assets unencumbered was lower at 81% as of 31 March 2020 as there was additional JPY onshore borrowings to partially finance the acquisitions of MBP and Omori that were secured[2] against the assets.

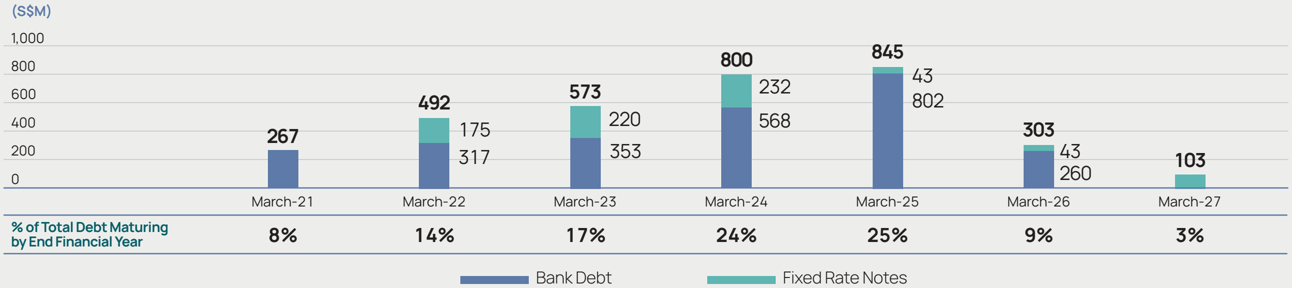
Moody's Rating

- Moody's Investors Service's ("Moody's") issuer rating on MNACT was downgraded from 'Baa1' to 'Baa2' in December 2019, mainly due to the uncertainty surrounding the operating performance of Festival Walk, which was closed from 13 November 2019 to 15 January 2020 following the Festival Walk Incident[3], as well as MNACT's increase in total borrowings to fund the acquisitions of MBP and Omori.
- The change in issuer rating from 'Baa2' to 'Baa3' in March 2020 was attributable to further uncertainty for MNACT's properties, in particular Festival Walk, due to the COVID-19 impact on Hong Kong's retail sector.

Well-Staggered Debt Maturity Profile

- MNACT's debt maturity profile remained well-staggered as of 31 March 2020 with no more than 25% of debt due in any year.

Total Gross Debt: S$3,383m



[1] MAS had on 16 April 2020 raised the aggregate 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 aggregate leverage limit can be increased from the then prevailing 45% limit (up to a maximum of 50%).

[2] Please refer to Note 18 (page 173) of the Financial Statements section of this Annual Report.

[3] Please refer to MNACT's SGX-ST Announcement dated 13 November 2019 titled "Festival Walk Incident".

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

Issue of Transaction Units

- In order to facilitate the payment to partially fund the acquisitions of MBP and Omori, the Manager and Suffolk Assets Pte. Ltd. (the "Sponsor's Nominee"), which is a wholly-owned subsidiary of MIPL, entered into an agreement on 4 December 2019 under which the Manager agreed to issue and the Sponsor's Nominee agreed to pay for new units (the "Transaction Units" and the agreement, the "Transaction Units Agreement") amounting to S$144.8 million[1].
- The Transaction Units were being issued to the Sponsor's Nominee to align the interests of the Sponsor with that of MNACT and its other Unitholders. This also demonstrates the Sponsor's commitment to support MNACT's growth and diversification strategy. The Transaction Units were priced at S$1.1703, at no discount and based on the VWAP for a unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units.

Use of Proceeds

- The gross proceeds of approximately S$144.8 million received from the issuance of the Transaction Units has been fully utilised to partially fund the acquisitions of MBP and Omori. The use of proceeds is in accordance with the stated use as set out in the SGX-ST announcement dated 4 December 2019 titled "The Proposed Acquisitions of Two Office Properties in Greater Tokyo".

Interest Rate Risk Management

- As of 31 March 2020, approximately 77% of interest cost on borrowings was fixed using interest rate swaps, cross currency interest rate swaps and fixed rate notes, which mitigates MNACT's exposure to interest rate fluctuations and provide better certainty of interest costs.

Foreign Currency Risk Management

- The Manager uses currency forwards to hedge expected portfolio distributable income.
- About 65% of the expected distributable income for 1H FY20/21 has been hedged into SGD.
- The Manager will continue to actively monitor the currency markets and progressively hedge to provide certainty over future distributions as appropriate.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"), issued by the Accounting Standards Council (Singapore), the applicable requirements of the Code on Collective Investment Schemes ("CCIS") issued by the MAS relating to financial reporting and the provisions of the Trust Deed[2].

On 1 April 2019, MNACT and its subsidiaries (the "Group") has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") 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).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 Leases.

The Group's significant accounting policies are discussed in more detail in the Notes to the Financial Statements section. The preparation of the financial statements in conformity with SFRS(I) requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. In particular, the valuation of investment properties is one significant area which requires estimation and critical judgement in applying accounting policies. This has the most significant effect on the amounts recognised in the financial statements and is discussed in greater detail in the Notes to the Financial Statements section.

SENSITIVITY ANALYSIS

- As of 31 March 2020, interest cost on approximately 77% of the total debt was fixed, minimising exposure to interest rate volatility. It is estimated that an increase of 50 basis points in interest rate would have resulted in a reduction in FY19/20 DPU by about 0.090 cents.
- MNACT has an aggregate leverage ratio of 39.3% as of 31 March 2020. A 1.0% increase in portfolio valuation would have decreased the aggregate leverage ratio by approximately 0.4 percentage points.
- MNACT's total return for FY19/20 would decrease or increase by S$2.6 million[3] if the average rate of HKD against SGD strengthened or weakened by 5%. In the case of RMB, total return would have decreased or increased by S$1.4 million[3]. For JPY, if the average rate of JPY against SGD strengthened or weakened by 5%, the total return would have decreased or increased by S$1.4 million[3].

1 Please refer to MNACT's SGX-ST Announcement dated 4 December 2019 titled "The Proposed Acquisitions of Two Office Properties in Greater Tokyo".

2 As a REIT established in Singapore, MNACT is constituted by the Trust Deed. A copy of the Trust Deed can be inspected at the registered office of the Manager, which is located at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438, subject to prior appointment.

3 The foreign currency sensitivity analysis is performed using the similar methodology of SFRS (I) 7 (Financial Instruments: Disclosures) as disclosed on page 184 in the Financial Statements section. This analysis includes financial assets and liabilities (but does not include investment properties), as well as "mark-to-market" losses/gains on currency forwards.

FIVE-YEAR FINANCIAL PERFORMANCE PROFILE[1]

	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20
Gross Revenue (S$ million)	336.6	350.6	355.0	408.7	**354.5**
NPI (S$ million)	277.5	285.6	287.2	329.0	**277.5**
DI (S$ million)	199.9	204.6	210.9	240.7	**227.9**
DPU (cents)	7.270	7.341	7.481	7.690	**7.124**

FY15/16

- Portfolio gross revenue and NPI were up by 19.7% and 21.0% respectively, as compared to FY14/15.
- Robust organic growth was achieved through strong rental reversions at Festival Walk and Gateway Plaza, and the contribution from Sandhill Plaza, which was acquired in June 2015.
- Total DI in FY15/16 increased by 12.3% compared to the previous financial year. Correspondingly, DPU for FY15/16 recorded a 10.8% increase compared to FY14/15.

FY16/17

- NPI was 2.9% higher for FY16/17 compared to FY15/16, mainly due to the increase in rental income from Festival Walk and the full-year contribution from Sandhill Plaza, partially offset by additional property tax incurred by Gateway Plaza as a result of the change in the basis of assessment of property tax, effective from July 2016.
- Income available for distribution to Unitholders for FY16/17 was 2.4% higher than the last financial year. DPU for FY16/17 was 1.0% more compared to the DPU paid for FY15/16.

FY17/18

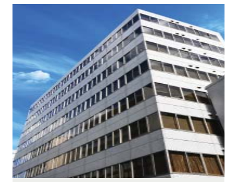
- NPI was 0.5% higher than FY16/17 NPI. This was mainly due to higher average rental rates from Festival Walk and Gateway Plaza, offset by higher property tax incurred at Gateway Plaza as a result of the change in the basis of assessment of property tax, and the lower average rates of HKD and RMB against SGD in FY17/18 compared to FY16/17.
- Available DPU for FY17/18 increased by 1.9%, compared to FY16/17, mainly due to higher NPI, the lower translated average cost of debt (post re-financing) and realised exchange gain.

FY18/19

- The 14.6% increase in NPI was mainly driven by the contribution from the six office properties in Greater Tokyo, Japan, following the completion of acquisition on 25 May 2018, and higher rental income from Festival Walk, Gateway Plaza and Sandhill Plaza, partially offset by the lower average rate of HKD and RMB during the year.
- Available DPU for FY18/19 increased by 2.8%, compared to FY17/18, mainly attributable to higher NPI at Festival Walk, Gateway Plaza, Sandhill Plaza and the new contribution from the six office properties in Greater Tokyo, Japan, that were acquired on 25 May 2018, partially offset by the higher translated average cost of debt (post re-financing) and lower realised exchange gain.

[1] Please refer to MNACT's SGX-ST announcements for the results announcements for the respective financial years.

PROPERTY PORTFOLIO SUMMARY AND REVIEW[1]

	HONG KONG SAR	CHINA		JAPAN	
	FESTIVAL WALK	GATEWAY PLAZA	SANDHILL PLAZA	IXINAL MONZEN-NAKACHO BUILDING ("MON")	HIGASHI-NIHONBASHI 1-CHOME BUILDING ("HNB")
Property					
City	Hong Kong SAR	Beijing	Shanghai	Tokyo	Tokyo
Address	No. 80 Tat Chee Avenue, Kowloon Tong	No. 18 Xiaguangli, East 3rd Ring Road North, Chaoyang District	Block 1 to 5 and 7 to 9, No. 2290 Zuchongzhi Road, Zhangjiang Science City, Pudong New District	5-4, Fukuzumi 2-chome, Koto-ku	4-6, Higashi-nihonbashi 1-chome, Chuo-ku
Asset Type	Mall and Office	Office	Business Park	Office	Office
Gross Floor Area ("GFA")[2]	Overall: 112,297 sq m Office: 21,244 sq m (19%) Retail: 91,053 sq m (81%)	Overall: 106,456 sq m Office: 94,715 sq m (89%) Podium: 11,741 sq m (11%)	83,801 sq m	8,303 sq m	3,240 sq m
Net Lettable Area ("NLA")[2]	Overall: 74,171 sq m Office: 19,879 sq m (27%) Retail: 54,292 sq m (73%)	Overall: 106,456 sq m Office: 94,715 sq m (89%) Podium: 11,741 sq m (11%)	Overall: 63,284 sq m Office: 61,684 sq m (97%) Amenities: 1,600 sq m (3%)	6,852 sq m	2,601 sq m
No. of Storeys	7 floors (retail), 4 floors (office), 3 basement car park levels	Two 25-storey office towers, 3-storey podium area, 3 underground floors	One 20-storey tower, 7 blocks of 3-storey buildings, 2 basement car park levels	5-storey office building	8-storey office building
Carpark Lots	830	692	460	28	8
Land Use Right Expiry	30 June 2047	25 February 2053	3 February 2060	Freehold	
Remaining Term of Land Lease	27 years	33 years	40 years	Freehold	
No. of Tenants	185	91	53	85	
No. of Leases	266	97	73	101	
Tenant Type	Multi-tenanted	Multi-tenanted	Multi-tenanted	Multi-tenanted	Multi-tenanted
Year of Purchase by MNACT	2013	2013	2015	2018	2018
Purchase Price (Million)	HK$20,700 (S$3,296)[3]	RMB5,150 (S$1,013)[3]	RMB1,862 (S$407)[4]	JPY8,639 (S$105)[5]	JPY1,995 (S$24)[5]
Valuation[7] (Million)	HK$28,530 (S$5,090)	RMB6,853 (S$1,368)	RMB2,424 (S$484)	JPY8,170 (S$110)	JPY2,360 (S$32)
As % of Portfolio Valuation[9]	61.0	16.4	5.8	1.3	0.4
Cap Rate[7] (%)	4.15 (Gross)	5.50 (Gross)	5.00 (Gross)	4.10 – 4.70 (Net)	
Occupancy Rate[10] (%)	99.8	91.5	98.0	80.8	100
Major Tenants by Monthly Gross Rental Income ("GRI") for March 2020	– TaSTe – Arup – Festival Grand	– BMW – CFLD[11] – Bank of China	– Spreadtrum – Hanwuji – Borouge	– DSV – DTS – Kadokawa	– Tender Loving Care Services (a nursery) – Shigematsu – Advance
WALE[12] by Monthly GRI (Years)	2.3 Office: 3.9 Retail: 2.2	2.6 Office: 2.3 Podium: 4.1	2.5 Office: 3.6 Amenities: 2.5	3.8	
Average Rental Reversion in FY19/20 (%)	Retail: 8 Office: 6	-4	10	-9	
Gross Revenue for FY19/20 (S$'000)	195,091	81,174	25,243	4,356	1,652
Gross Revenue for FY18/19 (S$'000)	253,996	87,221	25,020	5,438	1,365

1 All information and numbers presented in this section are as of 31 March 2020 unless otherwise specified.
2 Square metre ("sq m") is the standard convention for area in China. While square feet ("sq ft") is the standard convention for area in Hong Kong SAR and tsubo is the standard convention for area in Japan, we have standardised to sq m for ease of comparison. 1 sq m = 10.7639 sq ft, 1 sq m = 0.3025 tsbuo.
3 Purchase price as of 7 March 2013 (listing date). Based on exchange rate: S$1 = HK$6.2803 and S$1 = RMB5.084.
4 As of acquisition date of 17 June 2015. Based on exchange rate S$1 = RMB4.5749.
5 As of acquisition date of 25 May 2018. Based on exchange rate S$1 = JPY82.18.
6 As of acquisition date of 28 February 2020. Based on exchange rate S$1 = JPY78.9702.

ACQUIRED IN FY19/20

TS IKEBUKURO BUILDING ("TSI")	ABAS SHIN-YOKOHAMA BUILDING ("ASY")	SII MAKUHARI BUILDING ("SMB")	FUJITSU MAKUHARI BUILDING ("FJM")	OMORI PRIME BUILDING ("OMORI")	MBAY POINT MAKUHARI ("MBP")
					
Tokyo	Yokohama	Chiba	Chiba	Tokyo	Chiba
63-4, Higashi-Ikebukuro 2-chome, Toshima-ku	6-1, Shin-yokohama 2-chome, Kohoku-ku, Yokohama City, Kanagawa	8, Nakase 1-chome, Mihama-ku, Chiba City	9-3, Nakase 1-chome, Mihama-ku, Chiba City	21-12, Minami-oi 6-chome, Shinagawa-ku	6, Nakase 1-chome, Mihama-ku, Chiba City
Office	Office	Office	Office	Office	Office
4,898 sq m	4,638 sq m	70,744 sq m	61,088 sq m	10,442 sq m	170,499 sq m
4,002 sq m	3,170 sq m	70,744 sq m	61,088 sq m	6,798 sq m	84,785 sq m
9-storey office building	9-storey office building, 2 basement levels	26-storey office building, 1 basement level	21-storey office building	13-storey office building, 1 basement level	26-storey office building, 1 basement level
15	24	298	251	37	680
Single-tenanted	Multi-tenanted	Single-tenanted	Single-tenanted	Multi-tenanted	Multi-tenanted
2018	2018	2018	2018	2020	2020
JPY5,220 (S$64)[5]	JPY2,695 (S$33)[5]	JPY26,344 (S$321)[5]	JPY18,411 (S$224)[5]	JPY6,610 (S$84)[6]	JPY31,500 (S$398)[6]
JPY5,300 (S$72)	JPY2,820 (S$38)	JPY27,400 (S$370)	JPY19,200 (S$259)	JPY7,100 (S$96)[8]	JPY31,700 (S$428)[8]
0.9	0.5	4.4	3.1	1.1	5.1
				4.20 (Net)[8]	4.50 (Net)[8]
100	100	100	100	100	86.6
– PERSOL	– Rentas – Lawson – JAPAN CREATE	– Seiko Instruments Inc.	– Fujitsu	– Eighting Co., Ltd – Isuzu Linex – Brillnics	– NTT Urban Development Corporation ("NTT UD") – AEON Credit Service – Ministop
3,590	2,225	22,768	14,506	449	3,424
2,966	1,803	18,861	12,017	n.a	n.a

[7] Based on exchange rates S$1 = HK$ 5.6051, S$1 = RMB 5.0095 and S$1 = JPY 74.0401. Please refer to page 22 in the Financial Review and Capital Management section on the appointed valuers and valuation methodologies used.
[8] Based on the independent valuations of MBP and Omori as of 1 November 2019 undertaken by Cushman & Wakefield K.K.
[9] Portfolio valuation as of 31 March 2020 was S$8,347 million.
[10] Occupancy rates are based on committed leases (which include existing leases).
[11] China Fortune Land Development ("CFLD").
[12] WALE is based on the expiry dates of the committed leases (which include existing leases).

PROPERTY PORTFOLIO SUMMARY AND REVIEW

Notwithstanding the challenging operating environment for MNACT's properties in FY19/20, the Manager remains committed in its active asset management strategy with a focus on maintaining high portfolio occupancy. We also continued our portfolio diversification efforts, with the acquisitions of two office properties (MBP and Omori) in Greater Tokyo, Japan.

Greater Diversification of MNACT's Portfolio

As of 31 March 2020, there was greater diversification for the portfolio in terms of asset type and trade mix. The weighting of retail and others[1] sectors by portfolio NPI reduced from 56.9% in FY18/19 to 47.7% in FY19/20, while the weighting from the office sector increased from 43.1% in FY18/19 to 52.3% in FY19/20.

By trade sector, the contribution from the Apparel & Fashion Accessories sector to the portfolio's monthly GRI also declined from 16.7% in March 2019 to 14.5% in March 2020. Conversely, the Machinery/Equipment/Manufacturing sector, which accounted for 14.7% of the monthly portfolio GRI in March 2020, became the top trade sector. The third largest sector by contribution in March 2020 was the Financial Institution/Insurance/Banking/Real Estate sector, at 12.3%.

Strong and Diverse Tenant Base

The acquisitions of MBP and Omori further improved tenant diversity within the portfolio. As of 31 March 2020, a total of 57 tenants from the medical and healthcare, finance and insurance, information and communications, and services sectors were added to MNACT's tenant base.

The anchor tenant at MBP, NTT UD, was also included in the portfolio's top 10 list. Together, MNACT's top 10 tenants accounted for 36.1% of the portfolio GRI for the month of March 2020, while another 404 local and international tenants contributed to the remaining 63.9%. No single tenant contributed more than 7.4% of the portfolio's total monthly GRI.

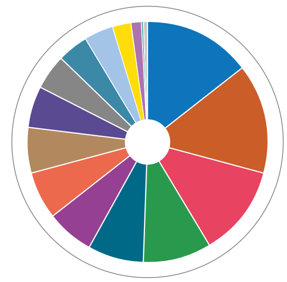
MNACT'S TOP 10 TENANTS BY MONTHLY GRI

(For the Month of March 2020)

	Building	Tenant	Sector	Trade Sector	% of Monthly GRI
1	Gateway Plaza	BMW	Office	Automobile	7.4
2	SMB	Seiko Instruments Inc.	Office	Machinery/Equipment/ Manufacturing	5.7
3	MBP	NTT UD	Office	Financial Institution/Insurance/ Banking/Real Estate	5.2
4	Festival Walk	TaSTe	Retail	Departmental Store & Supermarket	3.6
5	FJM	Fujitsu	Office	Machinery/Equipment/ Manufacturing	3.6
6	Festival Walk	Arup	Office	Professional & Business Services	3.6
7	Festival Walk	Festival Grand	Retail	Leisure & Entertainment	1.9
8	Festival Walk	Apple	Retail	Houseware, Electronics & Furnishings	1.8
9	Gateway Plaza	CFLD	Office	Financial Institution/Insurance/ Banking / Real Estate	1.7
10	Festival Walk	I.T	Retail	Apparel & Fashion Accessories	1.6

MNACT TRADE MIX BY MONTHLY GRI (%)

(For the Month of March 2020)

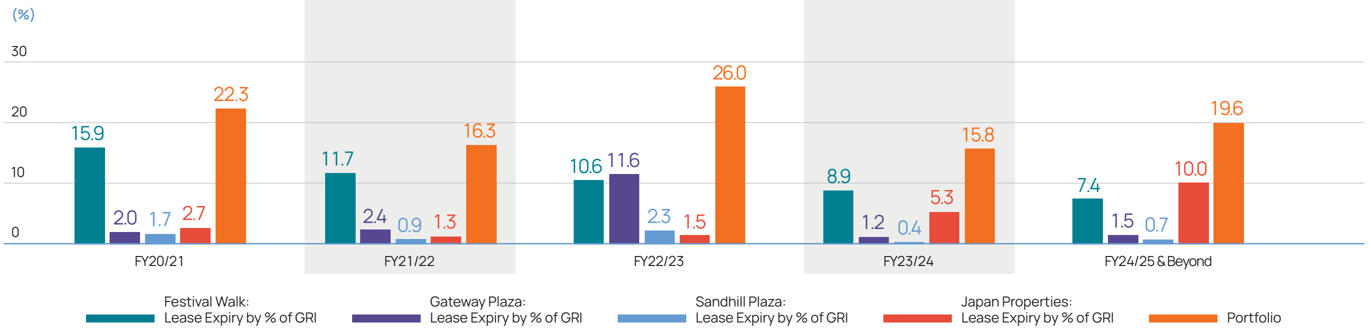


14.7	Machinery / Equipment / Manufacturing
14.5	Apparel & Fashion Accessories
12.3	Financial Institution / Insurance / Banking / Real Estate
9.3	Food & Beverages
7.5	Automobile
6.4	Professional & Business Services
6.4	Departmental Store & Supermarket
6.1	Leisure & Entertainment
5.5	Services
4.7	Personal Cosmetics
4.1	Information Technology
3.8	Houseware, Electronics & Furnishings
2.6	Luxury Jewellery, Watches & Accessories
1.4	Pharmaceutical / Medical
0.2	Natural Resources
0.1	Renewable Energy
0.4	Others

[1] Others comprised car park revenue and ice rink income.

PORTFOLIO LEASE EXPIRY PROFILE BY PERCENTAGE OF MONTHLY GRI

(As of 31 March 2020)



No. of Leases Expiring per Year

FY20/21	FY21/22	FY22/23	FY23/24	FY24/25 & Beyond
174	138	157	39	29

Note:
- Lease Expiry Profile: shows the remaining leases to be renewed or re-let as of end of financial period.

Well-Staggered Portfolio Lease Expiry Profile

Amid the difficult leasing environment, the Manager continued to engage its tenants ahead of lease expiries to manage its lease maturities. The portfolio's lease expiry profile by GRI remained well-staggered as of 31 March 2020, underpinned by a portfolio WALE of 2.7 years[1] and with no more than 26.0% of the leases due for renewal in any one year. As of 31 March 2020, approximately 4.7% of the leases expiring in FY20/21 had been committed for renewal or re-let. For new and renewed leases that commenced in FY19/20, the WALE of these leases as of 31 March 2020 was 3.3 years[2]. These leases accounted for 21.0% of portfolio GRI for the month of March 2020.

For Festival Walk, Gateway Plaza and Sandhill Plaza, the WALE by GRI were 2.3 years, 2.6 years and 2.5 years respectively, consistent with the market practices in Hong Kong SAR and China where the office and retail leases are typically structured with three-year lease terms. Including the leases of the newly acquired MBP and Omori, the WALE by GRI for the Japan Properties was 3.8 years.

Lease Structure

The leases in the portfolio comprise mainly base rent, which is less susceptible to retail sales volatility compared to turnover rent (which is pegged to tenants' retail sales). Only retail leases at Festival Walk and one lease at Sandhill Plaza[3] comprise base rent and turnover rent. For FY19/20, turnover rent contributed approximately 0.7% of the portfolio's gross revenue.

The portfolio's leases have step-up rental structures and these serve to contribute steadily to the income stream. As of 31 March 2020, approximately 97% of the total number of leases at Festival Walk (including both retail and office leases), 32% of leases at Gateway Plaza, 2% of leases at Sandhill Plaza and 2% of leases at the Japan Properties have step-up structures in the base rent. There have been no income support payments for MNACT since IPO.

Freehold land accounted for 17% of the portfolio's valuation as of 31 March 2020. This was an increase from 10% as of 31 March 2019 due to the addition of MBP and Omori, which are freehold properties.

High Portfolio Occupancy

Portfolio occupancy rate declined from 99.6% as of 31 March 2019 to 95.2% as of 31 March 2020. This was due to lower occupancies registered at Festival Walk, Gateway Plaza, Sandhill Plaza and MON, as well as the inclusion of MBP at an occupancy of 86.6%.

As of 31 March (%)	2020	2019	2018	2017	2016
Festival Walk	**99.8**	100.0	100.0	100.0	100.0
Gateway Plaza	**91.5**	99.0	96.5	96.9	96.8
Sandhill Plaza	**98.0**	99.3	100.0	100.0	100.0
MON	**80.8**	100.0	n.a.[4]		
HNB	**100.0**	100.0	n.a.[4]		
TSI	**100.0**	100.0	n.a.[4]		
ASY	**100.0**	100.0	n.a.[4]		
SMB	**100.0**	100.0	n.a.[4]		
FJM	**100.0**	100.0	n.a.[4]		
Omori	**100.0**	n.a.[5]			
MBP	**86.6**	n.a.[5]			
Portfolio	**95.2**	99.6	98.5	98.6	98.6

[1] The portfolio WALE of 2.7 years as of 31 March 2020 was based on committed leases (leases which have been renewed or re-let as of 31 March 2020), with lease commencement dates before and after 31 March 2020. Excluding committed leases commencing after 31 March 2020, the portfolio WALE would have been 2.5 years as of 31 March 2020.

[2] The WALE of 3.3 years as of 31 March 2020 was based on committed leases (leases which have been renewed or re-let as of 31 March 2020), with lease commencement dates within FY19/20.

[3] All leases at Sandhill Plaza comprise base rent only, except for one food & beverage lease which contributed turnover rent amounting to less than 0.1% of the portfolio's gross revenue in FY19/20.

[4] Acquired in May 2018.

[5] Acquired in February 2020.

PROPERTY PORTFOLIO SUMMARY AND REVIEW

HONG KONG SAR

Festival Walk [又一城]

Festival Walk comprises a four-storey office tower atop a seven-storey territorial retail mall and three underground car park levels. Situated in the upscale residential area of Kowloon Tong, Festival Walk is directly linked to the Kowloon Tong MTR station and enjoys excellent connectivity between the underground Kwun Tong line and the overland East Rail Line which links Hong Kong SAR directly to the Shenzhen border. The property is also located close to two universities and neighbouring schools, and easily accessible by bus and road networks.

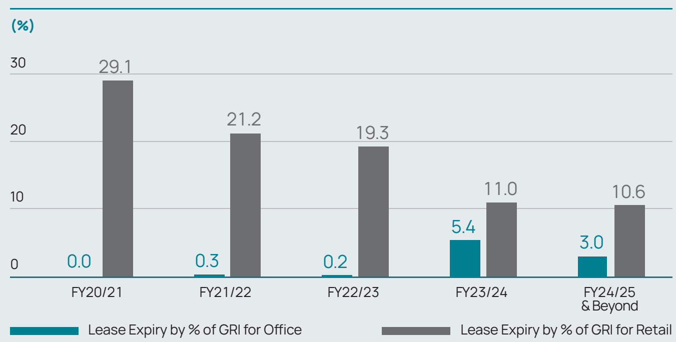
The mall is a premier one-stop shopping, dining and lifestyle destination that offers over 200 local and international brands, as well as more than 40 F&B outlets. Its wide range of amenities include a large multiplex cinema 'Festival Grand', 'FoodFest' food court and one of Hong Kong SAR's largest ice skating rinks, the 'Glacier'.

TOP TENANTS BY MONTHLY GRI
(For March 2020)

Retail	
Apple	I.T
Festival Grand	LOG-ON
HSBC	Marks & Spencer
H&M	TasTe

Office	
Arup	City University of Hong Kong

FESTIVAL WALK'S LEASE EXPIRY PROFILE BY MONTHLY GRI
(As of 31 March 2020)



No. of Leases Expiring per Year	88	74	68	24	12
Total Number of Leases	266				

> To support tenants... approximately S$17.8 million of rental reliefs were granted to retail tenants in 3Q FY19/20 and 4Q FY19/20.

Operating Performance

FY19/20 was an extremely challenging year for the Hong Kong retail sector. The slowdown in retail sales which started at the beginning of the year was compounded by the social unrests and the subsequent COVID-19 situation. The restrictive measures introduced to combat COVID-19 and the disruptions arising from the social incidents resulted in a 20.1% decline in overall Hong Kong SAR retail sales[1] during the financial year. Consequently, Festival Walk saw a full-year decline of 18.1% in tenant sales and a drop of 18.7% in footfall for FY19/20 .

Overall leasing activities for Festival Walk were also impacted as tenants became increasingly cautious and postponed leasing decisions. Tenant retention rate for the retail leases that expired in FY19/20 was 55%. Nevertheless, Festival Walk managed to achieve positive rental reversion of 8% for retail leases which expired in FY19/20. The average occupancy rate for retail leases was also high at 99.8% as of 31 March 2020, with a slight dip compared to the full occupancy a year ago, mainly due to the pre-termination of two leases[2].

The offices were also resilient and registered full occupancy and a positive average rental reversion of 6% for leases that expired during the year.

Supporting Tenants

To support tenants who were and continued to be adversely affected by the difficult retail environment, a total of approximately S$17.8 million of rental reliefs were granted to retail tenants in 3Q FY19/20 and 4Q FY19/20. For FY20/21, the Manager has also extended rental reliefs in the first quarter. As it remains uncertain when the COVID-19 situation will ease, the Manager will continue to monitor market developments and assess the need for continuing relief for the subsequent months in FY20/21.

Given the difficult retail environment, a series of targeted promotions was launched to generate footfall and sales, and these include redemptions of shopping and dining cash coupons, complimentary parking coupons and gifts for shoppers. Tenants also had free access to Festival Walk's marketing channels to promote their products and services.

Marketing Events

Prior to the mall closure, Festival Walk hosted a variety of events to engage different communities. Special themed events include the popular e-sports event – *'League of Legends - Festival Walk Cup Championship 2019'* and the *'Snoopy Space Adventure'*, which attracted much footfall to the mall. Other marketing and promotional activities by our tenants also resonated well with our shoppers during the year.

Repair Works

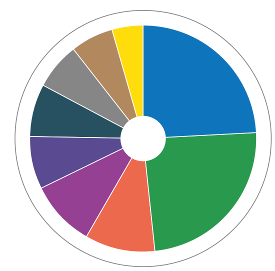
Arising from the incidents which occurred in Festival Walk, the mall was closed from 13 November 2019 to 15 January 2020, while the office tower was closed from 13 November 2019 to 25 November 2019, for major repair works.

While the mall has re-opened since 16 January 2020, repair works, including the repairs of the escalators and lifts, and installation of the permanent balustrades, continue to be carried out progressively within the mall. Utmost consideration is taken to minimise disruptions for shoppers while observing safety to all personnel within the mall at all times. The repair works are expected to be completed by end FY20/21.

During the periods when the mall and the office tower were closed, rentals were not collectable, and the loss of retail and office revenue as well as property damage sustained are covered under the insurance policies. While the assessment of the full quantum of revenue loss and property damage recoverable from insurance claims remains underway, the insurers have made a without prejudice interim payment in June 2020, as partial payment on account of the estimated claims relating to property damage. The Manager will continue to provide further updates when available.

FESTIVAL WALK'S TENANT MIX BY GRI (%)

(For the Month of March 2020)



26.6	Apparel & Fashion Accessories
16.6	Food & Beverages
11.0	Departmental Store & Supermarket
10.4	Leisure & Entertainment
8.5	Personal Cosmetics
8.0	Professional & Business Services
7.3	Services
6.9	Houseware, Electronics & Furnishings
4.7	Luxury Jewellery, Watches & Accessories

[1] Source: Hong Kong Census and Statistics Department.
[2] The two leases are both under the same retail group which closed all outlets in Hong Kong SAR.

Serving the Needs of the Kowloon Tong Community

I spend a lot of time here with my schoolmates, and I love all the programmes offered with the U Card membership. Lots of the discount privileges are exclusively for university students, and I must say that I can almost find everything I want here... shopping, dining, movies, and even ice-skating! Lots of our U-life memories started here at Festival Walk.

MS. MICHELLE CHUNG
U-Card Member
(Year 3 Student at City University of Hong Kong, major in Media and Communications)

Situated in a strategic location that serves customers from many different geographical areas, our brands including Marimekko and Anteprima at Festival Walk enjoy the diversity of clientele that the mall brings. With internationally acclaimed brand names as our neighbours, we see Festival Walk as an important partner in our expansion plans. It is an innovative lifestyle hub that we are proud to be in to showcase our product.

MR. ANTHONY KEUNG
Managing Director, Sidefame Group

In addition to the U-Card membership, there were also many marketing and promotional events offered during the year.

Festival Walk offers over 200 local and international brands, as well as more than 40 F&B outlets.

We are truly grateful for Festival Walk's generosity and continuous support for Charles K. Kao Foundation's events held at the mall over the past ten years, since the establishment of the Foundation. Festival Walk's patronage enables us to sustain our best efforts to provide quality services to Alzheimer's/dementia patients, as well as to support their caregivers and deliver proper educational programmes and dementia awareness to the public. Our partnership with Festival Walk means so much to us!

MRS. KAO
CSR Partner for over 10 years –
Charles K. Kao Foundation For Alzheimer's Disease

Flash mob performances on the weekends of September and October brought cheer to the shoppers.

I have been living in Kowloon Tong for over 15 years. The mall is an indispensable part of the community and is the most convenient shopping hub by far. It's a great destination for bringing together family and friends for various festive celebrations. My date with my wife at Festival Walk has become an important daily ritual. My only wish is that Festival Walk can provide more generous free parking to its loyal customers!

MR. LAI
Frequent Shopper of Festival Walk
(lives in Kowloon Tong)

Walking in Festival Walk always makes one feel the festive mood. But, alas, many shopping malls also offer such a festive atmosphere. However, what is uniquely different about Festival Walk is it's placed within the Yau Yat Chuen community. I can see how Festival Walk can transcend from a city shopping mall to become a social institution integrated with the neighbourhood and the community, where we are all its stakeholders. The upheavals Festival Walk endured late last year and the resilience showcased by its resolute re-opening testify to the story that Festival Walk thrives again in this great place, Hong Kong SAR, our blessed home.

MR. LAWRENCE LAU
Member, Shum Shui Po District Council
(Yau Yat Tsuen)

Aimed at encouraging appreciation of foreign languages among the local community, the annual *'Speak Dating Event'* continued to attract many participants.

Engaging the Community

The 'Glacier' at Festival Walk is one of Hong Kong SAR 's largest ice rinks.

Festival Walk Glacier has been my home rink since I was three years old. My passion for figure skating was nurtured here. The Glacier provides me with valuable opportunities to enhance my skating skills from the private and group classes held by the world-class coaches. My achievements would not be possible without the tireless support of The Glacier staff! Now, I'm so excited to be representing Hong Kong SAR for the 2020 World Junior Figure Skating Championships. I'm preparing for it here at The Glacier!

MS. CHEUK KA KAHLEN CHEUNG (AGE 16)
National Junior Figure Skating Professional

Donguri Republic

The *'League of Legends - Festival Walk Cup Championship 2019'* which was held at Festival Walk, attracted many participants.

Fine-tuning Tenant Mix

Events and Promotions

The gala premiere for the movie *'The White Storm 2 - Drug Lords'* was graced by celebrities Michael Miu, Louis Koo and Andy Lau.

'Snoopy Space Adventure', which featured a 3-metre tall 3D statue of Snoopy, an exhibition of rare memorabilia and a Snoopy pop-up store, drew crowds to the mall.

'IRON KID Summer Challenge on Ice 2019' was a showcase of young talents.

PROPERTY PORTFOLIO SUMMARY AND REVIEW

BEIJING

Gateway Plaza [佳程广场]

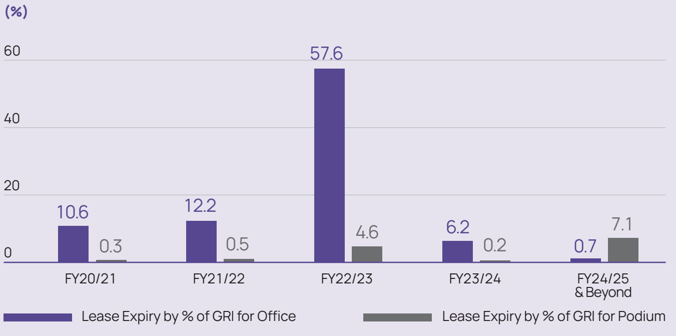
Strategically located in the well-established Lufthansa commercial hub along the Third Ring Road in Beijing, Gateway Plaza is a Grade-A office building consisting of two 25-storey towers connected by a three-storey podium area and three underground floors. Gateway Plaza is home to a diverse group of well-known multinationals and local companies including BMW, CFLD and Doosan.

Providing convenient access to major train, bus and road networks, the property is also located next to the Airport Expressway with direct access to the Beijing Capital International Airport. The building's podium area offers amenities, including Bank of China, Nanyang Commercial Bank, an eye clinic, as well as a good selection of F&B outlets.

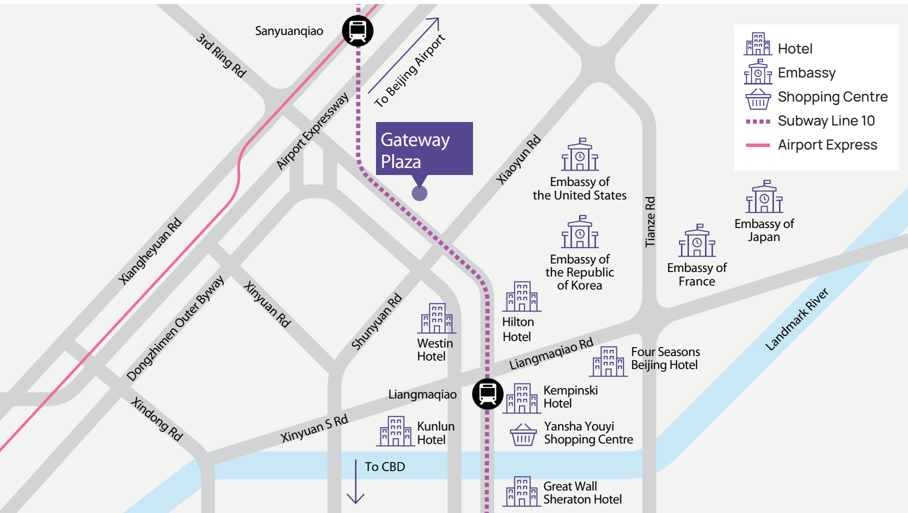
TOP TENANTS BY MONTHLY GRI
(For March 2020)

Bank of China	Nanyang Commercial Bank
BMW	SPX
CFLD	Terminus
Doosan	Xingya
Hanhe Capital	Zijin

GATEWAY PLAZA'S LEASE EXPIRY PROFILE BY MONTHLY GRI
(As of 31 March 2020)



No. of Leases Expiring per Year					
	29	20	32	9	7
Total Number of Leases	97				



> The Manager focused on negotiating competitive rental rates to manage the average occupancy level.

Operating Performance

During FY19/20, demand for office space in Beijing was weak and office rents were under pressure due to the macroeconomic uncertainties and the COVID-19 situation. Most tenants held up their leasing activities and postponed decisions regarding office space requirements. The Manager focused on negotiating competitive rental rates to manage the average occupancy level at Gateway Plaza. Accordingly, occupancy rate at Gateway Plaza was at 91.5% as of 31 March 2020 and the average rental reversion moderated to a negative 4% for the 19 leases that expired during the year. Tenant retention rate for leases that expired in FY19/20 was 44%.

Supporting Tenants

Certain tenants such as those providing retail amenities and some of the small and medium enterprises ("SMEs") were more affected by the extended split-work or work-from-home arrangements and the slower resumption of office operations by tenants, as a result of COVID-19. To support them, rental reliefs have been offered during 4Q FY19/20. We will continue to monitor the development of COVID-19 in Beijing and will consider appropriate relief on a selective basis, where required.

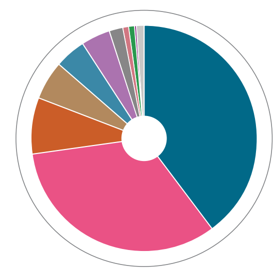
Close Engagement with Tenants

While tenant engagement events had been shelved due to COVID-19, several were organised prior to the start of COVID-19 to bring the tenant community together. A Christmas celebration was held at the lobby, and a pilates session was held at the forecourt in front of the building to encourage healthy living and well-being.

The opening of the Japanese restaurant 'Tokyojing' added to the range of F&B options available at Gateway Plaza.

GATEWAY PLAZA'S TENANT MIX BY GRI (%)

(For the Month of March 2020)



40.0	Automobile
32.9	Financial Institution / Insurance / Banking / Real Estate
8.0	Machinery / Equipment / Manufacturing
5.5	Professional & Business Services
4.7	Information Technology
4.0	Pharmaceutical / Medical
2.1	Services
0.8	Natural Resources
0.7	Food & Beverages
0.4	Leisure & Entertainment
0.9	Others

PROPERTY PORTFOLIO SUMMARY AND REVIEW

SHANGHAI

Sandhill Plaza [展想广场]

Acquired in June 2015, Sandhill Plaza is a premium quality business park development located in the mature area of Zhangjiang Science City, part of Shanghai's Free Trade Zone. It comprises one 20-storey tower, seven blocks of 3-storey buildings[1] and two basement levels of car park. Located adjacent to the Middle Ring Expressway, it is within a 30-minute drive to Pudong International Airport, Lujiazui and People's Square in Puxi, as well as within a 5-minute walk to Metro Line 2 Guanglan Road Station.

Combining an easily accessible location with a wide range of amenities, as well as a modern interior, the business park is a choice location for leading foreign and local corporations, including Analog Devices, Inc., Axalta, Borouge, Corteva, Disney, Pixelworks and Spreadtrum.

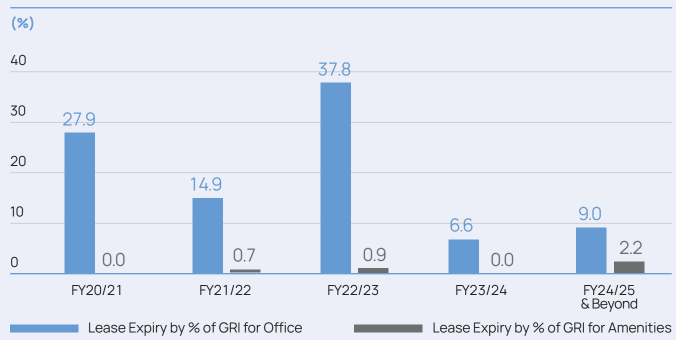
TOP TENANTS BY MONTHLY GRI

(For March 2020)

Analog Devices, Inc.	Disney
Axalta	Hanwuji
Bianfeng	Pixelworks
Borouge	Shanzhen
Corteva	Spreadtrum

SANDHILL PLAZA'S LEASE EXPIRY PROFILE BY MONTHLY GRI

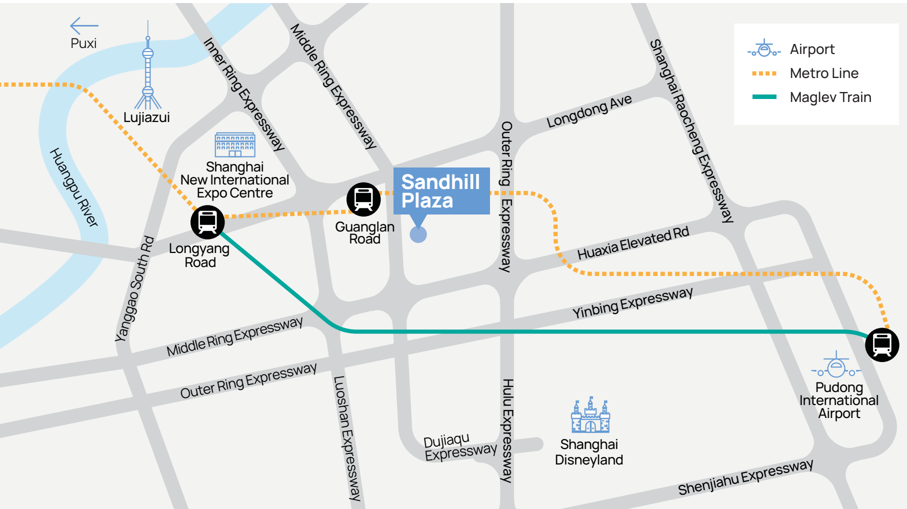
(As of 31 March 2020)



No. of Leases Expiring per Year				
20	13	33	4	3

Total Number of Leases	73

[1] There are eight blocks of low-rise (three-storey) buildings within the subject premises, of which one block is separately owned by a third party and does not form part of the acquisition.



> Sandhill Plaza, which offers high-quality specifications and good rental affordability compared to the centralised office districts, remained relatively resilient.

Healthy Performance

Amidst economic uncertainties, cost-sensitive tenants in Shanghai were increasingly attracted to the affordability of decentralised areas such as business parks. Tenants from growth sectors such as the TMT sector were less affected by the trade tensions and COVID-19 situation, and continued to establish their presence in the business parks. Accordingly, Sandhill Plaza, which offers high-quality specifications and good rental affordability compared to the centralised office districts, remained relatively resilient in FY19/20. As of 31 March 2020, the property registered a high occupancy of 98.0% and delivered a positive average rental reversion of 10% for the 29 leases which expired in FY19/20. Tenant retention rate for the leases that expired in FY19/20 was 83%.

Tenant Engagement Events

At Sandhill Plaza, tenant engagement events were also postponed due to COVID-19. Events which took place prior to the onset of COVID-19 include the Christmas celebration as well as a newly launched monthly event *'Happy Coffee Friday'*, which was aimed at spreading cheer among the tenants with free distribution of 100 cups of coffee (sponsored by one of the F&B tenants) on every first Friday morning of the month.

Upgrading Works

Earlier in the year, one of the low-rise buildings at Sandhill Plaza underwent refurbishment works, with the lift lobby upgraded with new wall tiles and additional toilets complete with new sanitary ware and fittings. New energy-efficient LED lights were also installed at the toilets and lobby, which would contribute to improving operating efficiencies at Sandhill Plaza.

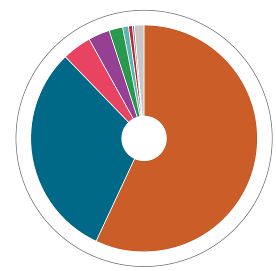
Before Upgrading Works

After Upgrading Works

A new look for the entrance and lobby of one of the low rise blocks.

SANDHILL PLAZA'S TENANT MIX BY GRI (%)

(For the Month of March 2020)



57.2	Machinery / Equipment / Manufacturing
30.7	Information Technology
4.1	Financial Institution / Insurance / Banking / Real Estate
3.2	Leisure & Entertainment
2.0	Food & Beverages
0.7	Renewable Energy
0.6	Culture
0.3	Pharmaceutical / Medical
1.2	Others

JAPAN

Japan Properties

The Japan Properties comprise eight freehold office buildings with good-quality specifications. Situated close to busy train stations, public transportation nodes and major arterial roads, the properties provide good connectivity for our tenants. The Japan Properties are also home to a diverse trade mix, which includes high growth sectors such as medical and healthcare, finance and insurance, information and communications, and services.

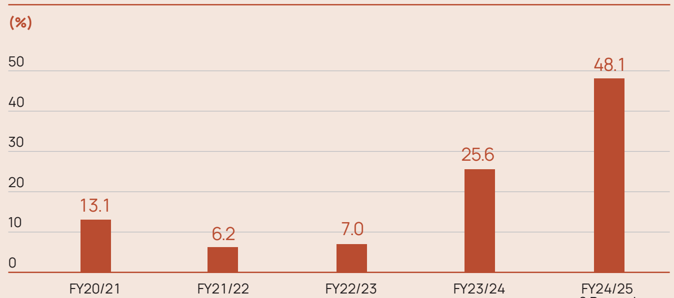
TOP TENANTS BY MONTHLY GRI

(For March 2020)

AEON Credit Service (MBP)	Ministop (MBP)
DSV (MON)	NTT UD (MBP)
DTS (MON)	PERSOL (TSI)
Eighting Co., Ltd. (Omori)	Research Institute for Quality Living (MBP)
Fujitsu (FJM)	Seiko Instruments Inc. (SMB)

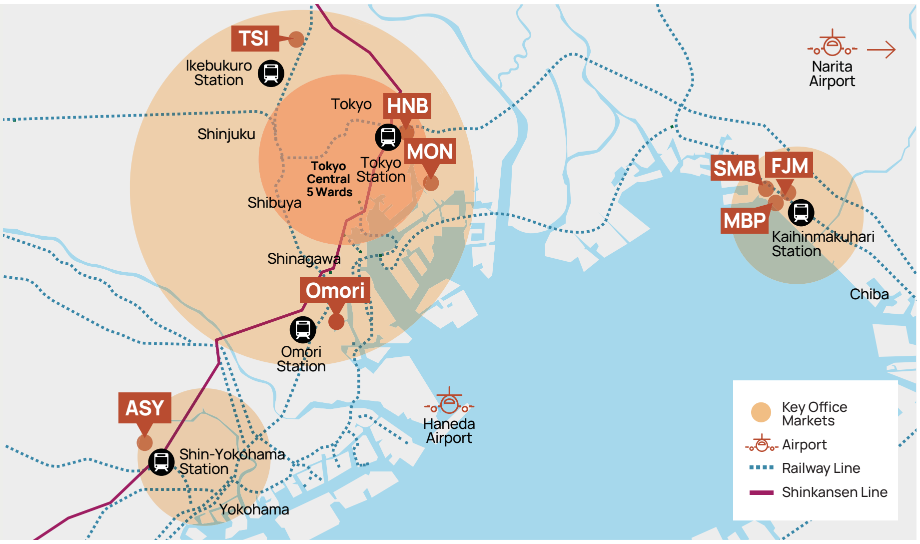
LEASE EXPIRY PROFILE OF THE JAPAN PROPERTIES BY MONTHLY GRI

(As of 31 March 2020)



No of Leases Expiring per Year				
37	31	24	2	7

Total Number of Leases 101



> The acquisitions of the DPU-accretive MBP and Omori in February 2020 underscores our strategy to...diversify MNACT's asset and income concentration.

Operating Performance

During the financial year, demand for Tokyo office space remained relatively steady, underpinned by economic and political stability, and low vacancy rates. With the onset of COVID-19 towards the end of the financial year, however, more companies began to hold off their capital expenditure plans and postpone leasing activities.

The Japan Properties remained relatively resilient and registered an average occupancy rate of 94.7%[1] as of 31 March 2020. With the exception of MON and MBP, all the other Japan Properties were fully occupied as of 31 March 2020. For MON, occupancy was lower at 80.8% due to the conversion to multi-tenancies upon the lease expiry of the single tenant during the year. MBP, which was added into MNACT's portfolio in February 2020, registered an occupancy rate of 86.6% as of 31 March 2020. There is potential opportunity to lease up MBP progressively at market rates, given the average vacancy rate for the Chiba/Fubanashi area of 7.6%[2] at the end of 2019.

Out of the nine leases from the Japan Properties which expired during the financial year, the negative average rental reversion of 9% was mainly due to leases at MON negotiated at competitive rates to ramp up occupancy after the single tenant vacated.

Acquisitions of MBP and Omori

The acquisitions of the DPU-accretive MBP and Omori[3] in February 2020 underscores our strategy to expand the portfolio with quality assets that diversify MNACT's asset and income concentration. It marked our second acquisition in Japan after the acquisition of six office properties in Japan in May 2018.

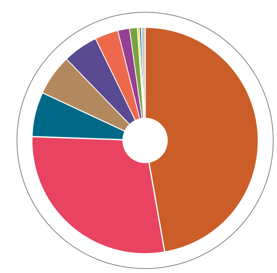
MBP and Omori are located within the established office hubs in Chiba and Shinagawa respectively, which enjoy close connectivity to public transport nodes and main arterial roadways. In addition to having freehold land tenure, MBP and Omori have good specifications and offer cost-efficient locations for tenants. Both properties have a strong tenant base that are from a diverse trade mix, which includes the growing information technology, financial, and real estate sectors. Acquired at an average NPI yield of 4.5%[4], they provide a relatively higher yield spread against the local cost of funds compared to that in the Greater China market.

Operating Efficiencies

The Manager continued to drive cost efficiencies with the installation of energy-efficient LED lighting at the common areas of MON, and has successfully secured lower utility rates for MON, HNB, TSI and ASY. These efforts are expected to reduce operating costs moving forward.

JAPAN PROPERTIES' TENANT MIX BY GRI (%)

(For the Month of March 2020)



47.0	Machinery / Equipment / Manufacturing
28.4	Financial Institution / Insurance / Banking / Real Estate
6.4	Information Technology
5.6	Services
5.0	Professional & Business Services
3.3	Pharmaceutical / Medical
1.8	Departmental Store & Supermarket
0.9	Leisure & Entertainment
0.5	Natural Resources
0.4	Automobile
0.2	Apparel & Fashion Accessories
0.4	Others

1 Excluding the average occupancy rate of 87.6% for MBP and Omori, the occupancy level of Japan Properties would have been higher at 99.1%.
2 Please refer to page 60 of the Independent Market Research section.
3 The newly acquired MBP and Omori, as well as the remaining six office properties in Japan, have a Probable Maximum Loss ("PML") value of less than 15%, indicative of low exposure to earthquake risks. PML is a gauge commonly used to assess a property's seismic resistance and a PML of 15% is deemed to be sufficiently safe from earthquakes. In line with the general market practice in Japan, specific earthquake insurance coverage was not taken up by any of the properties.
4 Please refer to MNACT's SGX-ST Announcement dated 4 December 2019 titled "The Proposed Acquisitions of Two Office Properties in Greater Tokyo".

A free pilates session was held at the forecourt in front of Gateway Plaza.

Close engagement with tenants during the MINI event organised by BMW, Gateway Plaza's anchor tenant.

Active Tenant Engagement

Enjoying the Christmas festivities at the lobby of Gateway Plaza.

Tenants of Sandhill Plaza are treated to free coffee at the lobby every first Friday of each month.

Savoring Japanese food delights at the staff canteen of Sandhill Plaza.

Food trucks outside Omori are a convenient F&B option for tenants.

Tenants and visitors scanning a code using their phone app to show their green health and travel status before entering Gateway Plaza.

Wearing of masks and daily temperature taking are required of all frontline staff at Festival Walk.

Precautionary Measures in Response to COVID-19

As our topmost priority, the Manager has also taken the necessary measures and precautions to protect our employees, tenants and visitors from the COVID-19, in line with the operational guidelines and directives from the local governments.

Temperature screening of all tenants and visitors at the office entrance of Sandhill Plaza.

Increased frequency of cleaning and disinfection of the common areas at Gateway Plaza and Omori.

Hand sanitisers are placed at common areas for use by shoppers at Festival Walk.

Social distancing measures at the food court of Festival Walk.

INDEPENDENT MARKET RESEARCH
BY SAVILLS (HONG KONG) LIMITED

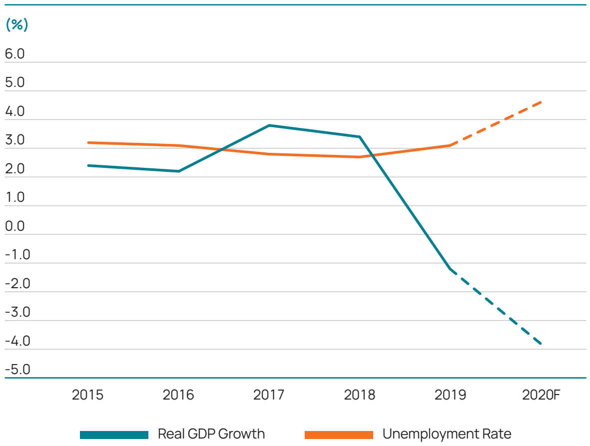
Hong Kong SAR[1]

ECONOMY

- Hong Kong SAR entered into a technical recession in 2019, with GDP[2] falling by 1.2% from the year before. This marks its first full-year negative growth since 2009 as the economy has been overshadowed by weaker global economic growth, protracted US-China trade tensions, and the social unrest which started in June 2019.
- In tandem with a lacklustre global trade outlook, exports of goods fell by 4.1% in 2019. Private consumption expenditure in 2019 also posted a decline by 1.1% due to softer consumer sentiment.
- The unemployment rate rose to 3.1% in December 2019, from 2.7% in December 2018. In particular, the retail, accommodation and food services sectors were the hardest hit and recorded an increase in unemployment from 3.6% in December 2018 to 5.2% in December 2019.

OUTLOOK

- COVID-19 and the ongoing unrest are expected to hamper any economic recovery in Hong Kong SAR. According to FocusEconomics, GDP growth in 2020 is expected to remain negative for a second year at -3.8%.
- Should the outbreak be prolonged, the unemployment rate is expected to increase to 4.6%, leading to a drop in private consumption of 3.5% in 2020.



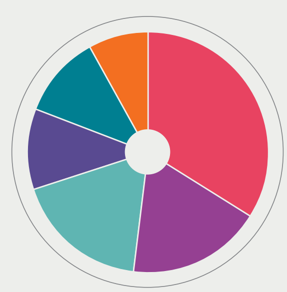
Source: Census and Statistics Department and FocusEconomics

HONG KONG SAR RETAIL MARKET

Existing Shopping Mall Stock in Hong Kong SAR
(Within the Seven Key Retail Districts)

165m sq ft (End-2019)[3] ↑**0.8%** Year-on-year ("YoY")

- Shopping mall stock totalled 165 million sq ft in terms of gross floor area ("GFA") at the end of 2019, of which around 39% is situated within the four core retail areas of Central, Tsim Sha Tsui, Mong Kok and Causeway Bay/Wanchai while about 17% is concentrated in three key decentralised retail areas, namely, Kowloon East[4], Sha Tin and Island East. Collectively, the main retail areas are referred to in this report as the "seven key retail districts". The remaining 44% comprises malls in other emerging areas on Hong Kong Island, in the New Territories and on Lantau Island.
- At the end of 2019, the top 10 malls accounted for 8.5% of total shopping mall space in terms of GFA. Festival Walk was ranked 5th largest.
- In 2019, a total of 2.34 million sq ft of new shopping mall space was added. Of the new shopping mall space, 61% was situated within the seven key retail districts, among which is K11 MUSEA (1 million sq ft) in Tsim Sha Tsui.



Shopping Mall GFA in the Seven Key Retail Districts, End-2019

Tsim Sha Tsui/ Mong Kok	34%	Island East	11%
Central	18%	Kowloon East	11%
Causeway Bay/ Wan Chai	18%	Sha Tin	8%

Source: Rating and Valuation Department, Savills Research and Consultancy

[1] All data and figures on the retail market are from Savills Research & Consultancy and they relate to the seven retail districts as outlined on page 46, unless otherwise stated. Please refer to page 58 on the limitations of the report. All floor areas in this section are "internal floor area" unless otherwise stated, which is defined as the area of all enclosed space of the unit measured to the internal face of enclosing external and/or party walls.

[2] Census and Statistics Department, Hong Kong SAR.

[3] In MNACT's FY18/19 Annual Report, the existing shopping mall stock in Hong Kong SAR of 123 million sq ft as of end 2018 was in terms of net area as defined by the Rating and Valuation Department. In terms of GFA, the shopping mall stock in Hong Kong SAR as of end 2018 was approximately 164 million sq ft.

[4] MNACT's Hong Kong SAR retail property, Festival Walk, is located in Kowloon Tong, within the Kowloon East area. It has 980,089 sq ft (GFA) of retail space.

Upcoming Shopping Mall Supply

(Within the Seven Key Retail Districts)

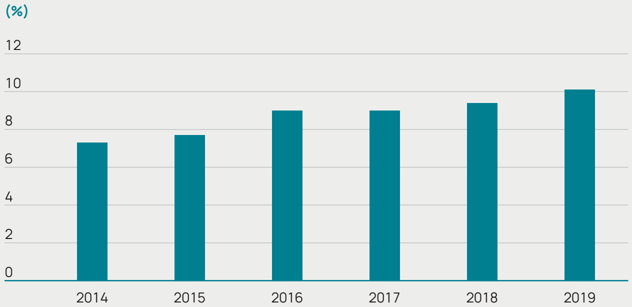
4.0m sq ft From 2020F to 2024F in Total

- Within the seven key retail districts, new retail supply in 2020 remains limited and only a 480,000 sq ft shopping mall (THE LOHAS located in Kowloon East) is expected to be completed in 2020. Outside the seven key retail districts, another 220,000 sq ft of shopping centre space is slated to come onstream in the New Territories and Kowloon West.
- From 2021 to 2024, there will likely be new shopping mall supply of 3.5 million sq ft situated in the seven key retail districts, 2.8 million sq ft of which will be located in Kowloon East. Most of these new shopping malls are located in Kai Tak and Kwun Tong, which are some distance away from Kowloon Tong where Festival Walk is located.

Vacancy Rate[1]

10.1% (End-2019) ↑0.7 Percentage Points YoY

- As months of social unrest and COVID-19 deterred tourists and local shoppers, some retailers have closed stores in order to consolidate their operations. The overall vacancy rate stood at 10.1% at the end of 2019, higher compared to the 9.4% recorded at the end of 2018.
- Kowloon East's vacancy was less affected by the social unrest, compared to traditional tourist areas, such as Central, Causeway, Mong Kok and Tsim Sha Tsui, where protests took place with greater frequency. Neighborhood retail demand was another driver supporting Kowloon East which performed better in terms of vacancy than the traditional tourist areas against a background of social unrest and COVID-19.

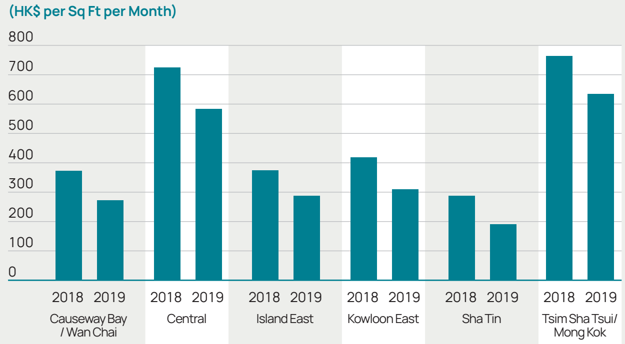


Source: Rating and Valuation Department, Savills Research and Consultancy

Shopping Mall Rents[2]

-25.9% YoY (Gross Effective Rate End-2019)

- Most shopping malls in Hong Kong SAR were affected by business disruptions during the months of social unrest, with incidents frequently occurring inside the malls especially during weekends. Some malls shortened their business hours.
- With the outbreak of COVID-19 from January 2020, consumers have been avoiding public places and switching to online shopping.
- In the face of tougher operating conditions, retail landlords have been offering assistance to tenants through rental rebates and/or lease restructuring.
- As a result, shopping mall rents have fallen across all the seven key retail districts. Rents dropped sharply by 25.9% at the end of 2019, the steepest fall in the markets' recent history.
- Comparing 1Q 2020 to 4Q 2019, overall shopping mall rents in the seven key retail districts tapered by 16.5%, with Kowloon East recording a 18.2% decline.
- In the year ahead, landlords are likely to continue giving rebates as the retail market in Hong Kong SAR is expected to face continued headwinds from COVID-19.



[1] Refers to average vacancy rate of private retail commercial properties (including shopping malls, street shops and retail podiums in core and suburban locations) by Rating and Valuation Department.

[2] Savills Shopping Centre Rental Index by Savills Research and Consultancy.

INDEPENDENT MARKET RESEARCH

BY SAVILLS (HONG KONG) LIMITED

Total Retail Sales

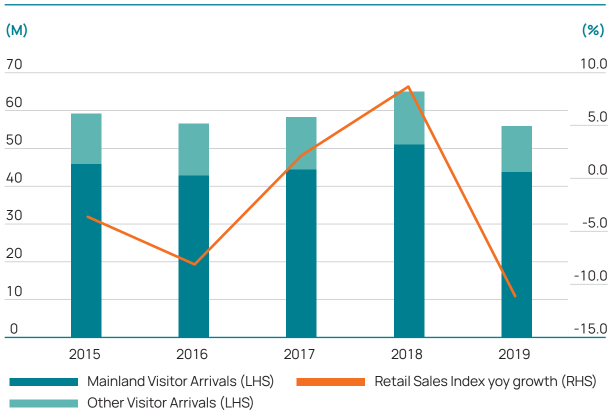
HK$431b (in 2019) ↓**11.1%** YoY

- Faced with many months of social unrest, inbound tourism and local consumption continued to weaken and retail sales in Hong Kong SAR declined by 11.1% to HK$431 billion in 2019.
- The last quarter of 2019 was the hardest hit as retail sales fell significantly by 22.4% compared to the same quarter a year ago, the largest quarterly fall in recent history. Retail sales fell across most of the trade categories during the quarter. The *jewellery, watches and clocks, and valuable gifts* saw the largest decline of 40.7% while, conversely, *supermarket and fuels* were the most resilient with lower sales of 0.05% and higher sales of 9.4% respectively. With the decline in cross-border day-trippers from China, retail sales by value of *medicines and cosmetics* also fell by 32.0%.
- In the first three months of 2020, retail sales in Hong Kong SAR posted a further decline of 35.0% compared to a year ago, exacerbated by COVID-19.

Tourist Arrivals

55.9m (in 2019) ↓**14.2%** YoY

- In 2019, tourist arrivals in Hong Kong SAR declined by 14.2% to 55.9 million and Mainland Chinese visitor arrivals numbers recorded a steep fall of 14.2% to 43.8 million. At the end of December 2019, more than 40 countries had issued travel warnings against visiting Hong Kong SAR in light of the social unrests.
- The fourth quarter of 2019 also saw another steep decline in visitors since the SARS outbreak in 2003 with total tourist arrivals declining by 50.5% and Mainland Chinese visitor arrivals declining by 52.5%.
- For the first quarter of 2020, with the travel curtailments due to COVID-19, tourist arrivals continued to fall, registering a huge drop of 80.9% compared to a year ago.



Source: Census and Statistics Department, Hong Kong Tourism Board and Savills Research & Consultancy

Online Retail Sales

HK$24.4b (in 2019) **5.6%** of Total Hong Kong SAR Retail Sales

- Since June 2019, with the various protests which have been taking place on the streets and in shopping malls, consumers have increased online shopping and food delivery transactions.
- Due to COVID-19, consumers are also expanding their purchases to include daily necessities and medical products such as masks and sanitizers.
- According to Euromonitor, online retail sales by value rose by 13.3% in 2019 compared to 2018, accounting for 5.6% of Hong Kong SAR's total retail sales value.

Leasing Demand

- Leasing demand remains subdued, with activity largely focused on renewals and short-term leases. Many retailers have also postponed renewal and new lease negotiations. Further closures and consolidations are expected in 2020.
- Supermarkets and other non-discretionary trades are faring relatively better, as consumers focus more on procuring necessities than discretionary items.
- Some retailers, especially restaurants, temporarily reduced their opening hours, laid off staff or were forced to close stores due to COVID-19.

Other Retail Trends

- Augmenting omni-channel offerings may prove useful for retailers to increase their connectivity with consumers, especially so in the current climate where consumers are limiting visits to physical stores.
- Pop-up stores will continue to drive leasing activity as retailers limit overheads and capital expenditure.
- Shop requirements for space are expected to become smaller with more landlords subdividing larger premises to minimise vacancy risk.
- The lower rental costs might also attract new brands to enter the Hong Kong SAR retail market, which has traditionally been one of the most expensive globally.
- More stores are now putting more emphasis on experiential retail to offer a holistic retail experience, where shoppers can eat, shop and attend workshops all in one space.

Average Private Retail Price[1]

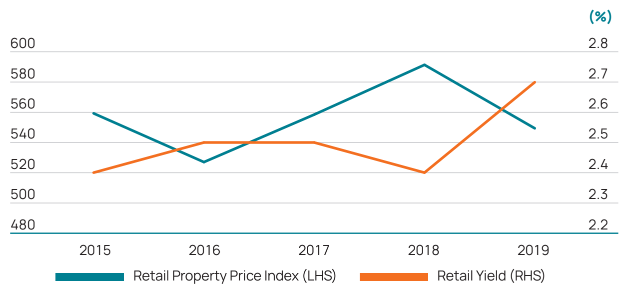
(City-Wide) (End-2019) ↓7.1% YoY

Average Private Retail Yield[2]

(City-Wide)

2.7% (End-2019) ↑0.3 Percentage Points YoY

- The challenging retail environment in 2019 negatively impacted investment activity, resulting in a 7.1% fall YoY in the average private retail price.
- Along with a 3.7% drop in the average private retail rents compared to 2018, the average private retail yield decompressed to 2.7% at the end of 2019, compared to 2.4% at the end of 2018.
- Based on available data by the Rating and Valuation Department, sentiments improved towards year-end following peaceful district elections in November 2019. Accordingly, the average private retail price in January 2020 rose slightly by 1.5% compared to December 2019 and the average private retail yield stood at 2.7%. In February 2020, the average private retail price dropped modestly by 1.0% while the average private retail yield rose to 2.8% from 2.7% compared to December 2019 due to the COVID-19 outbreak which soured investment sentiment. We expect investment sentiment to deteriorate further in March 2020 as the World Health Organization had declared COVID-19 as a pandemic on 11 March 2020.
- Growing uncertainties will continue to curb investment activity in the coming year until there is more certainty surrounding the pandemic and its containment. However, limited investable stock will mean that downward pressure on retail yields and property prices will be kept within a narrow range.



Outlook on Hong Kong SAR Retail Market

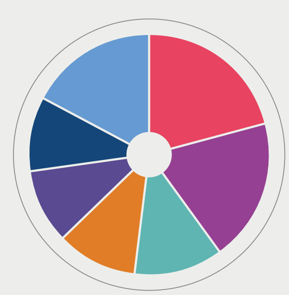
- COVID-19, lingering issues surrounding the social unrest (which remain unresolved) and a weaker economic outlook point to another tough year for the Hong Kong SAR retail market. Lower consumption taxes in China, a weaker Renminbi, and more competition for Mainland Chinese tourists from other destinations are expected to further add to retail woes.
- Consumer and retailer confidence are expected to be more sluggish. Coupled with an absence of major positive stimulus, retail sales are projected to decline further by 4.9% in 2020, according to the latest forecast by FocusEconomics.
- The average vacancy rate is expected to rise in the first half of 2020. Improving occupancy will remain a priority for landlords as they lower expectations and possibly cut rents or continue with short-term rental rebates. For 2020, Savills has projected a double-digit decline in shopping mall rents over 2019.
- Retail properties serving local residential populations and near MTR transport nodes, however, tend to perform better in general.
- On 15 March 2020, the US Federal Reserve Board decided to lower the target range for the federal funds rate to between 0 and 1/4 percent. Low interest rates will prove supportive for retail investment activities.

HONG KONG SAR OFFICE MARKET[3]

Existing Grade-A Office Supply

86.3m sq ft (End-2019) ↑3.1% YoY

- The office submarkets in Hong Kong SAR are divided into core office areas (including Central, Tsim Sha Tsui and Causeway Bay/Wanchai) and non-core office areas which include Island East, Kowloon East and Kowloon West.
- In 2019, a total of 2.6 million sq ft net of Grade-A office space was completed, adding 3.1% to total Grade-A office stock. With the exception of One Hennessy (246,000 sq ft net) in Wanchai, a majority of the new supply is in non-core office areas. Of the new supply in the non-core office areas, three new buildings in Kowloon East, namely, NEO (403,000 sq ft net), Capital Tower (380,000 sq ft net) and The Quayside (666,500 sq ft net), accounted for 55.6% or 1.45 million sq ft net of the overall new office space in 2019.



Total Grade-A Office GFA by District, End-2019

Central	21%	Island East	10%
Kowloon East	19%	Kowloon West	10%
Causeway Bay/ Wan Chai	12%	Others	17%
Tsim Sha Tsui	11%		

Source: Rating and Valuation Department, Savills Research and Consultancy

[1] Average private retail price indices (including shopping malls, street shops and retail podiums in core and suburban locations) are provided by the Rating and Valuation Department.

[2] Private retail market yields (including shopping malls, street shops and retail podiums in core and suburban locations) are provided by the Rating and Valuation Department. Changes in the yields are subject to changes in private retail prices and rental indices by the Rating and Valuation Department.

[3] All data and figures on the office market are from Savills Research & Consultancy. Please refer to page 58 on the limitations of the report.

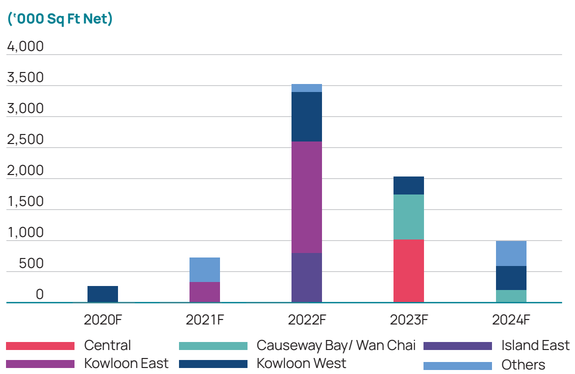
INDEPENDENT MARKET RESEARCH

BY SAVILLS (HONG KONG) LIMITED

Potential Grade-A Office Supply

7.5m sq ft net From 2020F to 2024F in Total

- In 2020, supply will be limited to only one 250,000 sq ft net project in Tsuen Wan, the Yeung Uk Road project.
- Over the next four years, approximately 7.5 million sq ft net of new Grade-A office stock is expected to come onstream, of which 74% will be located in non-core office areas. Specifically, in Kowloon, there are nine new projects equivalent to approximately 3.9 million sq ft net. In addition, the development atop West Kowloon Terminus, which will amount to over 2.0 million sq ft net in total, is estimated to be completed in phases from 2024 to 2028. The abundant upcoming supply is expected to create pressure on both occupancy and rental levels in non-core areas.
- In Central, there will be no major new projects until 2023, with the expected completion of the Murray Road Carpark Redevelopment (360,000 sq ft net), Hutchison House Redevelopment (395,000 sq ft net) and Peel Street/Graham Street Project (Site C) (256,000 sq ft net). The limited supply coming onstream in Central prior to 2023 is expected to support both occupancy and rental levels in that area over the short-term.



Source: Buildings Department, Savills Research and Consultancy

Net Take-up[1]

2.12m sq ft (in 2019)

- Net take-up in 2019 was lower at 2.12 million sq ft, compared to the 2.52 million sq ft recorded in 2018.
- The lower take-up was mainly due to the lack of leasing activities from Mainland Chinese companies and co-working operators.
- There was also weaker demand from tenants in the tourism, trading and retail-related sectors who were adversely affected to a large extent by the social unrest from June 2019 and COVID-19 in early 2020.
- While the rental difference between Central and decentralised areas may be attractive to some tenants considering relocation, capital expenditure involving a substantial cash outlay on fit-out became an overriding concern in 2019 in view of the uncertain economic environment.

Vacancy Rate

9.0% (City-wide End-2019) ↑0.3 Percentage Points

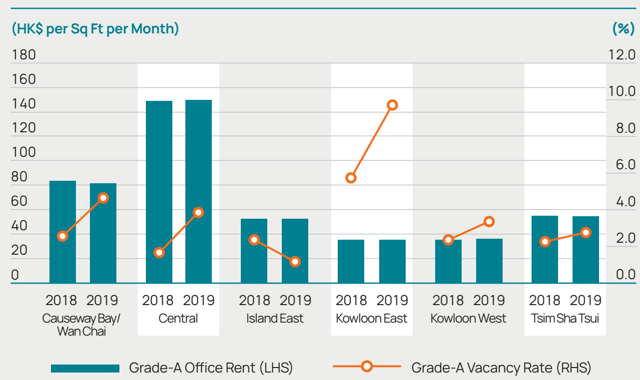
- The overall vacancy rate edged up to 9.0% at the end of 2019, compared to 8.7% at the end of 2018, as leasing demand from Mainland Chinese companies tapered in view of the US-China trade war and local social unrest, in addition to co-working space providers surrendering space during the year.
- For Kowloon East, the vacancy rate was higher at 9.7% mainly due to availability from new buildings (amounting to about 1.5 million sq ft net in 2019), and landlords were reluctant to cut rents significantly to fill vacancy quickly given their holding power.

Grade-A Office Rents

(Effective Rent Based on Net Floor Area)

HK$76.5 per sq ft per month (End-2019) ↓0.1% YoY

- Average Grade-A office rents dropped marginally by 0.1% in 2019, as rents increased in the first half of the year and started falling only from the third quarter of the year.
- The key drivers of leasing demand over the past few years have been Mainland Chinese firms and co-working operators. However, having been negatively impacted by the US-China trade tensions, the social unrest and the ongoing consolidation in the co-working sector, demand from these two tenant groups faded especially in the second half of the year.
- By submarket, Causeway Bay/Wanchai, which is considered a hub for co-working operators, posted the largest decline in rents of 2.6% in 2019, followed by Tsim Sha Tsui (-0.3%). Grade-A office rents in Kowloon East and Central recorded slight increments of 0.5% and 0.8% in 2019, due to strong rental growth achieved over the first half of 2019, partially offset by the decline in the second half of the year.



[1] Net take-up is the change in total occupied space in 2019 compared to 2018.

Key Office Trends

- Despite the volatile environment, Hong Kong SAR remains a favorite regional headquarters location for multinational corporations who consider the city to be a gateway to the China market. As such, there have not yet been indications of major companies or investors withdrawing from the city.
- As far as Mainland Chinese firms are concerned, they are expected to remain committed to China given the active IPO market.
- The Hong Kong Monetary Authority issued eight virtual banking licenses in 2019, opening opportunities for fintech companies to the banking industry. These could fuel the next wave of demand for office space.

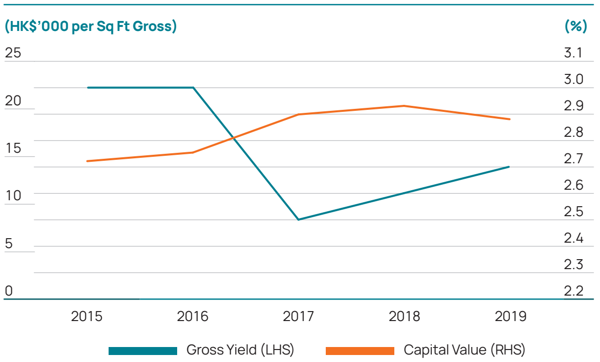
Grade-A Office Capital Values

HK$18,909 per sq ft (End-2019) ↓**6.7%** YoY

Average Grade-A Office Gross Yield

2.7% (End-2019) ↑**0.1** Percentage Points YoY

- In 2019, Hong Kong SAR's office investment market slowed down considerably compared to a year earlier, with transaction volumes declining by 35% YoY. Grade-A office capital values also saw a drop of 6.7% in 2019 YoY compared to an increase of 4.5% YoY in 2018.
- The decline in investment activity and prices were a combined result of economic uncertainty and weakening occupier demand which resulted in falling rents across the core office areas, except for Central.
- Cap rates edged up to 2.7% at the end of 2019 from the 2.6% achieved at the end of 2018, as the trade tensions and the social unrest undermined both the office investment and leasing markets, especially during the second half of 2019.



Source: Savills Research and Consultancy

Outlook on Hong Kong SAR Office Market

- While the office sector has been relatively less affected by the social unrest and COVID-19 compared to the retail and hospitality sectors, the outlook for 2020 is expected to remain volatile and uncertain. Real estate decisions will be delayed while near-term demand will remain muted, until the outbreak is contained. Vacant space will take longer to occupy. As a result, the average vacancy rate is expected to rise.
- The average Grade-A office rent for the overall market in 2020 is projected to fall by around 20%, considering COVID-19's negative impact on various business sectors.
- In 2020, office prices are expected to fall by 10% to 15%, in line with our forecast for office rents as the weakened outlook, continuing social unrest and COVID-19 are likely to curb investment activity. Cap rates are also expected to retreat to a range of 2.75% to 3.00%.
- We observe there have been companies postponing their Hong Kong IPOs due to the coronavirus outbreak, which has resulted in a sell-off in the local stock market. This will affect the rental affordability of the financial and professional services sectors concentrated in Central.
- Since the retail and hospitality sectors have been heavily hit by COVID-19, their rental affordability has been affected. These tenant types will likely cut costs by laying off staff and downsizing which will have a negative impact on rental levels and vacancy in non-core areas where their offices are concentrated in.
- COVID-19 has caused widespread disruption to production and trading activity globally. With so much uncertainty, the solvency of the corporate sector is expected to come under severe pressure. This will negatively affect rental affordability and demand for office space.
- The economic fallout of COVID-19 has made tenants more cautious in their decision-making concerning real estate requirements. This could well lead to an increase in the number of surrender cases.
- Although the first phase of a trade deal between the US and China was signed in mid-January 2020, negotiations for a second phase may prove more difficult and will add to uncertainties.
- In the long run, however, Hong Kong SAR remains attractive to investors due to its strategic position in the Greater Bay Area.
- Ongoing infrastructure works are expected to further improve linkages between Hong Kong SAR and Mainland China, attracting more corporates from other cities within the Greater Bay Area to take up office space in Hong Kong SAR.
- Fintech, which includes Virtual Banking and Insurtech, will continue to grow at a fast pace and become a more important demand driver.

INDEPENDENT MARKET RESEARCH

BY SAVILLS (HONG KONG) LIMITED

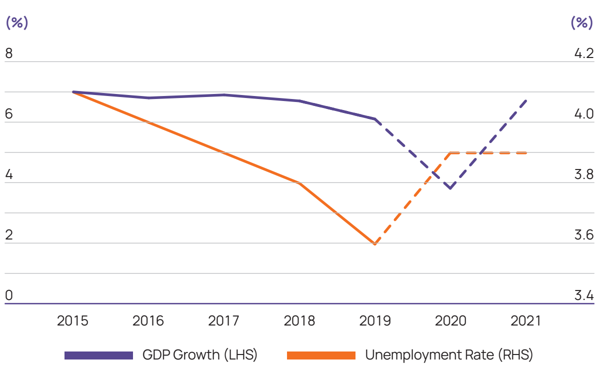
China

ECONOMY

- China's GDP growth[1] reached 6.1% in 2019, the slowest pace in 29 years, as weaker exports, investment and consumer spending weighed on the economy, and were compounded by the ongoing financial de-risking campaign.
- Despite the challenges, efforts by the government including the number of support measures have helped shore up the key indicators. The registered urban unemployment rate remained low at 3.6% by the end of 2019. Utilised foreign direct investment[1] into China only decreased by 0.1% YoY to US$138.1 billion in 2019, down from a growth rate of 1.5% in 2018.

OUTLOOK

- According to FocusEconomics, China's economic growth is expected to moderate to 3.8% in 2020 and 6.7% in 2021. As the eventual scale and duration of COVID-19 spread remains unclear, economic forecasts are being constantly revised. Consumption is likely to be hardest hit in the short term given the strict containment measures while the disruption to supply chains and weaker business sentiment will also weigh on investment and exports respectively.



Source: GDP and Registered Urban Unemployment Rate figures from 2015 to 2019 are from the National Bureau of Statistics. Forecast figures from 2020 to 2021 are from FocusEconomics (Based on March 2020 estimates).

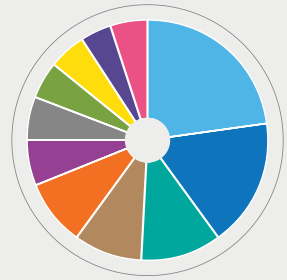
Beijing

BEIJING OFFICE MARKET[2]

Existing Grade-A Office Supply

12.4m sq m (End-2019) ↑12.7% YoY

- Beijing's Grade-A office stock can be divided into nine major submarkets, namely three prime markets – Central Business District ("CBD"), Beijing Financial Street ("BFS") and Zhongguancun ("ZGC"), as well as six sub-prime locations comprising Lufthansa[3], CBD Vicinity, East 2nd Ring, East Chang'an Avenue, Wangjing and Asia-Olympic. Emerging markets such as Lize currently have limited stock but will see more supply launched starting 2020.
- 11 projects were completed and handed over in 2019, bringing approximately 1.4 million sq m to Beijing's office market, a record high since 2008. This was mainly because some of the delayed 2018 CBD projects were added during 2019.
- Around 48% of the new supply in 2019 was concentrated in CBD, including several large projects such as CITIC Tower (known as China Zun), CP Centre and China Life Financial Centre. The remainder were primarily distributed across Asia-Olympic (24%), Lize (21%), BFS (4%) and East Chang'an Avenue (3%).
- ZGC, CBD Vicinity, East 2nd Ring, Lufthansa and Wangjing saw no new additions in 2019.



Beijing Grade-A Office Supply by Submarket as of End-2019[4]

CBD	23%	Wangjing	9%	Lize	5%
BFS	17%	Lufthansa	6%	East 2nd Ring	4%
CBD Vicinity	11%	Asia-Olympic	6%	Others	5%
ZGC	9%	East Chang'an Ave	5%		

[1] National Bureau of Statistics.

[2] All data and figures on the office market are from Savills Research & Consultancy and they relate to the nine office submarkets as outlined on page 52, unless otherwise stated. Please refer to page 58 on the limitations of the report.

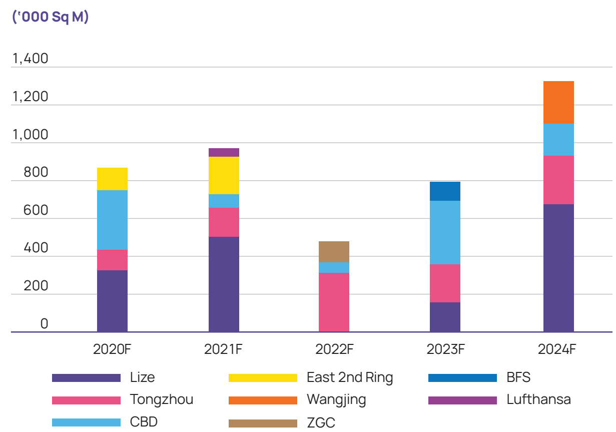
[3] MNACT has one office property – Gateway Plaza – in Lufthansa, Beijing. It has a GFA of 106,456 sq m.

[4] This pie chart includes new and existing office supply stock.

Potential Grade-A Office Supply

4.4m sq m from 2020F to 2024F in total

- New supply totalling 869,164 sq m is anticipated to complete and handover in 2020, increasing the competition for tenants. However, the ongoing COVID-19 concerns and delayed resumption of constructions may postpone some of the completion dates.
- The majority of the new supply in 2020 will concentrate in the CBD core area (36%) and Lize Financial Business District (37%). Lufthansa has no projects scheduled for handover in the foreseeable future, except for one project that is currently completed though provisionally placed in 2021 supply.
- Future international Grade-A buildings in the CBD core area in 2020 include Samsung Tower and Taikang Insurance Project, while East 2nd Ring Road will welcome one office project, namely Zhaotai International Centre.
- Another 3.6 million sq m of new supply is expected to complete during 2021-2024, with about 63% in emerging areas such as Lize and Tongzhou, another 18% in CBD and the remaining 19% in other areas.



Vacancy Rate

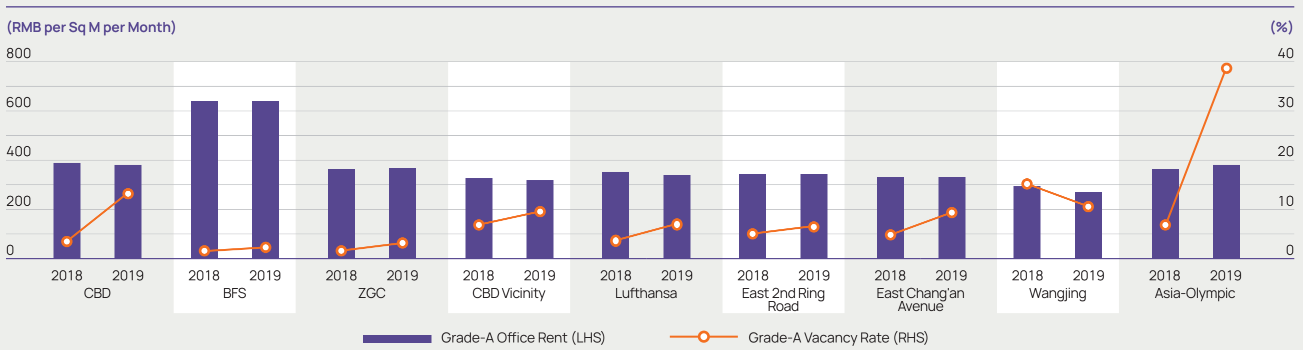
12.7% (City-wide End-2019) ↑5.7 Percentage Points YoY

- As the significant new supply in 2019 saw lower commitment rates, this pushed up the citywide Grade-A office vacancy rate to 12.7%, up 5.7 percentage points YoY. Downsizing activity, as a result of the soft economy, also weighed on occupancy rates.
- The two technology and financial hubs – ZGC and BFS, which were less affected by the trade tensions, maintained their low vacancy rates, ending the year at 3.0% and 2.1%, respectively.
- CBD's vacancy rate, in view of the new supply, rose from 3.4% at the end of 2018 to 13.2% at the end of 2019.
- The Lufthansa submarket saw its vacancy rate increase from 3.6% to 6.9% YoY. Some tenants relocated to newer buildings in other submarkets, though on the whole, Lufthansa remains one of the more resilient submarkets in the city. The government takeover of HNA Group has also encouraged some tenants to move out of HNA Plaza, which is located in the area, to seek alternative arrangements with more stable landlords.
- With COVID-19, site inspections and leasing enquiries were temporarily suspended during 1Q 2020. As a result, Grade-A office vacancy rate increased by 0.5 percentage points quarter-on-quarter ("QoQ") and 6.0 percentage points YoY to 13.2%.

Grade-A Office Rents

RMB364.9 per sq m per month (Net Effective Rate End-2019) ↓1.6% YoY (Rental Index)

- Landlords adjusted leasing strategies as they sought to balance occupancy and rents in view of the realities of the market. The Grade-A office rental index fell 1.6%, bringing rents to an average of RMB364.9 per sq m per month at the end of 2019.
- For Lufthansa, the Grade-A office rental index fell 3.5%, bringing rents to an average of RMB336.8 per sq m per month by the end of 2019.
- Less affected by the macro-economic environment, the Grade-A office rental index of BFS and ZGC recorded a growth in 2019 of 1.8% and 3.2% respectively. Rents also increased in Asia-Olympic, which saw the completion of Asian Financial Center, taken up by the Asian Infrastructure Investment Bank ("AIIB") as their new headquarters. The new high-specification BIC tower at East Chang'an Avenue saw strong demand, which helped to boost the average rents in the area.
- For 1Q 2020, the rental index of Grade-A office fell 0.2% QoQ and 2.6% YoY, bringing rents to an average of RMB363.0 per sq m per month due to softening demand and the stagnate leasing market citywide.



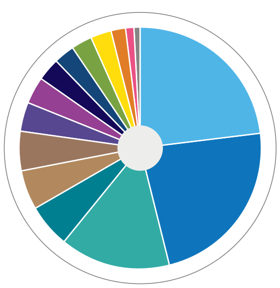
INDEPENDENT MARKET RESEARCH

BY SAVILLS (HONG KONG) LIMITED

Net Take-up[1]

459,831 sq m in 2019

- Net take-up fell by 16.7% in 2019. There was weaker demand from certain key industries, such as the automotive section, which saw revenues come under pressure and were forced to control growth and cut costs.
- While finance and IT companies continued to lead office demand in 2019, there are signs that some are becoming more cost conscious, opting to renew rather than take on the added capex of fitting out a new space unless there were significant cost savings or operational efficiencies.
- There was also less demand from co-working operators and P2P lenders, who were two of the key demand drivers in 2018.



Net Take-up of Grade-A Office Space (GFA) in 2019 by Industry

Finance	23.2%	Business Centres/ Co-working Spaces	3.1%
Information Technology	23.0%	Consumer Services	2.8%
Professional Services	14.8%	Energy & Raw Materials	2.8%
Utilities	5.7%	Retail & Trade	2.6%
Real Estate	5.4%	Public Organisations	2.1%
Manufacturing	5.3%	Conglomerates	1.0%
Media	3.8%	Transportation	0.7%
Healthcare	3.6%		

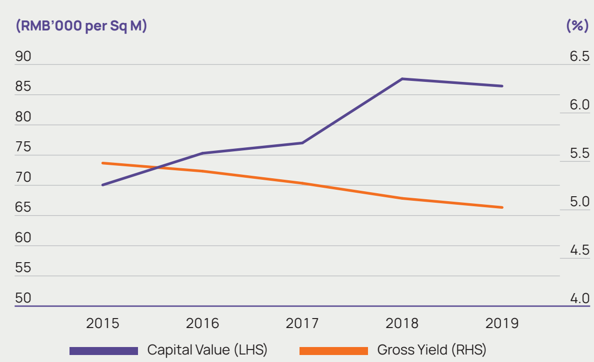
Grade-A Office Capital Values

RMB86,300 per sq m (End-2019) ↓1.3% YoY

Grade-A Office Gross Yield[3]

5.0% (End-2019) ↓0.1 Percentage Points YoY

- Beijing's investment market has always been highly sought after, though not particularly active given the lack of available stock for purchases with a large percentage of assets owner-occupied. The last three years have seen a pick-up in activity as more stock becomes available.
- During 2019, rising vacancy rates, increasing supply levels and a slowing economy, as well as tighter financing conditions restrained investor appetite. This led to Grade-A office capital values adjusting downwards by 1.3% to an average of RMB86,300 per sq m by the end of 2019.
- However, the still-resilient investor demand meant that capital values held up better than rents, resulting in a decline in gross yields. Grade-A office gross yield fell by 0.1 percentage points YoY in 2019 to end the year at 5.0%.
- As of end-1Q 2020, gross yield was up slightly at 5.1% QoQ while capital value was slightly lowered by 0.3% QoQ to RMB86,043 per sq m.



Key Office Trends

- A moratorium on large-scale new builds within the Fourth/Fifth Ring Road[2] will restrict new supply in the core office areas, though demand for space has already started to drive a wave of urban regeneration, project repositioning and upgrading of underperforming/underutilised assets, especially in prime areas. Examples include the conversion of ZRT Plaza from retail to office in 2018, as well as the acquisition of the retail mall "Aegean" by GoHigh Fund in 2019 for conversion to an office building.
- District governments are likely to continue providing different incentives to attract larger enterprises with significant taxable incomes to relocate from other districts.

[1] Net take-up is the change in total occupied space in 2019 compared to 2018. In MNACT's FY18/19 Annual Report, it was noted that the net take-up was recorded as 541,000 sq m at the end of 2018. During Savills' annual review, vacancy rates of certain projects were amended mildly according to information provided by relevant landlords, bringing the revised net take-up to 552,228 sq m at the start of 2019.

[2] Based on the new urban planning policy announced by the Beijing government in September 2018, the development of new commercial facilities over 10,000 sq m is forbidden within the central area of Beijing (within the North, East and West Fifth Ring Road and South Fourth Ring Road.)

[3] The computation of gross yields is based on the average of actual rental values (assuming a full occupancy) as a percentage of gross property values. The computation of capital values is based on the unweighted average of capital values of selected major properties.

Outlook

- 2019 represented an inflexion point for the Beijing office market with new supply being met by muted demand, resulting in rising vacancy rates and rental declines after close to a decade of growth.
- New supply totalling 869,164 sq m is anticipated to complete and handover in 2020. Given the sluggish macro economic environment due to trade tensions and COVID-19 ,as well as increasingly conservative leasing strategies, vacancy rates are expected to continue to rise while rents will trend downward for the foreseeable future. High-quality buildings with experienced property management teams and reputable tenant profiles are expected to better weather the tough times ahead.
- The impact on the office market will depend on the scale and duration of COVID-19, with office demand recovering once COVID-19 is fully contained. In the long term, the office market will be supported by the continued expansion of the tech industry (including 5G, AI, and big data companies) and the accelerated opening of China's financial sector (insurance firms, asset managers and securities companies) to foreign investment. These industries will also require a network of service companies to support their operations.
- Beijing is expected to see the continued decentralisation of its office market as a result of strict urban planning guidelines and master planning designed to reduce pressure and congestion on the city centre, as well as tenants (especially those from the IT sector) seeking cost efficiency and greater availability of new high quality office space.

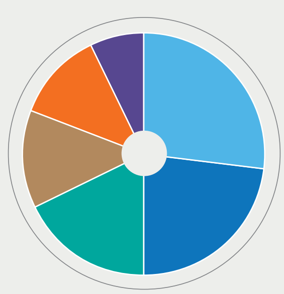
Shanghai

SHANGHAI BUSINESS PARK MARKET[1]

Existing Grade-A Office Supply

10.3m sq m (End-2019)[2] ↑**2.3%** YoY

- Shanghai's six key business parks are Zhangjiang Science City[3] (formerly known as "Zhangjiang Hi-tech Park") ("Zhangjiang"), Caohejing, Jinqiao, Linkong, Caohejing Pujiang and Lujiazui Software Park. They contribute about 10.3 million sq m (GFA) of Grade-A office stock as of the end of 2019.
- Zhangjiang, Caohejing, Jinqiao and Lujiazui Software Park business parks are more mature, providing better connectivity and a wider range of amenities, while Linkong and Caohejing Pujiang have less developed infrastructure and facilities.
- Amid weakening leasing sentiment and construction delays, a number of projects originally scheduled for 2019 were postponed to 2020. As such, these six business parks received 311,200 sq m of new Grade-A office supply in 2019, compared to 540,300 sq m in 2018.
- Of the new additions, two are located in Zhangjiang and two in Caohejing Pujiang. In Zhangjiang, the two new projects, Shengteng Park and Shanghai International Health Block, totalled 125,200 sq m by GFA.



Grade-A Office Stock by Six Business Parks as of End-2019

Zhangjiang	27%	Jinqiao	18%	Linkong	12%
Caohejing	23%	Caohejing Pujiang	13%	Lujiazui Software Park	7%

[1] All data and figures are from Savills Research & Consultancy and they relate to the six business parks as outlined on page 55, unless otherwise stated. Please refer to page 58 on the limitations of the report.

[2] In MNACT's FY18/19 Annual Report, it was noted that there were approximately 10.6 million sq m of Grade-A office space at the end of 2018. During Savills' annual review, 484,000 sq m of office stock was downgraded, bringing the revised stock to 10.1 million sqm at the start of 2019.

[3] MNACT has one property – Sandhill Plaza – in Zhangjiang, Shanghai. It is located within the north zone of Zhangjiang and has a GFA of 83,801 sq m.

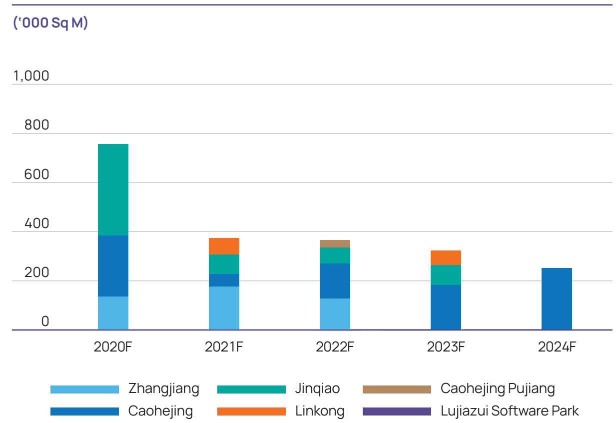
INDEPENDENT MARKET RESEARCH

BY SAVILLS (HONG KONG) LIMITED

Potential Grade-A Office Supply

Around 2.1m sq m From 2020F to 2024F in Total

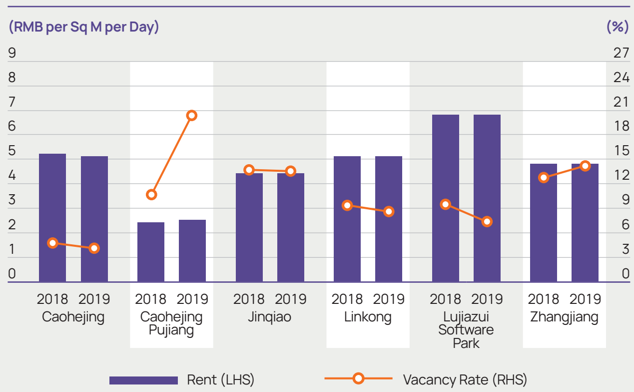
- Total Grade-A office stock in business parks is expected to reach about 12.4 million sq m (GFA) by the end of 2024, with about 6% expected to be added in 2020.
- The majority of future supply (approximately 2.1 million sq m) over the next five years will be located in Caohejing (42%), Jinqiao (29%) and Zhangjiang (21%).
- Within Zhangjiang, new completions (primarily self-use developments and low-density campuses) over the next five years will be concentrated in the central and north zone, the same region where Sandhill Plaza is located.
- Zhangjiang will receive three new projects in 2020 totalling 133,000 sq m. They comprise the Lenovo R&D Centre New Tower in the north zone and two in the central zone (U-Plus Ph2 and the C-8-1-2 projects by Zhangjiang Group).



Vacancy Rate

11.4% (End-2019) ↑1.3 Percentage Points YoY

- As net take-up in business parks slowed to 153,800 sq m in 2019, this led to an increase in the average vacancy rate of the business parks by 1.3 percentage points to 11.4% by the end of 2019.
- Vacancy rates differed across the six key business parks. Zhangjiang saw average vacancy rate rise by 1.2 percentage points in 2019 as a result of new supply, ending the year at 14.1%. Meanwhile, Caohejing and Jinqiao saw no new supply, and take-up was recorded in existing buildings, resulting in vacancy rates falling by 0.6 percentage points and 0.1 percentage points to 4.2% and 13.6%, respectively.
- For 1Q 2020, the average vacancy rate in the six business parks saw a slight increase of 0.04 percentage points to 11.4% due to a negative take-up recorded during the quarter.



Grade-A Office Rents

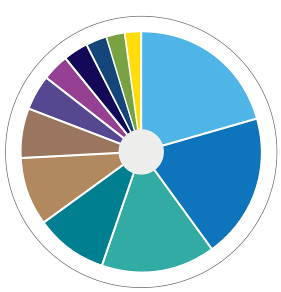
RMB4.7 per sq m per day (End-2019) ↓0.4% YoY

- Average Grade-A office rents in the six key business parks was RMB4.7 per sq m per day, maintaining a sizeable discount to Shanghai's CBD office rents, which averaged RMB8.8 per sq m per day by the end of 2019.
- With subdued economic growth, there was a general softening of leasing demand in most of the business parks in 2019, leading to a 0.4% drop in Grade-A office rents compared to a year earlier. This was the first rental decline witnessed in the city's business park market over the last five years.
- While some of the business parks suffered rental declines, Zhangjiang Grade-A office rents remained stable YoY ending 2019 at RMB4.8 per sq m per day. Compared to other business parks, Zhangjiang is positioned well given its strong connectivity, better-quality developments and growth in the technology sector.
- Caohejing Pujiang, which offered the lowest rents among the business parks at RMB2.5 per sq m per day, was the only other business park to see rental increase, rising 6.6% from a year earlier.
- For 1Q 2020, the average rents of the six key business parks was held steady at RMB4.7 per sq m per day, supported by the steady demand and rental differential compared to CBD rents amid COVID-19.

Net Take-up[1]

153,800 sq m in 2019

- Amidst increasing economic uncertainties, tenants became more conservative about adding headcount or taking additional office space, though some cost sensitive tenants sought out the more affordable space in decentralized areas. Net take-up fell to 153,800 sq m in 2019 compared to 500,000 sq m in 2018.
- Domestic companies accounted for over 80% of net take-up in 2019, with the remainder coming from multinational corporates.
- While trade tensions caused many international firms to put expansion plans on hold, prominent domestic companies seized the opportunity to expand or upgrade their office premises. The increase in demand from domestic occupiers is in line with China's ongoing transition towards a service-driven economy.
- The COVID-19 has already made a negative impact on demand, though the extent and nature of that impact is still uncertain. While the virus has been contained in China, it continues to spread overseas having an impact on global economic growth prospects.



Net Take-up of Business Park Grade-A Office Space (GFA) in 2019 by Industry

Retail & Trade	20.8%
Information Technology	19.3%
Manufacturing	15.2%
Healthcare	9.8%
Media & Entertainment	9.2%
Finance	6.6%
Business Centres/ Co-working Spaces	4.8%
Commercial & Professional Services	3.6%
Utilities	3.3%
Conglomerates	2.7%
Transportation	2.6%
Consumer Services	2.1%

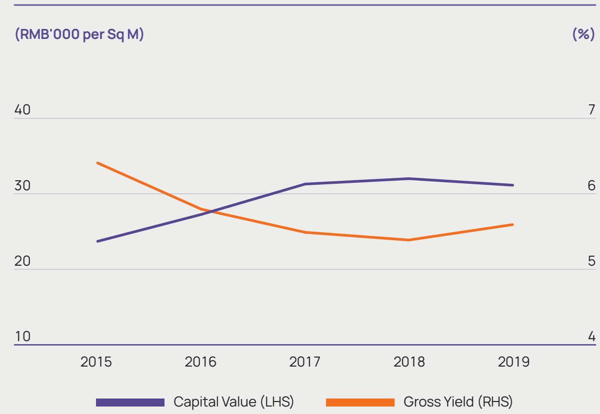
Grade-A Office Capital Values[2]

RMB31,100 per sq m (End-2019) ↓2.7% YoY

Average Grade-A Office Gross Yield

5.6% (End-2019) ↑0.1 Percentage Points YoY

- Investment activity in the business park market increased in 2019, eventually accounting for as much as 25% of Shanghai's total office transaction volume and up from 15% just a year ago.
- Overall, business park assets continue to provide an attractive opportunity for domestic and foreign investors as well as end-users, with a meaningful spread over CBD office gross yields at 5.0%.
- However, given the macro uncertainties and oversupply situation, some sellers were under pressure to discount asking prices. Capital values consequently fell by 2.7% in 2019 to an average of RMB31,100 per sq m, while gross yields[3] increased by 10 bps over the same period to 5.6%.
- At the end of 1Q 2020, gross yields remained stable and capital values fell 0.1% as increasing uncertainty meant that potential buyers required further price discounts to offset the increased risks.



[1] Net take-up is the change in total occupied space in 2019 compared to 2018.

[2] Capital values are based on a like for like comparison. Changes to the basket of properties tracked meant that the capital value at the end of 2018 (the base of comparison) was RMB31,900 per sq m.

[3] Based on assumed 100% occupancy rates.

INDEPENDENT MARKET RESEARCH

BY SAVILLS (HONG KONG) LIMITED

Key Business Park Trends

- As the core areas of business parks mature and fill out, fewer greenfield development opportunities remain, with investors instead looking to renovate or upgrade existing developments to meet the new needs of tenants.
- Zhangjiang has prioritised innovation and regional development, in line with Shanghai's ambition to become a global hub for science and technology. Zhangjiang Comprehensive National Science Centre, located in the north zone, will focus on the development of integrated circuits and life sciences, with more details expected in 2020. This, along with the national "China 2025" industrial policy and the roll out of 5G networks, is expected to drive demand for business parks.
- The outbreak of COVID-19 has caused construction and leasing activity delays as construction workers are unable to get back to work and project inspections are suspended. Co-working businesses are likely to be particularly affected because of their tenant mix and the intermingling of employees from different businesses.

Outlook

- Though current market sentiment has weakened, leasing demand in business parks in the mid-to long-term is expected to remain resilient, given the search for more cost-effective premises, improved connectivity and the government's push to develop advanced manufacturing, tech and R&D sectors.
- The six key business parks are expected to receive a large volume of new Grade-A office space in the next five years. Demand, especially from the domestic IT (5G, AI, etc.), semiconductor and healthcare sectors, is expected to help absorb a sizeable chunk of new supply, but vacancy rates are still forecast to rise further, adding downward pressure to rents.
- Business park Grade-A office yields are expected to remain flat or edge upwards in 2020 until the economy eventually recovers and the large supply in competing decentralised business districts is eventually absorbed.
- COVID-19 is likely to delay project completion dates and hinder leasing activity in the short term. Broader occupier demand may also be impacted as a result of the slowing economy though this may be mitigated by the government's measures to support impacted businesses as well as policies to stimulate the tech industry.
- Real estate investment activity is expected to slow in the short term as non-essential meetings and travel as well as site inspections are cancelled. However, relief measures such as supportive monetary policies and interest rate cuts could provide some support to pricing.

LIMITATIONS ON THE REPORT

This report contains forward-looking statements which state Savills (Hong Kong) Limited's ("the Consultant") beliefs, expectations, forecasts or predictions for the future. The Consultant stresses that all such forecasts and statements, other than statements of historical fact, outlined in this report should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forecasts involves assumptions about a considerable number of variables which are very sensitive to changing conditions. Variations of any one may significantly affect outcomes and the Consultant draws your attention to this.

The Consultant therefore can give no assurance that the forecasts outlined in this report will be achieved or that such forecasts and forward-looking statements will prove to have been correct and you are cautioned not to place undue reliance on such statements. The Consultant undertakes no obligation to publicly update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise, except as required by law, and all forward-looking statements contained in this summary report are qualified by reference to this cautionary statement.

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SIMON SMITH
Senior Director
Head of Research & Consultancy, Asia Pacific

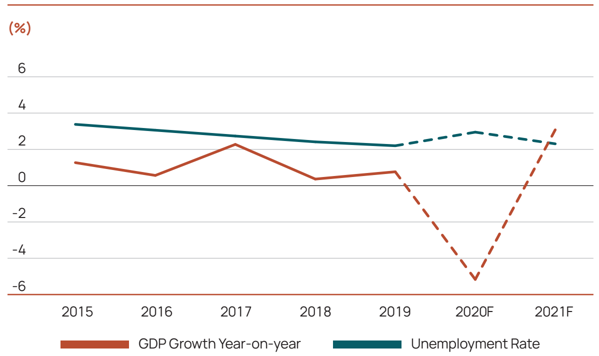
Japan[1]

ECONOMY

- According to the latest preliminary estimates by the Cabinet Office of Japan, Japan's GDP recorded a 0.7% YoY growth in 2019, marking the eighth consecutive year in positive territory.
- While growth in 2019 was supported by effective public investment, a rise in government consumption and record-high tourist spending, the economy was also dampened by lower exports and capex spending due to the US-China trade tensions.
- Greater pressure on the economy was especially felt during the fourth quarter of 2019 as consumer spending was impacted by Typhoon Hagibis and the implementation of the consumption tax hike from October 2019.
- Underpinned by the economic growth and limited working-age population, unemployment rate further tightened from 2.4% at the end of 2018 to 2.2% at the end of 2019.

OUTLOOK

- Japan's GDP growth is expected to contract by 5.2% in 2020 due to COVID-19 and bounce back by 3.0% in 2021, according to International Monetary Fund's World Economic Outlook Report in April 2020.
- In the short-term, Japan is most likely to witness negative growth for the first quarter of 2020 as the COVID-19 situation will largely reduce inbound tourism spending and the nationwide state of emergency (implemented on 16 April 2020) will impact domestic consumption. Trade volume is also anticipated to decrease in view of disruptions to supply chains.
- While the delay of the Tokyo Olympics to 2021 is expected to further weaken Japan's economy for the time being, the impact is anticipated to be softened by the government's JPY 108 trillion stimulus package.



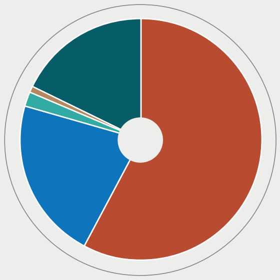
Source: 2015-2019 GDP figures are from the Cabinet Office of Japan, while 2020 and 2021 GDP forecasts are from International Monetary Fund. 2015-2019 unemployment figures are year-end figures from Ministry of Internal Affairs and Communications while the 2020 and 2021 forecasts are from Oxford Economics.

GREATER TOKYO OFFICE MARKET

Existing All-Grade Office Supply

23.2m tsubo[2] (End-2019) ↑0.9% YoY

- The Greater Tokyo Area's office market comprises Tokyo Metropolis (including the 23 wards of Tokyo)[3], Chiba Prefecture, Kanagawa Prefecture (with Yokohama City as the capital) and Saitama Prefecture.
- A majority of the office stock in Greater Tokyo is concentrated in the central five wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya), accounting for 58% of the stock by net lettable area. The outer 18 wards made up another 22% of total office stock in Greater Tokyo, with the remaining in suburban Tokyo and the other prefectures.
- New supply of office space of approximately 0.2 million tsubo in 2019 increased the overall supply by 0.9% YoY. Over 90% of the new supply in 2019 were in the central five wards to meet demand for top-quality office space. New additions included large-scale buildings[4] such as Okura Prestige Tower in Minato ward and Shibuya Scramble Square East Tower in Shibuya ward.
- There were no new completions of large-scale buildings in 2019 that were in close proximity to MNACT's Japan Properties.



Existing All-grade Office Supply by Area

Central Five Wards	57.9%	Chiba/Funabashi	0.9%
Outer 18 Wards	21.6%	Others	17.6%
Yokohama	2.0%		

[1] All data and figures are from Cushman & Wakefield K.K. unless otherwise stated. Please refer to page 62 on the limitations of the report.
[2] 1 tsubo = 3.30579 square metres.
[3] Four of MNACT's Japan Properties are located in the outer 18 wards of Tokyo, namely IXINAL Monzen-nakacho Building (in Koto ward), Higashi-nihonbashi 1-chome Building (in Chuo ward), TS Ikebukuro Building (in Toshima ward) and Omori Prime Building (in Shinagawa ward). The other four properties of MNACT comprise SII Makuhari Building, Fujitsu Makuhari Building, mBAY POINT Makuhari (all in Chiba) and ABAS Shin-Yokohama Building (in Yokohama).
[4] Large-scale offices are defined as buildings with net lettable area of more than 6,000 tsubo.

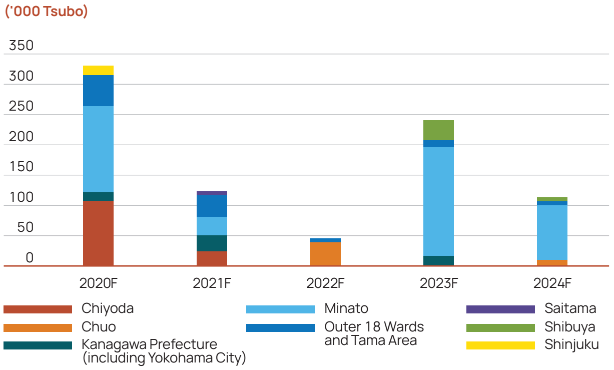
INDEPENDENT MARKET RESEARCH

BY CUSHMAN & WAKEFIELD K.K.

Potential Large-Scale Office Supply in Greater Tokyo

862,650 tsubo From 2020F to 2024F in Total

- Upcoming office supply in the next five years will be concentrated in the central five wards, with most of the supply expected to be completed come 2020. The outer 18 wards of Tokyo will only receive 13% of the new large-scale office supply.
- For Yokohama, the office pipeline for large-scale buildings over the next five years will be limited to approximately 38,777 tsubo, representing 4.5% of the total expected supply.
- There is no planned large-scale supply in Makuhari, Chiba area from 2020 to 2024.
- While pre-commitments for new completions in 2020 and 2021 have been strong, the secondary vacancy as a result of tenants moving out of existing premises might exert downward pressure on rents. The impact by COVID-19 on the completion date of the upcoming supply has been limited so far.



All-Grade Vacancy Rate

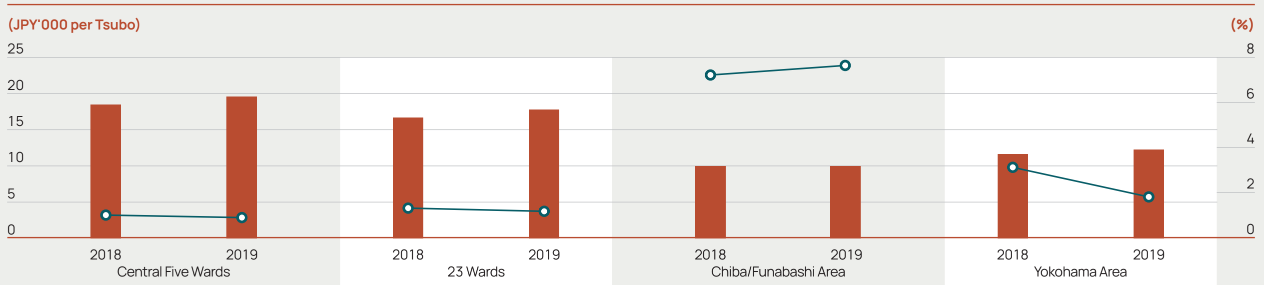
1.1% (Tokyo 23 Wards, End-2019) ↓**0.2** Percentage Points YoY

- Despite the large incoming supply in 2019, the average vacancy rate of the Greater Tokyo office market remained low. The tight office market was underpinned by demand among tenants to move to larger and new premises or improve their office environment. In line with the Work Style Reform Act[1], more tenants are also expanding their office footprint to cater for flexible working arrangements such as satellite offices.
- For the central five wards, vacancy rate dropped to a historical low of 0.9% at the close of 2019 as new supply were almost fully absorbed with pre-commitments.
- Vacancy rate of 23 wards also tightened in 2019 to 1.1% as demand from the central five wards spilled over to the outer 18 wards. For Yokohama, it saw a compression of vacancy rate by 1.3 percentage points to 1.9% in 2019 as the area benefited from the expansion of local enterprises in its Minato-Mirai area.
- The leasing market in the Chiba/Funabashi area saw a slightly higher vacancy rate of 7.6% at the end of 2019 due to negative net absorption caused by some tenants relocating to Tokyo for the proximity to the city core.

All-Grade Office Asking Rents

JPY17,613 per tsubo per month (Tokyo 23 Wards, End-2019) ↑**7.0%** YoY

- Reflecting the tight supply-demand balance, asking office rents for the central five wards rose 6.1% in 2019 compared to 2018. Benefitting from the relative affordability compared to the central five wards, asking rents in the 23 wards and the Yokohama area also rose 7.0% and 4.7% respectively in 2019 compared to 2018.
- There is no new supply in the Chiba/Funabashi area, and asking rent remained relatively steady at the end of 2019 compared to at the end of 2018.
- Similarly, for 1Q 2020, asking rents in the central five wards, 23 wards, and the Yokohama area went up by 0.5%, 1.6% and 6.0% while the Chiba/Funabashi area slightly slid by 0.1%, compared to 4Q 2019.



Source: Sanko Estate

[1] Work Style Reform Act, enacted on June 2018, is a legal package proposing amendments to eight existing laws. Major amendments enforced in April 2019 include an improvement of the flextime system, introduction of overtime working hours cap and an obligation to ensure a certain number of paid leave.

Net Take-up[1]

244,000 tsubo in 2019
(For the Greater Tokyo Area)

- There was a positive net take-up of office space of 244,000 tsubo in 2019 as tenants continued to seek better and larger workspace to attract and retain talents. Demand also came from occupiers in the professional services, information technology and large-scale manufacturing sectors which were less impacted by trade tensions.
- However, the net take-up in 2019 was lower than the 420,000 tsubo in 2018 mainly due to less new large-scale supply in 2019 compared to 2018 available for tenants, as well as weaker demand from the co-working space sector in 2019 with the co-working operators shifting from expansion into stabilisation mode.

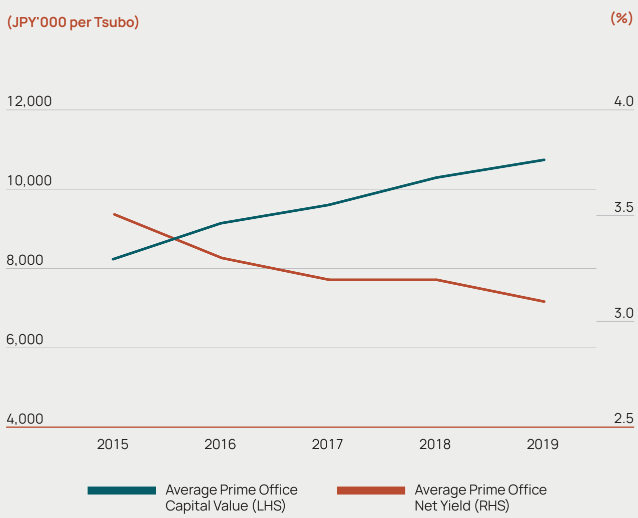
Average Prime Office Capital Value

JPY10,716,050 per tsubo
(End-2019) (Central Five Wards[2]) ↑4.2% YoY

- With its attractive prime office yield spreads over 10-year government bonds of 3.2%, coupled with the tight market conditions, Japan remained an appealing investment location within Asia Pacific.
- Average capital value of Grade-A office buildings in the central five wards were JPY 10,716,050 per tsubo in 2019, a 4.2% increase compared to 2018.
- The average prime cap rate in the central five wards continued to fall to a record low of 3.1% at the end of 2019. In search of higher yields, investors continued looking into secondary assets and markets with higher yields. The outer 18 wards, Yokohama area and the Chiba/Funabashi area also saw their prime cap rates compress to 3.8%, 3.8% and 4.4% respectively.
- As of the end of 1Q 2020, average capital values of Grade-A office buildings in the central five wards also went up to JPY 10,907,404 per tsubo, a 1.8% increase from 4Q 2019. The average prime cap rate stood at 3.1%.

Average Prime Office Cap Rate

3.1%
(End-2019) (Central Five Wards) ↓0.1 Percentage Points YoY



Key Office Trends

- There is now a slowdown in the expansion and consolidation of the co-working space after a few years of rapid growth. Demand for co-working space has further reduced in the light of COVID-19 as people refrain from going out.
- On top of the Work Style Reform Act which aims to improve work-life balance, the COVID-19 situation also led to a wide adoption of telecommuting in major cities in Japan.
- There is also a stagnation of leasing activities as more companies freeze their capital expenditure plans and headcount projections.
- Investors who prefer properties offering stable income are likely to continue keeping an eye on offices in Greater Tokyo which has a large pool of medium-sized offices, while those in search of higher growth potential could be drawn to offices in regional cities such as Osaka, Nagoya and Fukuoka.

[1] Net take-up is the change in total occupied space in 2019 compared to 2018.
[2] Historical data available on the office capital value and cap rates was limited to the central five wards.

INDEPENDENT MARKET RESEARCH

BY CUSHMAN & WAKEFIELD K.K.

Outlook

- A prolonged COVID-19 situation will result in a deterioration in demand and cause a delay in real estate decisions as businesses manage costs and business continuity plans.
- More cancellations and postponements in leasing activities are anticipated as more corporates hold off their hiring and capital expenditure plans due to COVID-19.
- We anticipate that corporates will look into cost savings by consolidating their office spaces and by downsizing the existing space on renewal. However, the current historically low vacancy levels in the Greater Tokyo office market is expected to mitigate some impact on the occupancy levels, as a result of such cost-saving measures.
- We are observing an increase in secondary vacancies as more space at existing properties become available when tenants move to other newly completed buildings, alongside the slowdown in Japan's economy and demand. As a result, the all-grade vacancy rate especially in the central five wards is anticipated to edge up and exert downward pressure on rental rates for the Greater Tokyo office market.
- In terms of business with growth potential, that would be satellite serviced or shared offices and co-working spaces. Currently, the satellite serviced or shared offices and co-working spaces have been severely impacted by the current COVID-19 situation. However, on a mid to long term basis and driven by the Work Style Reform Act, these will hold appeal for corporates who are looking into space downsizing and teleworking amid the ongoing COVID-19 and prefer to have a satellite location near residential areas.
- A disruption in the capital market is anticipated as investors will take a wait-and-see stance in asset purchases until they see a clearer direction of the COVID-19 situation. While this may lead to a price decrease, the adjustment is not likely to be as significant as what was seen during the Global Financial Crisis ("GFC"), as there are opportunistic players still very keen to purchase quality assets at discounted rates, if available, thus supporting the transaction volumes to some extent.

LIMITATIONS ON THE REPORT

Cushman & Wakefield K.K. ("C&W") prepared this market report with data from the Government of Japan, reliable research institutions and C&W proprietary databases. C&W does not perform any independent verification for data or information provided by external third-party and does not warrant its accuracy or completeness.

This report presents current as well as the likely future market conditions as perceived by the markets. For any "forward-looking statements" in the report, C&W assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. The estimation of the future demand and supply for office market may not materialize and unanticipated events and circumstances may occur; therefore, actual results may vary from our estimates and variations may be material.

C&W does emphasize that the estimation of future market conditions and outlook should be regarded as an indicative assessment of possibilities rather than absolute certainties. Our Directors confirm that, as of 30 April 2020, to their best knowledge after taking reasonable care, there is no material adverse change in the market information since the date of this report which may quality, contradict or have an impact on the information disclosed.

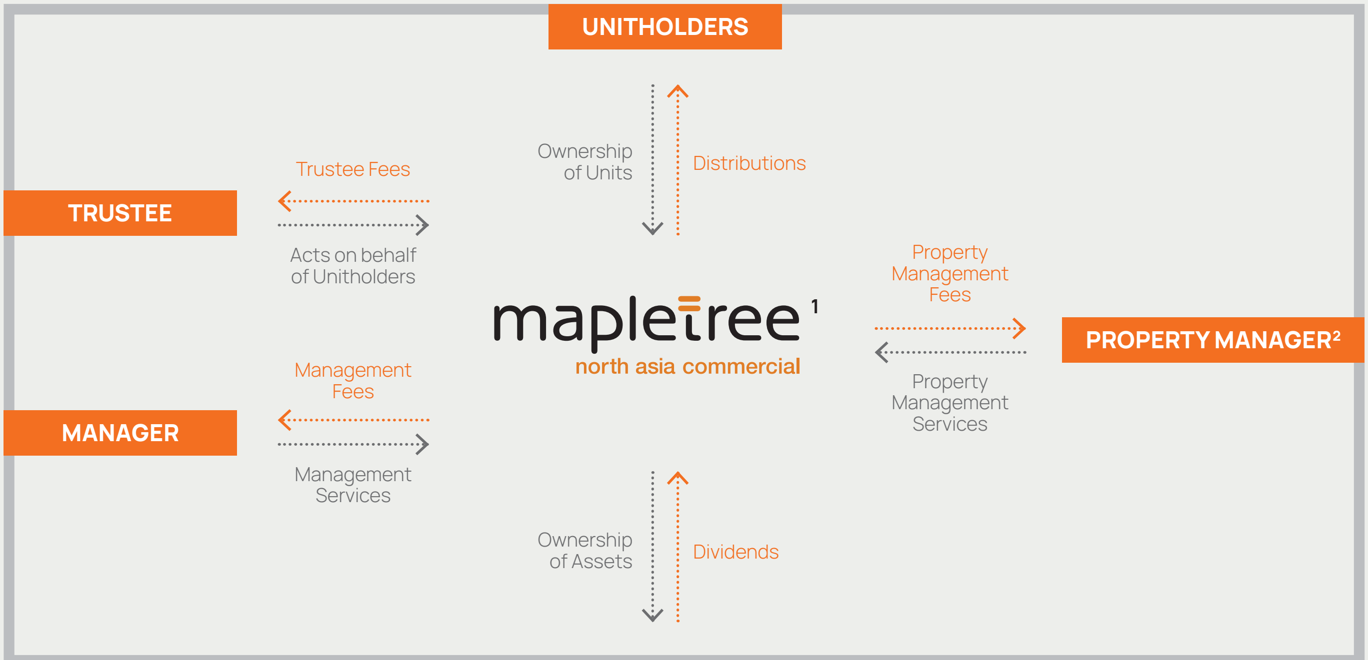
This report is prepared for market information purpose only and is not intended for trading purposes. All charts within are for illustration only. It should not be regarded as a solicitation for purchase and sale of trust beneficiary rights nor other investment products. The report is not a comprehensive or formal opinion or audit concerning any matter.

In no event will C&W or any persons associated with C&W be liable for damages of any kind, under any legal theory, arising out of or in connection with the use, or inability to use this report, including any direct, indirect, special, incidental, consequential or punitive damages, including loss of revenue, loss of profits, loss of business or anticipated saving, loss of use, loss of goodwill or loss of data. These limitations do not affect any liability which cannot be excluded or limited under applicable law. When making investment decisions, one should not rely on this report and should always seek advice from independent professional advisers specialized in finance, legal affairs, accounting, taxation etc. User should critically evaluate when using any information of the report. Any investment decision is the sole judgment and responsibility of the user.

Hideaki Suzuki

HIDEAKI SUZUKI
Director
Head of Research & Consulting, Japan

TRUST STRUCTURE



First-level subsidiaries	**Claymore Limited** (incorporated in Cayman Islands)	**Beijing Gateway Plaza (Cayman) Ltd.** (incorporated in Cayman Islands)	**Glamour II Limited** (incorporated in Cayman Islands)	**Tsubaki 1 Pte. Ltd.** (incorporated in Singapore)
Second-level subsidiaries	Festival Walk Holdings Limited (incorporated in Hong Kong SAR) Festival Walk (2011) Limited (incorporated in Hong Kong SAR)	HK Gateway Plaza Company Limited[3] (incorporated in Hong Kong SAR)	China Orient Limited (incorporated in Hong Kong SAR)	Tsubaki 2 Pte. Ltd. (incorporated in Singapore)
Third-level subsidiaries			Shanghai Zhan Xiang Real Estate Company Limited (incorporated in Shanghai)	Tsubaki TMK[4] (incorporated in Japan)
	FESTIVAL WALK	**GATEWAY PLAZA**	**SANDHILL PLAZA**	**JAPAN PROPERTIES**

Notes

[1] The Trustee holds 100.0% of Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd., which holds 100.0% of Mapletree North Asia Commercial Treasury Company (HKSAR) Limited (the "Hong Kong Treasury Company"). The Hong Kong Treasury Company is a special purpose vehicle incorporated in Hong Kong SAR and owned by MNACT for the purposes of (i) lending, borrowing or raising money, (ii) carrying out foreign exchange and interest rate hedging activities, financial futures trading, financial derivatives trading and other risk management activities in foreign currency or (iii) any other treasury management functions for and on behalf of MNACT.

[2] The Property Manager was appointed pursuant to the Master Property Management agreement entered into between the Manager, the Trustee and the Property Manager. Both the Manager and the Property Manager are wholly-owned subsidiaries of the Sponsor.

[3] HK Gateway Plaza Company Limited holds 100.0% of Gateway Plaza Property Operations (Beijing) Limited, a company incorporated in China. Gateway Plaza Property Operations (Beijing) Limited was established to facilitate the registration of tenancy agreements between HK Gateway Plaza Company Limited and tenants of Gateway Plaza. HK Gateway Plaza Company Limited pays Gateway Plaza Property Operations (Beijing) Limited the costs incurred in rendering such services, and an administrative cost equivalent to 5.0% of such costs.

[4] All subsidiaries are 100% wholly-owned except for Tsubaki Tokutei Mokuteki Kaisha ("Tsubaki TMK") in which MNACT holds an effective interest of 98.47%. The remaining effective interest of 1.53% is held by MIJ. Tsubaki TMK is the beneficial owner of the Japan Properties.

ORGANISATION STRUCTURE

THE MANAGER
Mapletree North Asia Commercial Trust Management Ltd. ("MNACTM")

BOARD OF DIRECTORS

MR. PAUL MA KAH WOH
Non-Executive Chairman and Director

MR. LOK VI MING
Lead Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee

MR. KEVIN KWOK
Independent Non-Executive Director and Chairman of the Audit and Risk Committee

MR. LAWRENCE WONG LIANG YING
Independent Non-Executive Director and Member of the Audit and Risk Committee

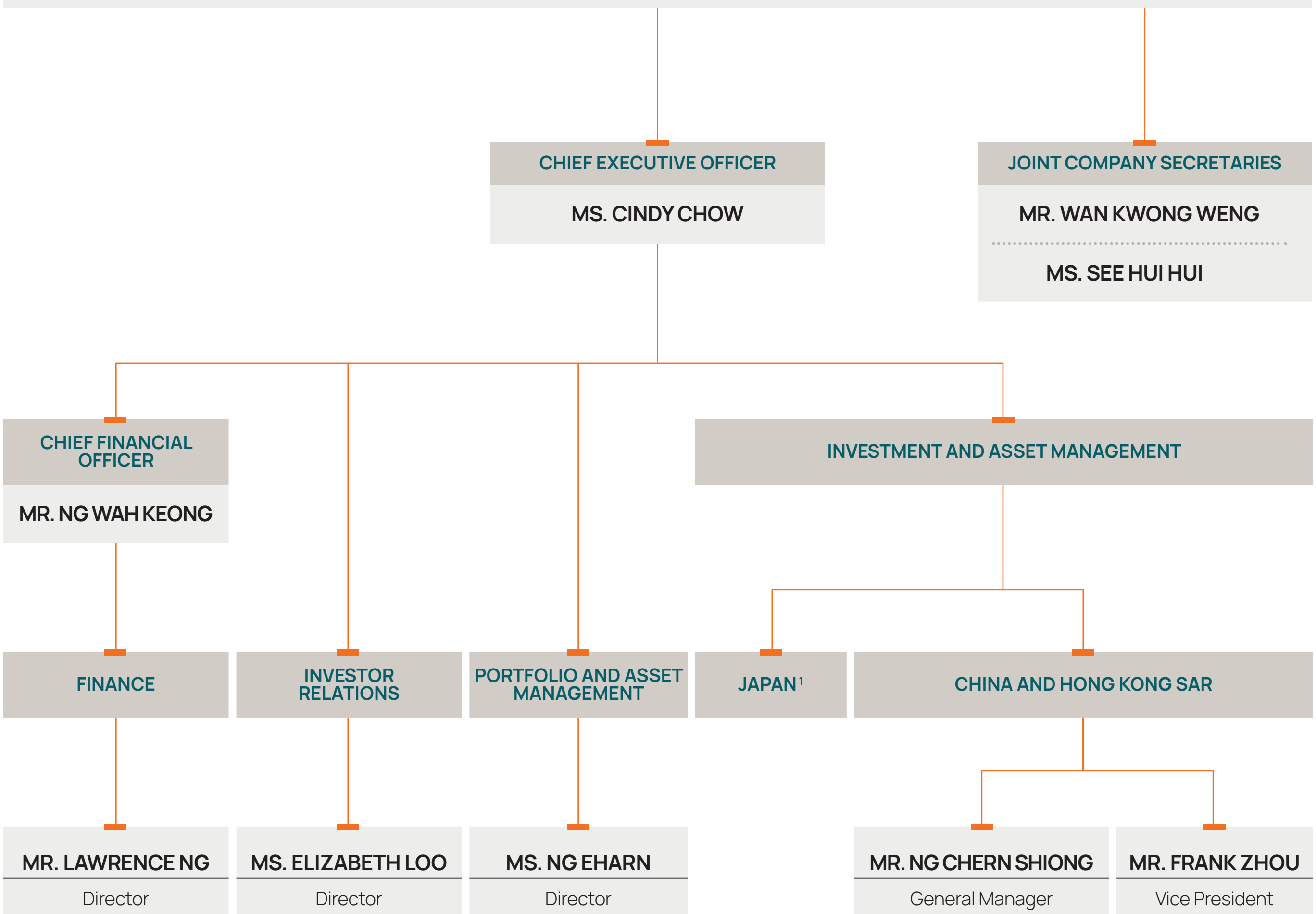
MR. MICHAEL KOK PAK KUAN
Independent Non-Executive Director and Member of the Audit and Risk Committee

MS. TAN SU SHAN
Independent Non-Executive Director and Member of the Nominating and Remuneration Committee

MR. CHUA TIOW CHYE
Non-Executive Director and Member of the Nominating and Remuneration Committee

MS. KOH MUI AI WENDY
Non-Executive Director

MS. CINDY CHOW PEI PEI
Executive Director and Chief Executive Officer



[1] The Japan Properties are managed by the local management team from MIJ, an indirect wholly-owned subsidiary of the Sponsor.

THE PROPERTY MANAGER
MAPLETREE NORTH ASIA PROPERTY MANAGEMENT LIMITED ("MNAPM")

DIRECTORS

MR. TAN WEE SENG

MS. LEE SHIAU FEI

MS. JADE KOH

MR. MICHAEL WU

HONG KONG SAR

MS. SANDRA CHENG
General Manager

MS. CAROL CHAN
Head
Marketing and Promotions

MR. SIMON LAM
Head
Finance

MS. WENDY LEE
Head
Lease Management and Tenant Relations

MR. ERIC WONG
Head
Operations

MR. PAUL WONG
Head
Ice Rink

MR. MICHAEL WU
Head
Property Management and Technical Services

BEIJING

MS. BELINDA WANG
Senior Manager
Leasing

MS. SYLVIA SHANG
Senior Manager
Property Management

MR. LEO LIU
Manager
Property Management and Technical Services

MS. DORA YAN
Manager
Finance

SHANGHAI

MS. SANDY CHEN
Senior Manager
Finance

MS. VILA YE
Senior Manager
Leasing

MR. ALVIN ZHU
Manager
Property Management

BOARD OF DIRECTORS


MR. PAUL MA KAH WOH


MR. LOK VI MING


MR. KEVIN KWOK


MR. LAWRENCE WONG LIANG YING


MR. MICHAEL KOK PAK KUAN


MS. TAN SU SHAN


MR. CHUA TIOW CHYE


MS. KOH MUI AI WENDY


MS. CINDY CHOW PEI PEI

MR. PAUL MA KAH WOH

Non-Executive Chairman and Director

Mr. Paul Ma Kah Woh is the Non-Executive Chairman and a Director of the Manager.

Mr. Ma is also a Non-Executive Director of the Sponsor, and a member of its Audit and Risk Committee, Executive Resource and Compensation Committee, and Investment Committee. Concurrently, Mr. Ma is a Director of StarHub Ltd. (a company listed on the Main Board of the Singapore Exchange). In addition, Mr. Ma is a member of the Advisory Board of the Asian Civilisations Museum.

Until 29 February 2020, Mr. Ma was also a Director of PACC Offshore Services Holdings Ltd.

Mr. Ma was previously the Chairman and Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), from 2005 to July 2016, and a member of the Transaction Review Committee of the Sponsor until June 2016.

Mr. Ma is a Fellow of the Institute of Chartered Accountants in England and Wales as well as a Member of the Institute of Singapore Chartered Accountants.

Past Directorships of Listed Entities over the Last Three Years:

- Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust)
- PACC Offshore Services Holdings Ltd.

MR. LOK VI MING

Lead Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee

Mr. Lok Vi Ming, Senior Counsel, is the Lead Independent Non-Executive Director of the Manager and is the Chairman of the Nominating and Remuneration Committee. He stepped down as a Member of the Audit and Risk Committee on 15 January 2019.

Mr. Lok is the founding partner of LVM Law Chambers LLC. Prior to LVM Law Chambers LLC, Mr. Lok was with Dentons Rodyk & Davidson LLP since the start of his legal career 33 years ago. He was appointed Senior Counsel in 2005.

A Fellow of the Singapore Institute of Arbitrators, Mr. Lok is an established arbitration practitioner and arbitrator. He has been appointed to the Regional Panel of Arbitrators with the Singapore International Arbitration Centre, Commercial Arbitration Board, the Asian International Arbitration Centre (Malaysia), CIETAC Beijing and Shanghai, the Shenzhen Court of International Arbitration and with numerous other Arbitration Commissions in China.

Mr. Lok is currently a Fellow of the Singapore Academy of Law and the Vice Chairman of the Singapore International Mediation Centre. He is also a Principal Mediator with the Singapore Mediation Centre. Concurrently, Mr. Lok is also a member of the Board of Trustees of the Singapore University of Social Sciences.

Mr. Lok holds a Bachelor of Law degree from the National University of Singapore.

Past Directorships of Listed Entities over the Last Three Years:

Nil

MR. KEVIN KWOK

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

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

Mr. Kwok is a Non-Executive Director and Chairman of the Audit Committee of the Singapore Exchange Ltd.

He is Chairman of the Accounting Standards Council of Singapore.

He was formerly a Senior Partner of Ernst & Young LLP where he retired after 35 years with the firm. He was the Head of the firm's Assurance Services in Singapore and ASEAN.

Mr. Kwok holds a Bachelor of Arts (Second Class Upper Honours, with Dual Honours in Economics and Accounting & Financial Management). He is qualified as a Chartered Accountant and is a member of the Institute of Chartered Accountants in England & Wales. He is also a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow of the Chartered Malaysian Institute of Taxation.

Mr. Kwok is a Fellow of the Institute of Singapore Chartered Accountants and also a Fellow of the Singapore Institute of Directors.

Past Directorships of Listed Entities over the Last Three Years:

- Wheelock Properties (Singapore) Ltd.

BOARD OF DIRECTORS

MR. LAWRENCE WONG LIANG YING

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

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

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

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

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

Past Directorships of Listed Entities over the Last Three Years:

Nil

MR. MICHAEL KOK PAK KUAN

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

Mr. Michael Kok Pak Kuan is an Independent Non-Executive Director of the Manager and is a Member of the Audit and Risk Committee.

Mr. Kok is currently a Non-Executive Director of Jardine Cycle and Carriage Limited and SATS Ltd.

Prior to his retirement in May 2019, Mr. Kok was a Non-Executive Director of Dairy Farm International Holdings Limited ("Dairy Farm"), a leading pan-Asian retailer listed on the London Stock Exchange and the SGX-ST and a member of the Jardine Matheson Group. From April 2007 to December 2012, he was an Executive Director and Group Chief Executive Officer of Dairy Farm, and was responsible for over 5,400 outlets in the region, operating under various well-known brands in the area of supermarkets, hypermarkets, health and beauty stores, convenience stores and home furnishings stores. Under his watch, Dairy Farm employed over 85,000 people and annual sales grew from US$6.8 billion in 2007 up to US$10 billion in 2011.

Mr. Kok joined Dairy Farm in 1987, and has over 30 years' experience in retailing in Asia. He also resided in Hong Kong SAR from 2007 to 2012. He attended the Senior Executive Programme at London Business School and the Advanced Management Program at Harvard Business School.

Past Directorships of Listed Entities over the Last Three Years:

Dairy Farm International Holdings Limited

MS. TAN SU SHAN

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

Ms. Tan Su Shan is an Independent Non-Executive Director of the Manager and a Member of the Nominating and Remuneration Committee.

Ms. Tan is currently the Managing Director and Group Head of Institutional Banking of DBS Bank Ltd. ("DBS"). Previously, she was the Group Head of Consumer Banking & Wealth Management of DBS.

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

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

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

Past Directorships of Listed Entities over the Last Three Years:

Nil

MR. CHUA TIOW CHYE

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

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

Mr. Chua is the Deputy Group Chief Executive Officer of the Sponsor. He focuses on driving the Sponsor's strategic initiatives including expanding and directing Mapletree Group's[1] international real estate investments and developments. He also directly oversees Mapletree Group's Global Lodging sector as well as the Private Capital Management function of the Sponsor. Previously, Mr. Chua was the Group Chief Investment Officer and Regional Chief Executive Officer of North Asia & New Markets of the Sponsor.

Mr. Chua also serves as a Non-Executive Director of Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust). He was also previously the Chief Executive Officer of Mapletree Logistics Trust Management Ltd.

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

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

[1] Mapletree Group refers to the Sponsor and its subsidiaries.

Past Directorships of Listed Entities over the Last Three Years:

- Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust)

MS. KOH MUI AI WENDY

Non-Executive Director

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

Ms. Koh is currently 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 Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust) and Mapletree Commercial Trust Management Ltd. (the Manager of Mapletree Commercial Trust).

Prior to this, she was the Regional Chief Executive Officer, South East Asia (August 2014 to July 2019), heading the Sponsor's business in South East Asia and Head, Strategy and Research (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 its second five-year strategic plan ("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 ("IPOs") 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 ("CFA") from the CFA Institute.

Past Directorships of Listed Entities over the Last Three Years:

Nil

MS. CINDY CHOW PEI PEI

Executive Director and Chief Executive Officer

Ms. Cindy Chow Pei Pei is both an Executive Director and the Chief Executive Officer of the Manager.

She has more than 22 years of investment experience in the region, including China, Hong Kong SAR, India, Japan, Singapore, Thailand and Vietnam. Prior to joining the Manager, Ms. Chow was Chief Executive Officer, India with the Sponsor, where she was instrumental in establishing the Sponsor's investments in India.

Ms. Chow joined the Sponsor in 2002 as a Business Development Manager. She later became the Senior Vice President and Head of Investment for Mapletree Logistics Trust Management Ltd.

Ms. Chow holds a Master of Science in Real Estate and a Bachelor of Science (Estate Management) (Second Upper Class Honours) from the National University of Singapore.

Past Directorships of Listed Entities over the Last Three Years:

Nil

MANAGEMENT TEAM
(CORPORATE)


MS. CINDY CHOW


MR. NG WAH KEONG


MR. NG CHERN SHIONG


MR. LAWRENCE NG


MS. NG EHARN


MS. ELIZABETH LOO


MR. FRANK ZHOU


MR. MIGUEL SU


MR. WAN KWONG WENG


MS. SEE HUI HUI

MS. CINDY CHOW

Executive Director and CEO

Ms. Chow's experience is detailed in the Board of Directors section.

MR. NG WAH KEONG

Chief Financial Officer

Mr. Ng has more than 21 years of auditing, financial and management reporting experience.

Before joining the Manager, Mr. Ng was with Keppel Infrastructure Holdings Pte. Ltd. as Financial Controller. Prior to that, he was the Director (Finance) of the Sponsor. Mr. Ng started as an Audit Manager with Deloitte KassimChan Malaysia, before relocating to Singapore to join KPMG LLP.

Mr. Ng holds a Master of Business Administration (Finance) from University of Lincoln (UK). He is also a member of the Association of Chartered Certified Accountants.

MR. NG CHERN SHIONG

General Manager, Investment and Asset Management

Based in Shanghai, Mr. Ng has 18 years of experience in the real estate business focusing on investment and asset management work.

Prior to joining the Manager, he held various positions including Director of Business Development at Keppel Land China Limited, and Senior Investment Manager and Associate Director of Asset Management at Mapletree Industrial Fund.

Mr. Ng holds a Bachelor of Science (Real Estate) (Second Upper Class Honours) from the National University of Singapore and a Graduate Diploma in Financial Management from the Association of Chartered Certified Accountants.

MR. LAWRENCE NG

Director, Finance

Mr. Ng has 21 years of experience in financial and management reporting, auditing and finance related work. His previous employment was with the Sponsor, Pan-United Corporation Ltd and Ernst & Young LLP.

Mr. Ng holds an Association of Chartered Certified Accountants professional qualification and is also a non-practising member of the Institute of Singapore Chartered Accountants.

MS. NG EHARN

Director, Portfolio and Asset Management

Ms. Ng has over 14 years of experience in consulting, investment, treasury and risk management.

Prior to joining the Manager, Ms. Ng had worked in Singapore Power and Dragonfly Consultancy.

Ms. Ng holds a Master of Business Administration from the Columbia Business School, the London Business School and the University of Hong Kong ("EMBA Global Asia") and a Bachelor of Accountancy with an additional major in Finance, with Magna Cum Laude, from the Singapore Management University.

MS. ELIZABETH LOO

Director, Investor Relations

With more than 20 years of experience in communications and investor relations, Ms. Loo has held various senior positions at Sembcorp Marine Ltd, SMRT Corporation Ltd and Creative Technology Ltd.

Ms. Loo obtained a Master of Science in Industrial Administration from Carnegie Mellon University and a Bachelor of Science (Computer Science & Information Systems) (Second Upper Class Honours) from the National University of Singapore. She is also a Chartered Financial Analyst.

MANAGEMENT TEAM
(CORPORATE)

MR. FRANK ZHOU
Vice President, Investment

Based in Shanghai, Mr. Zhou has more than 17 years of experience in real estate investment with developers, foreign real estate funds and asset management companies. Prior to joining the Manager, Mr. Zhou held positions at Taiping Asset Management and Forte Land Co., Ltd.

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

MS. SEE HUI HUI
Joint Company Secretary

Ms. See 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.

MR. MIGUEL SU
Senior Manager, Investment and Asset Management

Based in Shanghai, Mr. Su has over 12 years of experience in investment, asset management, consulting, business development, and research.

Prior to joining the Manager, Mr. Su held positions in Ascendas and CBRE. Mr Su started his career as a consultant at KPMG LLP in Los Angeles.

Mr. Su holds a Bachelor of Science in Industrial Engineering from Purdue University.

MR. WAN KWONG WENG
Joint Company Secretary

Mr. Wan 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 adminstration 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 in Singapore, Wee Swee Teow & Co., and was subsequently with the Corporate & Commercial/Private Equity practice group of Baker & McKenzie in Singapore and Sydney.

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

PROPERTY MANAGEMENT TEAM
(OVERSEAS)

HONG KONG SAR

Festival Walk

1 **MS. SANDRA CHENG**
General Manager

2 **MR. MICHAEL WU**
Head, Property Management and Technical Services

3 **MR. ERIC WONG**
Head, Operations

4 **MS. CAROL CHAN**
Head, Marketing and Promotions

5 **MR. PAUL WONG**
Head, Ice Rink

6 **MR. SIMON LAM**
Head, Finance

7 **MS. WENDY LEE**
Head, Lease Management and Tenant Relations

BEIJING, CHINA

Gateway Plaza

1 **MS. DORA YAN**
Manager, Finance

2 **MS. SYLVIA SHANG**
Senior Manager, Property Management

3 **MR. LEO LIU**
Manager, Property Management and Technical Services

4 **MS. BELINDA WANG**
Senior Manager, Leasing

SHANGHAI, CHINA

Sandhill Plaza

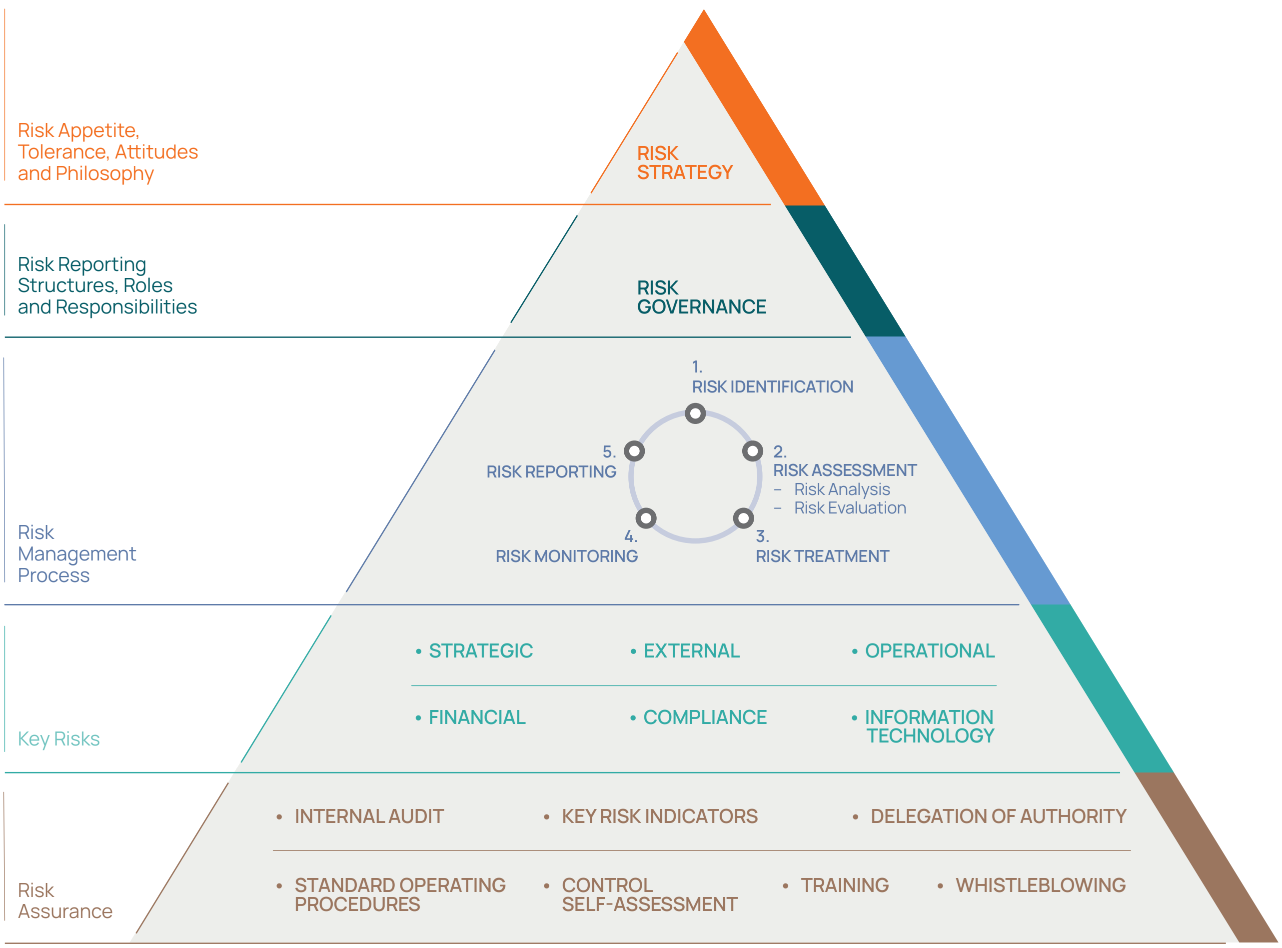
1 **MS. VILA YE**
Senior Manager, Leasing

2 **MS. SANDY CHEN**
Senior Manager, Finance

3 **MR. ALVIN ZHU**
Manager, Property Management

RISK MANAGEMENT

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



STRONG OVERSIGHT AND GOVERNANCE

The Board of Directors ("Board") is responsible for determining overall risk strategy and risk governance, and ensuring that the Manager implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which set out the nature and extent of risks that can be taken to achieve the Manager's business objectives. The Board which is supported by the Audit and Risk Committee ("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 risk management function that is outsourced to the Sponsor's Risk Management ("RM") department, and engages with the RM department on a quarterly basis as part of its review of MNACT'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 MNACT, and which is also integrated with operational processes for effectiveness and accountability.

The Manager's Enterprise Risk Management ("ERM") framework is adapted from the 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 RM department works closely with the Manager to continually review and enhance the risk management system in accordance with market practices and regulatory requirements, under the guidance and direction of the AC and the Board. A control self-assessment ("CSA") framework further reinforces risk awareness by fostering accountability, control and risk ownership, and provides additional assurance to the Manager and the Board that operational risks are being effectively and adequately managed and controlled.

ROBUST MEASUREMENT

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, interest rates and foreign exchange 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 the 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 country, asset and risk type. The Manager recognises the limitations of any statistically-based system that relies on historical data. Therefore, MNACT's portfolio is further 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

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

Investment Risk

The risks arising from investment activities are managed through a rigorous and disciplined investment approach, particularly in the area of asset evaluation and pricing. All acquisitions are aligned with MNACT's investment strategy to enhance returns to Unitholders and improve future income and capital growth. Sensitivity analysis is performed for each acquisition on all key project variables to test the robustness of the assumptions used. For significant acquisitions, independent risk assessments are conducted by the RM department and included in the investment proposals submitted to the Board for approval. The investment proposals are subject to rigorous scrutiny by the Board.

Upon receiving approval from the Board, 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, Monetary Authority of Singapore's ("MAS") Property Funds Appendix and the provisions in the Trust Deed.

External Risks

Economic and Geopolitical Risks

To manage risks such as economic uncertainties or political turbulence in countries where it operates, the Manager conducts rigorous country and real estate market research and monitors the economic, geopolitical and political developments closely.

Operational Risks

Comprehensive operating, reporting and monitoring guidelines enable the Manager to manage day-to-day activities and mitigate operational risks. To ensure relevance, the Manager regularly reviews its standard operating procedures ("SOPs") and benchmarks them against industry practices where appropriate. Compliance with SOPs is assessed under the CSA framework and reinforced through training of employees and regular reviews by the internal audit function which is outsourced to 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 and Business Disruption Risks

In the event of unforeseen catastrophic events, the Manager has a Business Continuity Plan ("BCP") and crisis communication plan that should enable it to resume operations with minimal disruption and loss. MNACT's properties are insured in accordance with industry norms in their respective jurisdictions.

Credit Risk

Credit risks are mitigated from the outset by conducting tenant credit assessment 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, where applicable.

RISK MANAGEMENT

Financial Risks

Financial market risks and capital adequacy 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 and currency volatilities 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
MNACT hedges its portfolio exposure to interest rate volatility arising from borrowings through interest rate derivatives and fixed-rate debts.

Foreign Exchange Risk
Where feasible, after taking into account cost, tax and other relevant considerations, the Manager will borrow in the same currency as the underlying assets to provide some natural hedge. To mitigate foreign exchange risks and to provide investors with a degree of income stability, a large proportion of rental income receivable from overseas assets is hedged using forward contracts and secured in Singapore Dollar terms.

Liquidity Risk
The Manager actively monitors MNACT's cash flow position and funding requirements to ensure sufficient liquid reserves to fund operations, meet short-term obligations, and achieve a well staggered debt maturity profile (see Financial Review and Capital Management section on pages 16 to 27).

The Manager also maintains sufficient financial flexibility (from its Euro MTN Programme and unutilised bank facilities) and adequate debt headroom for MNACT to fund future acquisitions. In addition, the Manager monitors and mitigates bank concentration risks by having a well-diversified funding base.

The limit on aggregate leverage ratio is observed and monitored to ensure compliance with MAS's Property Funds Appendix.

Compliance Risks

Regulatory Risk
The Manager is committed to complying with the applicable laws and regulations of various jurisdictions in which MNACT operates. Non-compliance may result in litigation, penalties, fines or revocation of business licenses. The Manager identifies applicable laws and regulatory obligations and embeds compliance with these laws and regulations in 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 about any danger, risk, malpractice or wrongdoing in the workplace while protecting them from reprisals.

Compliance with the policies and procedures is required at all times, which include 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 ("IT") Risk

Concerns over the threat of cybersecurity attacks has 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. There is also constant monitoring of Internet gateways to detect potential security event. In addition, network vulnerability assessment and penetration testing are conducted regularly to check for potential security gaps.

RISK 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 RM department presents a comprehensive report to the Board and the AC, highlighting key risk exposures, portfolio risk profile, results of stress testing scenarios such as COVID-19 and status of key risk indicators. The Board and the AC are also kept abreast of any material changes to MNACT's risk profile and activities.

INVESTOR RELATIONS

Guided by MNACT's investor relations policy, the Manager is committed to providing our stakeholders, including Unitholders, institutional investors, analysts and the media, with clear, timely and transparent disclosure of material information concerning MNACT's strategies, business developments and performance. Working closely with senior management, the dedicated investor relations team facilitates close and regular communications through multiple platforms and channels.

Mr. Paul Ma (second from right), Chairman of the Manager, interacting with Unitholders.

PROACTIVE COMMUNICATION WITH THE INVESTMENT COMMUNITY

During FY19/20, the Manager engaged more than 250 investors (FY18/19: 216) through conference calls, one-on-one and group meetings, non-deal roadshows and conferences. In addition to meetings in Singapore, Bangkok, Hong Kong SAR and Kuala Lumpur, we also expanded our investor outreach to Boston, New York, Seoul and Toronto. Property tours and site visits were also arranged upon request by investors for their first-hand experience of the operations at MNACT's properties.

Retail investors are an important part of the Manager's outreach efforts. On 17 July 2019, we successfully held our 6th Annual General Meeting ("AGM"). The meeting was well-attended by 421 Unitholders and proxy holders, and all resolutions were approved. As a member of the REIT Association of Singapore ("REITAS"), we participated in the REITs Symposium 2019, which was jointly organised by REITAS and ShareInvestor, to connect with more retail investors on MNACT's latest corporate developments. Enquiries and feedback can also be sent to the Manager's investor relations team through the contact details available on our corporate website.

In light of the social unrest in Hong Kong SAR, Festival Walk's mall closure and the impact from COVID-19, the Manager reached out to various stakeholders to address the concerns that they might have, via calls, emails and meetings. For the proposed acquisitions of MBP and Omori, the Manager actively engaged the investment community over briefings and meetings to communicate our business case. At the Extraordinary General Meeting ("EGM") held on 20 January 2020, the board of directors and senior management also took the opportunity to engage with 350 Unitholders and proxy holders to address their questions relating to the proposed acquisitions.

TIMELY AND TRANSPARENT COMMUNICATION

All material announcements are promptly issued to SGX-ST first, before being disseminated via emails to the media and the investment community to ensure fair, equal and prompt dissemination of information. These are also made available on MNACT's corporate website, which serves as an important repository of information on the annual reports, distribution history, investor presentations, property portfolio details and SGX-ST announcements. Investors and the public can sign up to MNACT's electronic mailing list to receive email notifications of news and updates related to the REIT.

Quarterly results are released on SGX-ST within one month after the end of each quarter. Post results, the Manager's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") conduct conference calls or analyst briefings. For the half- and full-year briefings, the investment community can participate and raise queries via the audio "live" webcast available. Recordings of the audio webcasts are accessible on the website.

As announced on 29 April 2020, MNACT will adopt the announcement of financial statements on a half-yearly basis and the next financial results announcement will be for 1H FY20/21. Consequently, MNACT will also amend its distribution policy to make distributions on a half-yearly basis, and the next distribution period will be for 1H FY20/21. Notwithstanding the change, the Manager will continue its proactive engagement with Unitholders, including providing relevant and material updates between the announcements of half-yearly financial statements through SGX announcements.

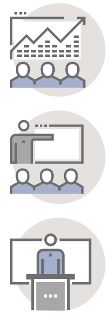
MONITORING FEEDBACK AND IMPROVING DISCLOSURE

The investor relations team closely monitors the feedback from investors, analysts' estimates, media articles, industry reports as well as movements in institutional investor ownership. These are then reported on a regular basis to the board of directors and senior management to keep them abreast of market perceptions and concerns on MNACT.

INVESTOR RELATIONS

KEY COMMUNICATION PRINCIPLES FOR INVESTOR RELATIONS TEAM

- Endeavour to provide accurate, balanced and timely communication
- Proactively engage the investment community
- Communicate through designated spokespersons



Presentation of MNACT's performance at the 6th AGM held on 17 July 2019.

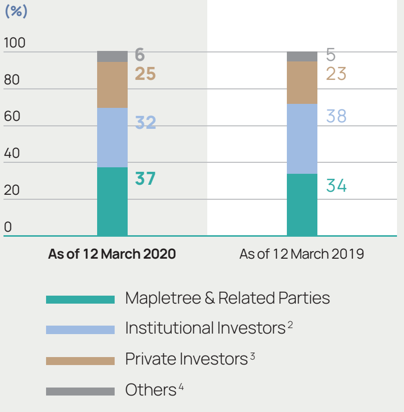
DID YOU KNOW?

MNACT's AGM minutes are available on our website.

UNITHOLDING OWNERSHIP

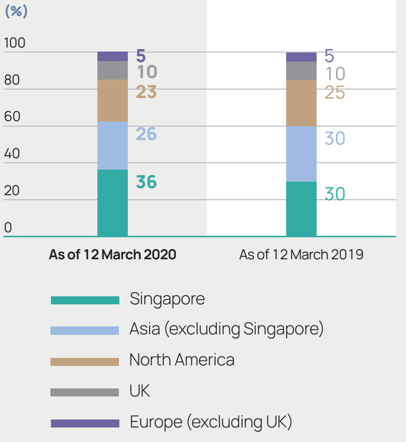
As of 12 March 2020, other than our Sponsor, which held 36% (excluding the share of related parties) of MNACT's units, institutional investors and retail unitholders accounted for 32% and 25% of MNACT's total issued units respectively. In terms of geographical distribution, Singapore and Asia are MNACT's two largest investor base at 36% and 26% respectively, followed by North America and the UK, which accounted for 23% and 10% respectively.

UNITHOLDING OWNERSHIP BY INVESTOR CATEGORY[1]



INSTITUTIONAL INVESTORS UNITHOLDING OWNERSHIP BY GEOGRAPHICAL DISTRIBUTION[1]

(Excluding Mapletree & Related Parties, Private Investors and Others)



[1] The share register analysis is carried out by a third-party vendor based on MNACT's unitholding data obtained from The Central Depository (Pte) Limited as of 12 March 2020 and as of 12 March 2019.

[2] Institutional investors include private banks.

[3] Private investors include investors whose unitholding are less than the threshold of 200,000 units, based on MNACT's unitholding data obtained from The Central Depository (Pte) Limited as of 12 March 2020 and 12 March 2019.

[4] Others include corporates, non-profit organisations, custodians and nominees.

Investor Relations Calendar for FY19/20

2019

APRIL – JUNE

- 4Q FY18/19 analysts' briefing and audio webcast
- Post-results luncheon in Singapore hosted by DBS
- REITs Symposium 2019 in Singapore
- SGX-DBSV Singapore Corporate Day in New York and Boston
- SGX-UOB Kay Hian Singapore Corporate Day 2019 in Toronto
- Citi Asia-Pacific Property Conference 2019 in Hong Kong SAR

JULY – SEPTEMBER

- 6th AGM, Singapore
- 1Q FY19/20 analysts' conference call
- Luncheon with Singapore REIT's C-Suite hosted by Citi Private Bank
- Mapletree Bangkok Conference 2019 hosted by DBS
- Citi-REITAS-SGX C-Suite Singapore REITs & Sponsors Forum in Singapore
- Post-results non-deal roadshows in Kuala Lumpur and Seoul hosted by CGS-CIMB and DBS respectively

OCTOBER – DECEMBER

- 2Q FY19/20 analysts' briefing and audio webcast
- Post-results luncheon in Singapore hosted by DBS
- Analysts' conference call for updates on Festival Walk's Incidents
- Analysts' conference call for updates on Festival Walk and the Proposed Acquisitions of MBP and Omori

2020

JANUARY – MARCH

- Non-deal roadshows in Singapore and Hong Kong SAR for the Proposed Acquisitions hosted by DBS and Citi respectively
- EGM, Singapore
- 3Q FY19/20 analysts' conference call
- Post-results luncheon in Singapore hosted by Citi
- Group conference call with investors hosted by Citi

RESEARCH COVERAGE

As of 31 March 2020, MNACT is covered by eight local and foreign research houses.

- CGS-CIMB Research
- Citi Research
- CLSA Singapore
- DBS Group Research
- Goldman Sachs
- Mizuho Securities Asia Limited
- OCBC Investment Research
- The Hong Kong and Shanghai Banking Corporation

INVESTOR RELATIONS CONTACT

Ms. Elizabeth Loo
Director, Investor Relations
T: (65) 6377 6705 (direct) / 6377 6111 (general)
F: (65) 6352 6382
E: enquiries_mnact@mapletree.com.sg

UNITHOLDER DEPOSITORY

For depository-related matters such as change of personal details and Unitholders' investment records, please contact:

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138589
T: (65) 6535 7511
E: asksgx@sgx.com
W: www.sgx.com/cdp

FOR SUBSTANTIAL UNITHOLDERS

For changes in percentage unitholding level, please email: _MNACT_Disclosure@mapletree.com.sg

Financial Calender

	FY19/20
1Q Results Announcement	29 July 2019
Payment of 1Q Distribution	27 August 2019
2Q and Half-year Results Announcement	25 October 2019
Payment of 2Q Distribution	22 November 2019
3Q Results Announcement	17 January 2020
Payment of 3Q Distribution, and Crediting and Listing of DRP Units	10 March 2020
4Q and Full-year Results Announcement	29 April 2020
Payment of 4Q Distribution, and Crediting and Listing of DRP Units	
• Payment of Advanced Distribution[1] (for the period from 1 January to 27 February 2020), and Crediting and Listing of DRP Units	14 April 2020
• Balance Payment of Distribution (for the period from 28 February to 31 March 2020), and Crediting and Listing of DRP Units	24 June 2020

[1] Please refer to MNACT's SGX-ST Announcement dated 19 February 2020 "Notice of Advanced Distribution Books Closure Date and Distribution Payment Date, and Application of Distribution Reinvestment Plan to the Advanced Distribution".

CORPORATE GOVERNANCE REPORT

The Manager of Mapletree North Asia Commercial Trust ("MNACT") is responsible for the strategic direction and management of the assets and liabilities of MNACT as well as its subsidiaries (collectively, the "Group"). As a REIT manager, the Manager is licensed by the Monetary Authority of Singapore (the "MAS") and holds a Capital Markets Services Licence for REIT management ("CMS Licence").

The Manager discharges its responsibility for the benefit of MNACT and its unitholders ("Unitholders"), in accordance with the applicable laws and regulations as well as the trust deed constituting MNACT (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 MNACT (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 are to chart the Group's business for the year ahead and to explain the performance of MNACT'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 MNACT 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 MNACT.

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 nine directors (the "Directors"), of whom eight are Non-Executive Directors and five are Independent Directors.

The following sets out the composition of the Board:

- Mr. Paul Ma Kah Woh, Non-Executive Chairman and Director
- Mr. Lok Vi Ming, Lead Independent Non-Executive Director and Chairman of the NRC
- Mr. Kevin Kwok, Independent Non-Executive Director and Chairman of the AC
- Mr. Lawrence Wong Liang Ying, Independent Non-Executive Director and Member of the AC
- Mr. Michael Kok Pak Kuan, Independent Non-Executive Director and Member of the AC
- Ms. Tan Su Shan, Independent Non-Executive Director and Member of the NRC
- Mr. Chua Tiow Chye, Non-Executive Director and Member of the NRC
- Ms. Koh Mui Ai Wendy, Non-Executive Director
- Ms. Cindy Chow Pei Pei, Executive Director and CEO

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

The diverse professional backgrounds of the Directors enable Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his or her calibre, experience, stature and potential to give proper guidance to Management 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 66 to 69 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 and the General Meetings 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. Paul Ma Kah Woh (Appointed on 1 July 2016) (Last reappointment on 28 September 2018)	Non-Executive Chairman and Director	7	N.A.[3]	N.A.[3]	1	1
Mr. Lok Vi Ming (Appointed on 7 February 2013) (Last reappointment on 28 September 2018)	Lead Independent Non-Executive Director and Chairman of the NRC	7	N.A.[3]	1	1	1
Mr. Kevin Kwok (Appointed on 7 February 2013) (Last reappointment on 30 September 2019)	Independent Non-Executive Director and Chairman of the AC	7	5	N.A.[3]	1	1
Mr. Lawrence Wong Liang Ying (Appointed on 1 October 2018) (Last reappointment on 30 September 2019)	Independent Non-Executive Director and Member of the AC	7	5	N.A.[3]	1	1
Mr. Michael Kok Pak Kuan (Appointed on 7 February 2013) (Last reappointment on 30 September 2019)	Independent Non-Executive Director and Member of the AC	7	5	N.A.[3]	1	1
Ms. Tan Su Shan (Appointed on 1 November 2016) (Last reappointment on 29 September 2017)	Independent Non-Executive Director and Member of the NRC	7	N.A.[3]	1	1	1
Mr. Hiew Yoon Khong (Appointed on 30 November 2012) (Last reappointment on 29 September 2017) (Resigned on 15 December 2019)	Non-Executive Director and Member of the NRC	4	N.A.[3]	1	1	N.A.[3]
Mr. Chua Tiow Chye (Appointed on 30 November 2012) (Last reappointment on 30 September 2019)	Non-Executive Director and Member of the NRC	7	5[4]	N.A.[3,5]	1	1
Ms. Koh Mui Ai Wendy (Appointed on 15 December 2019)	Non-Executive Director	2	2[4]	N.A.[3]	N.A.[3]	1
Ms. Cindy Chow Pei Pei (Appointed on 30 November 2012) (Last reappointment on 28 September 2018)	Executive Director and CEO	7	5[4]	N.A.[3]	1	1

Notes:

1 Held on 17 July 2019.
2 Held on 20 January 2020.
3 N.A. means not applicable.
4 Attendance was by invitation.
5 Mr. Chua Tiow Chye was appointed as a Member of the NRC with effect from 15 December 2019.

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

The Board's approval is required for material transactions to be undertaken by the Group. 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 MNACT 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 MNACT 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 provided by Management.

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

Management is required to provide adequate and timely information to the Board, which includes matters requiring the Board's decision, as well as ongoing reports relating to the operational and financial performance of the Group. Management is also required to furnish any additional information requested by the Board in a timely manner in order for the Board to make informed decisions. In FY19/20, Management also made *ad hoc* reporting to the Board to keep the Board abreast of the social unrests in Hong Kong SAR and the impact on Festival Walk.

Directors have separate and independent access to Management and the Company Secretary.

The appointment and removal of the Company Secretary requires 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 MNACT 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 MNACT; and is independent from the management and any business relationship with the Manager and MNACT, every substantial shareholder of the Manager and every substantial unitholder of MNACT, is not a substantial shareholder of the Manager or a substantial unitholder of MNACT 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 has been reviewed by the NRC.

The Board of the Manager, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations and the Code, sets out the following information in respect of each of the Directors as follows:

Name of Director	(i) had been independent from the management of the Manager and MNACT during FY19/20	(ii) had been independent from any business relationship with the Manager and MNACT during FY19/20	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of MNACT during FY19/20	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of MNACT 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. Paul Ma Kah Woh[1,7]	✓			✓	✓
Mr. Lok Vi Ming	✓	✓	✓	✓	✓
Mr. Kevin Kwok	✓	✓	✓	✓	✓
Mr. Lawrence Wong Liang Ying	✓	✓	✓	✓	✓
Mr. Michael Kok Pak Kuan[2,7]	✓			✓	✓
Ms. Tan Su Shan[3,7]	✓			✓	✓
Mr. Chua Tiow Chye[4,7]				✓	✓
Ms. Koh Mui Ai Wendy[5,7]				✓	✓
Ms. Cindy Chow Pei Pei[6,7]				✓	✓

Notes:

1 Mr. Paul Ma Kah Woh is currently a Non-Executive Director of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MNACT. Mr. Ma is also a Non-Executive Director of Starhub Ltd., a related corporation of Temasek Holdings (Private) Limited ("Temasek") which is a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MNACT. Pursuant to the SFLCB Regulations, during FY19/20, Mr. Ma is deemed not to be (a) independent from a business relationship with the Manager and MNACT; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of his directorships in the Sponsor and Starhub Ltd.. The Board is satisfied that, as at 31 March 2020, Mr. Ma was able to act in the best interests of all Unitholders of MNACT as a whole.

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[2] Mr. Michael Kok Pak Kuan is currently a Non-Executive Director of SATS Ltd., which is a related corporation of Temasek. Mr. Kok was also previously a Non-Executive Director of The Dairy Farm International Holdings Limited ("Dairy Farm") and stepped down from this position on 8 May 2019.

MNACT received rental and related charges in excess of S$200,000 in FY19/20 for leases of MNACT's premises to Mannings, which is part of the Dairy Farm Group. Under Code's Practice Guidance 2(b), a director may be considered as not independent if he is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY19/20, Mr. Kok is deemed not to be (i) independent from a business relationship with the Manager and MNACT, by virtue of the payments made to MNACT by Mannings (which is part of the Dairy Farm Group) in the immediately preceding financial year, where Mr. Kok sat on the board as a Non-Executive Director; and (ii) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of his directorship in SATS Ltd..

Notwithstanding that MNACT receives payment in excess of S$200,000 from Mannings in FY19/20, the Board takes the view that Mr. Kok's Independent Director status is not affected as these rentals and charges were agreed on an arm's length and commercial basis and did not represent a significant portion of MNACT's revenue. Also, he serves on the Manager's Board in his personal capacity and not as a representative or nominee of Temasek and neither is he under any employment relationship with Temasek. He is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is satisfied that, as at 31 March 2020, Mr. Kok was able to act in the best interests of all Unitholders of MNACT as a whole.

[3] Ms. Tan Su Shan is currently the Group Head of Institutional Banking of DBS Bank Ltd, a related corporation of Temasek. The amounts received as rental and related charges by MNACT from DBS Group in FY19/20 for leases of MNACT's premises exceeded S$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY19/20, Ms. Tan is deemed not to be (a) independent from a business relationship with the Manager and MNACT, by virtue of the payments made to the Trustee and DBS Bank Ltd by MNACT and the payments received by MNACT from DBS Group; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of her employment with DBS Bank Ltd.

Notwithstanding the foregoing, the Board takes the view that Ms. Tan's Independent Director status is not affected as (a) the Trustee arrangement was entered into before Ms. Tan was appointed as a Director of the Manager; (b) the fees, rental and other charges were agreed on an arm's length basis and on normal commercial terms and (c) she serves on the Manager's Board in her personal capacity and not as a representative or nominee of Temasek and neither is she under any employment relationship with Temasek. She is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is satisfied that, as at 31 March 2020, Ms. Tan was able to act in the best interests of all Unitholders of MNACT as a whole.

[4] Mr. Chua Tiow Chye is currently the Deputy Group Chief Executive Officer of the Sponsor which is a substantial shareholder of the Manager and a substantial unitholder of MNACT. Mr. Chua is also a Non-Executive Director of Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust), a related corporation of the Sponsor. Mr. Chua was previously a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust), also a related corporation of the Sponsor, and stepped down from this position on 1 January 2020. Pursuant to the SFLCB Regulations, during FY19/20, Mr. Chua is deemed not to be (a) independent from a management relationship with the Manager and MNACT; (b) independent from any business relationship with the Manager and MNACT by virtue of the payments received/made by the Sponsor from/to the Manager and/or the Trustee during FY19/20 and (c) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virtue of his employment with the Sponsor and his directorships in the abovementioned related corporations of the Sponsor. The Board is satisfied that, as at 31 March 2020, Mr. Chua was able to act in the best interests of all Unitholders of MNACT as a whole.

[5] Ms. Koh Mui Ai Wendy is currently the Group Chief Financial Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MNACT. 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 Commercial Trust Management Ltd. (the manager of Mapletree Commercial Trust), all of which are related corporations of the Sponsor.

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

[6] Ms. Cindy Chow Pei Pei 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. Cindy Chow is deemed not to be (a) independent from a management relationship with the Manager and MNACT by virture of her employment with the Manager; (b) independent from any business relationship with the Manager and MNACT by virtue of the payments which the Manager had made to the Sponsor and/or received from the Trustee during FY19/20 and (c) independent from every substantial shareholder of the Manager and substantial unitholder of MNACT by virture of her directorship in the Manager which is a related corporation of the Sponsor. The Board is satisfied that, as at 31 March 2020, Ms. Cindy Chow was able to act in the best interests of all Unitholders of MNACT as a whole.

[7] 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:

- Mr. Lok Vi Ming;
- Mr. Kevin Kwok;
- Mr. Lawrence Wong Liang Ying;
- Mr. Michael Kok Pak Kuan; and
- Ms. Tan Su Shan.

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 MNACT, 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 a 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, Mr. Lok Vi Ming has been appointed as the Lead Independent Director of the Manager. The principal responsibilities of the Lead Independent Director are to act as Chairman 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. Mr. Lok also has the discretion to hold meetings with the other independent Directors without the presence of the Management as he 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 Mr. Lok Vi Ming, Ms. Tan Su Shan and Mr. Chua Tiow Chye all of whom are non-executive and the majority of whom (including the Chairman) are independent. Mr. Lok Vi Ming is the Chairman 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;

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- training and professional development programmes for the Board;
- the process and criteria for evaluating the performance of the Board, the Board committees and the directors; and
- the determination, on an annual basis and as and when circumstances require, of the independent status of a Director, bearing in mind the relevant guidelines of the Code and the 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 funds 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.

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 Board evaluations and making appropriate 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, 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: Mr. Lok Vi Ming, Lead Independent Non-Executive Director and Chairman of NRC, Ms. Tan Su Shan, Independent Non-Executive Director, and Mr. Chua Tiow Chye, 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 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 to be considered along with the other non-financial goals and objectives. The NRC developed the Manager's remuneration policy with a number of principles in mind. The overarching principle is to promote sustainable long-term success of MNACT. The remuneration policy should:

- **Align with Unitholders**: A proportion of variable remuneration is deferred and delivered in the form of deferred awards over MNACT 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 MNACT and the individual performance and contributions to MNACT 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.

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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.

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 Chairman, or his designate, will share with the CEO their views of her performance. In accordance with the directions and guidelines from the MAS on the remuneration of key executive officers of REIT managers, the Board, with the assistance of the NRC, reviews the CEO's specific remuneration package to ensure its compliance with the substance and spirit of such directions and guidelines from the MAS.

The remuneration of the Board and the employees of the Manager is paid by the Manager, and not paid by MNACT. Set out in the table below is information on the fees paid to the Directors of the Manager for FY19/20.

Board Members	Membership	Fees Paid for FY19/20
Mr. Paul Ma Kah Woh	Non-Executive Chairman and Director	S$139,500
Mr. Lok Vi Ming	Lead Independent Non-Executive Director and Chairman of the NRC	S$99,500
Mr. Kevin Kwok	Independent Non-Executive Director and Chairman of the AC	S$109,500
Mr. Lawrence Wong Liang Ying	Independent Non-Executive Director and Member of the AC	S$94,500
Mr. Michael Kok Pak Kuan	Independent Non-Executive Director and Member of the AC	S$94,500
Ms. Tan Su Shan	Independent Non-Executive Director and Member of the NRC	S$83,000
Mr. Hiew Yoon Khong[2]	Non-Executive Director and Member of the NRC	Nil[1]
Mr. Chua Tiow Chye[3]	Non-Executive Director and Member of the NRC	Nil[1]
Ms. Koh Mui Ai Wendy[4]	Non-Executive Director	Nil[1]
Ms. Cindy Chow Pei Pei	Executive Director and CEO	Nil[5]

Notes:

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

[2] Mr. Hiew Yoon Khong resigned as a Non-Executive Director as well as a Member of the NRC with effect from 15 December 2019.

[3] Mr. Chua Tiow Chye was appointed as a Member of the NRC with effect from 15 December 2019.

[4] Ms. Koh Mui Ai Wendy was appointed a Non-Executive Director with effect from 15 December 2019.

[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 wellbeing.

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 and operational efficiency of the Manager, e.g. high participation in active and healthy lifestyle activities, participation in Corporate Social Responsibility ("CSR") events, achieving customer/shoppers' satisfaction, and active investor 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 Net Property Income ("NPI"), Distribution per Unit ("DPU") and Weighted Average Lease Expiry ("WALE") 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 MNACT's Total Shareholder Return ("TSR") targets and value of a notional investment in MNACT.

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 MNACT 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 MNACT, 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 5-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 MNACT.

To assess the individual performance, a 5-point rating scale is used by the supervisors to provide an overall assessment of an employee's performance, and employees are required to perform a self-evaluation. The overall final rating is reconciled during each employee's performance appraisal. The 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 five 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
Between S$1,250,000 to S$1,500,000					
Ms. Cindy Chow Pei Pei	31%	45%	24%	N.M.[3]	100%
Other Key Management Personnel					
Mr. Ng Wah Keong	41%	40%	19%	N.M.[3]	100%
Ms. Sandra Cheng[4]	46%	38%	16%	N.M.[3]	100%
Mr. Ng Chern Shiong	56%	36%	8%	N.M.[3]	100%
Ms. Ng Eharn	54%	35%	11%	N.M.[3]	100%

Notes:

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

2 The amounts disclosed include the grant value of the LTI awards. 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 MNACT's TSR targets and fulfilment of vesting period of up to five years.

3 Not meaningful.

4 Ms. Sandra Cheng is the General Manager of Festival Walk and is deemed a key management personnel who has responsibility for the management of Festival Walk, which is material to the performance of MNACT.

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The total remuneration for the CEO and the key management personnel in FY19/20 was S$3.45 million.

The Manager is cognisant of the requirements as set out under Provision 8.1 of the Code and the "*Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management*" to disclose: (a) the remuneration of its CEO and each individual Director on a named basis; (b) the remuneration of at least its top five executive officers (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (c) in aggregate the total remuneration paid to its top five key management personnel (who are not Directors or the CEO), and in the event of non-disclosure, the Manager is required to provide reasons for such non-disclosure.

The Board had assessed and decided not to disclose (i) the remuneration of the CEO in exact quantum; (ii) the remuneration of at least its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (iii) the aggregate remuneration paid to its top five key management personnel (who are not Directors or the CEO) as the Manager is of the view that remuneration details are commercially sensitive due to the confidential nature of remuneration matters and with keen competition for management staff in the REIT industry, such disclosure may result in talent retention issues. The Board is of the view that despite the deviation from Provision 8.1 of the Code, the Manager has been transparent on remuneration matters in line with the intent of Principle 8 of the Code, as information on the Manager's remuneration policies, level and mix of remuneration, procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

Since the remuneration of the CEO and key management personnel of the Manager are not separately billed but paid by the Manager, the Manager is also of the view that the interest of the Unitholders would not be prejudiced as the indicative range of the CEO's remuneration, as well as the total remuneration for the CEO and key management personnel of the Manager, have been provided.

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

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

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 MNACT.

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$4.43 million. This figure comprised fixed pay of S$2.12 million, variable pay of S$2.12 million and allowances/benefits-in-kind of S$0.18 million. There were a total of 17 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 MNACT) was S$2.96 million, comprising 5 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 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 Control Self-Assessment 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.

A dedicated email repository, reporting@mapletree.com.sg has been set up for the purpose of any reporting or queries in relation to whistle-blowing.

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 Internal 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 MNACT'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 practices 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 74 to 76 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 reviewed regularly to ensure that information technology risks and cybersecurity threats are identified and mitigated on a timely basis. 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.

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 Control Self-Assessment 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 and when necessary, more timely updates, on key operational activities of the Group.

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

The Group's financial results are prepared in accordance with 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 on pages 125 to 196 of this Annual Report.

Financial Management
As a matter of financial and operational discipline, Management reviews on a monthly basis the performance of the MNACT 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 on pages 24 to 26 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

Also, to safeguard against financial risks due to assets and operating risks, the Manager ensures that MNACT's properties are insured in accordance with industry norms in their respective jurisdictions to provide protection against property damage and business interruption risk[1].

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. This audit plan is approved, before execution, by the AC, which has oversight of the Internal Audit function. 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 Manager's Control Self-Assessment 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 auditors also provide 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 auditors are also updated on the findings of the Manager's Control Self-Assessment programme.

Transaction Review Committee
The Sponsor has established a Transaction Review Committee comprising three independent directors of the Sponsor to: (a) resolve any potential conflict of interest that may arise between MNACT and (i) any Future Greater China Commercial Private Fund[2] (whose investment mandate includes commercial properties in Greater China) and (ii) any future or follow-on private fund with an investment mandate for commercial properties in Japan ("Future Japan Commercial Private Funds") concerning the process to be undertaken to acquire investment properties in Greater China and Japan; and (b) grant approval for the acquisition of any seed asset for a Future Greater China Commercial Private Fund and Future Japan Commercial Private Funds. With regard to (a), the Transaction Review Committee process will not apply if the proposed acquisition is by way of a tender, auction or other form of competitive process.

[1] Please refer to page 18 in the Financial Review and Capital Management section and page 33 in the Property Portfolio Summary and Review section.

[2] Any private funds or follow-on private funds set up or managed by the Sponsor with an investment mandate for commercial properties in Greater China, as described in page 201 of the Prospectus dated 27 February 2013.

Interested Person Transactions
All interested person transactions are undertaken on normal commercial terms and the AC regularly reviews all interested person transactions to ensure compliance with the internal control system as well as with relevant provisions of the Listing Manual and the Property Funds Appendix. In addition, the Trustee has the right to review such transactions to ascertain that the Property Funds Appendix has been complied with.

The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of the Group's net tangible assets will be subject to review by the AC at regular intervals;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the AC which may, as they deem 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 on page 199 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 MNACT 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 MNACT and are also provided with disclosures of interests by other Directors as well as reminders on trading restrictions.

On trading in MNACT units, the Directors and employees of the Manager are reminded not to deal in MNACT units on short term considerations and are prohibited from dealing in MNACT 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 MNACT units or of changes in the number of MNACT 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 MNACT 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 Control Self-Assessment programme, which requires the various departments to review and report on compliance with key control processes. As part of the Control Self-Assessment programme, the Internal Audit function 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 Board.

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

The Board has received written assurance from the CEO and the CFO that the Group's financial records have been properly maintained and the Group's financial statements give a true and fair view of the Group's operations and finances. It has also received assurance from the CEO,

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the CFO 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 IT 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, work performed by the Sponsor's Internal Audit and Risk Management Departments as well as by the external auditors, reviews performed by Management and the above-mentioned assurances 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 considers relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business as at 31 March 2020. However, the Board also 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 there is no system of internal controls and risk management that 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 three members, all of whom are independent and are appropriately qualified to discharge their responsibilities. They are:

- Mr. Kevin Kwok, Chairman;
- Mr. Lawrence Wong Liang Ying, Member; and
- Mr. Michael Kok Pak Kuan, Member.

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

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

- examination of interested person transactions;
- review and approval of the scope of internal audit 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 to ensure that their independence is not affected. In this regard, for FY19/20, MNACT paid S$499,000 aggregate fees to PwC, of which S$354,000 was for audit and S$145,000 was for non-audit services in connection with the acquisitions of mBAY POINT Makuhari and Omori Prime Building. 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 auditors;
- 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 MNACT and any formal announcements relating to MNACT's financial performance;
- reviews at least annually the adequacy and effectiveness of MNACT'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 may have a direct impact on 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. 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. The following significant matter impacting the financial statements was discussed with the Management and the external auditor and reviewed by the AC:

Significant Matter	How the AC reviewed this matter and what decisions were made
Valuation of Investment Properties	The AC has considered the objectivity, independence and expertise of the external valuers and approved their engagement by the Manager. The Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge of valuation of investment properties. The external valuers do not value the same property for more than two consecutive financial years, which is in compliance with the Code on Collective Investment Schemes ("CCIS"). The AC was satisfied that the appointment of these valuers was in accordance with the CCIS and that they have the experience, and are objective and independent. As further detailed in Note 13 of the Financial Statements section, the valuers have issued their reports on the basis of material valuation uncertainty as the available data and information concerning current market conditions as of 31 March 2020 may not be fully reflective of the COVID-19 impact on the real estate market. Accordingly, they have cautioned that the valuations may fluctuate more significantly over a short period of time subsequent to the valuation date than during normal market conditions. The AC have discussed the details of the valuation with both the valuers and Management, including a robust evaluation of the key assumptions used in the valuation methodologies. The external auditors have also performed their audit procedures and involved their internal valuation specialists on these valuations as at 31 March 2020. They reviewed the adequacy of the disclosures relating to the assumptions and the impact of COVID-19 on the valuation of investment properties, as they consider them likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. The AC considered the work performed by the external auditors on their assessment of the appropriateness of the valuation methodologies and the reasonableness of the underlying assumptions adopted by the external valuers. The AC is satisfied with the valuation approach, the key assumptions used in the valuation methodologies, and the valuation for investment properties as adopted and disclosed in the financial statements. No other significant matter came to the attention of the AC during the course of the review.

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 AC Chairman 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,

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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 approval and audit findings are submitted to the AC for approval and review respectively. The AC also meets with the Head of Internal Audit at least once a year without the presence of Management.

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

The IIA Standards cover requirements on:

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

The Sponsor's Internal Audit Department employees involved in information technology audits are Certified Information System Auditors and members of the 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 MNACT. The Manager provides Unitholders with periodic balanced and understandable assessments of MNACT'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 MNACT's website and under normal circumstances, all Unitholders will receive a booklet containing key highlights of MNACT, 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 MNACT's 7th Annual General Meeting ("AGM") by electronic means and therefore, alternative arrangements will be made to take into account the online nature of the annual general meeting[1]. The notice of annual general meeting for each annual general meeting is also published via SGXNET and MNACT'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 auditors are also present to address Unitholders' queries

[1] Please refer to the Notice of AGM dated 26 June 2020 for further information.

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 at page 81 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. However, the Trust Deed currently does not provide for absentia 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. The Manager may conduct a study to look into the feasibility of absentia voting when legislative changes are effected to recognise remote voting in the future.

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 MNACT's 7th AGM by electronic means and therefore Unitholders are not allowed to attend the MNACT's 7th AGM 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 AGM 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 MNACT's website. The Manager also communicates with MNACT'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. "Live" audio webcast of analyst briefings are 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 on pages 77 to 79 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 MNACT's website at *www.mapletreenorthasiacommercialtrust.com.*

MNACT's distribution policy is to distribute at least 90% of its distributable income and such distributions are typically paid on a quarterly basis. However, in view of the rapidly evolving COVID-19 situation and with the significant uncertainty over its duration and severity, the Manager may use its discretion to amend the distribution policy. As announced in April 2020, MNACT will adopt half-yearly announcements of financial statements as well as half-yearly distributions, with effect from the financial year from 1 April 2020 to 31 March 2021 ("FY20/21"). The Manager will continue to engage investors and other stakeholders, and to provide interim business updates between the announcements of half-yearly financial statements through SGX announcements.

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 98 to 124 in the Annual Report provides the Group's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report also sets out the key areas of focus in relation to the management of stakeholder relationships for the financial year ended 31 March 2020.

SUSTAINABILITY REPORT

Contents

BOARD STATEMENT

[GRI 102-14, 102-54]

The Board of Directors ("the Board") is pleased to present MNACT's fourth Sustainability Report in accordance with the Global Reporting Initiative ("GRI") Standards – Core Option.

The Board and Management firmly believe that integrating sustainable and responsible environmental, social and governance ("ESG") factors in its business strategy are key to the success of MNACT and its ability to deliver long-term returns. In addition to having considered sustainability as part of its long-term strategy formulation, the Board continues to maintain oversight of sustainable practices across the business. As a commitment to the global agenda for sustainable development, we also strive to create a positive impact aligned with the United Nations' Sustainable Development Goals ("SDGs"). This report describes how the Manager and the Property Manager continue to manage ESG factors and set out our intention and direction for sustainability in the near future.

The Board has reviewed the eight material sustainability factors as highlighted in FY18/19 and determined their continued relevance to MNACT and its stakeholders for FY19/20. Considering the rapidly evolving business environment and perceiving new challenges going forward, we will conduct a reassessment of key factors in FY20/21 in tandem with stakeholder feedback.

In the light of COVID-19, the Manager took immediate steps to implement precautionary measures across the entire portfolio of properties to protect the health and safety of our tenants, staff and visitors, and focused on supporting the business of our tenants (including extending rental reliefs).

We remain committed to reduce MNACT's environmental footprint. During the financial year, we implemented a number of initiatives at MNACT's properties to more effectively manage the usage of water and energy, which has resulted in an improvement of both water intensity and energy intensity by 14.9%[1] and 1.7%[1] respectively compared to a year ago.

Beyond greening our properties, we have also integrated sustainability into our corporate financing activities. We secured a S$174 million sustainability-linked loan in the financial year, which is tied to our energy and water intensity improvements as a testament to our commitment to sustainability.

The safety and well-being of our employees, tenants and visitors remains a key priority for us, even more so in these times. The safety management committee that was set up in FY18/19 at Festival Walk continued to focus on occupational health and safety issues and provided continuing training opportunities for operational and technical staff during the year. Emergency response drills are conducted every year across the portfolio properties to prepare our employees and tenants for such events.

We also continue to invest in our employees to build a workforce for the future. Courses covering functional, technical and management competencies were conducted during the year, to equip staff with future-ready skills and knowledge. To promote employees' health and well-being, wellness initiatives including group exercise sessions and health talks were organised throughout the year.

Our social responsibility efforts extend to our communities. We have been actively supporting charities as well as non-profit organisations in our communities through venue sponsorships and staff volunteerism. In the spirit of giving back to the community, employees at Festival Walk's ice rink provided free skating sessions for the beneficiaries from the Hong Kong Sports Association for Persons with Intellectual Disability, while our colleagues in Shanghai cleaned and tidied the storeroom and garden at the Children's Health Hospital to provide a clean and green environment for the young beneficiaries. As a strong supporter of education, the Sponsor also established the Mapletree Endowed Fund during the year, with a donation of HK$2 million to the City University of Hong Kong ("CityU") to support scholarship schemes.

[1] To provide a more reflective comparison of our performance, we have excluded the mall closure period for FY19/20 and also the corresponding period for FY18/19.

At MNACT, we have zero tolerance for any unethical behaviour, fraud, bribery and corruption. Our employees are well-versed with our expectations of conducting business with integrity, and various corporate governance policies and measures are in place to promote consistent ethical behaviour.

We recognise that integrating sustainability into MNACT's business is a journey, intrinsically tied to our ability to grow MNACT and to ensure we are future-ready. The events in FY19/20 have reshaped the environment we operate in and heightened the importance of staying relevant and competitive as we address global uncertainties and disruptions. Building on our sustainability fundamentals, we will seek to further leverage technology to drive improvements in our operations, streamline workflow processes and explore sustainability solutions for the future. For example, at Festival Walk, we will continue to harness data to enhance shopper experience and support our tenants in embracing an omni-channel business model to stimulate sales amidst the challenges in the retail market in Hong Kong SAR.

To adapt to the rapidly changing business landscape, we will look to effective engagement with our stakeholders to understand and respond to their ESG needs through greater direct interaction and stakeholder surveys. As a commitment to our stakeholders, the Manager has plans to participate in the GRESB[1] Real Estate Assessment that will serve as a useful benchmark for improving sustainability performance and engaging with investors.

We thank all our stakeholders for their continuing support as we strive towards our sustainability goals. Together, we can improve the economic, environmental and social well-being of the communities we operate in, creating shared value for all.

The Board
MNACTM

ABOUT THE REPORT

[GRI 102-46, 102-50, 102-53, 102-54, 102-56]

Reporting Scope

This Sustainability Report ("SR") covers the sustainability performance of all nine properties within MNACT's portfolio for the period from 1 April 2019 to 31 March 2020 ("FY19/20") unless otherwise stated. It includes data from prior year ("FY18/19") for comparison, where available. It does not include MBP and Omori which were acquired on 28 February 2020.

The content and topic boundaries in this SR reflect the Manager's overall sustainability strategy and is aligned with the GRI's Reporting Principles: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. Additionally, the report also meets the requirements of the SGX-ST Listing Rules (711A and 711B). This SR should be read together with the financial, operational and governance information detailed in the Annual Report.

Although this SR has not been externally verified, it has been reviewed by an external sustainability consultant and has gone through a detailed internal review process. The Manager will review the need for external assurance as it continues to refine MNACT's sustainability reporting framework.

The Manager welcomes feedback from all stakeholders. Please send questions, comments, suggestions or feedback relating to this SR or MNACT's sustainability performance to:

Ms. Elizabeth Loo
Investor Relations
E: enquiries_mnact@mapletree.com.sg

Reporting Standards

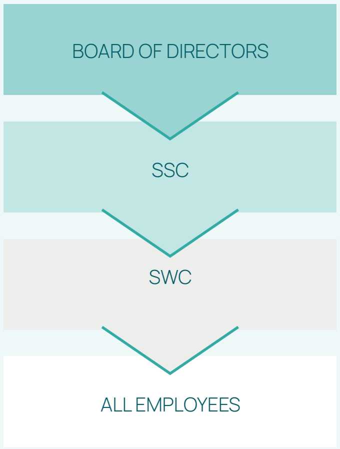
This SR has been prepared in accordance with the GRI Standards: Core option. The GRI Standards was selected as it represents the global best practices for organisations to report on the impact from a wide range of ESG factors. We have also applied additional guidance set forth by the GRI-G4 Construction and Real Estate Sector Disclosures which are relevant to our industry.

SUSTAINABILITY APPROACH

[GRI 102-16, 102-18]

Aligned to the sustainability strategies and activities of the Sponsor, the Manager believes that incorporating sustainable practices into our daily operations and activities is key to the growth of MNACT. Key sustainability risks and opportunities are identified and addressed by the Manager, facilitated by a sustainability governance structure, with a set of policies and practices in place to allow for effective monitoring and management of these factors at both the REIT and property levels.

The Sponsor's Sustainability Steering Committee ("SSC") sets the direction, approach and performance of sustainability across the Mapletree Group. Jointly chaired by the Deputy Group Chief Executive Officer and the Group Chief Corporate Officer, the SSC comprises the CEOs of the REIT managers (including MNACTM) and other members of the Sponsor's senior management team.



Supporting the SSC is the Sustainability Working Committee ("SWC"), which helps to implement, execute and track the sustainability policies and performance within MNACT to ensure continuous progress and improvement. The tone from the top sets the conduct and culture for all employees of the Manager and the Property Manager to take shared ownership of ESG factors towards sustainability.

As a commitment to its stakeholders, the Manager has plans for participation in the GRESB Real Estate Assessment, which is a global ESG performance benchmark for real estate companies and funds. This will provide a useful benchmark for MNACT's sustainability performance as the Manager seeks to continuously improve its practices and engage more closely with investors.

[1] GRESB was formerly known as Global Real Estate Sustainability Benchmark.

SUSTAINABILITY REPORT

Materiality

[GRI 102-12, 102-46, 102-47, 103-1]

Sustainability factors that are material to MNACT's business operations and of concern to stakeholders are reviewed annually to ensure their continued relevance and impact to the business mitigated. The review considers emerging global trends, the REIT's existing operations, as well as topics identified by industry peers. In FY16/17, a formal materiality assessment, involving the Manager and corporate functions from the Sponsor, was conducted to identify, prioritise and validate a list of sustainability factors that were of significant interest to key stakeholders. The Manager has determined that the eight material sustainability factors in FY19/20 remain unchanged from FY18/19, with continued disclosures in this SR on two additional factors – Waste Management and Indoor Air Quality. Taking into consideration the evolving operating context, the Manager will conduct a reassessment of key material factors in collaboration with the SSC in FY20/21.

To reflect its commitment to the global agenda for sustainable development, the Manager has also mapped the material sustainability factors to the corresponding GRI standards and respective United Nations' SDGs, disclosing how MNACT has an impact on, and supports these global goals.

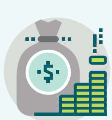
Theme	Material Factor	Corresponding GRI Standards	Aligned to Relevant United Nations' SDGs
Economic	Economic Performance	GRI 201: Economic Performance 2016	8 DECENT WORK AND ECONOMIC GROWTH
Environment	Energy	GRI 302: Energy 2016	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
	Water	GRI 303: Water and Effluents 2018	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
Social	Health and Safety	GRI 403: Occupational Health and Safety 2018 GRI 416: Customer Health and Safety 2016	3 GOOD HEALTH AND WELL-BEING
	Employment and Talent Retention	GRI 401: Employment 2016 GRI 404: Training and Education 2016	8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
	Local Communities	GRI 413: Local Communities 2016	3 GOOD HEALTH AND WELL-BEING; 17 PARTNERSHIPS FOR THE GOALS
Governance	Anti-corruption	GRI 205: Anti-corruption 2016	17 PARTNERSHIPS FOR THE GOALS
	Compliance with Laws and Regulations	GRI 307: Environmental Compliance GRI 417: Marketing and Labeling 2016 GRI 419: Socioeconomic Compliance 2016	
Others	**Additional Factors**		
Environment	Waste Management Indoor Air Quality		

Stakeholder Engagement

[GRI 102-40, 102-42, 102-43, 102-44]

Seven key stakeholder groups with significant impact on, or are significantly impacted by MNACT's business and long-term strategy have been identified. The Manager engages with these stakeholders on a regular basis to understand their needs and expectations as part of its ongoing effort to improve operations, with the goal of building positive and lasting relationships.

- Throughout the Year
- Once or at Least Once a Year
- Twice or Three Times a Year
- Monthly
- Once Every Two to Three Years
- Ad-hoc

Key Stakeholder Group	Key Topics and Concerns	Our Actions and Measures Taken	How We Engage	Frequency
Shoppers (pertaining to Festival Walk) 	• Enhanced shopping experiences • Range of amenities and choice of brands • Considerations for safety and accessibility • Easy connectivity to public transport • Health and safety concerns due to COVID-19 and social unrests	• Providing one-stop shopping, lifestyle and entertainment experience • Put in place precautionary health and safety measures in response to COVID-19 and social unrests	• Advertisement and promotional events	Throughout the Year
			• Customer service	Throughout the Year
			• Online and mobile communication platforms, and social media (e.g. Facebook, WeChat, Instagram and Festival Walk app)	Throughout the Year
			• Tourist passports and U-Card App (student privileges)	Throughout the Year
			• Customer surveys	Twice or Three Times a Year
Tenants 	• Quality office space and range of amenities • Efficient office/shop layout • Comfortable and safe work environment • Higher shopper traffic (for Festival Walk) • Health and safety concerns due to COVID-19 and social unrests • Disruptions to businesses due to social unrests (for Festival Walk's tenants) and COVID-19	• Ongoing tenant engagement to respond to needs • Maintain sustainable, high-quality properties through green building certification and responsive property management • Put in place precautionary health and safety measures in response to COVID-19 and social unrests • Provided rental relief measures to tenants	• Informal tenant gatherings, meetings and feedback sessions	Throughout the Year
			• Joint promotions and partnerships	Throughout the Year
			• Tenant engagement activities	Ad-hoc
			• Newsletters and tenant circulars	Ad-hoc
			• Fire and safety drills	Once or at Least Once a Year
Investors (Including Unitholders, analysts and media) 	• Long-term sustainable distributions • Transparency on reporting of economic, social and environmental concerns • Good corporate governance • Active portfolio management • Prudent capital management • Preparedness of the properties and the financial impact to MNACT due to COVID-19 • Impact to Festival Walk due to social unrests	• Provided distribution top-ups to mitigate impact to distributable income during Festival Walk's closure • Proactive portfolio and asset management, and capital management • Adequate cash resources and committed/uncommitted facilities to ensure financial flexibility for MNACT • Proactive and timely communication • Put in place precautionary health and safety measures in response to COVID-19 • Rental reliefs to tenants	• Annual and Extraordinary General Meetings	Once or at Least Once a Year
			• SGXNet announcements and website updates	Throughout the Year
			• Non-deal roadshows and conferences	Throughout the Year
			• Meetings, conference calls and site tours of properties	Throughout the Year

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT (cont'd)

Key Stakeholder Group	Key Topics and Concerns	Our Actions and Measures Taken	How We Engage	Frequency
Trustee	• Safeguard the rights and interests of the Unitholders • Ensure compliance with the Trust Deed and regulations • Open communication channels	• Active communication • Good corporate governance practices	• Monthly reporting and updates	
			• Ongoing dialogues and regular feedback	
Employees	• Equitable remuneration • Employee retention, talent development and management • Fair and competitive employment practices and policies • Safe and healthy working environment • Focus on employee development and well-being • Health and safety concerns due to COVID-19 and social unrests	• Review remuneration packages considering industry benchmarks, job scope and responsibilities • Enhance health, safety and well-being • Develop employees professionally • Provide career progression opportunities • Put in place precautionary health and safety measures in response to COVID-19 and social unrests	• Recreational and wellness activities	
			• Regular mailers and meetings	
			• Town hall sessions	
			• Performance appraisals and career development plans	
			• Engagement surveys	
			• Formal and informal staff communication and feedback sessions with Management	
			• Training and development programmes conducted in-house and by external providers	
			• Induction programme for new employees	
Business Partners (Including governments, regulators, suppliers and third-party service providers)	• Fair and equitable business practices • Compliance with rules and regulations	• Strong partnership built on relationships of trust with public, private and people sectors • Consultation and dialogue sessions with regulators	• Ongoing dialogue sessions	
			• Meetings, inspections and networking events	
			• Letters and emails	
Local Communities	• Charitable causes championed by non-profit organisations • Sustainable environmental practices carried out • Safe accessibility to our properties • Health and safety concerns due to COVID-19 and social unrests	• Promote social integration and vibrant community spaces • Active employee participation in community engagement events • Put in place precautionary health and safety measures in response to COVID-19 and social unrests	• Corporate philanthropy	
			• Environmentally safe and socially responsible practices	

OUR SUSTAINABILITY TARGETS

The Manager and the Property Manager strive to meet sustainability performance targets disclosed in MNACT's FY18/19 Sustainability Report, monitor MNACT's progress against these targets and identify areas of improvement. In this way, the Manager and the Property Manager ensure the effectiveness of existing policies and measures, implementing necessary measures to address any performance gaps. The following table and respective sections in this SR detail MNACT's progress against the targets.

Our Material Sustainability Factors	Current Targets		Target for FY20/21[1]
	FY19/20	✓:Met ✗:Not Met	
Economic Performance We strive to achieve sustainable economic growth and provide strong returns to our stakeholders.	• Deliver regular and stable returns to Unitholders and to achieve long-term sustainable growth in DPU	✗	Same target as FY19/20
Energy We strive to improve the energy performance and efficiency of our properties.	• Maintain or improve electricity intensity by up to 1% of FY18/19 baseline, assuming the same number of assets	✓	Maintain or improve electricity intensity by up to 1% of FY19/20 baseline, assuming the same number of assets and not including the two assets acquired in February 2020
Water We strive to manage our water resources in a sustainable manner.	• Maintain or improve water intensity by up to 1% of FY18/19 baseline, assuming the same number of assets	✓	Maintain or improve water intensity by up to 1% of FY19/20 baseline, assuming the same number of assets and not including the two assets acquired in February 2020
Health and Safety We strive to maintain a safe environment for all our stakeholders and care for the well-being of our employees.	• Maintain zero incidences resulting in employee permanent disability or fatality	✓	Same target as FY19/20
Employment and Talent Retention We strive to provide a positive work environment for our employees through fair employment practices and equal opportunities.	• Continue to commit to fair employment practices by ensuring that we adopt best practices in our hiring process and offer equal opportunity to all potential candidates	✓	Same target as FY19/20
	• Maintain a diverse and relevant learning and professional development programme	✓	Same target as FY19/20
Local Communities We strive to support initiatives and projects that have a positive impact on communities.	• Six CSR events participated by the Manager's staff from Singapore, Hong Kong SAR, Beijing and/or Shanghai	✓	Same target as FY19/20
Anti-corruption We strive to conduct our work with utmost integrity and accountability.	• Maintain zero confirmed incidences of corruption	✓	Same target as FY19/20
Compliance with Laws and Regulations We strive to achieve regulatory compliance in significant and material relevant laws and/or regulations.	• Maintain compliance with all significant or material relevant laws and/or regulations	✓	Same target as FY19/20

[1] The FY20/21 targets may be revised depending on the impact from COVID-19.

SUSTAINABILITY REPORT

Economic Performance

ECONOMIC PERFORMANCE

[GRI 103-1, 103-2, 103-3,201-1]

The economic value generated by our business creates wealth for stakeholders and adds direct monetary value to local economies. The Manager is committed to delivering regular and stable returns to Unitholders, and to achieve long-term sustainable growth in DPU to sustain MNACT's business and distribute value to stakeholders and the community.

FY19/20 was a challenging year for MNACT. The protracted US-China trade tensions and social unrests in Hong Kong SAR, exacerbated by COVID-19, impacted the markets we operate in. The temporary closure of Festival Walk's mall from 13 November 2019 to 15 January 2020 and its office tower from 13 to 25 November 2019, rental reliefs granted to support Festival Walk's retail tenants in light of the social unrests and COVID-19, as well as lower revenue from Gateway Plaza due to lower average occupancy led to a decline in DPU for FY19/20 compared to FY18/19.

To mitigate the cash flow impact on the distributable income when the mall and office tower were closed with no rental collection, and until such time the loss of revenue is recovered through insurance claims, the Manager has implemented distribution top-ups during 3Q FY19/20 and 4Q FY19/20. The acquisition of two office properties in Greater Tokyo was also completed on 28 February 2020, accelerating the income diversification of MNACT. Please refer to the following sections of this Annual Report for more information – Financial Highlights (pages 2 - 3), Letter to Unitholders (pages 6 - 8), Financial Review and Capital Management (pages 16 - 27) as well as the Financial Statements (page 125 - 196).

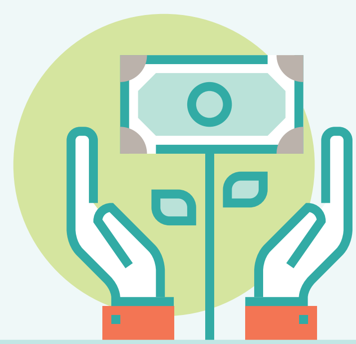
Amid the difficult business climate, the Manager remains committed to navigate through this challenging operating environment together with all our tenants. We will continue to adopt flexible leasing strategies to maintain healthy occupancy levels. We will further leverage innovation and technology-driven solutions to stimulate sales and drive greater operational efficiencies. The existing mobile application developed for Festival Walk will be enhanced to include a loyalty programme to further engage with shoppers. To generate sales for its F&B tenants, Festival Walk will partner Deliveroo via its online channel. At the same time, the Manager is exploring Internet of Things ("IoT") based smart-building solutions to improve operational efficiencies and customer experience, including indoor environment and energy management.

Highlight: Green Financing at MNACT

During the year, MNACT secured a sustainability-linked loan of approximately

S$174million.

Tied to MNACT's energy and water intensity improvement targets, this loan facility is a testament to our commitment to sustainability.



Environment

ENERGY

[GRI 103-1, 103-2, 103-3, 302-1, 302-3, CRE-8]

As a responsible corporate citizen, the Manager and the Property Manager recognise our role in driving environmental stewardship by conserving energy. We actively seek to identify energy conservation initiatives across MNACT's properties including electricity usage for lighting, air-conditioning and equipment.

Scope

The data on environment in this SR pertains only to the common areas within MNACT's properties that are within the direct control of the Property Manager (where the Property Manager has the ability to monitor and influence the consumption of resources). The properties included under this scope are Festival Walk, Gateway Plaza, Sandhill Plaza and four Japan Properties (ASY, HNB, MON and TSI).

Our Targets

Current Target		
FY19/20	Performance	Target for FY20/21
• Maintain or improve electricity intensity by up to 1% of FY18/19 baseline, assuming the same number of assets	✔	Maintain or improve electricity intensity by up to 1% of FY19/20 baseline, assuming the same number of assets, and not including the two assets acquired in February 2020

Highlights During the Year

Installed energy-efficient **LED lighting** across our properties (Festival Walk, Gateway Plaza, Sandhill Plaza and MON)

Overhauled a **chiller and cooling towers** (Festival Walk)

Completed Phase 1 installation of **rooftop solar panels** (Festival Walk)

Installed the **real-time monitoring system** for electricity consumption (Sandhill Plaza)

Embarked on a retro-commissioning study of **energy conservation initiatives** (Gateway Plaza)

Green Building Certifications

Asset	Recognition
Festival Walk	Final Platinum rating under Hong Kong Green Building Council's comprehensive green building certification, Building Environmental Assessment Method ("BEAM") Plus – Existing Buildings V1.2
Sandhill Plaza	Certificate of Green Building Label (2 Star) by China's Ministry of Construction

SUSTAINABILITY REPORT

ENVIRONMENT

Initiatives in FY19/20

Festival Walk

Replaced the existing Fan Coil Units ("FCU") with energy-saving variable-speed drive FCUs, supported by the CLP[1] Eco Building Fund[2]. Estimated energy savings of 5,000 kWh/year

Replaced fluorescent tubes to LED lighting at common areas of the mall, supported by the CLP Eco Building Fund[2]. Estimated energy savings: 250,000 kWh/year

Installed solar panels on office rooftop, connected to the CLP's grid, to generate renewable energy. Expected capacity of 250,000 kWh/year

Overhauled two cooling towers. Estimated energy savings: 2,000 kWh/year

Completed the overhaul of one chiller. Estimated energy savings of 50,000 to 70,000 kWh/year

Gateway Plaza, Sandhill Plaza and Japan Properties

MON: Installed LED lighting, estimated energy savings of 28,000 kWh/year

Sandhill Plaza: Replaced non-LED with LED lights in conjunction with the renovation of the toilets at one of the low-rise blocks

Sandhill Plaza: Cleaned FCUs in common corridors at the high-rise tower block to improve efficiency of air-conditioning units

Gateway Plaza: Installed LED lighting at toilets and common corridors

Sandhill Plaza: Switched off a portion of the lights in the basement car park during off-peak hours

Sandhill Plaza: Upgraded the utilities monitoring system to monitor landlord's electricity consumption on a real-time basis

Gateway Plaza: Commenced a retro-commissioning study to collect data for a year to assess the energy performance of the air-conditioning systems and equipment (including chiller, pumps, Air Handling Unit ("AHU") and fans)

Highlight: Installation of Solar Panels at Festival Walk

During FY19/20, a total of 550 solar panels spanning over 1,200 sqm were installed atop Festival Walk's office tower. These can collectively generate over 250,000 kWh of clean electricity per year, equivalent to one month of electricity used by 714 families in Hong Kong SAR[3]. Aimed at reducing environmental footprint, this was an initiative under CLP's Renewable Energy Feed-in Tariff scheme. The solar panels are connected to CLP's grid and expected to reduce carbon emissions by over 100 tonnes each year.

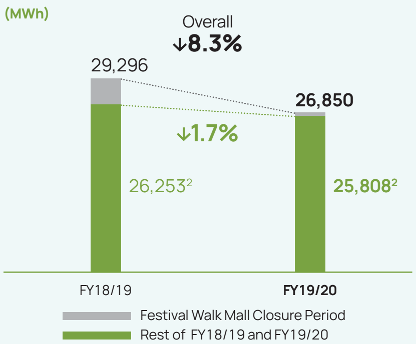
[1] CLP Power Hong Kong Limited is the utility company for Festival Walk.

[2] The CLP Eco Building Fund provides subsidies for energy-saving improvement works in shopping malls, residential buildings, and commercial and industrial buildings. Under this fund, companies can obtain a funding of up to HK$250,000 per year for each building.

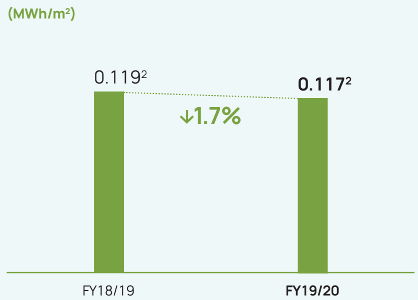
[3] According to information from CLP Power Hong Kong Limited.

Performance[1]

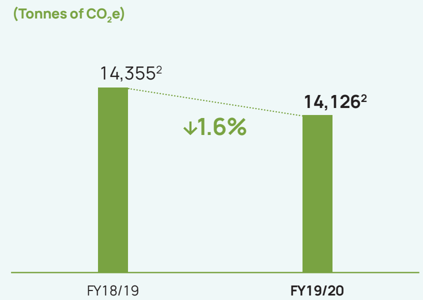
Electricity Consumption



Average Electricity Intensity
(Excluding Festival Walk Closure Period)



GHG Emissions
(Excluding Festival Walk Closure Period)



8.3% decrease
in total electricity consumption overall due to extended mall closure period (64 days) at Festival Walk and lower demand at all the properties as a result of the COVID-19 situation.

1.7% decrease
in total electricity consumption excluding mall closure period attributed to:
- Installations of LED lighting in Festival Walk and Sandhill Plaza
- Reduced air-conditioning demand due to lower footfall at Festival Walk in view of the COVID-19 situation.
- Reduced air-conditioning demand due to fewer tenants returning to work during the extended Chinese New Year holiday at Gateway Plaza and Sandhill Plaza as a result of the COVID-19 situaltion.

The average electricity intensity[3] across the seven properties was 0.117 MWh/m², a 1.7% improvement from FY18/19 performance. Correspondingly, the GHG emissions[4] from total electricity consumed was 14,658 tonnes of carbon dioxide equivalent ("tCO_2e"), a decrease of 7.9% from FY18/19. Excluding the GHG emissions during the mall closure period, GHG emissions was 14,126 tCO_2e, a 1.6% decrease from the corresponding period in FY18/19.

Looking Ahead FY20/21

In addition to the existing initiatives for FY19/20, the following energy-saving initiatives are planned for the forthcoming year, subject to the COVID-19 situation:

Festival Walk	• Conduct feasibility study on replacement/retrofit of ice rink chiller by using more environmentally friendly refrigerant • Conduct feasibility study on downsizing the capacity of a 1,600 RT chiller for optimal chiller plant operation efficiency • Installation of solar panels on the rooftop of the mall • Overhaul two cooling towers in FY20/21 • Replace existing FCUs with variable-speed drive FCUs • Continue replacing existing fluorescent tubes with LED lighting at common areas
Gateway Plaza	• Once the retro-commissioning study is completed in 2021, the team will assess and explore the upgrading of the Heating, Ventilation and Air Conditioning ("HVAC") system to improve energy efficiency while improving thermal comfort of tenants and visitors
Japan Properties	• Install energy-efficient LED lighting at the common areas of HNB and TSI

1 Only purchased electricity has been included in this SR.

2 This figure excludes the mall closure period in FY19/20 and also the corresponding period in FY18/19, and is based on monthly estimates as daily consumption figures are not available.

3 Electricity intensity calculated relative to Gross Floor Area ("GFA"), limited to common areas. The GFA for Festival Walk in this SR includes areas (such as for plant rooms) that are exempted in the GFA calculation under Hong Kong SAR's building regulations.

4 Conversion factors for GHG emissions from electricity were obtained from publicly available data for properties in Beijing and Shanghai as well as supplier data in Japan and Hong Kong SAR.

SUSTAINABILITY REPORT

ENVIRONMENT

WATER

[GRI 103-1, 103-2, 103-3, 303-1, 303-2, 303-3]

The Manager and the Property Manager are conscious of rising water scarcity and are committed to use water sustainably and to increase the use of recycled water within MNACT's properties, while working with tenants to reduce water consumption.

Scope

Please refer to the scope on page 105 of this SR.

Our Targets

Current Target		
FY19/20	Performance	Target for FY20/21
• Maintain or improve water intensity by up to 1% of FY18/19 baseline, assuming the same number of assets	✓	Maintain or improve water intensity by up to 1% of FY19/20 baseline, assuming the same number of assets, not including the two assets acquired in February 2020

Highlights During the Year

Installed the upgraded **utilities monitoring system** that will enable real-time monitoring of water consumption (Sandhill Plaza)

Installed **sensors for water taps and toilet bowls, and replaced sensors** for the urinals (Gateway Plaza)

Installed **water sensors for taps and urinals** during the toilet upgrading works at one of the low-rise blocks (Sandhill Plaza)

Most of the water withdrawal and discharge at our assets are centrally handled by the local municipal water utilities in Hong Kong SAR, China, and Japan. For Festival Walk, Sandhill Plaza, and the Japan Properties, surface water is the main source of our water withdrawal. At Gateway Plaza, water supply comes from underground water, recycled water, and surface water[1]. Additionally, seawater provided by the Hong Kong Water Supplies Department is used for flushing at Festival Walk. Recycled water is also used at Festival Walk for toilet flushing and at Sandhill Plaza for washing flooring and basement bilge well flushing.

Water-related Impacts

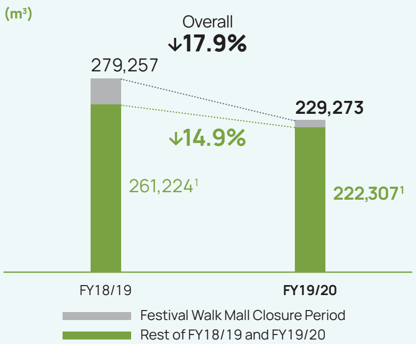
Water is discharged directly through municipal water facilities across our properties. At Festival Walk, we continuously work with our tenants to monitor the discharged wastewater to meet the statutory requirements of effluent discharge in Hong Kong SAR. At other properties, the local government will do sampling tests to validate the effluent quality.

At Festival Walk, we identify water-related impacts on the local community. For instance, our external consultants conducted an environmental impact assessment in FY17/18 for the BEAM Plus Platinum certification related to water consumption, along with other environmental parameters. We also collaborate with our stakeholders to promote water stewardship. Water-saving messages are available in all washrooms and offices to remind occupants to conserve water. Similarly for Gateway Plaza and Sandhill Plaza, tenants are reminded with water-saving messages to save water.

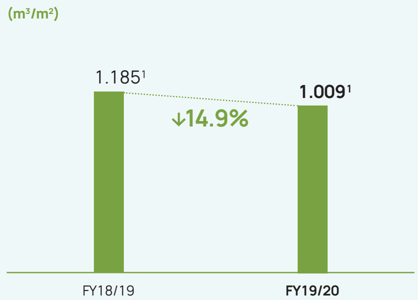
[1] Source: Beijing Water Statistical Yearbook 2018

Performance

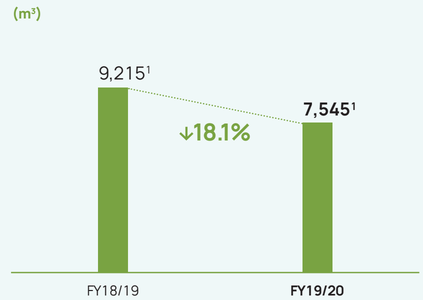
Water Consumption



Average Water Intensity
(Excluding Festival Walk Closure Period)



Water Recycled
(Excluding Festival Walk Closure Period)



17.9% decrease
in total water consumption overall due to the mall closure period at Festival Walk and lower demand at all properties as a result of the COVID-19 situation.

14.9% decrease
in total water consumption excluding mall closure period attributed to:
- Lower footfall at Festival Walk due to social unrests and subsequently the COVID-19 situation.
- Less water consumed at the common areas at Gateway Plaza due to fewer tenants returning to work during the extended Chinese New Year period due to COVID-19 .
- More water consumed in FY18/19 due to the testing of the new irrigation system at Sandhill Plaza.

Average water intensity[2], excluding the mall closure period, declined 14.9% from the same period in FY18/19 to 1.009 m^3/m^2. In FY19/20, the total recycled water from Festival Walk and Sandhill Plaza, excluding the mall closure period, decreased 18.1% from 9,215 m^3 to 7,545 m^3. The decrease was mainly due to less recycled water collected at Festival Walk arising from less water consumed at the property as mentioned above.

Looking Ahead FY20/21

To continuously improve our water-saving practices, the Manager and Property Manager have planned the following initiatives for the forthcoming year subject to the COVID-19 situation:

Festival Walk	• Install water flow controllers certified under the Hong Kong Government's Voluntary Water Efficiency Labelling Scheme ("WELS") to the water taps at the office block • Continue to use bleed-off water from cooling towers for toilet flushing • Continue to reclaim water from the sprinkler system back to the sprinkler water tank
Gateway Plaza and Sandhill Plaza	• Gateway Plaza: Replace air-conditioning pipes to reduce water leakage • Sandhill Plaza: Explore installing more electronic sensors in the critical plant room and equipment rooms for all floors at the high-rise tower block to detect water leakages • Sandhill Plaza: Explore adding another tank at the basement to collect more recycled water for washing basement flooring, and basement bilge well flushing
Japan Properties	• Replace old toilet bowls with new ones that include automatic sensors at TSI

[1] This figure excludes the mall closure period in FY19/20 and also the corresponding period in FY18/19, and is based on monthly estimates as daily consumption figures are not available.

[2] Water intensity is calculated relative to GFA, limited to common areas. The GFA for Festival Walk in this SR includes areas (such as for plant rooms) that are exempted in the GFA calculation under Hong Kong SAR's building regulations.

SUSTAINABILITY REPORT

ENVIRONMENT

WASTE MANAGEMENT

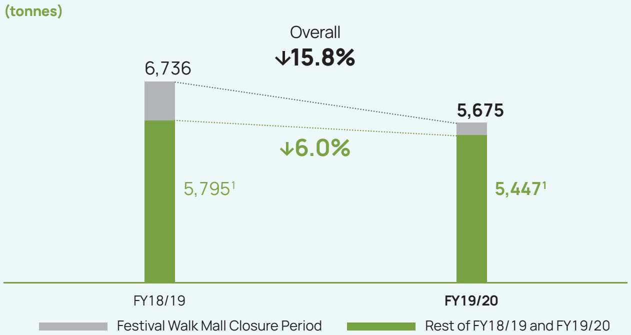
[GRI 103-1, 103-2, 103-3, 306-2]

Although waste is not one of the material factors of MNACT, the Manager and the Property Manager recognise the importance of driving waste reduction efforts and tracking waste data, given the limited space for landfills especially in Hong Kong SAR.

The Manager and the Property Manager work together with tenants and other organisations to effectively manage waste generation at MNACT's properties, and to reduce, reuse and recycle wherever feasible. Bins are provided at most common areas across our assets. Waste generated at the properties consists of general waste such as paper, cardboard, aluminium cans, plastics as well as hazardous waste such as chemicals and industrial waste. These are disposed of by incineration, recycling or landfill. Any chemical waste generated by our operation and tenants, including disused lubrication oil, paint and paint thinner, spent acid, solvent waste, battery, alkaline solution, and spent mercury-containing waste, is arranged either by the Property Manager or the tenants for responsible disposal by licensed waste collectors according to the strict regulations of the markets we operate in. Non-hazardous waste is collected by appointed contractors in Hong Kong SAR, China and Japan for further recycling or treatment at various government appointed sites.

Performance

Waste Collected

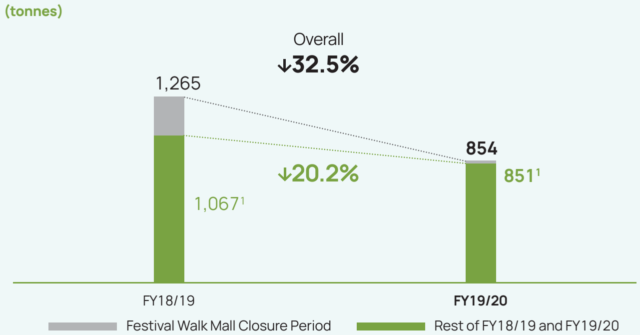


15.8% decrease in total waste collected overall at Festival Walk and from all properties as a result of the COVID-19 situation.

6.0% decrease in total waste generated excluding mall closure period attributed to:

- Lower footfall at Festival Walk
- Less waste collected from tenants at Gateway Plaza and Sandhill Plaza due to fewer tenants returning to work during the extended Chinese New Year period in light of the COVID-19 situation.

Waste Recycled



32.5% decrease in total waste recycled overall due to less waste collected during the extended mall closure period at Festival Walk and from all properties as a result of the COVID-19 situation.

20.2% decrease in total waste recycled excluding mall closure period, was mainly due to lower footfall at Festival Walk.

At Festival Walk, there is a comprehensive waste management programme in place that involves the segregation and collection of waste from tenants for proper disposal and third-party recycling. As of 31 March 2020, 14 types of waste were collected and sent for recycling. In addition to hiring frontline cleaners and contractors to handle waste, the Property Manager at Festival Walk engages its tenants to do their part in waste segregation practices. About 50% of its tenants participate in the mall's waste management programme. Other initiatives by the Property Manager include a food waste-to-energy programme, organised together with the Environmental Protection Department ("EPD"), where collected food waste from tenants is sent to a waste treatment plant for electricity generation.

[1] This figure excludes the mall closure period in FY19/20 and also the corresponding period in FY18/19, and is based on monthly estimates as daily waste collected figures are not available.

To tackle plastic waste, all single-use plastic products used for daily operations by the Property Manager at Festival Walk are now made of degradable plastic, while the use of oxo-biodegradable plastic rubbish bin bags has been prescribed in cleaning contracts since April 2019. During the year, Festival Walk was among the first batch of shopping malls to install a "smart" beverage bottle deposit machine as part of the "Tap, Return & Earn" Beverage Bottles Redemption Scheme in Hong Kong SAR. Under this Scheme, shoppers are incentivised to return plastic bottles for recycling through a 20 HK cents rebate for each bottle via the e-payment platform Octopus, paid by the machine operator. Since its launch in October 2019, over 150,000 bottles have been collected at Festival Walk.

Food Waste Composting at Sandhill Plaza

In July 2019, Sandhill Plaza installed a waste compost bin and has started to recycle landscaping and fruit waste from one of its tenants. The waste then undergoes fermentation and is converted into organic fertiliser for landscaping purposes at the property. Close to 15kg of food waste was recycled each quarter for landscaping.

INDOOR AIR QUALITY

Quality indoor air is essential for the good health, safety and comfort of our tenants, visitors and shoppers. It contributes to a pleasant working environment and the well-being of building occupants.

Air quality is monitored and maintained within our properties to provide a quality indoor environment. At our properties in Japan, the building managers conduct air checks for parameters such as temperature, carbon dioxide concentration and relative humidity every two months in line with the national requirement set by the Ministry of Health, Labour and Welfare of Japan. These are tracked via reports and records kept for five years. Air-conditioning filters are also cleaned and replaced regularly.

Gateway Plaza complies with China's national indoor air quality ("IAQ") standard for particulate matter 10 ("PM10") and has processes in place to monitor particulate matter 2.5 ("PM2.5") and PM10 levels. Considering ongoing developments due to COVID-19, the frequency of cleaning and disinfecting the G4 pre-filters was increased from monthly to bi-weekly.

At Sandhill Plaza, an IAQ assessment was conducted in April 2018 to ensure compliance to China's national indoor air quality standard for PM10, as part of the property's China Green Building Certification. Similarly, in view of COVID-19, the frequency of cleaning fresh air filters was increased from quarterly to weekly in February 2020 and March 2020.

For FY20/21, part of Sandhill Plaza's roof top cladding will be replaced with new aluminium air lourves to improve fresh air circulation.

The indoor air quality at the common areas at Festival Walk are monitored bi-weekly for carbon dioxide and temperature readings to ensure the thermal comfort of the shoppers and tenants. On an annual basis, carbon dioxide and PM10 levels are measured and monitored under the Hong Kong SAR Government's IAQ Certification Scheme. In 2020, Festival Walk was certified IAQ (Good Class) for the mall and IAQ (Excellent Class) for office space respectively. Under the same certification scheme by the Hong Kong SAR Government, a detailed measurement using 12 indoor air quality parameters (including PM10, carbon monoxide and nitrogen dioxide levels) is also being carried out every five years for the mall and office areas. Maintenance, both periodic and condition-based, is conducted to upkeep the performance of ventilation and air-conditioning systems. With COVID-19, the cleaning frequency of air-conditioning filters has changed from monthly to bi-weekly for the mall and from quarterly to bi-weekly for the offices.

SUSTAINABILITY REPORT

Social

HEALTH AND SAFETY

[GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 416-2]

Securing our assets and safeguarding the health and safety of our stakeholders are key priorities of the Manager and the Property Manager. We provide a conducive and safe environment by addressing and preventing health and safety risks for our employees, tenants, shoppers and contractors.

Scope

Health and safety data pertain to employees of the Manager and the Property Manager.

Group-wide Policies of Mapletree Group

- Safety and Health Policy

Our Targets

Current Target		
FY19/20	Performance	Target for FY20/21
• Zero incidences resulting in employee permanent disability or fatality	✓	Same target as FY19/20

Highlights During the Year

Precautionary measures
taken for COVID-19

Safety Drills
(including chemical spill, flooding, fire, evacuation)

Automated External Defibrillator ("AED")
installation and refresher courses

Health and Safety Training
Sessions

Enhanced security measures
at Festival Walk

>800
Tenants' staff attended the fire drill in October 2019 at Gateway Plaza

14
safety drills held at Festival Walk, Gateway Plaza, Sandhill Plaza and Japan Properties for frontline staff and tenants

Safety Management Committee
continues to oversee health and safety practices at Festival Walk

Safety Culture and Mindset

Mapletree Group's health and safety policy guides all employees on safe work practices. The Manager and the Property Manager thoroughly investigate any reported incidents based on the incident reporting standard operating procedures and implement the necessary follow-up actions.

Safety Monitoring

The safety monitoring system at our properties is twofold. Firstly, we ensure our compliance with the monitoring requirements set out in safety-related legislation in the countries we operate in. Systems and mechanical and electrical equipment such as lifts, escalators, lifting mechanisms and fire service installations are well maintained, regularly examined and issued with up-to-date permits and certificates. Secondly, we also monitor and manage safety aspects related to slips, trips and falls. Since FY18/19, the safety management committee set up at Festival Walk has been reviewing the health and safety practices in daily operations as well as over the course of managing projects and marketing and promotional events at the property. The committee consists of members from the management and staff across different departments. The key focus areas outlined for FY19/20 include manual handling of equipment and water dispenser canisters, as well as daily operations of the contractors. During the year, two refresher talks were organised for 40 employees to reinforce the importance of preventive measures for occupational health hazards.

Engaging tenants on AEDs at MON.

Safety briefing at Sandhill Plaza.

Competence and Training

Health and safety training sessions are organised regularly to update and refresh employee's capability in identifying and handling potential workplace hazards and incidents. In FY19/20, on-the-job training and various courses were held, covering topics such as firefighting, manual lifting, flood prevention, lift incident handling, gondola safety and curtain wall cleaning. For our new contractors, safety briefings or trainings are required prior to the commencement of their work.

Security and Emergency Preparedness

Keeping our assets secure upholds stakeholders' trust in MNACT. Our buildings are equipped with various security measures, including visitor registration, card access system, and closed-circuit television.

Evacuation drills are held at least once a year across all properties to maintain sufficient levels of emergency preparedness. In FY19/20, both employees and tenants were involved in fire or evacuation drills across all properties. At Festival Walk, a chemical drill and a flooding drill were also organised to enhance preparedness against potential emergencies. Four of the Japan Properties (MON, HNB, TSI and ASY) have completed the installation of AEDs. AED trainings were conducted for the tenants at each property, attended by representatives from each tenant. In FY19/20, we further strengthened the security measures at Festival Walk in response to the incidents that occurred at Festival Walk[1]. Metal hoardings were erected to protect the glass curtain walls along the street level around the building (some of which were damaged during the incidents), while additional security personnel were employed at the entrances to the mall and office tower.

The Manager and the Property Manager require all of our Third-Party Service Providers ("TPSPs") to acknowledge and abide by our requirements on health and safety prior to their engagement. For our tenants, they are required to adhere to the properties' standard fit-out and operation guidelines, including environmental health and safety requirements, as well as participation in fire drills conducted at the properties.

Safeguarding Against the Global COVID-19 Pandemic

The Property Manager works closely with the public health authorities in managing the impact of COVID-19 on MNACT's properties and our staff, tenants and visitors, and taking the necessary precautionary measures. These measures are progressively strengthened where required and developed with reference to the Mapletree Group Pandemic Flu Business Continuity Plan guidelines.

Some of the measures implemented are as follows:

- Intensified cleaning and disinfection of common areas (e.g. doors, lift buttons, escalator handrails etc)
- Increased frequency of cleaning/replacement of AHU pre-filters and FCU filters
- Designated temporary isolation rooms, where suspected infected person would be isolated before the ambulance arrives to take the person to the hospital
- Temperature screening at the entrances of Festival Walk office tower, Gateway Plaza and Sandhill Plaza
- Hand sanitizers at the office lobbies for use by tenants and visitors
- Cancellation of mass events and other tenant events
- Communication to tenants to monitor the health of their employees and to promptly notify the Property Manager of suspected or confirmed cases
- Wearing of masks by frontline staff
- Compliance with directives and guidelines by the local governments
- Training property management teams on the processes to be adopted if someone is suspected to be infected (including bringing the suspected case to the isolation area/room and through designated routes to the ambulance pick-up point)
- Work-split or work-from-home arrangements for employees of the Manager and Property Manager

Performance

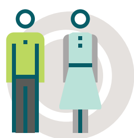
In FY19/20, the Manager and the Property Manager maintained its record of zero incidents resulting in employee permanent disability and fatality. However, Festival Walk had one work-related injury, where one technician had sprained his back when lifting heavy items during the toilet refurbishment works, and was away from work for four days. The incident resulted in a rate of recordable work-related injury of 1.77 per million man-hours worked[2] in FY19/20. To prevent future recurrence, the safety management committee arranged refresher talks and briefings on occupational health and safety for the operations and technical staff. The committee will also organise additional safety courses focused on manual handling and other important safety aspects for front-line staff post the incident.

[1] Please refer to MNACT's SGX-ST Announcement dated 13 November 2019 titled "Festival Walk Incident".

[2] There were no high-consequence injuries in FY19/20. As defined by GRI, high-consequence work related injury refers to injuries that result in a fatality or from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months. The employee of the Property Manager at Festival Walk who sustained high-consequence injury in FY17/18 due to a back injury has since returned to work.

SUSTAINABILITY REPORT

SOCIAL



EMPLOYMENT AND TALENT RETENTION

[GRI 102-7, 102-8, 103-1, 103-2, 103-3, 401-1, 404-2, 404-3]

Employees are the Manager's most valuable asset.

Developing and retaining talent is essential to maintain the right competencies and intellectual capital to secure MNACT's continued growth. The Manager is committed to providing a fair, diverse and inclusive working environment. We are also committed to empowering our people to realise their full potential through prioritising employee well-being and providing learning and development opportunities.

Scope

Employee data relate to those of the Manager and Property Manager.

Group-wide Policies of Mapletree Group

- Code of Conduct
- Compensation and Benefits
- Learning and Development
- Performance Management
- Resourcing and Employment
- Safety and Health
- Talent Management
- Overseas Business Travel and International Assignment

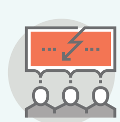
Our Targets

Current Target		
FY19/20	Performance	Target for FY20/21
• Continue to commit to fair employment practices by ensuring that we adopt best practices in our hiring process and offer equal opportunity to all potential candidates	✓	Same targets as FY19/20
• Maintain a diverse and relevant learning and professional development programme	✓	

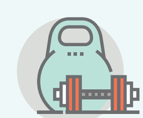
Highlights During the Year

Crisis communication workshop

for Festival Walk employees

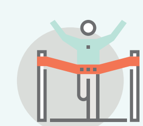


Mapletree Recreation Club Programmes



Wellness@Mapletree

including mass corporate activities, team challenges and workshops



201

Employees who attended training courses in FY19/20

Multiple

wellness events during the year

100%

Employees who have received regular performance and career development reviews during FY19/20

Our People

At the end of FY19/20, the employee headcount of the Manager and the Property Manager was 256, comprising full-time and permanent staff based in Hong Kong SAR, Beijing, Shanghai and Singapore. The workforce also comprised an almost equal ratio of male and female employees. The average new hire and turnover rates remained low and fairly consistent with FY18/19.

Percentage Breakdown of Employees by Location

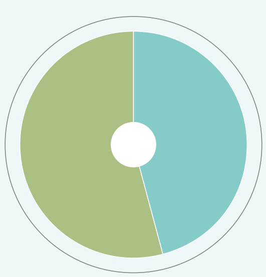
(%)	FY18/19	FY19/20
China	7	**7**
Hong Kong SAR	87	**87**
Singapore	6	**6**

Percentage Breakdown of Employees by Gender and Age Group

	FY18/19 (%)		FY19/20 (%)	
Age Group	Male	Female	Male	Female
< 30 years old	12	34	**10**	**28**
30 – 50 years old	54	57	**51**	**60**
> 50 years old	34	9	**39**	**12**

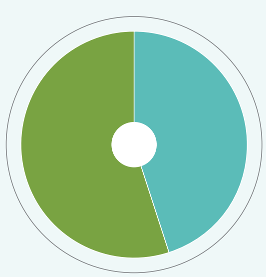
Percentage Breakdown of Employees by Gender

(As of End of March 2019)



55% Male **45%** Female

(As of End of March 2020)



54% Male **46%** Female

(%)	FY18/19	FY19/20
Average New Hire Rate[1]	1.6	**1.8**
Average Turnover Rate[2]	1.6	**1.6**

Approach

The Manager and the Property Manager are guided by Mapletree Group's strategies, policies and initiatives on human capital to recruit, develop and motivate employees. Equal opportunity and non-discriminatory work practices form the foundation of these policies, while helping to ensure compliance with the local labour laws of the countries that our assets operate in. Guided by Mapletree Group's Code of Conduct, we also ensure a positive work environment for employees. To help employees in their daily work, the Employee Handbook is available to all employees, which details information on the general terms and conditions of employment, compensation and benefits, learning and development, general conduct and discipline, and health and safety policies. Employees receive competitive remuneration packages, and are entitled to medical and insurance benefits, flexible benefits and a self-development scheme.

Talent Development and Management

The Manager believes in investing in talent and provides career growth and training opportunities to employees to build a future-ready workforce equipped with the right skills and knowledge. Aimed at developing people and advancing their careers, the Mapletree Group's Learning and Development programme identifies and trains diverse talent at all levels. Other talent acquisition and development programmes include the Mapletree Associate Programme, Mapletree Executive Programme, Mapletree Internship Programme and Mapletree Leadership Programmes. New hires also undergo the Mapletree Immersion Programme that helps them to assimilate to the Mapletree Group's operations, strategy and business model.

1 Average new hire rate refers to the average of the monthly hire rates during FY18/19 and FY19/20. The monthly hire rate is the ratio between the number of new employee hires for the month and the total number of employees of the Manager and Property Manager as of the end of the respective months.

2 Average turnover rate refers to the average of the monthly turnover rates during FY18/19 and FY19/20. The monthly turnover rate is the ratio between the number of employees who left the Manager and Property Manager during the month and the total number of employees of the Manager and Property Manager as of the end of the respective months.

SUSTAINABILITY REPORT

SOCIAL

Courses held throughout the year for staff in Singapore and across our operations in China and Hong Kong SAR cover functional and technical areas across IT security awareness, human resource, finance, rules and ethics, sustainability as well as workplace safety and health. These enable our employees to keep abreast of the developments in the industry and update their skills and knowledge. Designated staff of the Manager, who are Capital Markets Services ("CMS") Licence holders, also attended specific training courses as part of the requirements by the MAS. More than 200 employees of the Manager and the Property Manager attended a total of 102 different training programmes in FY19/20.

These programmes, together with the annual performance appraisal system in place for all employees, are designed to support the needs and aspirations of employees for their long-term professional development and our organisational goals. The system aligns evaluation practices across different countries, tracks key performance indicators and records employees' personal achievement and development in the year. Employees are assessed against their core competencies framework and given feedback on their performance based on targets in four key areas: domain knowledge, business networks and innovation, collaboration and communications and operational excellence. In addition, the Sponsor also continually identifies and nurtures talents internally within the organisation, who will be provided with further training to enhance their career progression.

Managing Crisis Communications at Festival Walk

During FY19/20, the Manager and the Property Manager at Festival Walk organised a training session on crisis communications. Attended by 79 employees, the workshop covered topics such as possible crisis scenarios as well as offered useful tips on how to handle customer enquiries in times of crisis and confrontations.

Training Categories	No. of Programmes	No. of Participants	Examples of Programmes Attended
Communications	11	106	• Crisis Communications Workshop for frontline staff at Festival Walk • Incident and Crisis Communications Training in Singapore • Integrated Reporting training
Finance and Information Technology	41	215	• Budgeting and Financial Analysis Training • IT Security Awareness • Hedging Corporate Financial Risk with Derivatives
Health and Safety	17	85	• AED Refresher Courses • Occupational Health Talks • Mandatory Basic Safety Trainings
Personal Effectiveness and Leadership Development, and other Human Resource Related	15	36	• Embracing Change in a Digital World Workshop • Effective Problem Analysis and Solution • Leadership Foundation Course
Real Estate and Property Related	14	21	• Mapletree Investment 101 • Real Estate Market Update Talks • Sino-Singapore Dialogue: Insight into the Future of China Real Estate Market
Others	4	15	• Personal Data Protection (Singapore) • Language trainings

Colleagues from Beijing participated in badminton sessions.

Festival Walk staff took part in stretching exercise classes in August and September 2019.

Employee Engagement

Greater engagement contributes to greater job satisfaction and motivation, driving employee morale and staff retention. Investing in employee well-being is one part of the Mapletree Group's employee engagement efforts. In FY18/19, the Wellness@Mapletree Programme was launched to foster a culture of wellness by providing avenues and platforms for employees to access health information and participate in activities in the workplace. This comprises three key components: mass corporate activities, team challenges and workshops to cater to individual's interests. Along with the Mapletree Recreation Club initiatives such as the Durian Fest and a movie event for employees in Singapore, these aim to strengthen the cohesion and welfare of Mapletree staff.

The Mapletree Group's employee wellness programme also extends to our employees outside of Singapore. At Festival Walk, employees actively participated in group exercise sessions including yoga, stretching exercises, Ba Duan Jin, jogging and walking, while employees in Beijing and Shanghai played badminton and participated in mass walks.

Chinese New Year celebration with Mr. Edmund Cheng (first from left), the Sponsor's Chairman, and Mr. Hiew Yoon Khong (first from right), the Sponsor's Group CEO.

SUSTAINABILITY REPORT

SOCIAL

LOCAL COMMUNITIES

[GRI 102-13, 103-1, 103-2, 103-3, 413-1]

The Mapletree Group strongly believes in empowering lives and enriching local communities. The Manager and the Property Manager support initiatives and projects that create positive impact on the community, believing that the long-term success of MNACT can only be achieved alongside the growth of our communities we operate in.

Scope

Information in this section pertains to all activities of the Manager, the Property Manager, MIJ and MMSJ.

Group-wide Policies of Mapletree Group

- Shaping and Sharing Programme

Our Targets

Current Target		
FY19/20	Performance	Target for FY20/21
• Six CSR events participated by the Manager's staff from Singapore, Hong Kong SAR, Beijing and/or Shanghai	✓	Same target as FY19/20

9
CSR events
across Singapore, Hong Kong SAR, Beijing and Shanghai

5
Venue sponsorships
organised by Festival Walk

The Mapletree Group's Shaping and Sharing Programme guides our approach to giving back to the community. A Corporate Social Responsibility ("CSR") framework, it focuses on four key pillars – the arts, environment, healthcare and education.

Employee Volunteerism and Venue Sponsorship

During the year, we collaborated with non-profit and government organisations to promote blood donations and community causes. Venue sponsorships were extended to five events including Wai Yin Association's *'Charity Ball Press Conference'* and its *'Mooncake Charity Sales and Kick-off'* event, *'Red Cross Blood Donation'* organised by Hong Kong Red Cross Blood Transfusion Service, Hong Kong Cancer Fund's *'Pink Revolution Kick-off'* event and exhibition, and *'Save the Children Centenary Show'* organised by Save the Children Hong Kong Limited. In addition to event sponsorships, staff from Festival Walk also went the extra mile to facilitate and ensure a smooth setup and running of the events.

To support tertiary education in Hong Kong SAR, the Sponsor donated HK$2 million to CityU to establish the Mapletree Endowed Fund in July 2019. The Fund awards outstanding CityU students and provides them with financial aid to participate in exchange programmes. This endowment is the first endowed donation to an overseas university by the Sponsor, under the Mapletree Academic Achievement Programme launched in September 2015.

Mr. Chua Tiow Chye (second from right), the Sponsor's Deputy Group Chief Executive Officer and the Manager's Non-Executive Director, and Mr. Wan Kwong Weng (first from right), the Sponsor's Group Chief Corporate Officer, at the Cheque Presentation ceremony at CityU.

Sixteen employees from the Manager's Singapore office packed and distributed food bundles to 220 beneficiaries from Sarah Seniors Activity Centre.

At the Children's Health Hospital, Shanghai colleagues tidied the storeroom, installed shelves and weeded the garden to provide a clean and green environment for the beneficiaries.

Festival Walk's employees who manage the operations at the ice rink provided free skating sessions for the beneficiaries from the Hong Kong Sports Association for Persons with Intellectual Disability.

In conjunction with The Community Chest of Hong Kong's annual *'Dress Casual Day 2019'* to raise awareness of volunteerism and charity events, staff from Festival Walk wore casual attire to work. A donation was also made to the Community Chest in support of their medical and health services.

On 25 and 26 March 2020, the Manager packed another $3,000 worth of food and care packs for delivery to beneficiaries from Sarah Seniors Activity Centre. A bottle of hand cleansing liquid was included in each pack to remind the beneficiaries to wash hands frequently in view of the COVID-19 situation.

SUSTAINABILITY REPORT

SOCIAL

Promoting Accessibility

Properties in MNACT's portfolio are located in close proximity to local transportation hubs, and well-connected to metro stations, bus stops and streets for the convenience of our tenants and shoppers. Festival Walk has over the past 21 years served the lifestyle, shopping and dining needs of the neighbourhood community at Kowloon Tong. It has also been equipped with disabled toilets and barrier-free access within the mall and office premises for the convenience of wheelchair-users.

Following the extensive damage incurred at Festival Walk arising from the incidents in November 2019, the mall was closed from 13 November 2019 to 15 January 2020 for major recovery and repair works to be carried out on multiple levels and locations within the mall. All efforts were made to re-open the mall as soon as possible so that the mall can continue to serve the local community in the vicinity. Festival Walk's mall re-opened on 16 January 2020. While repair works continued to be carried out progressively within the mall, the Property Manager had exercised much care and effort, as well as implemented safety measures, to ensure that Festival Walk is able to continue to serve the local community and shoppers with minimal inconvenience or disruption.

Community and Tenant Engagement

The Manager and Property Manager strive to meet the expectations of our shoppers and tenants, and continually improves its services and undertakes asset enhancement initiatives. Tenant surveys are conducted regularly to gather feedback regarding facility management, building security and maintenance.

At Festival Walk, shoppers' feedback are also collected (three times a year) in order to enhance shoppers' experience and satisfaction. The public is also able to provide feedback through dedicated feedback channels such as electronic feedback forms, customer service hotline, social media channels, as well as information counters. The feedback gathered provides valuable insights for the Property Manager to identify areas of improvement and uphold high service quality and standards. To support tenants who are adversely affected by the COVID-19, Festival Walk has provided rental relief support to tenants in 3Q FY19/20 and 4Q FY19/20, and will continue to assess if the rental relief measures need to be extended going forward, in view of the evolving development of the COVID-19 and its impact on our tenants' businesses. Promotional and marketing events were also carried out during the year to generate more foot traffic.

At Gateway Plaza, active tenant engagements during the year included a Christmas celebration and an exhibition by BMW on *'China Culture Journey'* held at the lobby. An e-newsletter was also launched during the year to update tenants on the happenings and upcoming events at Gateway Plaza. Tenants at Sandhill Plaza also participated in engagement events organised by the Property Manager, and these encouraged them to interact with one another and strengthen their working relationships at Sandhill Plaza.

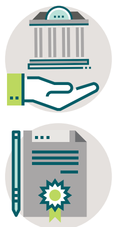
External Memberships

The Manager is a member of the REIT Association of Singapore ("REITAS"), which aims to promote Singapore's REIT industry, while Festival Walk is listed as a member of the Quality Tourism Services Association ("QTSA") under the Hong Kong Tourism Board, which promotes tourism in Hong Kong SAR.

Tenants having a jolly good time at Gateway Plaza's Christmas celebration at the lobby.

The information counter at Festival Walk caters to the needs of the shoppers and the community.

Governance



ANTI-CORRUPTION AND COMPLIANCE WITH LAWS AND REGULATIONS

[GRI 103-1, 103-2, 103-3, 205-3, 307-1, 417-3, 419-1]

Setting the right corporate governance culture is crucial in safeguarding the interests of our stakeholders as well as protecting our brand and reputation, so as to deliver long-term value to our stakeholders. We are committed to uphold the highest standards of corporate governance and business conduct, underpinned by strong accountability and integrity in our practices.

Scope

Information in this section pertains to all activities of the Manager, Property Manager, MIJ and MMSJ

Group-wide Policies of Mapletree Group

- Anti-corruption policy set out in the employee handbook
- Anti-Money Laundering Policy
- Code of Conduct
- Confidentiality of Information
- Contract Review
- Dealing in units of the Sponsor's REITs
- Enterprise Risk Management Framework
- Gifts Policy
- Personal Data Policy
- Securities Trading
- Whistleblowing Policy

Our Targets

Current Target		
FY19/20	**Performance**	**Target for FY20/21**
• Maintain zero confirmed incidences of corruption	✓	Same target as FY19/20
• Maintain compliance with all significant or material relevant laws and/or regulations	✓	

0

confirmed incidents of corruption, and maintained compliance

with all significant or material relevant laws and/or regulations

The Mapletree Group adopts a zero-tolerance stance towards any unethical behaviour, fraud, bribery and corruption. Various corporate governance policies and measures are put in place to promote ethical behaviour that is aligned to our corporate values. Employees are required to adhere to the Mapletree Group's policies and procedures at all times.

The Manager safeguards Unitholders' interests by complying with all significant or material relevant laws and regulations. These include rules under the Listing Manual of the SGX-ST, the Code on Collective Investment Schemes and the CMS Licence for REIT Management issued by the MAS and the Securities and Futures Act of Singapore. Any non-compliance pertaining to issues relating to the environment, safety, security and marketing communication are carefully monitored and reported to the Manager. Strict disciplinary action, including termination, will be taken for an employee found guilty of misconduct or incidents of non-compliance in relation to his/her employment. These will be assessed by the Manager's CEO, the Group Chief Corporate Officer and Group General Counsel of the Sponsor for review and resolution.

The enterprise risk management framework, together with a system of prudent and effectives controls, enable the assessment and management of financial, operational and compliance risks within MNACT. To equip the Board with the necessary skills in connection with their duties, courses are made available for the Board of Directors to receive relevant training. The Board of Directors also receive updates on any material changes to relevant laws, regulations and accounting standards through briefings by professionals or updates from the Manager.

Please refer to the Risk Management section on pages 74-76 and Corporate Governance Report on pages 80 - 97 for further details.

GRI CONTENT INDEX

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
General Disclosures		
Organisational Profile		
102-1	Name of the organization	Corporate Profile
102-2	Activities, brands, products, and services	Corporate Profile
102-3	Location of headquarters	Corporate Directory
102-4	Location of operations	Corporate Profile
102-5	Ownership and legal form	Corporate Profile; Trust Structure, page 63
102-6	Markets served	Corporate Profile; Inside Front Cover
102-7	Scale of the organization	Corporate Profile; Inside Front Cover; Employment and Talent Retention, pages 114-117
102-8	Information on employees and other workers	Employment and Talent Retention, pages 114-117
102-9	Supply chain	Supply chain activities are minimal and not significant to MNACT's operations. Compliance with local government and legal requirements Is required for appointed contractors and service providers. For engagements that are complex or entail high safety or financial risks, due diligence is carried out to ascertain their financial standing or track records.
102-10	Significant changes to the organization and its supply chain	N.A.
102-11	Precautionary principle or approach	Risk Management, pages 74- 76
102-12	External initiatives	Two energy initiatives supported by Festival Walk are the "Energy Saving Charter" and "Charter on External Lighting". Sustainability Approach - Materiality, page 100
102-13	Membership of associations	Local Communities, page 120
Strategy		
102-14	Statement from senior decision-maker	Board Statement, pages 98 - 99
Ethic and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Sustainability Approach, page 99; Corporate Profile; Strategy, pages 12-13
Governance		
102-18	Governance structure	Sustainability Approach, page 99
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement, pages 101-102
102-41	Collective bargaining agreements	No collective bargaining agreements are in place.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, pages 101-102
102-43	Approach to stakeholder engagement	Stakeholder Engagement, pages 101-102
102-44	Key topics and concerns raised	Stakeholder Engagement, pages 101-102
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Financial Statements, pages 125-196
102-46	Defining report content and topic boundaries	About the Report, page 99; Materiality, page 100
102-47	List of material topics	Materiality, page 100
102-48	Restatement of information	N.A.
102-49	Changes in reporting	N.A.
102-50	Reporting period	About the Report, page 99
102-51	Date of most recent report	FY18/19
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	About the Report, page 99
102-54	Claims of reporting in accordance with the GRI Standards	Board Statement, pages 98 - 99; About the Report, page 99
102-55	GRI content index	GRI Content Index, pages 122-124
102-56	External assurance	About the Report, page 99

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
Topic-specific Standards and Disclosures Economic Performance 2016		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Economic Performance, page 104; Financial Review and Capital Management, pages 16-27; Financial Statements, pages 125-196
103-2	The management approach and its components	Economic Performance, page 104; Financial Review and Capital Management, pages 16-27
103-3	Evaluation of the management approach	Economic Performance, page 104; Financial Review and Capital Management, pages 16-27
201-1	Direct economic value generated and distributed	Financial Highlights, pages 2-3; Financial Review and Capital Management, pages 16-27; Financial Statements, pages 125-196
Anti-corruption 2016		
Compliance with Laws and Regulations 2016		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Governance, page 121
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
205-3	Confirmed incidents of corruption and actions taken	
307-1	Non-compliance with environmental laws and regulations	
419-1	Non-compliance with laws and regulations in the social and economic area	
Energy 2016		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Energy, pages 105-107
103-2	The management approach and its components	Energy, pages 105-107
103-3	Evaluation of the management approach	
302-1	Energy consumption within the organisation	
302-3	Energy intensity	
Water and Effluents 2018		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Water, pages 108-109
103-2	The management approach and its components	Water, pages 108-109
103-3	Evaluation of the management approach	
303-1	Interactions with water as a shared resource	
303-2	Management of water discharge-related impacts	
303-3	Water withdrawal	
Waste Management		
103-1	Explanation of the material topic and its boundary	Additional Reporting Matter
103-2	The management approach and its components	Waste Management, pages 110-111
103-3	Evaluation of the management approach	
306-2	Waste by type and disposal method	
Occupational Health and Safety 2018		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Health and Safety, pages 112-113

GRI CONTENT INDEX

GRI Standards Disclosures		Reference Page(s) or Reasons for Omission
Occupational Health and Safety 2018 (continued)		
103-2	The management approach and its components	Health and Safety, pages 112-113
103-3	Evaluation of the management approach	
403-1	Occupational health and safety management system	
403-2	Hazard identification, risk assessment and incident investigation	
403-3	Occupational Health Services	
403-4	Worker participation, consultation, and communication on occupational health and safety	
403-5	Worker training on Occupational Health and Safety	
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
403-9	Work-related injuries	
Employment 2016		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Employment and Talent Retention, pages 114-117
103-2	The management approach and its components	Employment and Talent Retention, pages 114-117; Information on new hires and turnover by age/gender has not been disclosed as the new hire/turnover rate is not materially different from industry average.
103-3	Evaluation of the management approach	
401-1	New employee hires and employee turnover	
Training and Education 2016		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Employment and Talent Retention, pages 114-117
103-2	The management approach and its components	Employment and Talent Retention, pages 114-117
103-3	Evaluation of the management approach	
404-2	Programs for upgrading employee skills and transition assistance programs	
404-3	Percentage of employees receiving regular performance and career development reviews	
Local Communities 2016		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Local Communities, pages 118-120
103-2	The management approach and its components	Local Communities, pages 118-120
103-3	Evaluation of the management approach	
413-1	Operations with local community engagement, impact assessments, and development programs	
Customer Health and Safety 2016		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Health and Safety, pages 112-113
103-2	The management approach and its components	Health and Safety, pages 112-113
103-3	Evaluation of the management approach	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
Marketing and Labeling 2016		
103-1	Explanation of the material topic and its boundary	Materiality, page 100; Governance, page 121
103-2	The management approach and its components	Governance, page 121
103-3	Evaluation of the management approach	
417-3	Non-compliance concerning marketing communications	
GRI G4 Sector Disclosures: Construction and Real Estate		
CRE-8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Energy, page 105

CONTENTS

FINANCIALS & OTHERS

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 North Asia Commercial Trust ("MNACT") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in MNACT. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes ("CCIS") (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Mapletree North Asia 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 dated 14 February 2013 (as amended) (the "Trust Deed") between the Trustee and the Manager 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 MNACT and the Group during the financial year covered by these financial statements, set out on pages 133 to 196, 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

Chan Kim Lim
Director

Singapore, 15 May 2020

STATEMENT BY THE MANAGER

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

In the opinion of the Directors of Mapletree North Asia Commercial Trust Management Ltd., the accompanying financial statements of Mapletree North Asia Commercial Trust ("MNACT") and its subsidiaries (the "Group"), as set out on pages 133 to 196, comprising the Statements of Financial Position of MNACT and the Group, and Portfolio Statement of the Group as at 31 March 2020, the Statements of Profit and Loss, Statements of Comprehensive Income, Distribution Statements and Statements of Movements in Unitholders' Funds of MNACT and the Group, the Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements for the financial year then ended are drawn up so as to present fairly, in all material respects, the financial position of MNACT and of the Group as at 31 March 2020, the portfolio holdings of the Group as at 31 March 2020, and the financial performance, amount distributable and movements in Unitholders' funds of MNACT and of the Group and the consolidated cash flows of the Group for the financial year then ended in accordance with the Singapore Financial Reporting Standards (International) and the applicable requirements of the Code on Collective Investment Schemes relating to financial reporting. At the date of this statement, there are reasonable grounds to believe that MNACT and the Group will be able to meet its financial obligations as and when they materialise.

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

Cindy Chow Pei Pei
Director

Singapore, 15 May 2020

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE NORTH ASIA COMMERCIAL TRUST

(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements and Portfolio Statement of Mapletree North Asia Commercial Trust ("MNACT") and its subsidiaries (the "Group"), and the Statement of Profit and Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement and Statement of Movement in Unitholders' Funds of MNACT are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the applicable requirements of the Code on Collective Investment Schemes relating to financial reporting, so as to present fairly, in all material respects, the consolidated financial position of the Group, the financial position of MNACT and the consolidated portfolio holdings of the Group as at 31 March 2020, the consolidated financial performance of the Group and the financial performance of MNACT, the consolidated amount distributable of the Group and the amount distributable of MNACT, the consolidated movements in Unitholders' funds of the Group and the movements in Unitholders' funds of MNACT, and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MNACT and the Group comprise:
- the statements of profit and loss of MNACT and of the Group for the financial year ended 31 March 2020;
- the statements of comprehensive income of MNACT and of the Group for the financial year then ended;
- the statements of financial position of MNACT and of the Group as at 31 March 2020;
- the distribution statements of MNACT and of the Group for the financial year then ended;
- the statements of movements in Unitholders' funds of MNACT and of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended;
- the portfolio statement of the Group as at 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 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.

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) to the financial statements.* As at 31 March 2020, the carrying value of the Group's investment properties of S$8.3 billion accounted for 97% of the Group's total assets. The valuation of the investment properties is a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates, discount rates and adjusted price per square metre and are dependent on the nature of each investment property and the prevailing market conditions. The key inputs as at 31 March 2020 are disclosed in Note 13 to the accompanying financial statements. Furthermore, the valuation reports obtained from independent property valuers for the investment properties have highlighted the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak. Accordingly, the valuation of these investment properties may be subjected to more fluctuation subsequent to 31 March 2020 than during normal market conditions.	We involved our internal specialists in our audit procedures. Our audit procedures included the following: • assessed the competency, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties; • discussed the critical assumptions made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the capitalisation rates, discount rates and adjusted price per square metre by benchmarking these against prior year inputs and those of comparable properties based on information available as at 31 March 2020. 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. We have also assessed the adequacy of the disclosures relating to the assumptions and the impact of COVID-19 on the valuation of investment properties, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE NORTH ASIA 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 "Report of the Trustee", the "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 MNACT's Annual Report ("Other Sections"), which are expected to be made available to us after that date.

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

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the SFRS(I)s and the applicable requirements of the Code on Collective Investment Schemes relating to financial reporting 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE NORTH ASIA COMMERCIAL TRUST

(CONSTITUTED UNDER A TRUST DEED IN THE REPUBLIC OF SINGAPORE)

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

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 Alex Toh Wee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 15 May 2020
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STATEMENTS OF PROFIT AND LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group		MNACT	
		2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Gross revenue	3	**354,478**	408,687	**-**	-
Property operating expenses	4	**(76,991)**	(79,657)	**-**	-
Net property income		**277,487**	329,030	**-**	-
Other income					
Dividend income		**-**	-	**142,137**	176,329
Interest income		**2,114**	1,898	**465**	353
Other gains/(losses)					
Net foreign exchange gain		**5,110**	2,792	**43**	273
Net change in fair value of investment properties	13	**(17,906)**	465,152	**-**	-
Net change in fair value of financial derivatives		**(4,070)**	(604)	**-**	-
Expenses					
Manager's management fees					
- Base fee		**(23,217)**	(24,378)	**(19,761)**	(21,532)
- Performance fee		**-**	(1,560)	**-**	(1,560)
Trustee's fee		**(787)**	(737)	**(787)**	(737)
Other trust expenses	5	**(2,112)**	(1,495)	**(248)**	(210)
Finance costs	6	**(74,901)**	(74,264)	**-**	-
Profit before income tax		**161,718**	695,834	**121,849**	152,916
Income tax expenses	7(a)	**(37,452)**	(61,422)	**(79)**	(60)
Profit for the financial year		**124,266**	634,412	**121,770**	152,856
Profit attributable to:					
Unitholders		**123,556**	633,933	**121,770**	152,856
Non-controlling interests*		**710**	479	**-**	-
		124,266	634,412	**121,770**	152,856
Earnings per unit (cents)					
- Basic and diluted	8	**3.862**	20.291	**3.806**	4.893

* Non-controlling interests refer to the 1.53% effective interest in the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Group		MNACT	
	Note	**2020 S$'000**	2019 S$'000	**2020 S$'000**	2019 S$'000
Profit for the financial year		**124,266**	634,412	**121,770**	152,856
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences					
- Gains		**75,327**	7,655	**-**	-
- Reclassification		**(1,939)**	(3,794)	**-**	-
Cash flow hedges					
- Fair value changes, net of tax		**(30,517)**	(27,456)	**(5,665)**	(913)
- Reclassification		**42,043**	5,992	**1,595**	309
Other comprehensive income/(loss), net of tax		**84,914**	(17,603)	**(4,070)**	(604)
Total comprehensive income		**209,180**	616,809	**117,700**	152,252
Total comprehensive income attributable to:					
Unitholders		**208,189**	616,438	**117,700**	152,252
Non-controlling interests*		**991**	371	**-**	-
		209,180	616,809	**117,700**	152,252

* Non-controlling interests refer to the 1.53% effective interest in the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	Group 2020 S$'000	Group 2019 S$'000	MNACT 2020 S$'000	MNACT 2019 S$'000
ASSETS					
Current assets					
Cash and bank balances	9	**207,798**	178,833	**53,209**	62,662
Trade and other receivables	10	**17,671**	9,322	**7,059**	6,309
Other current assets	11	**1,893**	2,095	**-**	-
Inventories		**638**	672	**-**	-
Derivative financial instruments	12	**129**	3,407	**128**	982
		228,129	194,329	**60,396**	69,953
Non-current assets					
Derivative financial instruments	12	**7,528**	13,336	**-**	-
Investment properties	13	**8,347,232**	7,609,543	**-**	-
Plant and equipment	15	**3,785**	3,158	**-**	-
Investments in subsidiaries	16	**-**	-	**2,673,349**	2,582,649
		8,358,545	7,626,037	**2,673,349**	2,582,649
Total assets		**8,586,674**	7,820,366	**2,733,745**	2,652,602
LIABILITIES					
Current liabilities					
Trade and other payables	17	**149,957**	93,181	**41,306**	8,995
Borrowings	18	**352,669**	287,582	**-**	-
Lease liabilities		**77**	-	**-**	
Current income tax liabilities	7(b)	**33,874**	31,216	**198**	119
Derivative financial instruments	12	**5,313**	1,226	**3,952**	737
		541,890	413,205	**45,456**	9,851
Non-current liabilities					
Trade and other payables	17	**109,894**	99,687	**-**	-
Borrowings	18	**3,019,639**	2,580,322	**-**	-
Lease liabilities		**64**	-	**-**	-
Derivative financial instruments	12	**51,397**	17,108	**-**	-
Deferred tax liabilities	19	**133,160**	119,889	**-**	-
		3,314,154	2,817,006	**-**	-
Total liabilities		**3,856,044**	3,230,211	**45,456**	9,851
NET ASSETS		**4,730,630**	4,590,155	**2,688,289**	2,642,751
Represented by:					
Unitholders' funds		**4,575,669**	4,525,596	**2,692,113**	2,642,505
General reserve	20	**3,782**	2,461	**-**	-
Hedging reserve	21	**6,164**	(5,354)	**(3,824)**	246
Foreign currency translation reserve	22	**135,892**	62,777	**-**	-
		4,721,507	4,585,480	**2,688,289**	2,642,751
Non-controlling interests*		**9,123**	4,675	**-**	-
		4,730,630	4,590,155	**2,688,289**	2,642,751
UNITS IN ISSUE ('000)	23	**3,342,916**	3,173,892	**3,342,916**	3,173,892
NET ASSET VALUE PER UNIT (S$)		**1.412**	1.445	**0.804**	0.833

* Non-controlling interests refer to the 1.53% effective interest in the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").

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

DISTRIBUTION STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Profit for the financial year attributable to Unitholders	**123,556**	633,933	**121,770**	152,856
Adjustment for net effect of non-tax deductible/ (chargeable) items and other adjustments (Note A)	**104,372**	(393,268)	**106,158**	87,809
Amount available for distribution	**227,928**	240,665	**227,928**	240,665
Amount available for distribution to Unitholders at beginning of the financial year	**62,141**	106,533	**62,141**	106,533
	290,069	347,198	**290,069**	347,198
Distribution to Unitholders:				
Distribution of 4.531 cents per unit for the period from 1 October 2017 to 7 May 2018	**-**	(128,058)	**-**	(128,058)
Distribution of 1.117 cents per unit for the period from 8 May 2018 to 30 June 2018	**-**	(35,141)	**-**	(35,141)
Distribution of 1.926 cents per unit for the period from 1 July 2018 to 30 September 2018	**-**	(60,841)	**-**	(60,841)
Distribution of 1.927 cents per unit for the period from 1 October 2018 to 31 December 2018	**-**	(61,017)	**-**	(61,017)
Distribution of 1.956 cents per unit for the period from 1 January 2019 to 31 March 2019	**(62,081)**	-	**(62,081)**	-
Distribution of 1.950 cents per unit for the period from 1 April 2019 to 30 June 2019	**(62,043)**	-	**(62,043)**	-
Distribution of 1.937 cents per unit for the period from 1 July 2019 to 30 September 2019	**(61,749)**	-	**(61,749)**	-
Distribution of 1.671 cents per unit for the period from 1 October 2019 to 31 December 2019	**(53,378)**	-	**(53,378)**	-
Distribution of 1.070 cents per unit for the period from 1 January 2020 to 27 February 2020 (Note 17)	**(34,179)**	-	**(34,179)**	-
Total Unitholders' distribution (including capital return) (Note B)	**(273,430)**	(285,057)	**(273,430)**	(285,057)
Amount available for distribution to Unitholders at end of the financial year	**16,639**	62,141	**16,639**	62,141

Note A:

Adjustment for net effect of non-tax (chargeable) / deductible items and other adjustments comprises:

	Group 2020	Group 2019	MNACT 2020	MNACT 2019
Major non-tax deductible/(chargeable) items:				
- Trustee's fee	**787**	737	**787**	737
- Financing fees	**3,437**	3,957	**-**	-
- Net change in fair value of investment properties net of deferred tax impact	**23,525**	(443,547)	**-**	-
- Manager's base fee paid/payable in units	**19,761**	21,532	**19,761**	21,532
- Manager's performance fee paid/payable in units	**-**	1,560	**-**	1,560
- Property Manager's management fees paid/payable in units	**10,150**	12,659	**-**	-
- Net change in fair value of financial derivatives	**4,070**	604	**-**	-
- Net foreign exchange gain on capital item	**(1,939)**	(3,794)	**-**	-
Net overseas income distributed back to MNACT in the form of capital returns	**-**	-	**26,387**	26,570
Net overseas income not distributed to MNACT	**-**	-	**26,229**	37,146
Other non-tax deductible items and other adjustments	**11,664**	13,024	**77**	264
	71,455	(393,268)	**73,241**	87,809
Festival Walk Top-Ups [1]	**32,917**	-	**32,917**	-
	104,372	(393,268)	**106,158**	87,809

Note B:

Total Unitholders' distribution:

	Group 2020	Group 2019	MNACT 2020	MNACT 2019
- From operations	**178,279**	214,768	**178,279**	214,768
- From Unitholders' contribution	**95,151**	70,289	**95,151**	70,289
	273,430	285,057	**273,430**	285,057

[1] Festival Walk Top-Ups comprise (i) the estimated loss of Festival Walk retail revenue for the period from 13 November 2019 to 15 January 2020 (2019: Nil) (ii) the estimated loss of Festival Walk office revenue for the period from 13 November 2019 to 25 November 2019 (2019: Nil). Festival Walk Top-Ups were made so as to mitigate the impact on the distributable income as rental from the tenants was not collectable over those periods that the mall and office were closed until such time as the loss of revenue is recovered through insurance claims. Please refer to Note 3 for more details.

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

	Note	Group		MNACT	
		2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Operations					
Beginning of the financial year		**1,791,595**	1,373,670	**(91,496)**	(29,584)
Profit for the financial year attributable to Unitholders		**123,556**	633,933	**121,770**	152,856
Distributions to Unitholders		**(178,279)**	(214,768)	**(178,279)**	(214,768)
Transfer to general reserve		**(1,321)**	(1,240)	**-**	-
End of the financial year		**1,735,551**	1,791,595	**(148,005)**	(91,496)
Unitholders' contribution					
Beginning of the financial year		**2,734,001**	2,438,943	**2,734,001**	2,438,943
Management fees paid in units		**33,692**	35,060	**33,692**	35,060
Issuance of Transaction Units		**144,776**	-	**144,776**	-
Issuance of units arising from Distribution Reinvestment Plan		**23,050**	-	**23,050**	-
Issuance of units arising from private placement		**-**	330,298	**-**	330,298
Acquisition fees paid in units		**-**	5,689	**-**	5,689
Issue expenses		**(250)**	(5,700)	**(250)**	(5,700)
Distributions to Unitholders		**(95,151)**	(70,289)	**(95,151)**	(70,289)
End of the financial year		**2,840,118**	2,734,001	**2,840,118**	2,734,001
Unitholders' funds at end of the financial year		**4,575,669**	4,525,596	**2,692,113**	2,642,505
General reserve					
Beginning of the financial year		**2,461**	1,221	**-**	-
Transfer from Operations		**1,321**	1,240	**-**	-
End of the financial year	20	**3,782**	2,461	**-**	-
Hedging reserve					
Beginning of the financial year		**(5,354)**	16,004	**246**	850
Fair value changes, net of tax		**(30,505)**	(27,335)	**(5,665)**	(913)
Reclassification to profit or loss, net of tax		**42,023**	5,977	**1,595**	309
End of the financial year	21	**6,164**	(5,354)	**(3,824)**	246
Foreign currency translation reserve					
Beginning of the financial year		**62,777**	58,914	**-**	-
Reclassification to profit or loss		**(1,939)**	(3,794)	**-**	-
Translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans		**75,054**	7,657	**-**	-
End of the financial year	22	**135,892**	62,777	**-**	-
Net assets attributable to Unitholders at end of the financial year		**4,721,507**	4,585,480	**2,688,289**	2,642,751
Non-controlling interests					
Beginning of the financial year		**4,675**	-	**-**	-
Profit after tax for the financial year		**710**	479	**-**	-
Cash flow hedges					
- Fair value changes, net of tax		**(12)**	(121)	**-**	-
- Reclassification, net of tax		**20**	15	**-**	-
Contribution from non-controlling interests		**3,741**	4,960	**-**	-
Distributions to non-controlling interests (capital returns)		**(284)**	(656)	**-**	-
Translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans		**273**	(2)	**-**	-
End of the financial year		**9,123**	4,675	**-**	-

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	Group 2020 S$'000	Group 2019 S$'000
Cash flows from operating activities			
Profit for the financial year		**124,266**	634,412
Adjustments for:			
- Income tax expenses	7(a)	**37,452**	61,422
- Amortisation of rent free incentive		**(509)**	1,088
- Depreciation	15	**1,238**	817
- Plant and equipment written off		**101**	-
- Net change in fair value of investment properties	13	**17,906**	(465,152)
- Net change in fair value of financial derivatives		**4,070**	604
- Manager's management fees paid/payable in units		**19,761**	23,092
- Property Manager's management fees paid/payable in units		**10,150**	12,659
- Finance costs	6	**74,901**	74,264
- Interest income		**(2,114)**	(1,898)
- Net foreign exchange gain on capital item		**(1,939)**	(3,794)
Operating cash flows before working capital changes		**285,283**	337,514
Changes in working capital:			
- Trade and other receivables and other current assets		**(7,689)**	(1,964)
- Inventories		**34**	71
- Trade and other payables		**8,448**	1,730
Cash generated from operations		**286,076**	337,351
Income tax paid	7(b)	**(20,308)**	(28,379)
Net cash provided by operating activities		**265,768**	308,972
Cash flows from investing activities			
Additions to investment properties	13	**(12,803)**	(3,399)
Additions to plant and equipment	15	**(1,694)**	(1,429)
Net cash outflow on acquisition of investment properties [1]		**(464,693)**	(733,068)
Interest income received		**2,940**	1,366
Net cash used in investing activities		**(476,250)**	(736,530)
Cash flows from financing activities			
Repayment of borrowings		**(174,285)**	(662,155)
Repayment of medium term note		**(98,313)**	-
Proceeds from borrowings		**654,751**	946,654
Financing fees paid		**(4,095)**	(6,128)
Proceeds from issuance of Tokutei Mokuteki Kaisha ("TMK") bonds and medium term note		**-**	178,278
Net proceeds		**378,058**	456,649
Principal payment of lease liabilities		**(53)**	-
Proceeds from issuance of Transaction Units		**144,776**	-
Proceeds from issuance of new units pursuant to private placement		**-**	330,298
Payment of issue expenses		**(30)**	(5,599)

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

	Note	Group 2020 S$'000	Group 2019 S$'000
Payment of distributions to Unitholders (net of distribution in units) [2]		**(216,201)**	(285,057)
Payment of distributions to non-controlling interests (capital returns)		**(284)**	(656)
Contribution from non-controlling interests		**3,741**	4,960
Interest paid		**(73,183)**	(70,565)
Change in restricted cash		**(15,524)**	(3,665)
Net cash provided by financing activities		**221,300**	426,365
Net increase/(decrease) in cash and cash equivalents		**10,818**	(1,193)
Cash and cash equivalents at beginning of the financial year		**175,168**	177,981
Effect of currency translation on cash and cash equivalents		**2,222**	(1,620)
Cash and cash equivalents at end of the financial year	9	**188,208**	175,168

1 The amount is adjusted for the net identifiable assets acquired, liabilities assumed (2020: S$15,876,000; 2019: S$38,786,000) and payment of acquisition fee to the Manager by way of issuance of units (2020: nil; 2019: S$5,689,000). The 2019 acquisition fee was in relation to the completion of the acquisition of six office properties in Greater Tokyo as announced on 25 May 2018.

2 This amount excludes S$23.1 million distributed through the issuance of 19,391,049 new units in MNACT in 4QFY19/20 as payment of distributions for the period 1 October to 31 December 2019, pursuant to the DRP.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Beginning of financial year $'000	Net Cash flows $'000	Non-cash changes: Finance costs $'000	Non-cash changes: Foreign exchange movement $'000	End of financial year $'000
2020					
Borrowings	**2,867,904**	**378,058**	**3,448**	**122,898**	**3,372,308**
Interest payable within "Trade and other payables" (Note 17)	**8,285**	**(73,183)**	**71,453**	**2,048**	**8,603**
2019					
Borrowings	2,361,085	456,649	3,965	46,205	2,867,904
Interest payable within "Trade and other payables" (Note 17)	8,402	(70,565)	70,299	149	8,285

PORTFOLIO STATEMENT

AS AT 31 MARCH 2020

Description of properties	Acquisition date	Term of lease	Remaining term of lease	Location	Existing use
Investment property in The Hong Kong Special Administrative Region of China ("Hong Kong SAR"):					
Festival Walk	07/03/2013	54 years	27 years ending in 2047	No. 80 Tat Chee Avenue, Kowloon Tong, Hong Kong SAR	Commercial
Investment properties in China ("China"):					
Gateway Plaza	07/03/2013	50 years	33 years ending in 2053	No. 18 Xiaguangli, East 3rd Ring Road North, Chaoyang District, Beijing, China	Commercial
Sandhill Plaza	17/06/2015	50 years	40 years ending in 2060	Blocks 1 to 5 and 7 to 9, No. 2290 Zuchongzhi Road, Pudong New District, Shanghai, China	Commercial
Investment properties in Japan ("Japan Properties")					
IXINAL Monzen-nakacho Building("MON")	25/05/2018	Freehold	-	5-4, Fukuzumi 2-chome, Koto-ku, Tokyo, Japan	Commercial
Higashi-nihonbashi 1-chome Building ("HNB")	25/05/2018	Freehold	-	4-6, Higashi-Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan	Commercial
TS Ikebukuro Building ("TSI")	25/05/2018	Freehold	-	63-4, Higashi-Ikebukuro 2-chome, Toshima-ku, Tokyo, Japan	Commercial

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

Gross revenue for financial year ended 31/03/2020 S$'000	Gross revenue for financial year ended 31/03/2019 S$'000	**Occupancy rates at 31/03/2020 %**	Occupancy rates at 31/03/2019 %	Latest valuation date	**Valuation at 31/03/2020 S$'000**	Valuation at 31/03/2019 S$'000	**Percentage of net assets attributable to Unitholders at 31/03/2020**	Percentage of net assets attributable to Unitholders at 31/03/2019
195,091	253,996	**99.8**	100.0	31/03/2020	**5,090,037**	4,966,850	**107.8**	108.3
81,174	87,221	**91.5**	99.0	31/03/2020	**1,367,996**	1,384,519	**29.0**	30.2
25,243	25,020	**98.0**	99.3	31/03/2020	**483,879**	475,316	**10.3**	10.4
4,356	5,438	**80.8**	100.0	31/03/2020	**110,352**	106,272	**2.3**	2.3
1,652	1,365	**100.0**	100.0	31/03/2020	**31,858**	26,416	**0.7**	0.6
3,590	2,966	**100.0**	100.0	31/03/2020	**71,589**	64,274	**1.5**	1.4

PORTFOLIO STATEMENT

AS AT 31 MARCH 2020

Description of properties	Acquisition date	Term of lease	Remaining term of lease	Location	Existing use
INVESTMENT PROPERTIES IN JAPAN ("JAPAN PROPERTIES") (continued)					
ABAS Shin-Yokohama Building ("ASY")	25/05/2018	Freehold	-	6-1, Shin-Yokohama 2-chome, Kohoku-ku, Yokohama City, Kanagawa	Commercial
SII Makuhari Building ("SMB")	25/05/2018	Freehold	-	8, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan	Commercial
Fujitsu Makuhari Building ("FJM")	25/05/2018	Freehold	-	9-3, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan	Commercial
Omori Prime Building ("OPB")	28/02/2020	Freehold	-	21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan	Commercial
mBAY POINT Makuhari ("MBP")	28/02/2020	Freehold	-	6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan	Commercial
Investment properties - Group					
Other assets and liabilities - Group					
Net assets					
Less: Non-controlling interests					
Net assets attributable to Unitholders					

Notes:

The carrying amounts of the investment properties as at 31 March 2020 (2019: 31 March 2019) were based on independent full valuations undertaken by Cushman & Wakefield Limited (HK SAR and China properties) (2019: CBRE Limited) and Cushman & Wakefield K.K. (Japan Properties), independent valuers. Cushman & Wakefield Limited and Cushman & Wakefield K.K. (2019: CBRE Limited and Cushman & Wakefield K.K.) have the appropriate professional qualifications and experience in the locations and category of the properties being valued. The full valuations of the investment properties were based on discounted cash flow method, income capitalisation method and direct comparison method. The direct comparison method is only used for China properties.

Investment properties comprise a portfolio of commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of 1 to 10 years. Subsequent renewals are negotiated with the lessees.

* OPB and MBP were acquired on 28 February 2020 and their carrying amounts were based on independent valuations as at 1 November 2019, obtained for the purpose of the acquisitions. The valuations were undertaken by Cushman & Wakefield K.K., an independent valuer.

Gross revenue for financial year ended 31/03/2020 S$'000	Gross revenue for financial year ended 31/03/2019 S$'000	Occupancy rates at 31/03/2020 %	Occupancy rates at 31/03/2019 %	Latest valuation date	Valuation at 31/03/2020 S$'000	Valuation at 31/03/2019 S$'000	Percentage of net assets attributable to Unitholders at 31/03/2020	Percentage of net assets attributable to Unitholders at 31/03/2019
2,225	1,803	**100.0**	100.0	31/03/2020	**38,089**	33,233	**0.8**	0.7
22,768	18,861	**100.0**	100.0	31/03/2020	**370,067**	325,024	**7.8**	7.1
14,506	12,017	**100.0**	100.0	31/03/2020	**259,324**	227,639	**5.5**	5.0
449	-	**100.0**	-	1/11/2019*	**95,894**	-	**2.0**	-
3,424	-	**86.6**	-	1/11/2019*	**428,147**	-	**9.1**	-
354,478	408,687				**8,347,232**	7,609,543	**176.8**	166.0
					(3,616,602)	(3,019,388)	**(76.6)**	(65.9)
					4,730,630	4,590,155	**100.2**	100.1
					(9,123)	(4,675)	**(0.2)**	(0.1)
					4,721,507	4,585,480	**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 North Asia Commercial Trust ("MNACT") is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the Trust Deed dated 14 February 2013 (as amended) between Mapletree North Asia Commercial Trust Management Ltd. (as Manager) and DBS Trustee Limited (as Trustee). The Trust Deed is governed by the laws of the Republic of Singapore.

MNACT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 7 March 2013 and was approved for inclusion under the Central Provident Fund ("CPF") Investment Scheme on 23 January 2013.

The principal activity of MNACT and its subsidiaries (the "Group") is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate in China, in Hong Kong SAR and in Japan. It focuses primarily on commercial assets (predominantly for retail and/or office use), as well as real estate-related assets. It has the primary objective of achieving an attractive level of return from rental income and long-term capital growth.

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

(A) Trustee's fees

The Trustee's fees shall not exceed 0.1% per annum of the value of all the assets of MNACT ("Deposited Property") (subject to a minimum of S$15,000 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 out of the Deposited Property of MNACT monthly, in arrears. 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 S$15,000 per month). At inception, the Trustee was paid a one-time inception fee of S$50,000.

(B) Management fees

The Manager or its nominees are entitled to receive the following remuneration:

(i) a base fee of 10.0% per annum of the Distributable Income or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) a performance fee of 25.0% of the difference in Distribution per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee in each financial year) multiplied by the weighted average number of units in issue for such financial year, or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

The management fees payable to the Manager or its nominees will be paid in the form of cash or/and Units. In relation to the Japan Properties, the asset management services are provided by Mapletree Investments Japan Kabushiki Kaisha ("MIJ"). In view of the fees payable in cash to the MIJ for the Japan Properties, the Manager has elected to waive the Base Fee, which it is otherwise entitled to under the Trust Deed for as long as the Manager and MIJ are wholly-owned by Mapletree Investments Pte Ltd and the MIJ continues to receive the Japan Asset Management Fee in respect of the Japan Properties.

Where the management base fees are paid in cash, the amounts are paid monthly, in arrears. Where the management base fees are paid in the form of Units, the amounts are paid quarterly, in arrears.

The management performance fees are paid annually in arrears, whether in the form of cash or/and Units.

1. GENERAL (continued)

(C) Acquisition and Divestment fee

The Manager or its nominees are entitled to receive the following fees:

(i) an acquisition fee not exceeding 0.75% and 1.0% of the acquisition price of any Authorised Investments (as defined in the Trust Deed) from Related Parties and all other acquisitions respectively, acquired directly or indirectly, through one or more Special Vehicles ("SPV"), pro-rated if applicable to the proportion of MNACT's interest; and

(ii) a divestment fee not exceeding 0.5% of the sale price of any Authorised Investments, sold or divested directly or indirectly through one or more SPVs, pro-rated if applicable to the proportion of MNACT's interest.

The acquisition and disposal fee will be paid in the form of cash or/and Units and is payable as soon as practicable after completion of the acquisition and disposal respectively.

The acquisition of two office properties in Greater Tokyo was completed on 28 February 2020. The Manager has waived the acquisition fee of S$3.5 million, which it is entitled to, for the acquisitions of MBP and Omori, to demonstrate its support of the initiatives to achieve greater diversification of MNACT's portfolio.

(D) Fees under the Property Management Agreement

(i) Property management services

The Trustee will pay Mapletree North Asia Commercial Property Management Limited (the "Property Manager"), for each Fiscal Year (as defined in the Property Management Agreement), the following fees:

- 2.0% per annum of the gross revenue for the relevant property;
- 2.0% per annum of the net property income ("NPI") for the relevant property (calculated before accounting for the property management fee in that financial period); and
- where any service is provided by a third party service provider, the Property Manager will be entitled to receive a fee equal to 20% of all fees payable to such third party service provider for supervising and overseeing the services rendered by the third party service provider. Such services shall include, but not limited to, master planning work, retail planning work and environmental impact studies.

The property management fees will be paid in the form of cash or/and Units (as the Manager may in its sole discretion determine).

(ii) Marketing services

Under the Property Management Agreement, the Trustee will pay the Property Manager, the following commissions:

- up to 1 month's gross rent inclusive of service charge for securing a tenancy of 3 years or less;
- up to 2 months' gross rent inclusive of service charge for securing a tenancy of more than 3 years;
- up to 0.5 month's gross rent inclusive of service charge for securing a renewal of tenancy of 3 years or less; and
- up to 1 month's gross rent inclusive of service charge for securing a renewal tenancy of more than 3 years.

The Property Manager is not entitled to the marketing services commissions if such service is (i) performed by staff of the asset holding company or (ii) performed by third party service providers.

The marketing services commissions will be paid in the form of cash or/and Units (as the Manager may in its sole discretion determine).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

1. GENERAL (continued)

(D) Fees under the Property Management Agreement (continued)

(iii) Project management services

The Trustee will pay the Property Manager a project management fee subject to:

- a limit of up to 3.0% of the total construction costs incurred for the development or redevelopment, the refurbishment, retrofitting and renovation works on a property; and
- (in the event that the project management fee is more than S$100,000), an opinion issued by an independent quantity surveyor, to be appointed by the Trustee upon recommendation by the Manager, that the project management fee is within market norms and reasonable range.

The project management fees will be paid in the form of cash or/and Units (as the Manager may in its sole discretion determine).

(iv) Staff costs reimbursement

The Property Manager employs the centre management team and the persons to run the ice rink business of Festival Walk. The Property Manager is entitled to the following:

- reimbursement for the cost of employing the centre management team of Festival Walk and the persons to run the ice rink business of Festival Walk; and
- 3.0% of such employment cost.

The staff costs reimbursement will be paid in the form of cash.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"), the applicable requirements of the Code on Collective Investment Schemes ("CCIS") issued by the Monetary Authority of Singapore ("MAS") relating to financial reporting and the provisions of the Trust Deed.

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

The preparation of financial statements in conformity with SFRS(I) requires the Manager to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Information about an area involving a higher degree of judgement, where assumptions and estimates are significant to the financial statements, is disclosed in Note 13 - Investment Properties. The assumptions and estimates were used by the independent valuers in arriving at their valuations.

New or amended financial reporting standards effective this financial year

On 1 April 2019, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") 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).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of SFRS(I) 16 Leases:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

New or amended financial reporting standards effective this financial year (continued)

Adoption of SFRS(I) 16 Leases

(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's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.18.

On initial application of SFRS(I) 16, the Group has applied the practical expedient to recognise right-of-use ("ROU") assets equal to its lease liabilities on 1 April 2019 and recognition exemptions for short-term leases and leases of low value items. Comparative information is not restated.

(b) When the Group is a lessor

There are no material changes to accounting by the Group.

The adoption of SFRS(I) 16 has no material effect on the amounts reported for the current financial year.

2.2 Revenue recognition

(a) Rental income and service charge from operating leases

Rental income and service charge from operating leases (net of any incentives given to the lessees) on investment properties are recognised on a straight-line basis over the lease term. Contingent rents, which include turnover rental income, are recognised as income in the profit or loss when earned.

(b) Interest income

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

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Expenses

(a) Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are Property Manager's fees which are based on the applicable formula set out in Note 1(D).

(b) Management fees

Management fees are recognised on an accrual basis using the applicable formula set out in Note 1(B).

(c) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula set out 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. This includes those costs on borrowings acquired specifically for the construction or development of properties, as well as those in relation to general borrowings used to finance the construction or development of properties.

The actual borrowing costs incurred during the financial 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 expenditure that are financed by general borrowings.

2.5 Income tax

Taxation on the return for the financial year comprises current and deferred income tax.

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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 initial recognition of goodwill or 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 asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The carrying amount of deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

A deferred income tax liability is recognised on temporary differences arising on investment in subsidiaries except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax asset and liability are offset when there is a legally enforceable right to set off current income tax asset against current income tax liability and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current income tax asset and liability on a net basis.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the 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, except for investment properties. Investment properties measured at fair value are presumed to be recovered entirely through sale.

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.5 Income tax (continued)

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in Unitholders' funds and/or hedging reserve, in which case the tax is also recognised directly in Unitholders' funds and/or hedging reserve, or where the tax arises from the initial accounting for a business combination.

Except for the tax exemption as described below, taxable income earned by the Trust will be subject to Singapore income tax at the prevailing corporate tax rate.

The Trustee is exempted from Singapore income tax under Section 13(12) of the Singapore Income Tax Act ("SITA") on the dividend income from its subsidiaries in Cayman out of underlying rental income derived from the investment properties in Hong Kong SAR and in China. This exemption is granted subject to certain conditions.

The Trustee is also exempted from Singapore income tax under Section 13(8) of the SITA on the dividends received from the Hong Kong Treasury Company provided that the underlying income is subject to profits tax in Hong Kong SAR and the highest rate of profits tax rate in Hong Kong SAR at the time the income is received in Singapore is not less than 15.0%.

The tax exemption also applies to dividend income from the Trust's subsidiaries out of gains, if any, derived from disposal of shares in the subsidiaries unless the gains are considered income of trade or business. Gains arising from the sales of subsidiaries, if considered to be trading gains, will be assessed to tax, currently at 17%, on the Trust under Section 10(1)(a) of the SITA.

Any return of capital received by the Trust from these subsidiaries is capital in nature and hence, is not taxable on the Trustee.

2.6 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the Unitholders of the Trust. They are shown separately in the consolidated statement of profit and loss, statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

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*

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

The consideration transferred for the 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 any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

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

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

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

(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.

Any retained interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries", for the accounting policy on investments in subsidiaries (Note 2.7) in the separate financial statements of MNACT.

(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 Unitholders of the Trust. 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 the Trust.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Investments in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses (Note 2.10) in MNACT's Statement of Financial Position. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.8 Investment properties

Investment properties are properties held either to earn rental income and/or capital appreciation.

Investment properties are accounted for as non-current assets and initially recognised at cost on acquisition, and subsequently carried at fair value. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with CCIS. Changes in fair values are recognised in profit or loss.

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

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

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

2.9 Plant and equipment

(a) Measurement

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment 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 the Manager.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computer equipment	5 years
Other fixed assets	3 to 5 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Plant and equipment (continued)

(b) Depreciation (continued)

The residual values and estimated useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss for the financial period in which 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 during the financial period in which it is incurred.

(d) Disposal

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

2.10 Impairment of non-financial assets

Plant and equipment
Investments in subsidiaries

Plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the Cash Generating Unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed 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 (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior financial period. A reversal of impairment loss for an asset is recognised in profit or loss.

2.11 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost represents average unit cost of purchase and net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Financial assets

Classification and measurement

The Group classifies its financial assets as held 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables and other current assets (except for prepayments).

There are three prescribed subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets. The Group managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

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 are recognised using the effective interest rate method.

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

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

For other receivables, other current assets (except for prepayments) and cash and bank balances, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash balances and deposits with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 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 incurred. Borrowings are subsequently stated 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.

2.15 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). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently at amortised cost, using the effective interest method.

2.16 Derivative financial instruments and hedging activities

The Group uses derivative financial instruments such as interest rate swaps, cross currency interest rate swaps and forward currency contracts to hedge its exposure to interest rate risks and currency risks arising from operational, financing and investment activities. In accordance with its treasury policy, which is in line with the CCIS, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value on the date the contracts are entered into and are subsequently carried at their fair value.

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

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

(a) Cash flow hedge

(i) Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for 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 and transferred 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Derivative financial instruments and hedging activities (continued)

(a) *Cash flow hedge* (continued)

(ii) *Cross currency interest rate swaps*

The Group has entered into cross currency interest rate swaps that are cash flow hedges and are used to reduce the Group's exposure to interest rate risk and currency risk on its borrowings and interest.

The fair value changes on the effective portion of cross currency interest rate swaps designated as cash flow hedges are recognised in other comprehensive income and transferred to profit or loss when the hedged interest expense on the borrowings and/or the exchange differences arising from the translation of the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of cross currency interest rate swaps are recognised immediately in profit or loss.

(iii) *Forward currency contracts*

MNACT has entered into forward currency contracts that qualify as cash flow hedges at MNACT level and are used to hedge the highly probable forecasted foreign currency income received from the offshore assets, back into Singapore Dollars.

The fair value changes on the effective portion of forward currency contracts designated as cash flow hedges are recognised in other comprehensive income and transferred to profit or loss as part of dividend income upon the receipt of the dividend income. The fair value changes on the ineffective portion of currency forwards are recognised immediately in the profit or loss.

(b) *Derivatives that are not designated or do not qualify for hedge accounting*

Fair value changes on forward currency contracts which do not qualify for hedge accounting at Group level, are recognised in the profit or loss when the changes arise. Such derivatives are presented as current assets or liabilities if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

2.17 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. The fair values of currency forwards are determined using banks' quoted forward rates and foreign exchange spot rates at the reporting date. The fair values of interest rate swaps and cross currency interest rate swaps are calculated as the present value of the estimated future cash flows, using assumptions based on market conditions existing at the reporting date.

The fair values of non-current financial liabilities carried at amortised cost are determined from adjusted quoted prices or cash flow analysis discounted at the current market interest rates that are available to the Group for similar financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Leases

(a) The accounting policy for leases before 1 April 2019 are as follows:

When the Group is a lessor:

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the period of the lease.

When the Group is a lessee:

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) The accounting policy for leases from 1 April 2019 is as follows:

When the Group is the lessee:

At contract inception, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) ROU assets

The Group recognises a ROU asset and lease liability at the date which the underlying asset is available for use. ROU assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received.

These ROU assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term, and are presented within "Property, plant and equipment".

(ii) Lease liabilities

Lease liability is initially measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease liability is subsequently measured at amortised cost using the effective interest method.

(iii) Short term and low value leases

The Group has elected to not recognised ROU assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease.

When the Group is the lessor:

The accounting policy applicable to the Group as a lessor in the comparative period is the same under SFRS(I) 16.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event where it is probable that such obligation will result in an outflow of economic benefits that can be reasonably estimated.

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Singapore Dollars, which is MNACT's functional currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses 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, except for currency translation differences on the net investment in foreign operations, borrowings in foreign currencies and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and included in the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

(c) Translation of Group entities' financial statements

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the reporting date;
(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) All resulting exchange differences are recognised in other comprehensive income and taken to the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

(d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies, and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and taken to the foreign currency translation reserve. When a foreign operation is sold or any loan forming part of the net investment in foreign operation is repaid, such currency translation differences recorded in the foreign currency translation reserve are recognised in profit and loss as part of the gain or loss on sale.

2.21 Units and unit issuance expenses

Proceeds from the issuance of Units in MNACT 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Manager who is responsible for allocating resources and assessing performance of the operating segments.

2.23 Distribution policy

MNACT's distribution policy is to distribute, on a quarterly basis, at least 90.0% of its distributable income, comprising substantially its income from the letting of its properties and related property services income and after deduction of allowable expenses and allowances, and of its tax-exempt income (if any).

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, MNACT will adopt the announcement of financial statements on a half-yearly basis with effect from the financial year from 1 April 2020 to 31 March 2021 ("FY20/21"). The next financial results announcement will be for the six-month period ending 30 September 2020. Accordingly, MNACT will also amend its distribution policy to make distributions on a half-yearly basis. The next distribution will be for the six-month period ending 30 September 2020.

The Manager has introduced and implemented the Distribution Reinvestment Plan ("DRP") on 4 December 2019. The DRP provides Unitholders with the option to receive their distributions declared, either in the form of units or cash or a combination of both. DRP enables MNACT to conserve its cash balance and improve its liquidity position and aggregate leverage.

3. GROSS REVENUE

	Group	
	2020 S$'000	2019 S$'000
Rental income (net of rental reliefs granted)	**303,394**	350,311
Service charges	**11,615**	11,307
Other operating income	**39,469**	47,069
	354,478	408,687

The turnover rental income recognised in rental income during the financial year was S$2,648,000 (2019: S$8,525,000).

During the financial year, there was lower revenue from Festival Walk due to the rental reliefs granted to support retail tenants affected by the social unrests in Hong Kong SAR as well as the COVID-19. There was also no rental collection during the temporary closure of Festival Walk's mall from 13 November 2019 to 15 January 2020 and its office tower from 13 to 25 November 2019. To mitigate the above impact on the distributable income when the mall and office tower were closed and there was no rental collection, and until such time when the loss of revenue is recovered through the insurance claims, the Manager had implemented Festival Walk Top-Ups over the third and the fourth quarters. Please refer to footnote 1 of the Distribution Statements for more details on Festival Walk Top-Ups. The loss of retail and office revenue during the closures as well as property damage sustained are covered under the insurance policies.

Ad-hoc rental reliefs of S$18,136,000 (2019: nil) were granted to the Group's tenants during the year. The rental reliefs granted, which do not change the scope nor the original terms and conditions of the leases, are recognised as a period charge in the period in which they are granted to the tenants.

Other operating income comprises car park revenue and other income attributable to the operations of the properties, such as additional air-conditioning and chilled water charges, ice rink income, rental from event space and refuse compactor charge.

4. PROPERTY OPERATING EXPENSES

	Group	
	2020 S$'000	2019 S$'000
Staff costs*	**4,012**	3,595
Utilities and property maintenance	**16,376**	16,319
Marketing and promotion expenses	**4,443**	5,754
Professional fees	**1,512**	1,681
Property and other taxes	**23,456**	22,875
Property and lease management fees	**13,803**	16,079
Property management reimbursements**	**10,311**	9,613
Other operating expenses	**3,078**	3,741
	76,991	79,657

* Includes contribution to defined contribution plans of S$240,000 (2019: S$233,000).

** Includes reimbursements paid/payable to the Property Manager in respect of agreed employee expenditure incurred by the Property Manager for providing its services under the Property Management Agreement.

The Group's daily operations and administrative functions are provided by the Manager and Property Manager.

All of the Group's investment properties generate rental income and the above expenses are direct operating expenses arising therefrom.

5. OTHER TRUST EXPENSES

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Consultancy and professional fees	**468**	425	**72**	69
Valuation fees	**62**	57	**-**	-
Other trust expenses	**1,582**	1,013	**176**	141
	2,112	1,495	**248**	210

Total fees to auditors included in other trust expenses are as follows:

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Auditors' remuneration	**354**	312	**45**	48
Non-audit fees	**-**	-	**-**	-
	354	312	**45**	48

Auditors of the Group comprise member firms of PricewaterhouseCoopers International Limited.

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6. FINANCE COSTS

	Group	
	2020 S$'000	2019 S$'000
Interest expense	**81,475**	76,729
Cash flow hedges, reclassified from hedging reserve (Note 21)	**(10,022)**	(6,430)
Financing fees*	**3,448**	3,965
	74,901	74,264

* Includes legal fees of S$363,000 (2019: S$317,000).

7. INCOME TAX

(a) Income tax expenses

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Tax expense attributable to current financial year's results is made up of:				
Current income tax				
- Singapore	**79**	60	**79**	60
- Foreign	**10,546**	19,352	**-**	-
	10,625	19,412	**79**	60
Withholding tax - Foreign	**11,088**	9,561	**-**	-
	21,713	28,973	**79**	60
Deferred tax (Note 19)	**15,771**	32,452	**-**	-
	37,484	61,425	**79**	60
Over provision in preceding financial years:				
Current income tax - Foreign	**(32)**	(3)	**-**	-
	37,452	61,422	**79**	60

7. INCOME TAX (continued)

(a) Income tax expenses (continued)

The income tax expenses on the results for the financial year differ from the amount that would arise using the Singapore standard rate of income tax due to the following:

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Profit before tax	**161,718**	695,834	**121,849**	152,916
Tax calculated at a tax rate of 17% (2019: 17%)	**27,492**	118,292	**20,714**	25,996
Effects of:				
- Expenses not deductible for tax purposes	**4,925**	6,500	**3,528**	4,040
- Income not subject to tax	**(1,939)**	(2,004)	**-**	-
- Loss/(gain) on revaluation of investment properties not subject to tax	**7,677**	(55,408)	**-**	-
- Income not subject to tax due to tax transparency ruling (Note 2.5)	**-**	-	**(24,163)**	(29,976)
- Different tax rates in other countries	**(616)**	(6,136)	**-**	-
- Over provision in preceding financial years	**(32)**	(3)	**-**	-
- Others	**(55)**	181	**-**	-
Tax charge	**37,452**	61,422	**79**	60

(b) Movements in current income tax liabilities

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Beginning of the financial year	**31,216**	29,930	**119**	82
Income tax paid	**(20,308)**	(28,379)	*****	(23)
Tax expense	**21,713**	28,973	**79**	60
Over provision in preceding financial years	**(32)**	(3)	**-**	-
Translation differences on consolidation	**1,285**	695	**-**	-
End of the financial year	**33,874**	31,216	**198**	119

* The amount is below S$1,000.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

7. INCOME TAX (continued)

(c) The tax charge relating to each component of other comprehensive income is as follows:

	2020			2019		
	Before tax S$'000	**Tax charge S$'000**	**After tax S$'000**	Before Tax S$'000	Tax Charge S$'000	After tax S$'000
Cash flow hedges						
- Fair value changes	**(33,370)**	**2,853**	**(30,517)**	(32,951)	5,495	(27,456)
- Reclassification	**40,163**	**1,880**	**42,043**	6,528	(536)	5,992
Currency translation differences						
- Gains	**75,327**	**-**	**75,327**	7,655	-	7,655
- Reclassification	**(1,939)**	**-**	**(1,939)**	(3,794)	-	(3,794)
Other comprehensive income	**80,181**	**4,733**	**84,914**	(22,562)	4,959	(17,603)

8. EARNINGS PER UNIT

The calculation of basic and diluted earnings per unit is based on:

	Group		MNACT	
	2020	2019	**2020**	2019
Net profit attributable to Unitholders of MNACT (S$'000)	**123,556**	633,933	**121,770**	152,856
Weighted average number of units outstanding during the financial year ('000)	**3,199,143**	3,124,200	**3,199,143**	3,124,200
Basic and diluted earnings per unit (cents)	**3.862**	20.291	**3.806**	4.893

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial year.

9. CASH AND BANK BALANCES

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Cash at bank and on hand	**145,662**	111,937	**46,653**	51,177
Short-term bank deposits	**62,136**	66,896	**6,556**	11,485
	207,798	178,833	**53,209**	62,662

Short-term bank deposits at the reporting date have a weighted average maturity of 164 (2019: 95) days from the end of the financial year. The effective interest rates at the reporting date ranged from 0.58% to 3.26% (2019: 1.64% to 3.85%) per annum.

9. CASH AND BANK BALANCES (continued)

For purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2020 S$'000	2019 S$'000
Cash and bank balances	**207,798**	178,833
Less: Restricted cash*	**(19,590)**	(3,665)
Cash and cash equivalents per consolidated statement of cash flows	**188,208**	175,168

* Restricted cash relates to the amount of cash reserves for the Japan Properties which is required to be maintained based on the agreements with the banks. Restricted cash are reserves for use in capital expenditure, interest expense and certain property related expenses to ensure these liabilities can be met when incurred.

10. TRADE AND OTHER RECEIVABLES

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Trade receivables:				
- Non-related parties	**1,892**	996	**390**	395
- Related parties	**-**	-	**-**	-
Amounts due from subsidiaries (non-trade)	**-**	-	**6,479**	5,839
Accrued revenue	**7,020**	5,773	**-**	-
Interest receivables	**342**	1,168	**2**	30
Other receivables	**8,417**	1,385	**188**	45
	17,671	9,322	**7,059**	6,309

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Included in other receivables is the refundable withholding tax and consumption tax relating to the acquisition of MBP and Omori, total amounting to S$6,484,000 (2019: nil).

11. OTHER CURRENT ASSETS

	Group	
	2020 S$'000	2019 S$'000
Deposits	**52**	51
Prepayments	**1,841**	2,044
	1,893	2,095

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

12. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	Maturity	Contract notional amount S$'000	Fair value Assets S$'000	Fair value Liabilities S$'000
31 March 2020				
Cash flow hedging instruments:				
Interest rate swaps (current)	April 2020 - March 2021	392,502	**1**	**(1,361)**
Interest rate swaps (non-current)	July 2021 - May 2025	1,080,315	**1,152**	**(12,602)**
Cross currency interest rate swaps (non-current)	September 2021 - March 2027	906,373	**6,376**	**(38,795)**
Non-hedging instruments:				
Currency forwards (current)	June 2020 - December 2020	112,761	**128**	**(3,952)**
			7,657	**(56,710)**
Represented by:				
Current position			**129**	**(5,313)**
Non-current position			**7,528**	**(51,397)**
Percentage of derivatives to the Group's net asset value				**(1.04%)**
31 March 2019				
Cash flow hedging instruments:				
Interest rate swaps (current)	December 2019 - March 2020	431,900	1,391	(489)
Interest rate swaps (non-current)	April 2020 – May 2025	908,222	468	(10,212)
Cross currency interest rate swaps (current)	March 2020	108,490	1,034	-
Cross currency interest rate swaps (non-current)	September 2021 - March 2027	695,203	12,868	(6,896)
Non-hedging instruments:				
Currency forwards (current)	June 2019 - December 2019	118,401	982	(737)
			16,743	(18,334)
Represented by:				
Current position			3,407	(1,226)
Non-current position			13,336	(17,108)
Percentage of derivatives to the Group's net asset value				(0.03%)

12. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

At 31 March 2020, the fixed interest rates payable on interest rate swaps and cross currency interest rate swaps vary from 0.13% to 3.58% (2019: 0.32% to 3.58%) per annum and the fixed and floating interest rates receivable vary from 0.07% to 3.96% (2019: 0.07% to 3.96%) per annum.

	MNACT			
	Maturity	Contract notional amount S$'000	Fair value Assets S$'000	Fair value Liabilities S$'000
31 March 2020				
Cash flow hedging instruments:				
Currency forwards (current)	June 2020 - December 2020	112,761	**128**	**(3,952)**
Percentage of derivatives to MNACT's net asset value				**(0.14%)**
31 March 2019				
Cash flow hedging instruments:				
Currency forwards (current)	June 2019 - December 2019	118,401	982	(737)
Percentage of derivatives to MNACT's net asset value				0.01%

Hedging instruments used in Group's hedging strategy in 2020

		Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness			
	Contractual notional amount S$'000	Assets/ (Liabilities) S$'000	Financial statement line item	Hedging instrument S$'000	Hedged Item S$'000	Hedge ineffectiveness recognised in P&L S$'000	Maturity date
Group							
Cash flow hedge							
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	1,472,817	(12,810)	Derivative financial instruments	(3,729)	3,729	-	April 2020 - May 2025
Interest rate risk/foreign exchange risk							
- Cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings	906,373	(32,419)	Derivative financial instruments	(29,641)	29,641	-	September 2021 - March 2027
MNACT							
Cash flow hedge							
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	112,761	(3,824)	Derivative financial instruments	(5,665)	5,665	-	June 2020 - December 2020

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12. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Hedging instruments used in Group's hedging strategy in 2019

		Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness			
	Contractual notional amount S$'000	Assets/ (Liabilities) S$'000	Financial statement line item	Hedging instrument S$'000	Hedged Item S$'000	Hedge ineffectiveness recognised in P&L S$'000	Maturity date
Group							
Cash flow hedge							
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	1,340,122	(8,842)	Derivative financial instruments	(15,139)	15,139	-	December 2019 – May 2025
Interest rate risk/foreign exchange risk							
- Cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings	803,693	7,006	Derivative financial instruments	(17,812)	17,812	-	March 2020 – March 2027
MNACT							
Cash flow hedge							
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	118,401	245	Derivative financial instruments	(913)	913	-	June 2019 – December 2019

At 31 March 2020, the Group's weighted average hedge rates for interest rate swaps and cross currency swaps were 1.21% and 2.06% (SGD1: HKD5.75, USD1: HKD7.79, SGD1: JPY81.23 and HKD1: JPY14.28) [2019: 1.34% and 2.30% (SGD1: HKD5.75, USD1: HKD7.79, SGD1: JPY82.30 and HKD1: JPY14.28)] respectively.

At 31 March 2020, MNACT's weighted average hedged rates for outstanding forward contracts were SGD1: HKD5.65, SGD1: RMB5.18 and SGD1: JPY77.29 (2019: SGD1: HKD5.74, SGD1: RMB5.06 and SGD1: JPY80.13).

13. INVESTMENT PROPERTIES

(a) Investment properties

	Group 31 March 2020 S$'000	Group 31 March 2019 S$'000
Beginning of the financial year	**7,609,543**	6,292,007
Additions	**12,803**	3,399
Acquisition	**484,746**	777,543
Net change in fair value of investment properties	**(17,906)**	465,152
Translation difference on consolidation	**258,046**	71,442
End of the financial year	**8,347,232**	7,609,543

Details of the properties are shown in the Portfolio Statement.

13. **INVESTMENT PROPERTIES** (continued)

(b) **Fair value hierarchy**

The following level presents the investment properties at fair value and classified by level of fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset that are not based on observable market data (unobservable inputs).

All properties within the Group's portfolio are classified within Level 3 of the fair value hierarchy.

(c) **Reconciliation of movements in Level 3 fair value measurements**

	Hong Kong SAR S$'000	China S$'000	Japan S$'000
2020			
Beginning of the financial year	**4,966,850**	**1,859,835**	**782,858**
Additions, including effect of amortisation of leasing related and capitalised cost	**8,202**	**13**	**4,588**
Acquisition*	**-**	**-**	**484,746**
Net change in fair value of investment properties	**(46,526)**	**14,536**	**14,084**
Translation differences on consolidation	**161,511**	**(22,509)**	**119,044**
End of the financial year	**5,090,037**	**1,851,875**	**1,405,320**
2019			
Beginning of the financial year	4,514,220	1,777,787	-
Additions, including effect of amortisation of leasing related and capitalised cost	3,440	(331)	290
Acquisition*	-	-	777,543
Net change in fair value of investment properties	326,796	133,637	4,719
Translation differences on consolidation	122,394	(51,258)	306
End of the financial year	4,966,850	1,859,835	782,858

* Included non-audit fees of S$145,000 (2019: S$182,000) paid to the auditor of MNACT for the service rendered as the independent reporting auditor.

The TMK bonds and certain bank loans are secured on the Japan Properties with carrying amounts on the balance sheet of S$1,405,320,000 (2019: S$782,858,000) (Note 18).

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13. INVESTMENT PROPERTIES (continued)

(d) Valuation techniques and key unobservable inputs

Fair values of the Group's properties have been derived using the following valuation techniques:

- Income capitalisation – Properties are valued by capitalising the net income on a fully leased basis at a blended rate to arrive at the core capital value. The net income of the building is the estimated current rate and potential future income from existing vacancies after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location and tenancy profile of the property together with the prevailing property market condition.

- Discounted cash flow - Properties are valued by discounting the net cash flows over the assumed cash flow period at an appropriate rate to reflect risk.

- Direct comparison - Properties are valued by using transacted prices for comparable properties for which price information is available, with adjustments made for differences in size, location, time, amenities, building age, building quality, remaining land tenure and other relevant factors.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the investment properties categorised under Level 3 of the fair value hierarchy:

Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Income capitalisation	Capitalisation rate	4.15% - 5.50% (2019: 4.15% - 5.75%) per annum	The higher the capitalisation rate, the lower the fair value.
Discounted cash flow	Discount rate	3.90% - 9.25% (2019: 3.90% - 9.25%) per annum	The higher the discount rate, the lower the fair value.
Direct comparison (only for China properties)	Adjusted price per square metre	RMB 37,766 - RMB 65,003 (2019: RMB 37,301 - RMB 64,599)	The higher the adjusted price per square metre, the higher the fair value.

(e) Valuation processes of the Group

The Group engages independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 31 March 2020, the fair values of the properties were determined by Cushman & Wakefield Limited and Cushman & Wakefield K.K. (31 March 2019: CBRE Limited and Cushman & Wakefield K.K.).

The independent valuers are of the view that the valuation techniques and estimates they have employed are reflective of the current market conditions and have taken into account the impact of COVID-19 based on information available as at 31 March 2020. The Manager has reviewed the appropriateness of the valuation techniques, and assumptions applied by the independent valuers. Given the heightened uncertainty over the length and severity of the COVID-19 outbreak in the respective countries in which the Group operates and the ongoing measures being adopted by them to address the outbreak, valuations may be subjected to more fluctuations subsequent to 31 March 2020 than during normal market conditions.

13. INVESTMENT PROPERTIES (continued)

(f) Acquisition of the Japan Properties

On 28 February 2020, the Group acquired an effective interest of 98.47% in two freehold office properties located in Tokyo and Chiba, Japan from Mapletree Investments Pte Ltd ("MIPL"), the parent company of the Group.

The acquisition is part of the Group's strategy to achieve further diversification of MNACT's portfolio.

14. LEASES – THE GROUP AS A LESSOR

The Group has leased out their owned investment properties to third parties and related parties (Note 26) for monthly lease payments. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Although the Group is exposed to changes in the residual values of its investment properties at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the investment properties in Note 13.

Rental income from investment properties are disclosed in Note 3.

Undiscounted non-cancellable lease payments from the operating leases to be received after the reporting date are as follows:

	31 March 2020 S$'000	31 March 2019 S$'000
Less than one year	**363,047**	325,799
One to two years	**298,327**	245,049
Two to three years	**218,318**	188,571
Three to four years	**131,010**	129,262
Four to five years	**44,481**	77,398
Later than five years	**22,348**	43,067
Total undiscounted lease payments	**1,077,531**	1,009,146

The future minimum lease receivables under non-cancellable leases exclude the portion of lease receivables which is computed based on a percentage of the sales achieved by some of the lessees. The contingent lease receivables received during the financial year and recognised in the Group's revenue are disclosed in Note 3.

Some of the operating leases are subject to revision of lease rentals at periodic intervals. For the purpose of the above disclosure, the prevailing lease rentals are used.

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15. PLANT AND EQUIPMENT

	Computer equipment S$'000	Other fixed assets S$'000	Total S$'000
Group			
2020			
Cost			
Beginning of the financial year	**1,603**	**4,659**	**6,262**
Adoption of SFRS(I) 16 (Note 2.1)	**-**	**193**	**193**
	1,603	**4,852**	**6,455**
Additions	**94**	**1,600**	**1,694**
Write-offs	**(53)**	**(226)**	**(279)**
Translation difference on consolidation	**49**	**153**	**202**
End of the financial year	**1,693**	**6,379**	**8,072**
Accumulated depreciation			
Beginning of the financial year	**1,400**	**1,704**	**3,104**
Depreciation charge	**123**	**1,115**	**1,238**
Write-offs	**(53)**	**(125)**	**(178)**
Translation difference on consolidation	**45**	**78**	**123**
End of the financial year	**1,515**	**2,772**	**4,287**
Net book value			
End of the financial year	**178**	**3,607**	**3,785**
Group			
2019			
Cost			
Beginning of the financial year	1,481	3,260	4,741
Additions	118	1,311	1,429
Write-offs	(34)	-	(34)
Translation difference on consolidation	38	88	126
End of the financial year	1,603	4,659	6,262
Accumulated depreciation			
Beginning of the financial year	1,262	1,001	2,263
Depreciation charge	139	678	817
Write-offs	(34)	-	(34)
Translation difference on consolidation	33	25	58
End of the financial year	1,400	1,704	3,104
Net book value			
End of the financial year	203	2,955	3,158

ROU assets acquired under leasing arrangements are presented together with the owned assets of the same class.

16. INVESTMENTS IN SUBSIDIARIES

	MNACT 2020 S$'000	2019 S$'000
Equity investments at cost	**1,132,875**	1,119,907
Loans to subsidiaries	**1,540,474**	1,462,742
	2,673,349	2,582,649

The loans to subsidiaries are unsecured, interest-free and with no fixed repayment terms and are intended to be a long-term source of additional capital for the subsidiaries. Settlement of these loans is neither planned nor likely to occur in the foreseeable future. Accordingly, the Manager considers these loans to be part of the Trust's net investment in the subsidiaries and has accounted for these loans in accordance with Note 2.7.

The Group has the following significant subsidiaries as at 31 March 2020 and 2019:

Name of subsidiary	Principal activities	Country of incorporation	Effective interest held by the Group 2020 %	2019 %
Festival Walk (2011) Limited [(a)]	Property investment	Hong Kong SAR	**100.0**	100.00
HK Gateway Plaza Company Limited [(b)]	Property investment	Hong Kong SAR	**100.0**	100.00
Shanghai Zhan Xiang Real Estate Company Limited [(b)]	Property investment	China	**100.0**	100.00
Tsubaki Tokutei Mokuteki Kaisha [(c)]	Property investment	Japan	**98.47**	98.47
GK Makuhari Blue [(c)]	Property investment	Japan	**98.47**	-

[(a)] Audited by PricewaterhouseCoopers, Hong Kong

[(b)] Audited by PricewaterhouseCoopers Zhong Tian, China

[(c)] Audited by PricewaterhouseCoopers Aarata LLC, Japan

The Group acquired 98.47% interest in each of Tsubaki Tokutei Kaisha and GK Makuhari Blue on 25 May 2018 and 28 February 2020 respectively. Accordingly, at the reporting date, the Group only had two subsidiaries with non-controlling interests of 1.53%. The non-controlling interests are not material to the Group.

The Group does not have any other subsidiaries that has non-controlling interests that are material to the Group. Accordingly, no summarised financial information of subsidiaries with non-controlling interests are presented.

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17. TRADE AND OTHER PAYABLES

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Current				
Trade payables	**2,863**	851	**154**	50
Accruals	**34,888**	20,333	**2,679**	1,814
Amounts due to subsidiaries (non-trade)	**-**	-	**56**	55
Amounts due to related parties (trade)	**8,429**	10,749	**4,224**	7,014
Amount due to a related party (non-trade)	**14**	62	**14**	62
Tenancy deposits and advance rental	**56,287**	48,434	**-**	-
Other deposits	**1,083**	988	**-**	-
Interest payable	**8,603**	8,285	**-**	-
Advanced distribution payable	**34,179**	-	**34,179**	-
Other payables	**3,611**	3,479	**-**	-
	149,957	93,181	**41,306**	8,995
Non-current				
Tenancy deposits and advance rental	**109,894**	99,687	**-**	-
	259,851	192,868	**41,306**	8,995

Accruals include accrued capital expenditure and property taxes for investment properties.

An advanced distribution payable of S$34,179,000 or 1.07 cents per unit was declared to eligible Unitholders on 28 February 2020. This represents distribution for the period from 1 January 2020 to 27 February 2020 to Unitholders existing as at 28 February 2020 and prior to the issuance of new units pursuant to the Transaction Units (Note 23(iii)).

Included in trade amounts due to related parties are amounts due to the Property Manager of S$4,205,000 (2019: S$3,735,000) and the Manager of S$4,224,000 (2019: S$7,014,000).

The non-trade amounts due to subsidiaries and a related party are unsecured, interest-free and repayable on demand.

18. BORROWINGS

	Group	
	2020 S$'000	2019 S$'000
Current		
Bank loans	**353,148**	192,887
Medium-term notes	**-**	95,018
	353,148	287,905
Non-current		
Bank loans	**2,213,635**	1,792,193
TMK bonds	**86,305**	77,787
Medium-term notes	**730,406**	719,783
Gross borrowings	**3,383,494**	2,877,668
Less: Unamortised transaction costs	**(11,186)**	(9,764)
Net borrowings	**3,372,308**	2,867,904
Represented by:		
Current position	**352,669**	287,582
Non-current position	**3,019,639**	2,580,322
Percentage of total borrowings to net asset value	**71.4%**	62.5%

The above borrowings are unsecured except for the TMK bonds and certain bank loans amounting to S$774,424,000 (2019: S$450,409,000), which are secured over the Japan Properties (Note 13).

(a) Maturity of borrowings

The bank loans mature between 2020 and 2025 (2019: 2020 and 2025), TMK bonds mature between 2024 and 2025 (2019: 2024 and 2025), and medium-term notes mature between 2021 and 2027 (2019: 2020 and 2027).

(b) Interest rates

The weighted average effective interest rates per annum are as follows:

	2020 %	2019 %
Group		
Bank loans	**2.13**	2.41
TMK bonds	**0.41**	0.41
Medium-term notes	**3.42**	3.35

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

18. BORROWINGS (continued)

(c) Interest rate risks

The exposure of the borrowings of the Group at the reporting dates (before taking into account the derivatives to swap the floating rates to fixed rates) to interest rate changes and the contractual repricing dates are as follows:

	Variable rates 1 to 6 months S$'000	Fixed rates 1 to 5 years S$'000	Fixed rates more than 5 years S$'000	Total S$'000
<u>Group</u>				
31 March 2020				
Borrowings	**2,557,115**	**-**	**815,193**	**3,372,308**
31 March 2019				
Borrowings	1,977,541	94,963	795,400	2,867,904

(d) Carrying amounts and fair values

The carrying amount of the current and non-current bank loans and TMK bonds, which are at variable market rates, approximate their fair values at the reporting date.

The fair value of the current and non-current fixed-rate medium-term notes of S$736,697,000 (2019: S$821,785,000) is determined from adjusted quoted prices and is within Level 2 of the fair value hierarchy.

(e) Medium-term notes

In May 2013, the Group established, together with DBS Trustee Limited, in its capacity as Trustee of MNACT ("MNACT Trustee"), a US$1,500,000,000 Euro Medium Term Securities Programme ("MTN Programme") via its subsidiaries, Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd. ("MNACT S-TCo") and Mapletree North Asia Commercial Treasury Company (HKSAR) Limited ("MNACT HK-TCo").

Under the MTN Programme, MNACT Trustee, MNACT S-TCo and MNACT HK-TCo (collectively "the Issuers") may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Medium-term notes or perpetual securities in series or tranches in Singapore Dollars or any other currency.

Each series or tranche of Medium-term notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest. Hybrid notes or zero coupon notes may also be issued under the MTN Programme.

18. BORROWINGS (continued)

(e) Medium-term notes (continued)

The Medium-term notes shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuers and rank pari passu and without any preference among themselves and equally with all other unsecured obligations of the Issuers, from time to time outstanding. All sums payable in respect of the Medium-term notes will be unconditionally and irrevocably guaranteed by DBS Trustee Limited, in its capacity as Trustee of MNACT.

Total Medium-term notes outstanding as at 31 March 2020 under the MTN Programme was S$730,406,000 (2019: S$814,801,000) consisting of:

	Maturity date	Fixed interest rate	Interest payment in arrear	**31 March 2020 '000**	31 March 2019 '000
(i)	11 February 2020	2.80%	Quarterly	**-**	HK$550,000
(ii)	8 September 2021	3.20%	Semi-annually	**S$75,000**	S$75,000
(iii)	9 March 2022	3.43%	Semi-annually	**S$100,000**	S$100,000
(iv)	9 November 2022	3.96%	Semi-annually	**S$100,000**	S$100,000
(v)	22 March 2023	3.50%	Semi-annually	**S$120,000**	S$120,000
(vi)	20 April 2023	3.25%	Semi-annually	**HK$600,000**	HK$600,000
(vii)	20 September 2023	3.00%	Semi-annually	**HK$700,000**	HK$700,000
(viii)	11 March 2027	3.65%	Semi-annually	**HK$580,000**	HK$580,000

(f) TMK Bonds

The TMK bonds of JPY6,390 million as at 31 March 2020 and 2019 were issued on 25 May 2018, bear floating interest rate of 3 Month JPY Tibor plus spread (0.32% and 0.36%) per annum and mature between 2024 and 2025.

(g) Undrawn committed borrowing facilities

As at 31 March 2020, the Group had unutilised facilities of S$283,218,000 (2019: S$235,872,000) available to meet its future obligations.

19. DEFERRED TAX

	Group	
	2020 S$'000	2019 S$'000
Beginning of the financial year	**119,889**	92,329
Tax charge to profit or loss (Note 7(a))	**15,771**	32,452
Tax charge to other comprehensive income (Note 7(c))	**(4,733)**	(4,959)
Translation difference on consolidation	**2,233**	67
End of the financial year	**133,160**	119,889

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19. DEFERRED TAX (continued)

The movement in deferred income tax liabilities prior to offsetting of balances within the same tax jurisdiction is as follows:

	Accelerated tax depreciation S$'000	Change in fair value of investment properties S$'000	Change in fair value of derivative financial instruments S$'000	Unremitted earnings S$'000	Total S$'000
Group					
2020					
Beginning of the financial year	**57,501**	**58,666**	**944**	**2,778**	**119,889**
Tax charge to profit or loss (Note 7(a))	**10,143**	**5,402**	**-**	**226**	**15,771**
Tax charge to other comprehensive income (Note 7(c))	**-**	**-**	**(4,733)**	**-**	**(4,733)**
Translation difference on consolidation	**2,395**	**(457)**	**-**	**295**	**2,233**
End of the financial year	**70,039**	**63,611**	**(3,789)**	**3,299**	**133,160**
2019					
Beginning of the financial year	47,052	38,285	5,903	1,089	92,329
Tax charge to profit or loss (Note 7(a))	9,186	21,534	-	1,732	32,452
Tax charge to other comprehensive income (Note 7(c))	-	-	(4,959)	-	(4,959)
Translation difference on consolidation	1,263	(1,153)	-	(43)	67
End of the financial year	57,501	58,666	944	2,778	119,889

20. GENERAL RESERVE

Shanghai Zhan Xiang Real Estate Company Limited, an entity incorporated in China, is required to transfer 10% of its profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders. This general reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

21. HEDGING RESERVE

	Group					
	2020			2019		
	Interest rate risk S$'000	**Interest rate/ foreign exchange risk S$'000**	**Total S$'000**	Interest rate risk S$'000	Interest rate/ foreign exchange risk S$'000	Total S$'000
Beginning of the financial year	**(8,422)**	**3,068**	**(5,354)**	5,718	10,286	16,004
Fair value changes	**(3,729)**	**(29,641)**	**(33,370)**	(15,139)	(17,812)	(32,951)
Tax charge (Note 7(c))	**722**	**4,011**	**4,733**	1,443	3,516	4,959
Reclassification to profit or loss						
- Finance costs (Note 6)	**(237)**	**(9,785)**	**(10,022)**	(550)	(5,880)	(6,430)
- Foreign exchange	**-**	**50,185**	**50,185**	-	12,958	12,958
Less: Non-controlling interests	**(8)**	**-**	**(8)**	106	-	106
End of the financial year	**(11,674)**	**17,838**	**6,164**	(8,422)	3,068	(5,354)

	MNACT	
	2020 Foreign exchange risk S$'000	2019 Foreign exchange risk S$'000
Beginning of the financial year	**246**	850
Fair value changes, net of tax	**(5,665)**	(913)
Reclassification to profit or loss	**1,595**	309
End of the financial year	**(3,824)**	246

22. FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2020 S$'000	2019 S$'000
Beginning of the financial year	**62,777**	58,914
Translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	**75,327**	7,655
Reclassification to profit or loss	**(1,939)**	(3,794)
Less: Non–controlling interests	**(273)**	2
End of the financial year	**135,892**	62,777

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities and the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities. The Group's foreign currency translation reserve arises from HKD, RMB and JPY.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

23. UNITS IN ISSUE

	Group and MNACT 31 March	
	2020 '000	2019 '000
Beginning of the financial year	**3,173,892**	2,826,268
Units issued for		
- settlement of Management fees	**25,925**	30,655
- Transaction Units	**123,708**	-
- Distribution Reinvestment Plan	**19,391**	-
- settlement of acquisition fees	**-**	5,367
- private placement	**-**	311,602
End of the financial year	**3,342,916**	3,173,892

The following units were issued during the year:

(i) 25,925,151 (2019: 30,655,112) units, at issue prices ranging from S$1.14 to S$1.42 (2019: S$1.13 to S$1.16) per unit as payment of Management fees to the Manager and the Property Manager. 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 quarter in which the management fees accrued.

(ii) 123,708,135 units, at an issue price of S$1.17 per unit, in respect of issuance of transaction units (the "Transaction Units") to the Sponsor's Nominee for the acquisition of the Japan Properties.

(iii) 19,391,049 units, at an issue price of S$1.19 per unit, pursuant to the Distribution Reinvestment Plan ("DRP"). The DRP was introduced on 4 December 2019 whereby the Unitholders are given the option to receive their distribution in units instead of cash or a combination of units and cash.

The following units were issued in the prior year:

(iv) 5,366,910 units, at an issue price of S$1.06 per unit, in respect of the payment of Manager's acquisition fee for the acquisition of the Japan Properties on 25 May 2018.

(v) 311,602,000 units, at an issue price of S$1.06 per unit, in respect of a private placement exercise for the acquisition of the Japan Properties.

Each unit in MNACT represents an undivided interest in MNACT. 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 MNACT by receiving a share of all net cash proceeds derived from the realisation of the assets of MNACT less any liabilities, in accordance with their proportionate interests in MNACT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MNACT be transferred to him; and
- Attend all Unitholders' meetings. The Trustee or the Manager (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 issued units of MNACT) may at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

23. UNITS IN ISSUE (continued)

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of MNACT 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 MNACT. 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 MNACT exceed its assets.

24. CAPITAL COMMITMENTS

Development expenditures contracted for at the reporting date but not recognised in the financial statements amounted to S$1,062,000 (2019: S$1,228,000).

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses financial instruments such as currency forwards, interest rate swaps, cross currency interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures.

The Board of Directors ("BOD") of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

(a) Market risk

(i) Currency risk

The Manager's investment strategy includes investing in the North Asia region. In order to manage the currency risk involved in investing in assets outside Singapore, the Manager adopts strategies that may include:

- the use of foreign currency denominated borrowings to match the currency of the investment asset as a natural currency hedge;
- the use of cross currency interest rate swaps to swap a portion of borrowings and interest in another currency into the currency of the investment asset to reduce the underlying currency exposure on the borrowings and interest; and
- entering into currency forward contracts to hedge the foreign currency income receivable from the offshore assets, back into Singapore Dollars.

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25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure is as follows:

	SGD S$'000	HKD S$'000	RMB S$'000	JPY S$'000	USD S$'000	Total S$'000
Group						
31 March 2020						
Financial assets						
Cash and bank balances	45,250	20,876	76,570	63,544	1,558	207,798
Trade and other receivables and other current assets [1]	591	5,603	2,778	8,745	6	17,723
Derivative financial instruments	128	1,153	-	6,376	-	7,657
	45,969	27,632	79,348	78,665	1,564	233,178
Financial liabilities						
Trade and other payables	(41,766)	(106,174)	(39,680)	(72,034)	(197)	(259,851)
Lease liabilities	-	(141)	-	-	-	(141)
Derivative financial instruments	(3,952)	(30,483)	-	(22,275)	-	(56,710)
Borrowings	(692,000)	(1,765,018)	(34,973)	(769,426)	(110,891)	(3,372,308)
	(737,718)	(1,901,816)	(74,653)	(863,735)	(111,088)	(3,689,010)
Net financial assets/ (liabilities)	(691,749)	(1,874,184)	4,695	(785,070)	(109,524)	(3,455,832)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(272)	1,771,102	1,695	785,072	-	
Currency forwards	-	(51,523)	(34,172)	(27,066)	-	
Cross currency interest rate swaps #	692,000	103,478	-	-	110,895	
Net currency exposure	(21)	(51,127)*	(27,782)*	(27,064)*	1,371	

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	HKD S$'000	RMB S$'000	JPY S$'000	USD S$'000	Total S$'000
Group						
31 March 2019						
Financial assets						
Cash and bank balances	59,325	12,591	76,781	28,641	1,495	178,833
Trade and other receivables and other current assets [1]	471	4,638	4,181	83	-	9,373
Derivative financial instruments	982	15,500	-	261	-	16,743
	60,778	32,729	80,962	28,985	1,495	204,949
Financial liabilities						
Trade and other payables	(9,374)	(93,785)	(46,662)	(42,743)	(304)	(192,868)
Derivative financial instruments	(737)	(10,038)	-	(7,559)	-	(18,334)
Borrowings	(595,000)	(1,672,214)	(45,107)	(447,091)	(108,492)	(2,867,904)
	(605,111)	(1,776,037)	(91,769)	(497,393)	(108,796)	(3,079,106)
Net financial liabilities	(544,333)	(1,743,308)	(10,807)	(468,408)	(107,301)	(2,874,157)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	(50,727)	1,643,695	12,485	468,409	-	
Currency forwards	-	(61,291)	(36,315)	(20,795)	-	
Cross currency interest rate swaps #	595,000	100,201	-	-	108,492	
Net currency exposure	(60)	(60,703)*	(34,637)*	(20,794)*	1,191	

[1] Excludes prepayments.

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25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

MNACT's currency exposure is as follows:

	SGD S$'000	HKD S$'000	RMB S$'000	JPY S$'000	USD S$'000	Total S$'000
MNACT						
31 March 2020						
Financial assets						
Cash and bank balances	45,174	88	6,389	1	1,557	53,209
Trade and other receivables	5,896	522	-	-	641	7,059
Derivative financial instruments	128	-	-	-	-	128
	51,198	610	6,389	1	2,198	60,396
Financial liabilities						
Trade and other payables	(41,306)	-	-	-	-	(41,306)
Derivative financial instruments	(3,952)	-	-	-	-	(3,952)
	(45,258)	-	-	-	-	(45,258)
Net financial assets	5,940	610	6,389	1	2,198	15,138
Less: Net financial assets denominated in MNACT's functional currency	(5,940)	-	-	-	-	
Add: Highly probable forecast transactions	-	51,523	34,172	27,066	-	
Less: Currency forwards	-	(51,523)	(34,172)	(27,066)	-	
Net currency exposure	-	610	6,389	1	2,198	

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	HKD S$'000	RMB S$'000	JPY S$'000	USD S$'000	Total S$'000
MNACT						
31 March 2019						
Financial assets						
Cash and bank balances	59,323	172	1,679	1	1,487	62,662
Trade and other receivables	5,192	506	-	-	611	6,309
Derivative financial instruments	982	-	-	-	-	982
	65,497	678	1,679	1	2,098	69,953
Financial liabilities						
Trade and other payables	(8,995)	-	-	-	-	(8,995)
Derivative financial instruments	(737)	-	-	-	-	(737)
	(9,732)	-	-	-	-	(9,732)
Net financial assets	55,765	678	1,679	1	2,098	60,221
Less: Net financial assets denominated in MNACT's functional currency	(55,765)	-	-	-	-	
Add: Highly probable forecast transactions	-	61,291	36,315	20,795	-	
Less: Currency forwards	-	(61,291)	(36,315)	(20,795)	-	
Net currency exposure	-	678	1,679	1	2,098	

At 31 March 2020, the Group had cross currency interest rate swaps to swap S$395.0 million (2019: S$395.0 million) Medium-term notes to HK$2,270.0 million (2019: HK$2,270.0 million), and US$80.0 million (2019: US$80.0 million) bank loan to HK$623.2 million (2019: HK$623.2 million), S$297.0 million (2019: S$200.0 million) bank loan to JPY24,126.0 million (2019: JPY16,460.0 million) and HK$580.0 million (2019: HK$580.0 million) Medium-term note to JPY8,281.8 million (2019: JPY8,281.8 million).

* Net currency exposure of S$51.1 million, S$27.8 million and S$27.1 million (2019: S$60.7 million, S$34.6 million and S$20.8 million) for HKD, RMB and JPY respectively mainly relates to currency forward contracts entered into to hedge future foreign currency income receivable from its foreign subsidiaries in FY2020/2021 (2019: FY2019/2020), back into SGD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's main foreign currency exposure is in HKD, RMB and JPY. If the HKD, RMB and JPY change against the SGD by 5% (2019: 5%) with all other variables including tax being held constant, the effects on profit after tax and Unitholders' funds for the year arising from the net financial asset/liability position will be as follows:

	Group Increase/ (Decrease)	
	2020 S$'000	2019 S$'000
HKD against SGD		
- strengthened	**(2,556)**	(3,035)
- weakened	**2,556**	3,035
RMB against SGD		
- strengthened	**(1,389)**	(1,732)
- weakened	**1,389**	1,732
JPY against SGD		
- strengthened	**(1,353)**	(1,040)
- weakened	**1,353**	1,040

As at 31 March 2020, MNACT's foreign currency exposure mainly relates to its cash and bank balances denominated in RMB. If the RMB change against the SGD by 5% with all other variables including tax being held constant, the effects on profit after tax and Unitholders' funds for the year arising from the net financial asset/liability position will be S$319,000. As at 31 March 2019, MNACT's foreign currency exposure was not significant.

(ii) Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. 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. The Group has no significant interest-bearing assets.

The Group's policy is to maintain at least 50% of its borrowings in fixed-rate instruments. The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Manager manages these cash flow interest rate risks using floating-to-fixed interest rate swaps and cross currency interest rate swaps.

A change of 50 basis point ("bps") in interest rates at the reporting date would have increased/ (decreased) statement of profit and loss and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

25. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Statement of profit and loss		Unitholders' fund (including hedging reserve)	
	50bps increase S$'000	50bps (decrease) S$'000	50bps increase S$'000	50bps (decrease) S$'000
Group				
2020				
Interest rate swap	**-**	**-**	**20,669**	**(20,669)**
Variable rate instruments	**(3,140)**	**3,140**	**(3,140)**	**3,140**
Cash flow sensitivity (net)	**(3,140)**	**3,140**	**17,529**	**(17,529)**
2019				
Interest rate swap	**-**	**-**	**19,914**	(19,914)
Variable rate instruments	**(1,712)**	**1,712**	**(1,712)**	1,712
Cash flow sensitivity (net)	**(1,712)**	**1,712**	**18,202**	(18,202)

(b) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with customers. The risk is also mitigated due to customers placing security deposits or furnishing bankers guarantees for lease rentals. Cash and short-term bank deposits are placed with financial institutions which are regulated.

At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statements of Financial Position.

The Group's and MNACT's major classes of financial assets are cash and bank balances and trade and other receivables.

The credit risk for trade receivables is as follows:

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
By geographical areas				
Singapore	**390**	395	**390**	395
Hong Kong SAR	**698**	445	**-**	-
China	**804**	156	**-**	-
Japan	**-**	-	**-**	-
	1,892	996	**390**	395

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

25. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which are regulated and with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially from companies with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Past due 0 to 3 months	**1,047**	500	**-**	-
Past due 3 to 6 months	**65**	81	**-**	-
Past due over 6 months	**2**	7	**-**	-
	1,114	588	**-**	-

Management assessed that no allowance for impairment is required in respect of trade receivables in the view of the Group's credit management policy, where the outstanding account receivables balances can be offset by tenancy deposits in the event of default. Hence, the credit losses for the Group is not expected to be significant.

There were no allowances for impairment provided based on the collection trend in the last two financial years. MNACT will monitor the current approach of recognising impairment allowances based on lifetime expected losses i.e. credit loss expected over the life of the receivables and adjusted for current and forward-looking estimates.

As at 31 March 2020 and 2019, the Group and MNACT had no trade receivables which it determined to be impaired and there are no allowances for impairment provided for.

25. **FINANCIAL RISK MANAGEMENT** (continued)

(c) **Liquidity risk**

The Manager monitors and maintains a sufficient level of cash, bank balances and adequate committed credit facilities, as part of the Manager's prudent liquidity risk management. As at 31 March 2020, the Group had a net current liabilities of S$313,761,000 (2019: S$218,876,000) which is mainly due to borrowings maturing by March 2021 (2019: March 2020). As at 31 March 2020, the Group has undrawn but committed borrowing facilities of S$283,218,000 (2019: S$235,872,000) and an untapped balance of S$1,250,749,000 (2019: S$1,219,373,000) from the MTN Programme to meet operational expenses, refinance borrowings and for the servicing of financial obligations as and when they fall due.

The Manager also monitors and observes the CCIS issued by the MAS concerning the leverage limit as well as bank covenants imposed by the banks on the various borrowings.

The table below analyses the maturity profile of the Group's and MNACT's financial liabilities (including derivative financial liabilities) based on contractual undiscounted cash flows.

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
31 March 2020				
Derivative financial instruments:				
Net-settled interest rate swaps				
- Net payments	**(2,346)**	**(1,598)**	**(3,677)**	**(100)**
Gross-settled cross currency interest rate swaps				
- Receipts	**24,322**	**22,774**	**22,963**	**-**
- Payments	**(18,257)**	**(16,402)**	**(16,241)**	**-**
Gross-settled currency forwards				
- Receipts	**102,488**	**-**	**-**	**-**
- Payments	**(106,440)**	**-**	**-**	**-**
Trade and other payables	**(149,957)**	**(21,783)**	**(77,534)**	**(10,577)**
Lease liabilities	**(77)**	**(64)**	**-**	**-**
Borrowings	**(429,912)**	**(475,511)**	**(2,305,594)**	**(414,474)**
	(580,179)	**(492,584)**	**(2,380,083)**	**(425,151)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

25. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Less than 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	Over 5 years S$'000
Group				
31 March 2019				
Derivative financial instruments:				
Net-settled interest rate swaps				
- Net payments	(4,323)	(2,783)	(4,017)	(782)
Gross-settled cross currency interest rate swaps				
- Receipts	8,380	8,357	13,782	-
- Payments	(4,039)	(4,028)	(3,752)	-
Gross-settled currency forwards				
- Receipts	38,168	-	-	-
- Payments	(38,905)	-	-	-
Trade and other payables	(93,181)	(25,114)	(42,048)	(32,525)
Borrowings	(362,681)	(274,925)	(1,936,424)	(562,647)
	(456,581)	(298,493)	(1,972,459)	(595,954)
MNACT				
31 March 2020				
Derivative financial instruments:				
Gross-settled currency forwards				
- Receipts	**102,488**	**-**	**-**	**-**
- Payments	**(106,440)**	**-**	**-**	**-**
Trade and other payables	**(41,306)**	**-**	**-**	**-**
	(45,258)	**-**	**-**	**-**
31 March 2019				
Derivative financial instruments:				
Gross-settled currency forwards				
- Receipts	38,168	-	-	-
- Payments	(38,905)	-	-	-
Trade and other payables	(8,995)	-	-	-
	(9,732)	-	-	-

25. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital management

The primary objective of the Manager's capital management is to ensure the Group maintains an optimal capital structure within the borrowing limit set out in the CCIS issued by the MAS. The Manager seeks to maintain an optimal capital structure to balance the cost of capital and the returns to Unitholders. There were no changes to the Manager's approach to capital management during the financial year.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CCIS ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (collectively, the "Aggregate Leverage") of a property fund should not exceed 45.0% of the fund's deposited property. The Group has complied with the Aggregate Leverage requirement for the financial years ended 31 March 2020 and 2019.

The aggregate leverage ratio is calculated as total borrowings divided by total assets.

	Group	
	2020 S$'000	2019 S$'000
Total borrowings*	**3,360,525**	2,861,057
Total assets*	**8,560,659**	7,808,082
Aggregate leverage ratio	**39.3%**	36.6%

* Excludes share attributable to non-controlling interests.

The Group and MNACT are in compliance with the borrowing limit requirement imposed by the CCIS and all externally imposed capital requirements for the financial years ended 31 March 2020 and 2019.

(e) Fair value measurements

The following table presents derivative financial instruments measured and carried at fair value at reporting dates and classified by level of the following fair value measurement hierarchy:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) 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

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Group		MNACT	
Level 2	**2020 S$'000**	2019 S$'000	**2020 S$'000**	2019 S$'000
Assets				
Derivative financial instruments	**7,657**	16,743	**128**	982
Liabilities				
Derivative financial instruments	**(56,710)**	(18,334)	**(3,952)**	(737)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

25. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value measurements (continued)

The fair values of derivative financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. The fair values of currency forwards are determined using banks' quoted forward rates and foreign exchange spot rates at the reporting date. The fair values of interest rate swaps and cross currency interest rate swaps are calculated as the present value of the estimated future cash flows, using assumptions based on market conditions existing at the reporting date.

The carrying value of cash and bank balances, trade and other receivables, other current assets and trade and other payables approximate their fair values. 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 non-current fixed rate borrowings as disclosed in Note 18(d).

(f) Categories of financial assets and financial liabilities

The following table sets out the different categories of financial instruments as at the reporting date:

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Financial derivative assets at fair value through profit or loss	**7,657**	16,743	**128**	982
Financial derivative liabilities at fair value through profit or loss	**(56,710)**	(18,334)	**(3,952)**	(737)
Financial assets at amortised cost [1]	**225,521**	188,206	**60,268**	68,971
Financial liabilities at amortised cost	**(3,632,300)**	(3,060,772)	**(41,306)**	(8,995)

[1] Excludes prepayments.

26. PARENT AND ULTIMATE PARENT

For financial reporting purposes under SFRS(I) 10 *Consolidated Financial Statements*, the Group is regarded as a subsidiary of Mapletree Investments Pte Ltd., incorporated in Singapore. The ultimate parent is Temasek Holdings (Private) Limited, incorporated in Singapore.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the parent.

27. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

During the financial year, other than those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties as follows:

	Group		MNACT	
	2020 S$'000	2019 S$'000	**2020 S$'000**	2019 S$'000
Manager's management fees paid/payable	**19,761**	23,092	**19,761**	23,092
Japan asset management fee	**3,456**	2,846	**-**	-
Property Manager's management fees paid/payable	**13,153**	15,360	**-**	-
Acquisition fees paid	**-**	5,689	**-**	5,689
Acquisition fees waived by the Manager	**3,523**	-	**3,523**	-
Lease rental received/receivable	**20,687**	22,452	**-**	-
Project management fee paid/payable	**58**	-	**-**	-
Property management cost reimbursements	**10,311**	9,613	**-**	-
Interest expense and financing fees paid/payable	**10,282**	10,608	**-**	-
Transaction Units issued	**144,776**	-	**144,776**	-
Subscription to MNACT's units by a related party	**-**	2,968	**-**	2,968

28. SEGMENT INFORMATION

The Group has determined the operating segments based on the reports reviewed by Management that are used to make strategic decisions. Management comprises the Chief Executive Officer and the Chief Financial Officer.

Management considers the business from a geographic segment perspective. Geographically, Management manages and monitors the business in North Asia, primarily in China, in Hong Kong SAR and in Japan. The Group is in the business of investing, directly or indirectly, in a diversified portfolio of income-producing real estate in the North Asia region which is used primarily for commercial purposes (including real estate used predominantly for retail and/or office purposes), as well as real estate-related assets.

Management assesses the performance of the geographic segments based on a measure of Net Property Income ("NPI"). Interest income and finance costs are not allocated to segments, as the treasury activities are centrally managed by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

28. SEGMENT INFORMATION (continued)

The segment information provided to Management for the reportable segments for the financial year ended 31 March 2020 is as follows:

	Hong Kong SAR S$'000	China S$'000	Japan S$'000	Others* S$'000	Total S$'000
Gross revenue	195,091	106,417	52,970	-	354,478
Net property income	148,967	88,583	39,937	-	277,487
Interest income					2,114
Manager's management fees					(23,217)
Trustee's fee					(787)
Other trust expenses					(2,112)
Net foreign exchange gain					5,110
Finance costs					(74,901)
Net change in fair value of financial derivatives					(4,070)
Net change in fair value of investment properties	(46,526)	14,536	14,084	-	(17,906)
Profit before income tax					161,718
Income tax expenses					(37,452)
Profit after income tax					124,266
Other Segment items					
Capital expenditure					
- Investment properties @	8,202	13	4,588	-	12,803
- Plant and equipment	1,694	-	-	-	1,694
	9,896	13	4,588	-	14,497
Segment assets					
- Investment properties #	5,090,037	1,851,875	1,405,320	-	8,347,232
- Other segment assets	31,231	73,765	72,999	53,790	231,785
	5,121,268	1,925,640	1,478,319	53,790	8,579,017
Derivative financial instruments					7,657
Consolidated total assets					8,586,674
Segment liabilities					
- Trade and other payables	106,370	39,681	72,033	41,767	259,851
- Lease liabilities	141	-	-	-	141
- Current income tax liabilities					33,874
- Deferred tax liabilities					133,160
					427,026
Borrowings and Derivative financial instruments					3,429,018
Consolidated total liabilities					3,856,044

28. SEGMENT INFORMATION (continued)

The segment information provided to Management for the reportable segments for the financial year ended 31 March 2019 is as follows:

	Hong Kong SAR S$'000	China S$'000	Japan S$'000	Others* S$'000	Total S$'000
Gross revenue	253,996	112,241	42,450	-	408,687
Net property income	203,985	92,397	32,648	-	329,030
Interest income					1,898
Manager's management fees					(25,938)
Trustee's fee					(737)
Other trust expenses					(1,495)
Net foreign exchange gain					2,792
Finance costs					(74,264)
Net change in fair value of financial derivatives					(604)
Net change in fair value of investment properties	326,796	133,637	4,719	-	465,152
Profit before income tax					695,834
Income tax expenses					(61,422)
Profit after income tax					634,412
Other Segment items					
Capital expenditure					
- Investment properties @	3,440	(331)	290	-	3,399
- Plant and equipment	1,429	-	-	-	1,429
	4,869	(331)	290	-	4,828
Segment assets					
- Investment properties #	4,966,850	1,859,835	782,858	-	7,609,543
- Other segment assets	21,094	80,937	28,917	63,132	194,080
	4,987,944	1,940,772	811,775	63,132	7,803,623
Derivative financial instruments					16,743
Consolidated total assets					7,820,366
Segment liabilities					
- Trade and other payables	94,088	46,663	42,743	9,374	192,868
- Current income tax liabilities					31,216
- Deferred tax liabilities					119,889
					343,973
Borrowings and Derivative financial instruments					2,886,238
Consolidated total liabilities					3,230,211

* Others segment comprises MNACT and a subsidiary, which are not reportable segments individually.

\# Investment properties contribute significantly to total non-current assets.

@ Included in additions are capitalised expenditure and amortisation of capitalised expenditure during the financial year.

The Group provides a single product/service - commercial business.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

29. FINANCIAL RATIOS

	Group	
	2020 **%**	2019 %
Ratio of expenses to weighted average net assets [1]		
- including performance component of Manager's management fees	**0.57**	0.67
- excluding performance component of Manager's management fees	**0.57**	0.64
Ratio of total operating expenses to net asset value [2]	**2.18**	2.35
Portfolio turnover ratio [3]	**-**	-

[1] The ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, finance costs, foreign exchange gain/(loss) and income tax expenses.

[2] The ratio is computed based on the total property expenses, which include fees and charges paid/payable to interested persons, Manager's management fees, trustee's fee and other trust expenses amounting to S$103,107,000 (2019: S$107,827,000) for the financial year and as a percentage of net asset value at the reporting date.

[3] In accordance with the formulae stated in the CCIS, the ratio reflects the number of times per year that a dollar of assets is reinvested. The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

30. EVENTS OCCURRING AFTER REPORTING DATE

(i) Distributions payable

	cents per unit	S$'000
Advanced Distribution paid on 14 April 2020 (Note 17)	1.070	34,179
Distribution for the period 28 February 2020 to 31 March 2020 announced on 29 April 2020 payable on 24 June 2020	0.496	16,582
Total	**1.566**	**50,761**

(ii) Relief measures implementation subsequent to COVID-19 outbreak

The Group continues, subsequent to the balance sheet date, to implement a series of relief measures to support tenants in meeting the challenges posed by the COVID-19 outbreak. In addition, the Manager is working closely with current and potential tenants to maintain healthy occupancy rates in the Group's portfolio.

(iii) Periodic Reporting and Distribution policy

MNACT will adopt the announcement of financial statements on a half-yearly basis with effect from the financial year from 1 April 2020 to 31 March 2021 ("FY20/21"). The next financial results announcement will be for the six-month period ending 30 September 2020. Accordingly, MNACT will also amend its distribution policy to make distributions on a half-yearly basis. The next distribution will be for the six-month period ending 30 September 2020.

(iv) MAS new measures with effect from 16 April 2020

MAS has raised the aggregate leverage limit (Note 25(d)) from 45.0% to 50.0% with immediate effect from 16 April 2020. In addition, MAS deferred the implementation of a new minimum interest coverage ratio ("ICR") requirement to 1 January 2022, in view of the expected near term impact of COVID-19 on financial performance of real estate investment trusts listed on the Singapore Exchange ("S-REITs").

31. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS EFFECTIVE FOR FUTURE FINANCIAL PERIODS

Several new or amended standards and interpretations to existing standards are effective for annual periods beginning on or after 1 April 2020, and have not been applied in the preparation of the Group financial statements for the financial year ended 31 March 2020.

The new or amended standards and interpretations which are relevant for the Group are listed below, and the Group plans to adopt these standards and interpretations on the required effective date. These standards are not expected to have any significant effect on the financial statements of the Group.

SFRS(I)	Title	Effective date (annual periods beginning on or after)
Amendments to SFRS(I) 3	Business Combinations	1 April 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	Interest Rate Benchmark Reform	1 April 2020

Amendments to SFRS(I) 3 *Business Combinations*

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 benefit.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

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 assets acquisitions with acquisition date on or after 1 April 2020. Early application is permitted. The Group does not expect any significant impact from applying these amendments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

31. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS EFFECTIVE FOR FUTURE FINANCIAL PERIODS (continued)

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*

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. In response to cases of attempted manipulation in relation to key IBORs and to the decline in liquidity in key interbank unsecured funding markets, the Financial Stability Board made several recommendations relating to:

a) strengthening of IBORs by anchoring them to a greater number of transactions, where possible, and improving the processes and controls around submissions; and
b) identifying alternative near-risk-free rates (RFRs) and, where suitable, encouraging market participants to transition new contracts to an appropriate RFR.

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.

For the current financial year, the Group has determined that existing hedge relationships that include IBORs as a hedged risk continue to qualify for hedge accounting without early adoption of the amendments. The Group does not expect any significant impact from applying these amendments. The Group continues to monitor the developments of IBOR reform and it will assess the impact for the Group as further information becomes available.

32. AUTHORISATION OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 15 May 2020.

STATISTICS OF UNITHOLDINGS

AS AT 27 MAY 2020

ISSUED AND FULLY PAID UNITS

3,354,092,126 units (voting rights: one vote per unit)
Market Capitalisation: S$2,716,814,622.06 (based on closing price of S$0.810 per unit on 27 May 2020)

Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	46	0.17	1,921	0.00
100 - 1,000	4,333	15.74	4,100,271	0.12
1,001 - 10,000	14,834	53.91	73,273,164	2.19
10,001 - 1,000,000	8,262	30.02	330,055,563	9.84
1,000,001 and above	43	0.16	2,946,661,207	87.85
Total	**27,518**	**100.00**	**3,354,092,126**	**100.00**

Location of Unitholders

Country	No. of Unitholders	%	No. of Units	%
Singapore	26,885	97.70	3,258,004,562	97.14
Malaysia	441	1.60	12,621,626	0.38
Others	192	0.70	83,465,938	2.48
Total	**27,518**	**100.00**	**3,354,092,126**	**100.00**

Twenty Largest Unitholders

No.	Name	No. of Units	%
1.	Kent Assets Pte. Ltd.	735,487,776	21.93
2.	DBS Nominees (Private) Limited	502,670,561	14.99
3.	Citibank Nominees Singapore Pte Ltd	426,693,584	12.72
4.	HSBC (Singapore) Nominees Pte Ltd	301,129,304	8.98
5.	Suffolk Assets Pte. Ltd.	259,910,217	7.75
6.	DBSN Services Pte. Ltd.	157,361,314	4.69
7.	Mapletree North Asia Commercial Trust Management Ltd.	154,602,061	4.61
8.	Raffles Nominees (Pte.) Limited	104,464,439	3.11
9.	Mapletree North Asia Property Management Limited	77,079,313	2.29
10.	United Overseas Bank Nominees (Private) Limited	30,987,104	0.92
11.	ABN Amro Clearing Bank N.V.	30,199,998	0.90
12.	DB Nominees (Singapore) Pte Ltd	21,156,806	0.63
13.	UOB Kay Hian Private Limited	17,395,302	0.52
14.	OCBC Securities Private Limited	17,353,325	0.52
15.	BPSS Nominees Singapore (Pte.) Ltd.	15,943,089	0.48
16.	Phillip Securities Pte Ltd	9,819,340	0.29
17.	OCBC Nominees Singapore Private Limited	9,679,728	0.29
18.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	8,234,444	0.25
19.	Maybank Kim Eng Securities Pte. Ltd.	7,746,122	0.23
20.	NTUC Fairprice Co-operative Limited	6,084,364	0.18
	Total	**2,893,998,191**	**86.28**

STATISTICS OF UNITHOLDINGS

AS AT 27 MAY 2020

Substantial Unitholdings as at 27 May 2020

No.	Name of Company	No. of Units		% of Total Issued Capital
		Direct Interest	Deemed Interest	
1.	Temasek Holdings (Private) Limited (1)	-	1,297,191,955	38.67
2.	Fullerton Management Pte Ltd (1)	-	1,227,079,367	36.58
3.	Mapletree Investments Pte Ltd (2)	-	1,227,079,367	36.58
4.	Kent Assets Pte. Ltd.	735,487,776	-	21.93
5.	Suffolk Assets Pte. Ltd.	259,910,217	-	7.75

Notes:

(1) Each of Temasek Holdings (Private) Limited ("Temasek") and Fullerton Management Pte Ltd ("Fullerton") is deemed to be interested in the 735,487,776 units held by Kent Assets Pte. Ltd. ("Kent"), 259,910,217 units held by Suffolk Assets Pte. Ltd. ("Suffolk"), 154,602,061 units held by Mapletree North Asia Commercial Trust Management Ltd. ("MNACTM") and 77,079,313 units held by Mapletree North Asia Property Management Limited ("MNAPM"). In addition, Temasek is deemed to be interested in the 70,112,588 units in which its other subsidiaries and associated companies have direct or deemed interests. Kent and Suffolk are wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("MIPL"). MNACTM and MNAPM are wholly-owned subsidiaries of Mapletree Capital Management Pte. Ltd. and Mapletree Property Services Pte. Ltd. respectively, which are wholly-owned subsidiaries of 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 735,487,776 units held by Kent, 259,910,217 units held by Suffolk, 154,602,061 units held by MNACTM and 77,079,313 units held by MNAPM.

Unitholdings of the Directors of the Manager as at 21 April 2020

No.	Name	No. of Units	
		Direct Interest	Deemed Interest
1.	Paul Ma Kah Woh	1,156,029	100,000
2.	Lok Vi Ming	-	190,000
3.	Kevin Kwok	750,000	-
4.	Lawrence Wong Liang Ying	-	-
5.	Michael Kok Pak Kuan	540,000	-
6.	Tan Su Shan	-	-
7.	Chua Tiow Chye	1,571,794	539,436
8.	Koh Mui Ai Wendy	-	416,000
9.	Cindy Chow Pei Pei	-	760,543

Free Float

Based on the information made available to the Manager as at 27 May 2020, approximately 61.14% of the units in MNACT were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

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 (SGD'000)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Mapletree Investments Pte Ltd and its subsidiaries		
- Manager's management fees	19,761	-
- Japan asset management fee	3,456	-
- Property and lease management fees	13,153	-
- Project management fees	58	-
- Property management reimbursements (staff costs)	10,311	-
- Lease Rental / Lease Related Income	3,204	-
- Acquisitions of MBP and Omori [1]	475,200	-
- Waiver of Acquisition Fee	3,523	-
- Transactions Units [1]	144,776	-
DBS Group Holdings Ltd and its subsidiaries		
- Trustee fees	787	-
- Rental relief	259	-
Total	**674,488**	**-**

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/or accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

Save as disclosed above, there were no interested person transactions (excluding transactions of less than S$100,000 each), nor material contracts entered into by MNACT Group that involved the interests of the CEO or Director of the Manager, or any controlling Unitholder of the Trust, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

As set out in the MNACT's Prospectus dated 27 February 2013, fees and charges payable by MNACT to the Manager under the Trust Deed 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. MNACT Group has not obtained a general mandate from Unitholders pursuant to Rule 920 for any interested person transactions.

Please also see Significant Related Party Transactions in Note 27 of the Financial Statements.

[1] Approved by MNACT's Unitholders at the EGM held on 20 January 2020.

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CORPORATE DIRECTORY

MANAGER

Mapletree North Asia Commercial Trust Management Ltd.
(Company Registration Number:201229323R)

MANAGER'S REGISTERED OFFICE

10 Pasir Panjang Road #13-01
Mapletree Business City
Singapore 117438

T: +65 6377 6111
F: +65 6273 2753

W: www.mapletreenorthasiacommercialtrust.com
E: enquiries_mnact@mapletree.com.sg

BOARD OF DIRECTORS

Mr. Paul Ma Kah Woh
Non-Executive Chairman and Director

Mr. Lok Vi Ming
Lead Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee

Mr. Kevin Kwok
Independent Non-Executive Director and Chairman of the Audit and Risk Committee

Mr. Lawrence Wong Liang Ying
Independent Non-Executive Director and Member of the Audit and Risk Committee

Mr. Michael Kok Pak Kuan
Independent Non-Executive Director and Member of the Audit and Risk Committee

Ms. Tan Su Shan
Independent Non-Executive Director and Member of the Nominating and Remuneration Committee

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

Ms. Koh Mui Ai Wendy
Non-Executive Director

Ms. Cindy Chow Pei Pei
Executive Director and
Chief Executive Officer

MANAGEMENT

Ms. Cindy Chow Pei Pei
Executive Director and
Chief Executive Officer

Mr. Ng Wah Keong
Chief Financial Officer

Mr. Ng Chern Shiong
General Manager,
Investment and Asset Management

Ms. Elizabeth Loo Suet Quan
Director, Investor Relations

CORPORATE SERVICES

Mr. Wan Kwong Weng
Joint Company Secretary

Ms. See Hui Hui
Joint Company Secretary

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

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

TRUSTEE

DBS Trustee Limited
12 Marina Boulevard
Level 44
DBS Asia Central @ Marina Bay
Financial Centre Tower 3
Singapore 018982

T: +65 6878 8888
F: +65 6878 3977

AUDITOR

PricewaterhouseCoopers LLP
7 Straits View
Level 12
Marina One, East Tower
Singapore 018936

T: +65 6236 3388
F: +65 6236 3300

Partner-in-charge
Mr. Alex Toh Wee Keong
(appointed since financial year ended 31 March 2019)

INVESTOR RELATIONS

For enquiries on MNACT's business performance, please contact the Investor Relations team at email:
enquiries_mnact@mapletree.com.sg

SUSTAINABILITY

E: enquiries_mnact@mapletree.com.sg

Mapletree North Asia Commercial Trust Management Ltd.
As Manager of Mapletree North Asia Commercial Trust
(Company Registration Number: 201229323R)

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

T: +65 6377 6111
F: +65 6273 2753
E: enquiries_mnact@mapletree.com.sg

www.mapletreenorthasiacommercialtrust.com

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