THE **NEXT** LEVEL

ANNUAL REPORT
2021/22

mapletree
commercial

THE NEXT LEVEL

At MCT, our business is built to weather difficult periods. Although COVID-19 disruptions persisted throughout FY21/22, we remained focused and held steadfast, proactively positioning ourselves to stay ahead.

We have delivered consistently through ever-changing economic cycles. This differentiated performance is a testament to our ability to stay agile, and the position of strength we have fostered over the years.

MCT remains fundamentally anchored by a quality portfolio, led by a disciplined team that is also willing and able to adapt and evolve. Because of these, we are confident of forging ahead boldly. As we step out of the long shadows of COVID-19, we are ready to spread our wings and take MCT to the next level.

Featured art piece on cover and content page:
From Little Things, Big Things Grow by Jane Cowie

TABLE OF CONTENTS

KEY HIGHLIGHTS

GROSS REVENUE
S$499.5 million
▲ 4.3%

NET PROPERTY INCOME
S$388.7 million
▲ 3.1%

AMOUNT AVAILABLE FOR DISTRIBUTION
S$317.0 million
▲ 0.7%

DISTRIBUTION PER UNIT
9.53 cents
▲ 0.4%

MARKET CAPITALISATION
S$6.3 billion
▼ 10.7%

PORTFOLIO APPRAISED VALUE
S$8.8 billion
▲ 1.0%

NET ASSET VALUE PER UNIT
S$1.74
▲ 1.2%

AGGREGATE LEVERAGE RATIO
33.5%
▼ 0.4p.p

TOTAL NET LETTABLE AREA
5.0 million square feet

PORTFOLIO COMMITTED OCCUPANCY
97.0%
▼ 0.1p.p

CORPORATE OVERVIEW

Mapletree Commercial Trust ("MCT") is a Singapore-focused real estate investment trust ("REIT") established with the principal investment objective of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, in Singapore, as well as real estate-related assets.

MCT is managed by Mapletree Commercial Trust Management Ltd. ("MCTM" or the "Manager"), a wholly-owned subsidiary of Mapletree Investments Pte Ltd ("MIPL" or the "Sponsor"). The Manager aims to provide unitholders of MCT ("Unitholders") with a relatively attractive rate of return on their investment through regular and steady distributions, and to achieve long-term stability in Distribution per Unit ("DPU") and Net Asset Value ("NAV") per Unit, while maintaining an appropriate capital structure for MCT.

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

As at 31 March 2022, MCT's portfolio comprised five properties in Singapore – four located in the Greater Southern Waterfront (HarbourFront and Alexandra Precincts) and one in the Central Business District ("CBD"), namely:

VivoCity, Singapore's largest mall located in the HarbourFront Precinct;

Mapletree Business City ("MBC"), a large-scale integrated office, business park and retail complex with Grade A building specifications, supported by ancillary retail space, located in the Alexandra Precinct;

mTower, an established integrated development with a 40-storey office block and a three-storey retail centre known as the Alexandra Retail Centre ("ARC"), located in the Alexandra Precinct;

Mapletree Anson, a 19-storey premium office building located in Singapore's CBD; and

Bank of America HarbourFront ("BOAHF")[1], a premium office building located in the HarbourFront Precinct.

The portfolio has a total Net Lettable Area ("NLA") of 5.0 million square feet, valued at S$8,821 million[2].

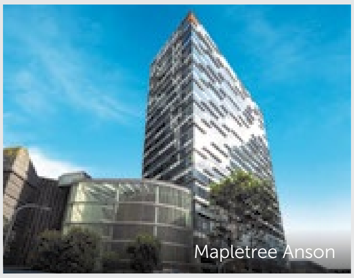
Following the approval by Unitholders on the proposed merger with Mapletree North Asia Commercial Trust ("MNACT", and the proposed merger with MNACT, "Proposed Merger") to form Mapletree Pan Asia Commercial Trust ("Merged Entity" or "MPACT"), the Manager will expand the REIT's investment mandate to include the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong, Japan and South Korea). The expanded investment mandate takes into account the geographic focus of the Merged Entity's portfolio post-merger.

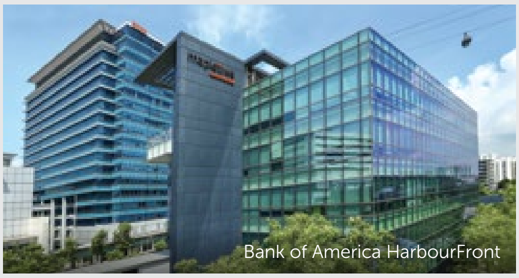
1 Formerly known as Bank of America Merrill Lynch HarbourFront ("MLHF").
2 Based on the independently appraised values by CBRE Pte. Ltd. ("CBRE") and Jones Lang LaSalle Property Consultants Pte Ltd ("JLL") as at 31 March 2022.


VivoCity


Mapletree Business City


mTower


Mapletree Anson

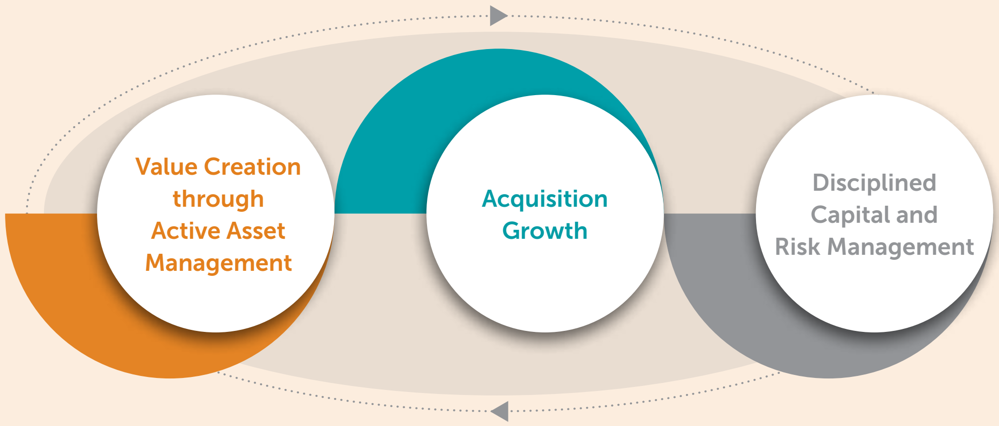

Bank of America HarbourFront

STRATEGY

KEY OBJECTIVES

The Manager's key objectives are to provide unitholders of MCT with a relatively attractive rate of return on their investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit, while maintaining an appropriate capital structure for MCT.

KEY STRATEGIES



VALUE CREATION THROUGH ACTIVE ASSET MANAGEMENT

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

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

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

ACQUISITION GROWTH

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

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

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

The Manager intends to hold acquired properties on a long-term basis.

However, where the Manager considers that any property has reached a stage that offers limited scope for income contribution or growth in the future, the Manager may consider selling the property and use the sales proceeds for other purposes, such as investments in alternative properties that meet its investment criteria.

DISCIPLINED CAPITAL AND RISK MANAGEMENT

The Manager endeavours to:

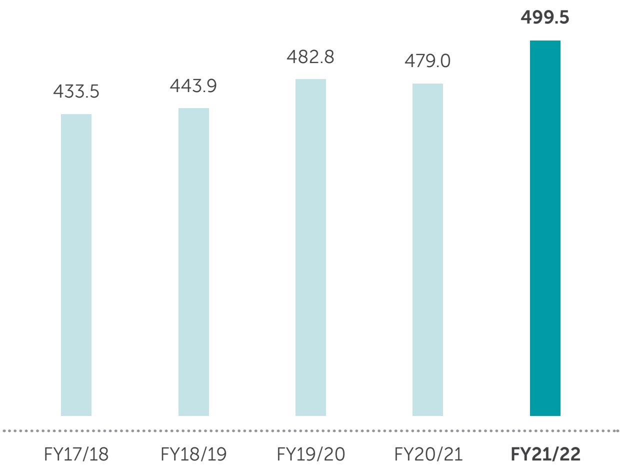
- Maintain a strong balance sheet;
- Employ an appropriate mix of debt and equity in financing acquisitions;
- Diversify funding sources and secure access to financial institutions and capital markets;
- Optimise its cost of debt financing; and
- Implement appropriate interest rates management and hedging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

FINANCIAL HIGHLIGHTS

GROSS REVENUE
(S$ million)

S$499.5 million

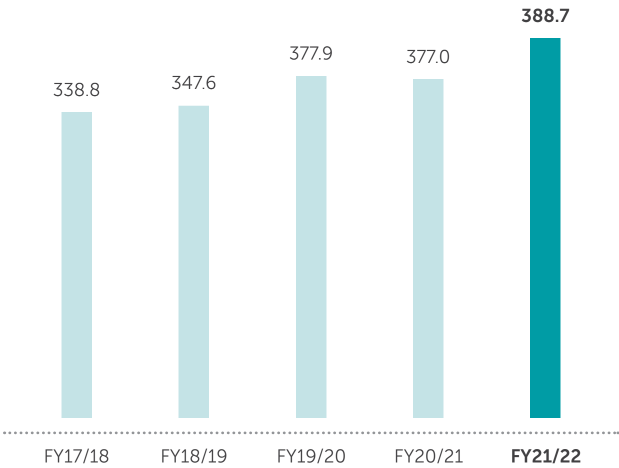
YEAR-ON-YEAR
▲ 4.3%



NET PROPERTY INCOME
(S$ million)

S$388.7 million

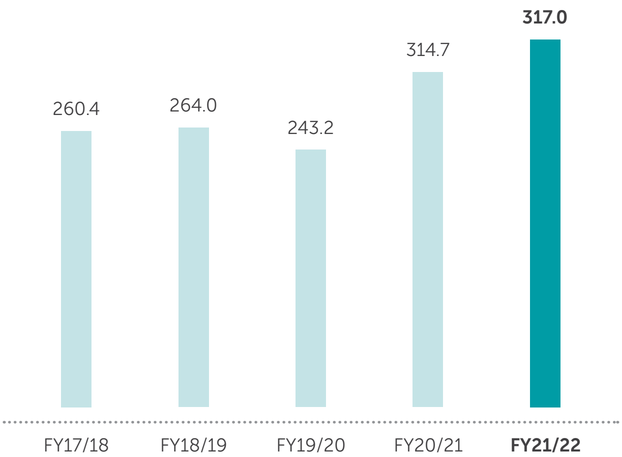
YEAR-ON-YEAR
▲ 3.1%



AMOUNT AVAILABLE FOR DISTRIBUTION
(S$ million)

S$317.0 million

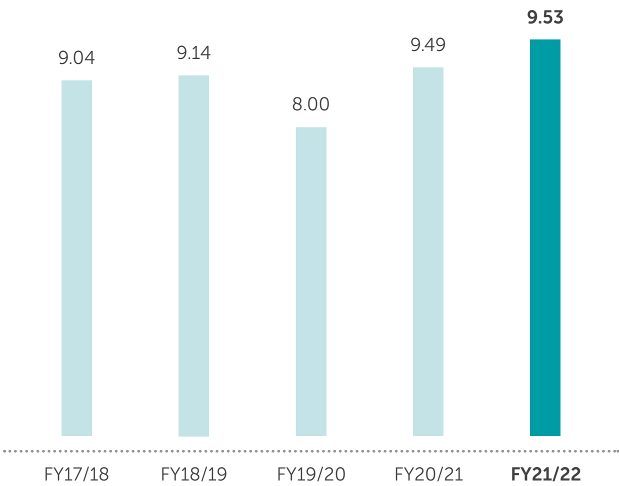
YEAR-ON-YEAR
▲ 0.7%



DISTRIBUTION PER UNIT
(cents)

9.53 cents

YEAR-ON-YEAR
▲ 0.4%



DELIVERING LONG-TERM SUSTAINABLE RETURNS

CAPITAL APPRECIATION
114.8%

TOTAL DISTRIBUTION
101.2%

TOTAL RETURN[1]
216.0%

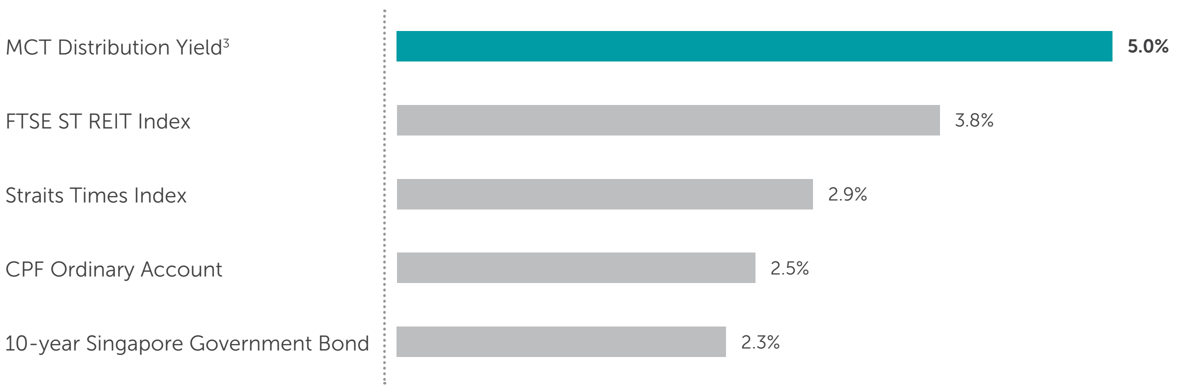
SELECTED BALANCE SHEET DETAILS

As at 31 March	2018	2019	2020	2021	2022
Total Assets (S$ million)	6,740.8	7,100.8	9,007.1	8,950.6	**8,984.5**
Investment Properties (S$ million)	6,682.0	7,039.0	8,920.0	8,737.0	**8,821.0**
Total Debt Outstanding (S$ million)	2,327.6	2,349.0	3,003.2	3,032.9	**3,014.0**
Unitholders' Funds (S$ million)	4,283.4	4,616.0	5,786.9	5,709.0	**5,793.5**
NAV per Unit (S$)	1.49	1.60	1.75	1.72	**1.74**
Market Capitalisation (S$ million)	4,521.8	5,461.5	6,052.7	7,030.4	**6,281.4**

KEY FINANCIAL INDICATORS

As at 31 March	2018	2019	2020	2021	2022
% of Fixed Rate Debt	78.9	85.0	78.9	70.7	**80.3**
Aggregate Leverage Ratio (%)	34.5	33.1	33.3	33.9	**33.5**
Interest Coverage Ratio (times)	4.8	4.5	4.3	4.4	**4.8**
Average Term to Maturity of Debt (years)	3.9	3.6	4.2	4.2	**3.3**
Weighted Average All-in Cost of Debt (per annum) (%)	2.75	2.97	2.94	2.48	**2.40**

YIELD COMPARISONS[2]



1 Based on unit issue price at IPO of S$0.88 and closing unit price of S$1.89 as at 31 March 2022, as well as total DPU of 89.08 Singapore cents paid out since IPO.
2 As at 31 March 2022. Sources: Bloomberg, Central Provident Fund ("CPF") Board (for the Ordinary Account's yield) and the Monetary Authority of Singapore ("MAS") (for the 10-year Singapore Government Bond Yield).
3 Based on closing unit price of S$1.89 as at 31 March 2022 and DPU of 9.53 Singapore cents for FY21/22.

THE NEXT LEVEL OF GROWTH

Throughout the pandemic, we have kept our fingers firmly on the market's pulse and responded deftly to help affected tenants and recharge our assets. Our steady performance is a distinct demonstration of our ability to capitalise on winning strategies without losing sight of the long term. This gives us renewed confidence to take the bold step of driving MCT to the next level of growth.

LETTER TO UNITHOLDERS

Left:
TSANG YAM PUI
Non-Executive Chairman and Director

Right:
SHARON LIM
Executive Director and Chief Executive Officer

Dear Unitholders,

Much of FY21/22 remained marred by COVID-19 as the emergence of new virus variants resulted in shifts in policies and re-imposition of stringent health measures to contain further transmissions. To help businesses overcome the challenges, the Government has implemented various support schemes. MCT has been committed in doing our part as a responsible landlord, as we continued to work closely with tenants and provided meaningful support where warranted. Since the start of the pandemic, we have helped eligible retail tenants offset on average approximately 5.8 months of their fixed rents[1].

A DIFFERENTIATED PERFORMANCE

At MCT, our business is built to weather difficult periods. Against a backdrop of unprecedented challenges inflicted by COVID-19, we are proud to deliver a set of steady results.

FY21/22 gross revenue and net property income ("NPI") topped S$499.5 million and S$388.7 million, up by 4.3% and 3.1% respectively as compared to FY20/21. This was contributed by higher revenue from all properties except Mapletree Anson due to its transitional vacancy. Following several adjustments in COVID-19 policies primarily in the first half of the financial year, Singapore has succeeded in getting the vast majority of the population vaccinated and gone on to resume social and business activities.

1 Inclusive of passing on of property tax rebates, cash grants from the Government and other mandated grants to qualifying tenants.

In tandem with the gradual return of normalcy, rental rebates for retail tenants have tapered progressively and carpark income has improved. Other key drivers for the better year-on-year performance include compensation received from the negotiated lease pre-termination at mTower and the effects of step-up rents in existing leases.

At MCT, our business is built to weather difficult periods. Against a backdrop of unprecedented challenges inflicted by COVID-19, we are proud to deliver a set of steady results.

Back in 4Q FY19/20 when the COVID-19 pandemic was still unfolding, we took an extra dose of prudence and retained S$43.7 million of distribution[1] to shore up liquidity. Of this, S$28.0 million was released as distribution to Unitholders in FY20/21. As the uncertainty from COVID-19 has abated further, we have released the remaining S$15.7 million of retained cash as distribution to Unitholders this financial year. Consequently, the amount available for distribution totalled S$317.0 million, and DPU for the full year amounted to 9.53 Singapore cents.

We have delivered consistently through ever-changing economic cycles. Since our public listing on 27 April 2011, MCT's unit price has grown from S$0.88 to S$1.89 as at 31 March 2022. Including total distribution of 89.08 Singapore cents per unit paid out since listing, the total return to Unitholders was 216.0%. This differentiated performance is a testament to our ability to constantly recharge our properties and stay agile during challenges, and the position of strength we have fostered for MCT over the years.

VIVOCITY – WELL-POSITIONED FOR THE UPTURN

The enduring appeal of VivoCity stems from our intensive management effort. Since VivoCity's official opening in 2006, we have worked hard to revitalise and re-imagine the mall, moving away from a commoditised shopping experience and towards a broadened value proposition for consumers. Operationally, this has guided us in how we create the most welcoming space that can meet the evolving demands of shoppers while enabling retailers to showcase their offerings to the fullest.

The confluence of the pandemic and e-commerce have certainly accelerated the long-standing trend of consolidation where retailers are compelled to optimise their footprints by retaining only the best-performing stores. By keeping our fingers firmly on the market's pulse, we were able to navigate the COVID-19 challenges with deft, ensuring the continued performance of VivoCity.

In our last letter to you, we shared the expansion of adidas at VivoCity to launch two flagship stores for their Originals and Performance lines. The two stores, which are the biggest in Southeast Asia and Singapore, were opened in December 2020 and April 2021 respectively. Building on this success, the team further secured the expansion of tenants such as Gram Café, Puma and Timezone.

During the year, we also took the opportunity to reconfigure approximately 3,000 square feet of prime space on Basement 2 to accommodate popular fast food concept stores like Mr. Coconut, KFC and MOS Burger, tactically nestling them near the entrance of the HarbourFront Mass Rapid Transit ("MRT") station to capture the high volume of foot traffic.

As part of our ceaseless effort in curating the most vibrant retail mix for shoppers, we introduced tenants including DJI, a world-renowned maker of camera drones, and long-awaited athleisure and sports retailers such as lululemon and Foot Locker. These additions cater to the growing segment of hobbyists and athleisure devotees, and will certainly widen VivoCity's appeal. And of course, we continued to refresh the mall's F&B offerings, welcoming popular concepts such as Tai Cheong Bakery and Una Una.

VivoCity's shopper reward programme, VivoRewards+, was revamped in October 2021. This initiative capitalises on the success of the mall's parking credit redemption programme and transforms it into an all-inclusive loyalty programme for everyone. Through one simple-to-use app, shoppers can easily collect points and exchange them for parking credits, store vouchers, discounts, and more. It also features promotions, giveaways, exclusive partnerships with banks, top spender rewards and exciting flash deals to promote sign-ups and engagement with shoppers.

1 By way of capital allowance claims and capital distribution retention.

LETTER TO UNITHOLDERS

Our proactive management efforts have yielded positive results. Although the year started with a five-week nationwide cessation of dining-in at all F&B establishments[1], VivoCity's tenant sales have subsequently bounced back in tandem with easing COVID-19 measures, with 4Q FY21/22 reaching pre-COVID levels. Throughout FY21/22, the recovery in tenant sales has outpaced shopper traffic. For FY21/22, tenant sales improved by 15.6% year-on-year to S$804.0 million, while shopper traffic improved by 4.5% to 26.9 million. For FY21/22, VivoCity achieved positive rental uplift of 2.5%. These are clear indicators of VivoCity's distinct strength, and how it is well-positioned to ride the upturn.

POSITIVE MOMENTUM AT OFFICE AND BUSINESS PARK ASSETS

The protracted nature of COVID-19 and the shift to work-from-home and hybrid work arrangements have led to the recalibration of workspace requirements by businesses. In response, we have stepped up our engagement efforts to anticipate businesses' changing needs and to bring in new tenants.

Lease renewals at MBC were concluded early in the financial year, with new tenants being brought in progressively throughout FY21/22. Despite the flux in tenants, MBC closed the year with 97.3% committed occupancy. Overall, MBC continued to provide a steady source of revenue and remained an integral component of MCT's resilience.

Notably, good progress was made at backfilling mTower, resulting in its actual occupancy improving to 84.7% (in March 2022) from 75.5% (in March 2021). The majority of mTower's vacancy was due to the negotiated pre-termination of a lease, and the compensation received in 1Q FY21/22 provided more than a year's cover for backfilling.

Mapletree Anson closed its transitional vacancy as it achieved full commitment as at 31 March 2022, while BOAHF continued to be fully occupied.

Stemming from our proactive leasing approach, MCT's office and business park assets were able to provide a solid base for the vehicle. Together, they contributed S$315.6 million of gross revenue, 1.9% higher than FY20/21. Positive rental uplift of 1.7% was recorded for FY21/22, and we expect the positive leasing momentum to continue through to the new financial year.

FORTIFYING OUR CAPITAL STRUCTURE FOR LONG-TERM RESILIENCE

Our capital management strategy is risk-based and focuses on maintaining overall resilience. We do this by ensuring a robust capital structure that is supported by diversified sources of funding, while keeping the overall cost of debt at a sensible level.

As at 31 March 2022, there were approximately S$500 million of cash and undrawn committed facilities available to support financial flexibility. The debt maturity profile remained well-distributed with no more than 24% of debt due for refinancing in any financial year. With approximately 80.3% of the total gross debt of S$3,014.0 million of debt fixed by way of fixed rate debt or interest rate swaps, there is reasonable certainty over interest expenses.

MCT's investment properties were valued at S$8.8 billion as at 31 March 2022, 1.0% higher than a year ago, resulting in an aggregate leverage ratio of 33.5%. Due to the passing of time, the average term to maturity was shorter at 3.3 years as at 31 March 2022. For FY21/22, the weighted all-in-cost of debt averaged 2.40% per annum and we maintained a healthy 4.8 times interest coverage ratio.

In navigating today's rising interest rates, we will continue to safeguard the balance sheet prudently, and stay proactive in seizing suitable opportunities to achieve an optimal balance of risks and costs.

MAKING A POSITIVE IMPACT

Our approach towards sustainability is aligned with that of the Sponsor's, and is anchored by our shared belief to incorporate the "triple bottom line" in running our business: financial, social and environmental. Increasingly, we are starting to see sustainability take the centre stage for major corporations worldwide. In the long shadows of COVID-19, we continue to make progress in our Environmental, Social and Governance ("ESG") efforts.

For instance, we conducted an environmental risk assessment during the year and the results of the risk findings were integrated into MCT's Enterprise Risk Management framework. This is expected to help us better identify and manage climate-related risks and opportunities. In addition, we adopted the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and have made our inaugural disclosure within the Sustainability Report.

1 From 16 May to 13 June 2021, dining-in at all F&B establishments was halted, limit for social gatherings was capped at two, and work-from-home was imposed as the default work arrangement. The limit on social gatherings was raised to five from 14 June 2021 but dining-in (subject to group limit of two) resumed only from 21 June 2021.

Since 2020, we have been graded "A" for GRESB Public Disclosure and this year, we were conferred a GRESB Three Star rating for our inaugural participation in the GRESB Real Estate Assessment. The latter is a global ESG performance benchmark for real estate companies and funds, and the assessment will help us better gauge our performance against global peers, and to fine-tune our sustainability practices.

Sustainability remains at the heart of our business. We recognise that there is much to be done and we will remain relentless in our endeavour to make a positive impact. Our sustainability efforts are elaborated in our sixth Sustainability Report.

PROPOSED MERGER WITH MAPLETREE NORTH ASIA COMMERCIAL TRUST

In steering MCT through the COVID-19 turbulence and amidst the limited opportunities within our shores, we became cognisant of the need to expand overseas to secure our future growth. Nearly every REIT has been focused on growing through the acquisition of assets. However, we believe that the key to sustained growth is to add a platform with scale and reach in Pan Asia.

On 31 December 2021, we announced the proposed merger with MNACT to form MPACT[1]. The Proposed Merger is undoubtedly a significant step, but it is a transformative one that will put MCT on the best path forward. MCT has a track record of stability while MNACT has existing footholds in key gateway cities of Asia. Therefore, by coming together as MPACT, we can better unlock the upside potential of a multiple-geography platform and put ourselves onto a new growth trajectory.

With the approvals from our Unitholders at the Extraordinary General Meeting ("EGM") held on 23 May 2022, as well as the Sponsor's unwavering support, we are now more ready than ever to take MCT to the next level. Our immediate focus will be on harnessing the best of both teams to capitalise on the impending market recovery. The enlarged scale and stronger financial muscles will enable MPACT to undertake capital recycling opportunities, take on value-adding asset enhancement and development initiatives, and pursue larger acquisitions in Asia's key gateway markets. That said, we will remain judicious in evaluating potential opportunities in our drive to deliver growth.

TAKING MCT TO THE NEXT LEVEL

Towards the end of the financial year, the Singapore Government has taken a decisive step to relax wide-ranging COVID-19 measures. These include raising the limits for dining-in and social activities, allowing 100% of employees to return to their workplaces and reopening the country's borders, as well as the subsequent removal of all group size limits. At the same time, we have also observed encouraging indicators on the ground such as recovering tenant sales and positive leasing momentum. We expect our assets to benefit further as more economic activities resume and international travel returns to normalcy. Nonetheless, the global geopolitical environment remains fragile. This, together with rising energy prices and interest rates, could impede full recovery.

MCT's long-term success is rooted in our quality portfolio and a strong management team. Notably, our willingness and ability to adapt and evolve have been critical to our differentiated performance through the pandemic. To forge ahead strongly, we need to make a bold move. To take MCT to the next level, we need to spread our wings. To this end, we are heartened to obtain Unitholders' approval to proceed with the Proposed Merger. Looking forward, our biggest responsibility is to execute the "4R" asset and capital management strategy when the Proposed Merger is completed. Our primary commitment remains unchanged – to drive long-term growth and sustainable return. With a diversified and high quality portfolio across Singapore, Hong Kong, China, Japan and South Korea, of which best-in-class assets constitute approximately 67% of the merged portfolio, we believe we can deliver on our commitment.

ACKNOWLEDGEMENTS

In closing, we want to thank our Directors for their tireless commitment and guidance. It is also a privilege to express our appreciation to our employees in this letter – their hard work and dedication have helped pull MCT through another demanding year.

Finally, our gratitude goes to all our Unitholders, tenants, shoppers and partners. We thank you for your resolute confidence and support.

TSANG YAM PUI
Non-Executive Chairman and Director

SHARON LIM
Executive Director and Chief Executive Officer

1 Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the circular issued by the Manager to MCT Unitholders on 29 April 2022 (the "Circular").

YEAR IN REVIEW

APRIL 2021

- Extended the appointment of Mapletree Commercial Property Management Pte. Ltd. as the property manager of MCT for a term of five years.
- adidas Performance expanded and launched its largest flagship store in Singapore at VivoCity.

MAY 2021

- Moody's affirmed MCT's Baa1 issuer rating and changed the rating outlook from negative to stable.

JULY 2021

- MCT held its tenth Annual General Meeting ("AGM") virtually. All resolutions tabled were approved by Unitholders.

AUGUST 2021

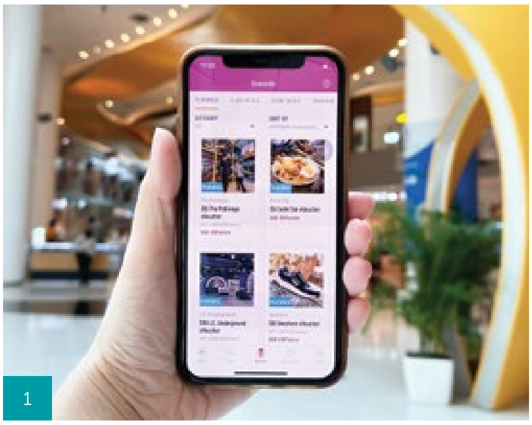
- VivoCity was named Gold Winner for Best Retail Mall in Singapore and the Honeycombers Choice Winner by Honeycombers Love Local: Readers' Choice Awards 2021, as well as Gold Winner for Best Kids' Mall Experience by Honeykids Love Local: Readers' Choice Awards 2021.
- Completed optimisation for 3,000 square feet of prime space at Basement 2 of VivoCity, introducing popular fast food concepts to capture the high volume of foot traffic.

SEPTEMBER 2021

- MCT's portfolio of properties was valued at $8.8 billion, a slight increase as compared to the 31 March 2021 valuation. NAV per unit remained unchanged at S$1.72.
- VivoCity launched a collaboration with GrabFood to enable users to place orders from different F&B outlets without incurring multiple delivery fees.

OCTOBER 2021

- Declared DPU of 4.39 Singapore cents for 1H FY21/22.
- VivoCity unveiled VivoRewards+, an upgraded and all-inclusive loyalty programme for shoppers.



1

2

4

DECEMBER 2021

- Announced proposed merger with MNACT to form MPACT, a flagship commercial REIT positioned to be the proxy to key gateway markets of Asia. The Proposed Merger will be effected by a trust scheme of arrangement ("Trust Scheme") with MCT acquiring all MNACT Units.

JANUARY 2022

- Moody's initiated a review on MCT's issuer rating following the announcement of the Proposed Merger.
- VivoCity was voted the Best Shopping Mall (Silver) at the Expat Living's Readers' Choice Awards 2022.

FEBRUARY 2022

- Dyson opened its largest Dyson Demo Store in Southeast Asia at VivoCity, featuring immersive demonstration zones and exclusive personalisation services.

MARCH 2022 AND AFTER

- Announced the inclusion of an alternative cash-only consideration to MNACT Unitholders in the Trust Scheme relating to the Proposed Merger, with full backing from the Sponsor of up to S$2.2 billion for MCT's Preferential Offering.
- Singapore took significant steps in relaxing wide-ranging measures, including making mask-wearing outdoors optional, removing the limits for social gatherings, activities and large-scale events, and allowing 100% of employees to return to the workplace.
- Declared DPU of 5.14 Singapore cents for 2H FY21/22, including the release of S$15.7 million retained cash carried forward from 4Q FY19/20. This brought full year DPU to 9.53 Singapore cents, up 0.4% year-on-year.
- MCT's properties were valued at $8.8 billion, a slight increase as compared to the 30 September 2021 interim valuation. Correspondingly, NAV per unit was revised up to S$1.74.
- MCT held the EGM to consider the Proposed Merger. All tabled resolutions were approved by Unitholders.
- Moody's concluded its review and confirmed MCT's Baa1 issuer rating with stable rating outlook.

1 VivoRewards+ was unveiled as an upgraded and all-inclusive loyalty programme

2 Optimisation of Basement 2 prime space at VivoCity to house popular fast food concepts

3 Existing tenant, adidas, expanded its footprint in VivoCity

4 Resumption of dining-in attracted lively crowds

5 Dyson's opened its largest Demo Store in Southeast Asia at VivoCity

UNIT PRICE PERFORMANCE

FY21/22 continued to be a challenging year for the global equity markets with the emergence of COVID-19 variants. Encouragingly, Singapore's economy showed signs of recovery as its GDP expanded by 7.6% in 2021. However, escalating geopolitical tensions towards the end of FY21/22 resulted in hikes in energy and commodity prices. Coupled with rising interest rates, the global economic outlook has tempered.

Against this backdrop, the FTSE Straits Times Index gained 7.7% while the FTSE Straits Times REIT Index declined 0.1% for the period from 1 April 2021 to 31 March 2022. MCT's unit price closed at S$1.89 on 31 March 2022, down 10.8% from the closing price of S$2.12 a year ago. Taking into account total DPU of 9.53 Singapore cents paid out for FY21/22, MCT posted -6.4% of total return to Unitholders during the financial year.

Notwithstanding, MCT has continued to deliver healthy long-term outperformance. Since IPO, MCT's unit price has gained 114.8% from its listing price of S$0.88, while the FTSE Straits Times Index and the FTSE Straits Times REIT Index have risen by 7.1% and 28.9% respectively for the same period. Including total distribution per unit of 89.08 Singapore cents paid out since IPO, MCT has delivered 216.0% of total return to Unitholders. MCT's market capitalisation has also grown approximately 3.9 times from S$1.6 billion at IPO to S$6.3 billion as at 31 March 2022.

UNIT PRICE AND TRADING VOLUME

	FY21/22	FY20/21
Closing price on the last trading day prior to the period (S$)	**2.120**	1.830
Highest closing price (S$)	**2.190**	2.230
Lowest closing price (S$)	**1.790**	1.500
Volume weighted average price (S$)	**1.974**	1.952
Closing price for the period (S$)	**1.890**	2.120
Average trading volume (million units)	**11.96**	9.87
Total trading volume (million units)	**2,978**	2,478

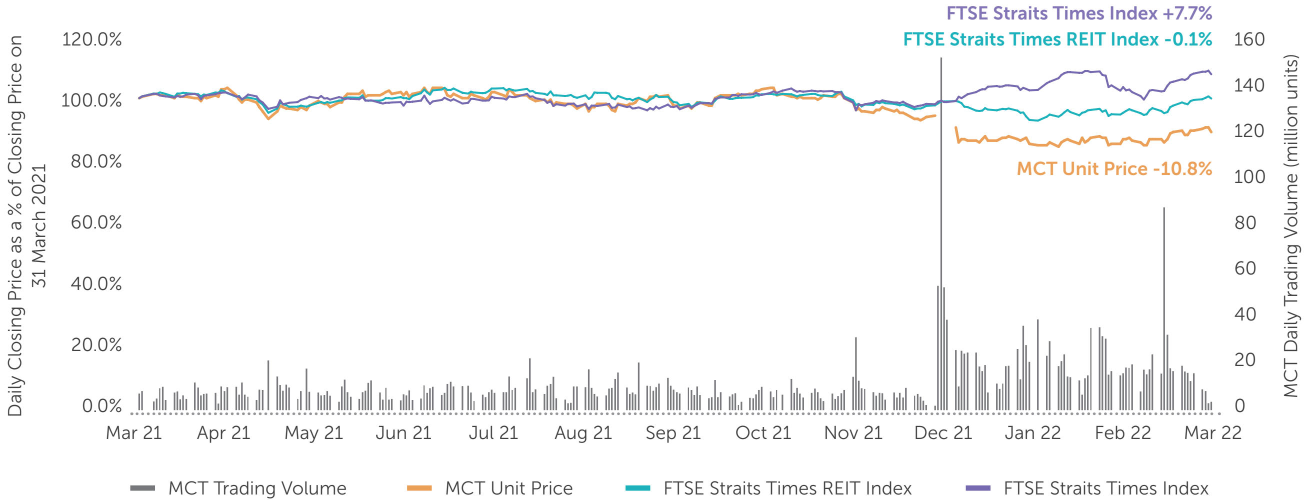
RETURN ON INVESTMENT

	1-year from 1 April 2021	3-year from 1 April 2019	5-year from 1 April 2017	Since Listing on 27 April 2011
Total Return as at 31 March 2022 (%)	-6.4[1]	14.3[1]	53.1[1]	216.0[2]
Capital appreciation (%)	-10.8	0.0	23.5	114.8
Distribution yield (%)	4.5	14.3	29.5	101.2
Closing price on the last trading day prior to the period/Unit issue price at listing (S$)	2.120	1.890	1.530	0.880

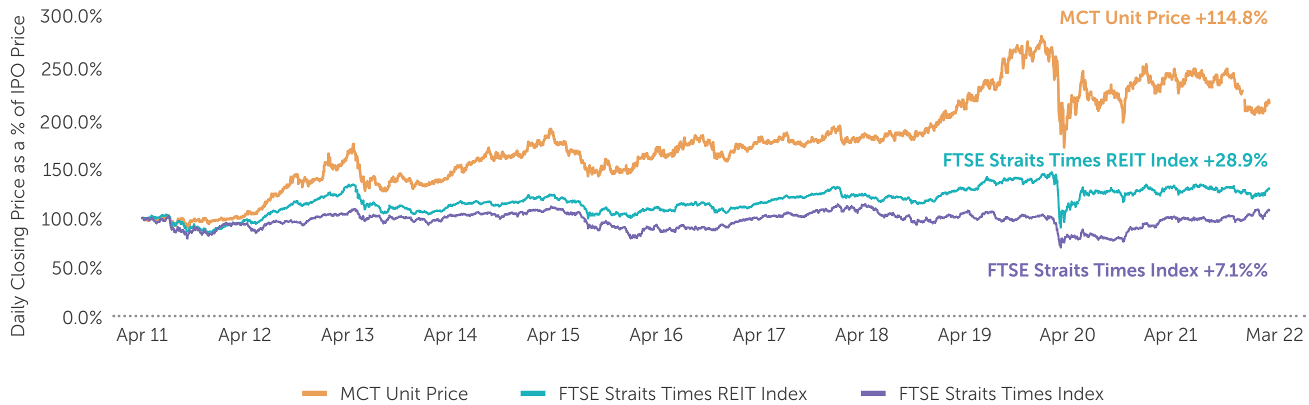
1 Sum of distributions and capital appreciation for the period over the closing unit price on the last trading day prior to the commencement of the period.
2 Sum of distributions and capital appreciation for the period over the unit issue price at listing.

Source: Bloomberg

TRADING VOLUME OF MCT AND COMPARATIVE TRADING PERFOMANCE IN FY21/22



COMPARATIVE TRADING PERFORMANCE SINCE LISTING



Note: Break in the chart for MCT is due to its trading halt from 28 to 31 December 2021.

MCT IS A CONSTITUENT OF THESE KEY INDICES[1]

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

1 The list of key indices is not exhaustive.

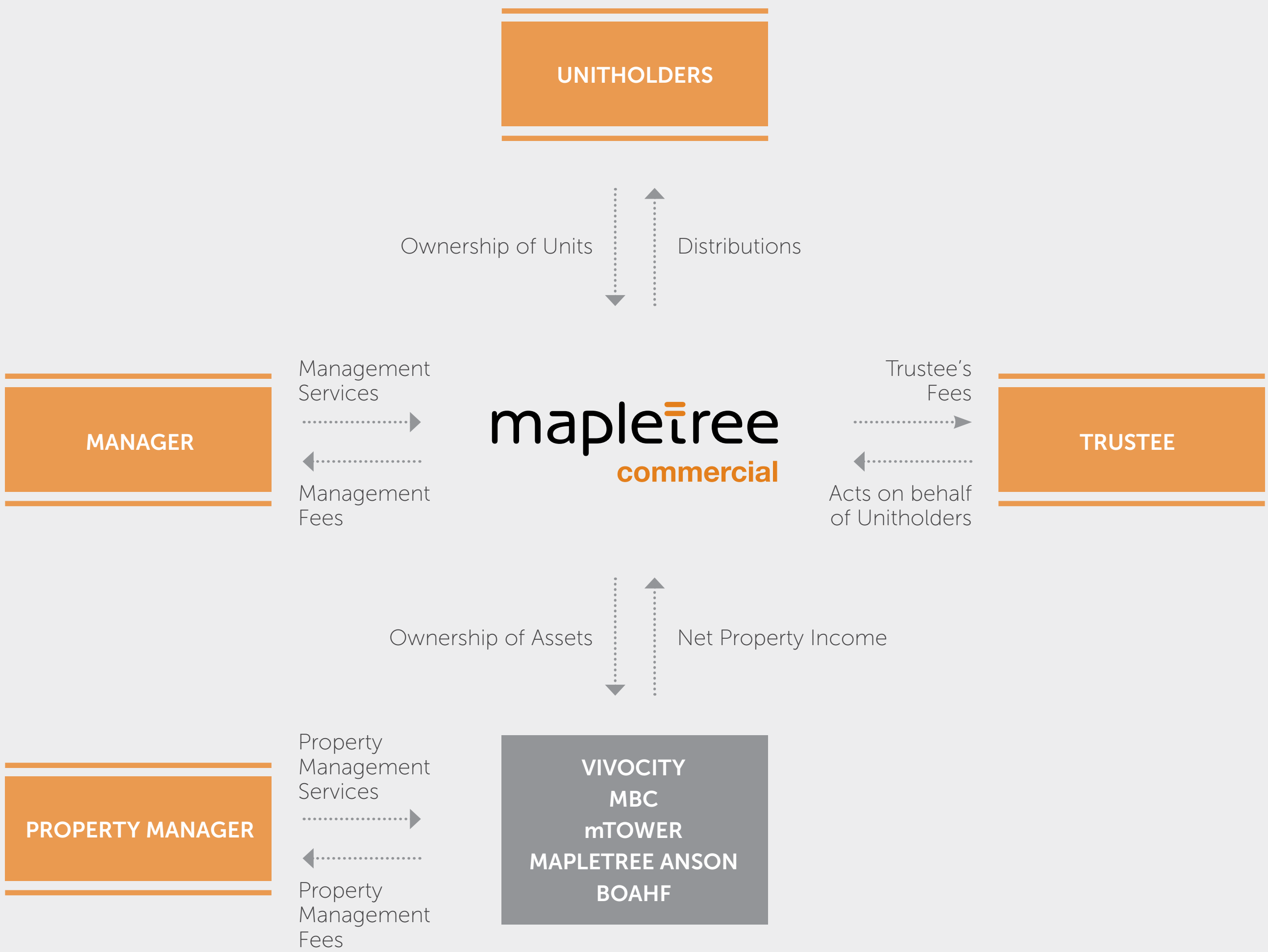
Source: Bloomberg

TRUST STRUCTURE

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

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

The following diagram illustrates the relationship between MCT, the Manager, the Property Manager, the Trustee and the Unitholders.



ORGANISATION STRUCTURE

BOARD OF DIRECTORS

Mr Tsang Yam Pui
Non-Executive Chairman and Director

Ms Kwa Kim Li
Lead Independent Non-Executive Director

Mr Premod P. Thomas
Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director

Mr Koh Cheng Chua
Independent Non-Executive Director

Mr Wu Long Peng
Independent Non-Executive Director

Mr Mak Keat Meng
Independent Non-Executive Director

Mr Alvin Tay
Independent Non-Executive Director

Mr Hiew Yoon Khong
Non-Executive Director

Ms Wendy Koh
Non-Executive Director

Ms Amy Ng
Non-Executive Director

Ms Sharon Lim
Executive Director and Chief Executive Officer

AUDIT AND RISK COMMITTEE

Mr Premod P. Thomas
Chairman

Mr Koh Cheng Chua

Mr Wu Long Peng

Mr Mak Keat Meng

NOMINATING AND REMUNERATION COMMITTEE

Ms Kwa Kim Li
Chairperson

Mr Kan Shik Lum

Mr Hiew Yoon Khong

CHIEF EXECUTIVE OFFICER

Ms Sharon Lim

JOINT COMPANY SECRETARIES

Mr Wan Kwong Weng
Ms See Hui Hui

CHIEF FINANCIAL OFFICER

Ms Janica Tan

HEAD OF INVESTMENTS & ASSET MANAGEMENT

Mr Koh Wee Leong

FINANCE

Ms Janice Lim
Vice President

Ms Fiona Ong
Vice President

INVESTOR RELATIONS

Ms Teng Li Yeng
Director

INVESTMENTS & ASSET MANAGEMENT

Ms Goh Peck Cheng
Vice President

THE NEXT LEVEL OF **STRENGTH**

MCT's resilience comes from its quality portfolio. Its cadre of dedicated management has also remained judicious yet nimble in navigating waves of changes. These qualities have given MCT a strong line of defence against headwinds. As we journey forward, these fundamentals will continue to steer MCT to the next level of strength.

PROPERTY OVERVIEW

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

VIVOCITY

Singapore's largest mall with 1,077,382 square feet of NLA spread over a three-storey shopping complex and two basement levels and an eight-storey annexe carpark. Strategically located in the heart of the HarbourFront Precinct, this iconic development is directly connected to the HarbourFront MRT station and enjoys exceptional connectivity to Sentosa and the HarbourFront Centre. VivoCity is positioned as a multi-dimensional retail and lifestyle destination for Singaporeans and tourists alike, offering visitors a unique waterfront shopping and dining experience.

MBC

MBC is one of the largest integrated developments in Singapore, conveniently situated within the Alexandra Precinct. Comprising of MBC I and MBC II, the integrated development is made up of one office tower and seven business park blocks supported by a retail and F&B cluster. Together, they offer 2,892,130 square feet of premium office, business park and ancillary retail space.

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

MBC's appeal is further enhanced by its wide public spaces, an eco-pond, art installations set amidst 2.8 hectares of lush landscape, as well as convenient access to parks in the vicinity. MBC's environmentally sustainable design and features have also garnered prestigious local and international awards.

mTOWER

mTower is an established integrated development with a 40-storey office block and a three-storey retail centre, ARC. It has an aggregate NLA of 526,066 square feet. mTower's excellent location within the Alexandra Precinct and its short distance from the CBD make it an ideal choice for companies who prefer a quality office location outside the CBD. ARC further offers a wide range of amenities and F&B offerings to the working population in the vicinity.

MAPLETREE ANSON

A 19-storey office building located in the Tanjong Pagar micro-market of the CBD. Mapletree Anson offers 329,237 square feet of premium space with Grade A specifications and is one of the first buildings in Singapore to be awarded the Green Mark Platinum certification by the Building and Construction Authority ("BCA"). It is conveniently situated within a two-minute walk from the Tanjong Pagar MRT Station and is well connected to major arterial roads and expressways.

BOAHF

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

Map zoomed out

PORTFOLIO NET LETTABLE AREA

5.0
million square feet

PORTFOLIO APPRAISED VALUE

S$8.8
billion

PROPERTY OVERVIEW

VIVOCITY

VivoCity is Singapore's largest retail and lifestyle destination that continues to surprise shoppers with its vibrant mix of retail and entertainment offerings.

Despite the COVID-19 challenges, VivoCity has remained focused on invigorating its retail mix and executing suitable enhancement initiatives to maintain its market-leading position.

As part of our continuous efforts in curating and refreshing VivoCity's retail mix for our shoppers, we introduced tenants including DJI, a world-renowned maker of camera drones, athleisure and sports retailers such as lululemon and Foot Locker, as well as widely popular F&B concepts such as Mr. Coconut, Tai Cheong Bakery and Una Una. VivoCity also welcomed Dyson's largest Demo Store in Southeast Asia that features demonstration zones and a "try-before-you-buy" concept. Some of these additions cater to hobbyists and will certainly enhance the mall's appeal to an even wider range of shoppers.

In tandem with the easing COVID-19 measures, tenant sales kept its steady recovery momentum, with 4Q FY21/22 tenant sales bouncing back to pre-COVID levels . The recovery in tenant sales has outpaced shopper traffic. FY21/22 tenant sales improved by 15.6% year-on-year to S$804.0 million, while shopper traffic improved by 4.5% to 26.9 million.

Consequently, mostly due to the lower rental rebates granted to eligible tenants this financial year, as well as the effects of step-up rents in existing leases and higher carpark income, FY21/22 gross revenue and NPI grew by 8.6% and 8.1% to reach S$183.9 million and S$135.9 million respectively.

With the decisive easing of COVID-19 measures from March 2022, VivoCity is expected to benefit further from the resumption of dining-in and social activities, more employees returning to the workplace, and the reopening of borders.

GROSS REVENUE

S$183.9 million

NET PROPERTY INCOME

S$135.9 million

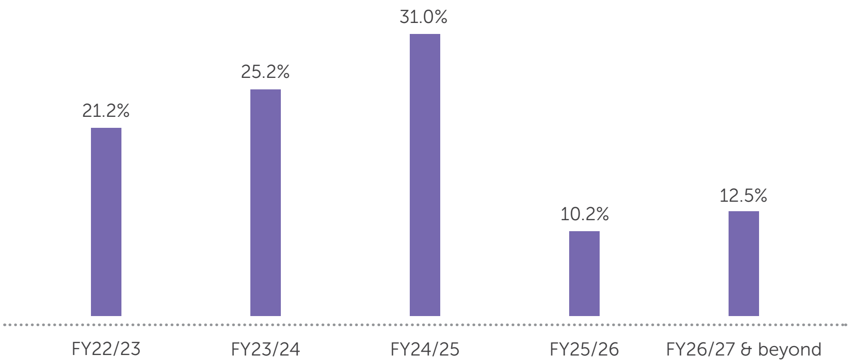
COMMITTED OCCUPANCY[1]

99.2%

A three-storey shopping complex with two basement levels and an eight-storey annex carpark

Net Lettable Area	1,077,382 square feet
Number of Leases	349
Carpark Lots	2,183
Title	Leasehold 99 years commencing from 1 October 1997
Market Valuation	S$3,182.0 million
Key Tenants	FairPrice, Tangs, Zara, Best Denki, Golden Village
Awards and Accolades	**Honeycombers Love Local: Readers' Choice Awards 2021** • Best Retail Mall in Singapore (Gold Winner) • Honeycombers Choice Winner **Honeykids Love Local: Readers' Choice Awards 2021** • Best Kids' Mall Experience (Gold Winner) **Expat Living's Readers' Choice Awards 2022** • Best Shopping Mall (Silver)

Lease Expiry Profile by Gross Rental Income[2]



	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27 & beyond
Number of Leases	94	91	118	30	16

Trade Mix by Gross Rental Income[2]

Food & Beverage	32.7%
Fashion	16.9%
Fashion Related	10.6%
Hypermarket/Departmental Store	9.1%
Beauty	6.3%
Sports	6.1%
Electronics	5.6%
Lifestyle	5.0%
Entertainment	3.8%
Others[3]	4.0%

1 Actual occupancy was 98.6%.
2 Total does not add up to 100% due to rounding differences.
3 Others includes Retail Bank, Optical, Education, Medical, Services and Convenience.

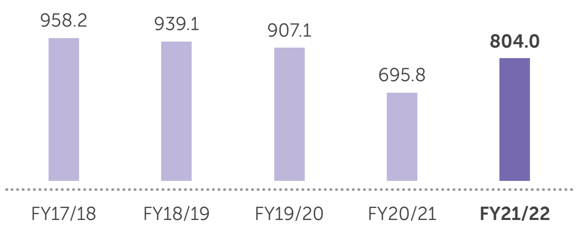
Data are as at 31 March 2022. Gross revenue and NPI are for the financial year ended 31 March 2022.

PROPERTY OVERVIEW

FY21/22 TENANT SALES AND SHOPPER TRAFFIC IMPACTED BY COVID-19

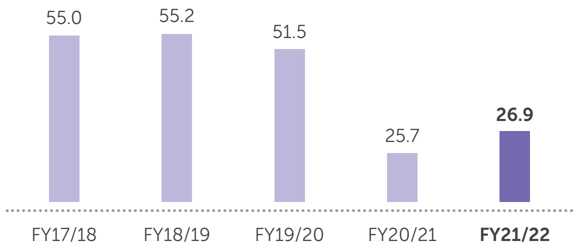
Tenant Sales[1]

S$804.0 million



Shopper Traffic

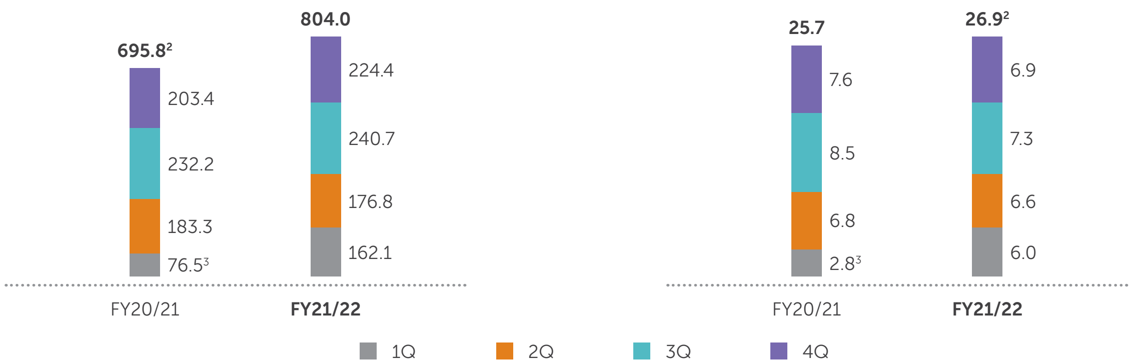
26.9 million



IMPROVED YEAR-ON-YEAR PERFORMANCE IN TENANT SALES AND SHOPPER TRAFFIC

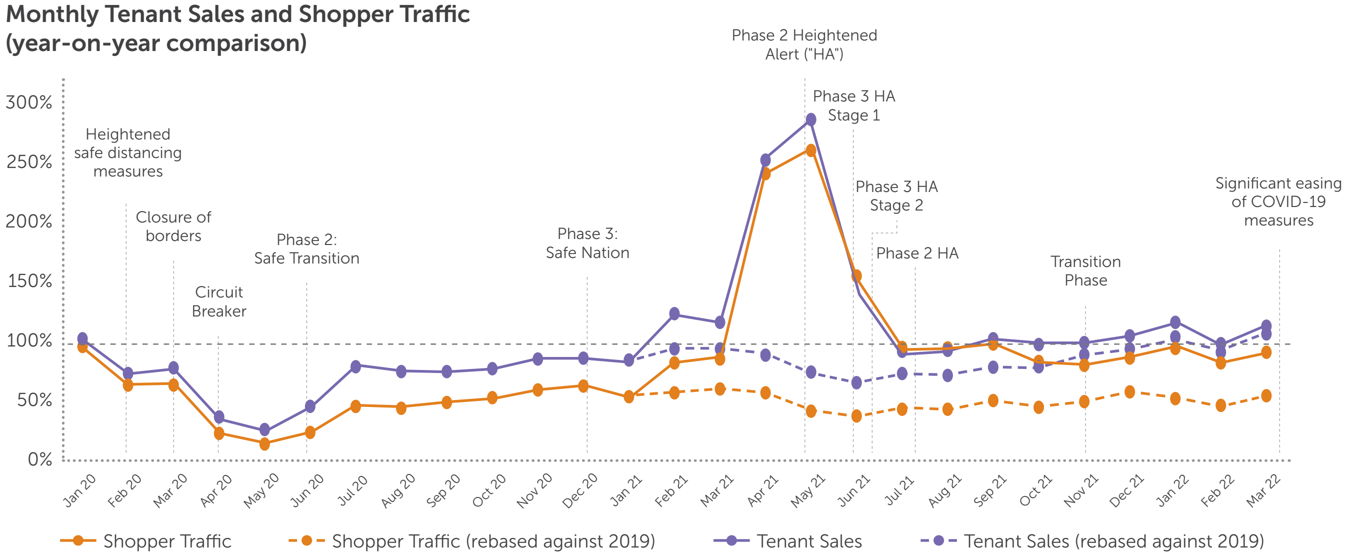
Breakdown Of Tenant Sales[1] By Quarter (S$ million)

Breakdown Of Shopper Traffic By Quarter (million)



4Q FY21/22 TENANT SALES RECOVERED TO PRE-COVID LEVELS AND SIGNIFICANT RELAXATION OF COVID-19 MEASURES EXPECTED TO BENEFIT VIVOCITY FURTHER

Monthly Tenant Sales and Shopper Traffic (year-on-year comparison)



1 Includes estimates of tenant sales for a portion of tenants.
2 Total does not add up due to rounding differences.
3 Largely affected by stringent COVID-19 measures including the circuit breaker from 7 April to 1 June 2020 and Phase One easing of circuit breaker from 2 to 18 June 2020 during which the majority of businesses were closed.

1


2

3

4

1 New and popular F&B concepts were added throughout the year

2 VivoCity continues to be a leading shopping destination for all

3 Specially curated offerings, such as DJI, to cater to hobbyists

4 Long-awaited lululemon arrived in VivoCity

PROPERTY OVERVIEW

MAPLETREE BUSINESS CITY

MBC has been lauded as a best-in-class integrated office and business park complex. Conveniently located within the Alexandra Precinct, it enjoys close proximity to the CBD as well as parks in the vicinity. It offers more than just Grade A building specifications. Nestled amidst lush greenery and art installations, and furnished with a full suite of facilities and amenities, it was created to provide a vibrant and positive environment for contemporary businesses. Due to these traits, MBC is home to many well-established tenants.

MBC was 97.3% committed as at 31 March 2022. MBC's stable cashflows from high quality tenants will make it an anchor of stability for MCT.

GROSS REVENUE

S$215.9 million

NET PROPERTY INCOME

S$175.0 million

COMMITTED OCCUPANCY[1]

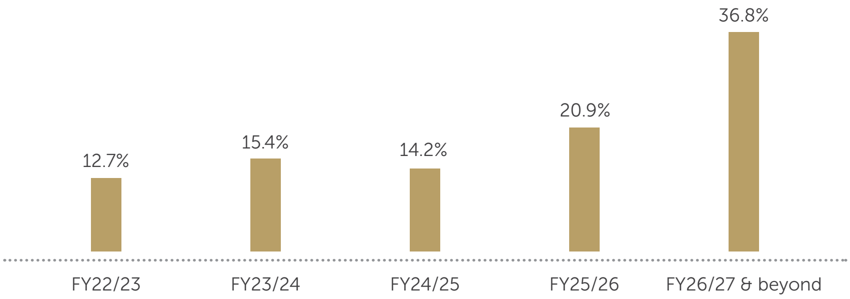
97.3%

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

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

	MBC I	MBC II
Net Lettable Area	1,707,426 square feet	1,184,704 square feet
Number of Leases	79	
Carpark Lots	2001	
Title	Strata lease commencing from 25 August 2016 to 29 September 2096	Leasehold 99 years commencing from 1 October 1997
Market Valuation	S$2,249.0 million	S$1,551.0 million
Purchase Price / Agreed Property Value	S$1,780.0 million	S$1,550.0 million
Date of Purchase	25 August 2016	1 November 2019
Key Tenants	Google Asia Pacific Pte. Ltd., The Hongkong and Shanghai Banking Corporation Limited, Info-Communications Media Development Authority, SAP Asia Pte. Ltd., Cisco Systems (USA) Pte. Ltd., Covidien Private Limited	

Lease Expiry Profile by Gross Rental Income



Number of Leases

21	**20**	**13**	**12**	**13**

Trade Mix by Gross Rental Income

IT Services & Consultancy	40.4%
Banking & Financial Services	13.2%
Government Related	11.5%
Electronics	8.9%
Consumer Goods	6.7%
Pharmaceutical	6.0%
Shipping Transport	5.2%
Others[2]	7.9%

1 Actual occupancy was 94.0%.
2 Others include Energy, Real Estate, F&B, and Services.

Data are as at 31 March 2022. Gross revenue and NPI are for the financial year ended 31 March 2022.

PROPERTY OVERVIEW

mTOWER

mTower is a 40-storey integrated development located in the Alexandra Precinct. Its seamless connectivity to the Labrador Park MRT station and proximity to the CBD make it an appealing alternative to a CBD office.

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

Progress continued to be made in backfilling the office vacancies at mTower, resulting in its actual occupancy improving to 84.7% (as at 31 March 2022) from 75.5% (as at 31 March 2021). The majority of mTower's office vacancy was due to the negotiated pre-termination of a lease, and the compensation received in 1Q FY21/22 provided more than a year's cover for backfilling.

GROSS REVENUE

S$45.6 million

NET PROPERTY INCOME

S$33.7 million

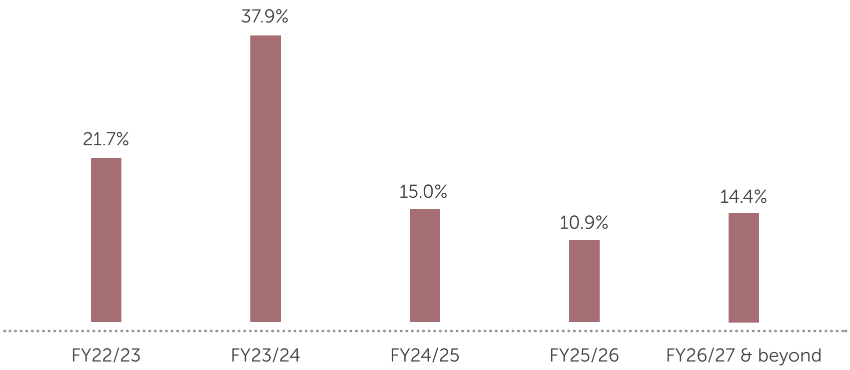
COMMITTED OCCUPANCY[1]

88.0%

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

Net Lettable Area	526,066 square feet
Number of Leases	119
Carpark Lots	749
Title	Leasehold 99 years commencing from 1 October 1997
Market Valuation	S$747.0 million
Purchase Price	S$477.2 million
Date of Purchase	27 April 2011
Key Tenants	**Office:** Mapletree Investments Pte Ltd, Casino Regulatory Authority **Retail:** FairPrice, McDonald's, Ichiban Sushi, Canton Paradise

Lease Expiry Profile by Gross Rental Income[2]



Number of Leases

37	39	26	10	7

Trade Mix by Gross Rental Income[2]

Government Related	22.0%
Shipping Transport	15.4%
Trading	13.7%
Food & Beverage	12.5%
Real Estate	11.3%
IT Services & Consultancy	7.0%
Energy	4.1%
Consumer Services	3.9%
Others[3]	10.3%

1 Actual occupancy was 84.7%.
2 Total does not add up to 100% due to rounding differences.
3 Others includes Hypermarket / Departmental Store, Beauty, Education, Lifestyle, Medical, Fashion Related, Services, Insurance, Convenience, Sports, Retail Bank, Electrical and Optical.

Data are as at 31 March 2022. Gross revenue and NPI are for the financial year ended 31 March 2022.

PROPERTY OVERVIEW

MAPLETREE ANSON

Mapletree Anson is a 19-storey premium office building situated in the Tanjong Pagar micro-market. The building features Grade A building specifications including large column-free floor plates of over 20,000 square feet, making it suitable for contemporary workplace strategies as well as flexible and collaborative floor-space.

Mapletree Anson boasts of a quality tenant profile that comprises reputable multinational office tenants. Through a proactive leasing strategy, it achieved 100% committed occupancy as at 31 March 2022.

GROSS REVENUE
S$34.0 million

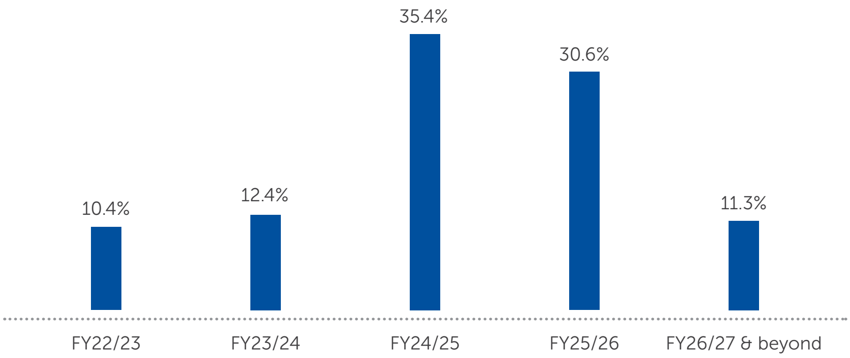
NET PROPERTY INCOME
S$27.2 million

COMMITTED OCCUPANCY[1]
100%

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

Net Lettable Area	329,237 square feet
Number of Leases	22
Carpark Lots	80
Title	Leasehold 99 years commencing from 22 October 2007
Market Valuation	S$752.0 million
Purchase Price	S$680.0 million
Date of Purchase	4 February 2013
Key Tenants	WeWork Singapore Pte. Ltd., Goldman Sachs Services (Singapore) Pte. Ltd., Hubspot Asia Pte. Ltd.

Lease Expiry Profile by Gross Rental Income[2]



	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27 & beyond
Number of Leases	4	3	8	4	3

Trade Mix by Gross Rental Income

IT Services & Consultancy	33.4%
Real Estate	26.2%
Banking & Financial Services	23.2%
Insurance	6.8%
Trading	4.3%
Shipping Transport	2.1%
Energy	2.1%
Others	1.9%

1 Actual occupancy was 95.0%.
2 Total does not add up to 100% due to rounding differences.

Data are as at 31 March 2022. Gross revenue and NPI are for the financial year ended 31 March 2022.

PROPERTY OVERVIEW

BANK OF AMERICA HARBOURFRONT

BOAHF's full year gross revenue and NPI were up 1.1% and 3.8% year-on-year. It continued to report full occupancy through FY21/22, providing a stable and consistent stream of cashflow to the portfolio.

GROSS REVENUE

S$20.1 million

NET PROPERTY INCOME

S$16.8 million

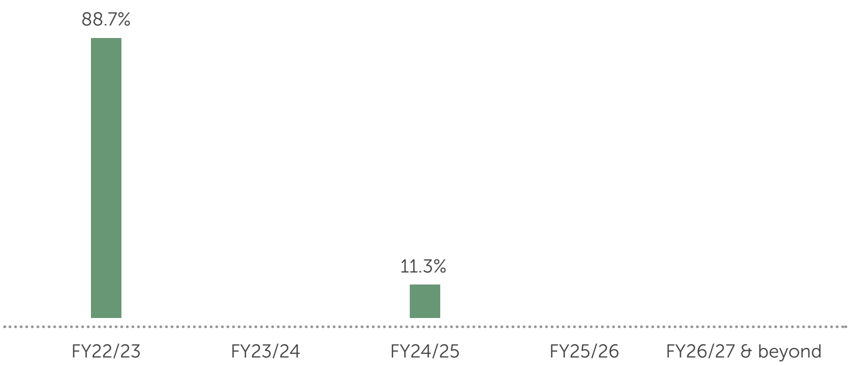
OCCUPANCY

100%

A six-storey office building with a basement carpark.

Net Lettable Area	215,734 square feet
Number of Leases	3
Carpark Lots	94
Title	Leasehold 99 years commencing from 1 October 1997
Market Valuation	S$340.0 million
Purchase Price	S$311.0 million
Date of Purchase	27 April 2011
Key Tenant	Merrill Lynch Global Services Pte. Ltd.

Lease Expiry Profile by Gross Rental Income



Number of Leases				
2	–	1	–	–

Data are as at 31 March 2022. Gross revenue and NPI are for the financial year ended 31 March 2022.

THE NEXT LEVEL OF EXCELLENCE

We will not stop in honing our fitness for the long haul. As we forge ahead and spread our wings, we will continue to fortify our bases by making our assets better and our balance sheet stronger. Our vision remains unchanged – to advance MCT to the next level of excellence. This is how we will secure MCT's longevity and deliver long-term sustainable returns to our Unitholders.


MICHAEL KORS
COACH

OPERATIONS REVIEW

FORGING AHEAD

FY21/22 has been another demanding year for MCT. The emergence of new virus variants and the protracted shifts in COVID-19 measures had continued to inflict a dampening effect on the retail and office sectors.

Notwithstanding, MCT's portfolio gross revenue grew 4.3% year-on-year to S$499.5 million, and portfolio NPI grew 3.1% year-on-year to S$388.7 million for FY21/22. This was driven by higher revenue from all properties except Mapletree Anson due to its transitional vacancy. In tandem with the easing of COVID-19 measures particularly towards the second half of the financial year, rental rebates for retail tenants have tapered progressively and carpark income has improved. Other key drivers for the better year-on-year performance include compensation received from the negotiated lease pre-termination at mTower and the effects of step-up rents in existing leases.

For FY21/22, MCT achieved a high retention rate of 86.0%. As at 31 March 2022, the committed and actual occupancy rates of the portfolio remained high at 97.0% and 94.3% respectively.

As a responsible landlord, we continued to work closely with tenants and provided meaningful and targeted support to eligible retail tenants. In FY21/22, we helped eligible retail tenants offset on average approximately 1.4 months of their fixed rents. In total, since the start of the pandemic, we have provided rental assistance to help eligible retail tenants offset on average 5.8 months of their fixed rents[1]. With the decisive easing of COVID-19 measures from March 2022, and the subsequent removal of limits for dining-in and social activities, allowing 100% of employees to return to the workplace and reopening the country's borders, we are confident that our retail assets will benefit further as more social and economic activities resume and international travel returns to normalcy.

To ensure the health and safety of all occupants and shoppers, we continued to ensure that relevant protective and sanitary measures were implemented across our properties. Frequent cleaning and sanitising of premises were carried out throughout FY21/22, while unmanned Safe-Entry turnstiles were installed at our retail malls to enforce Safe-Entry check-in requirements efficiently while minimising human contact. In addition, all washrooms in our office properties were installed with NanoeX, an ion-based air disinfection system as an additional safeguard to reduce the transmission of COVID-19. Although COVID-19 measures have been eased since March 2022, the Manager will continue to monitor the situation and work with the authorities where necessary.

ACTIVE ASSET MANAGEMENT AND LEASING

Reinvigorating the Retail Scene

Against a backdrop of multiple disruptions from COVID-19, VivoCity continues to be a flagship shopping and F&B destination for locals and returning tourists alike. It has also maintained its position as a choice location for retailers' physical stores. We implemented various measures throughout the year, including the provision of rental reliefs to eligible retail tenants and the restructuring of some leases with flexible terms. These have allowed VivoCity to maintain its healthy occupancy of 98.6% as at the end of FY21/22. New tenants were also introduced throughout the year to revitalise the tenant mix and to widen the range of choices for shoppers.

The F&B cluster at Basement 2 was refreshed with popular fast food concepts such as Burgs, GO Noodle House, KFC and MOS Burger. Well-liked concepts including Egg Stop, Mr. Coconut, Tai Cheong Bakery and Xian Dan Chao Ren were added at prime locations to capture the high volume of foot traffic going to and coming from the adjoining HarbourFront MRT station. In addition, new offerings such as Chateraise, Genki Sushi, Nasty Cookie, Tempura Makino and Yakiniku Like were brought in at the F&B cluster on Level 2. These additions further broaden the range of F&B options at VivoCity and have been received positively by shoppers.

We also made good progress in expanding VivoCity's lifestyle offerings. adidas Performance expanded and launched its largest flagship store in Singapore on Level 1 in April 2021. Together with the adidas Originals store on Basement 1 that was opened in December 2020, adidas in total is leasing more than 19,000 square feet of space at VivoCity, more than 2.7 times its original footprint. Meanwhile, Dyson opened its largest Demo Store in Southeast Asia in a prominent location on Level 1, featuring immersive demonstration zones and exclusive personalisation areas. Other notable additions to the expansive lifestyle range include City Chain Primo, Dell Exclusive Store, DJI, GetIt by Changi Recommends and lululemon. This carefully curated tenant mix is expected to appeal to hobbyists and enthusiasts and will enhance the attractiveness of VivoCity as a key shopping destination.

FY21/22 continued to be a momentous year for VivoCity, with the mall scooping up numerous awards. In August 2021, VivoCity was named the Gold Winner for the

1 Inclusive of the passing on of property tax rebates, cash grants from the Government and other mandated grants to qualifying tenants.

Best Retail Mall in Singapore and the Honeycombers Choice Winner by Honeycombers Love Local: Readers' Choice Awards 2021, as well as the Gold Winner for Best Kids' Mall Experience by Honeykids Love Local: Readers' Choice Awards 2021. In January 2022, VivoCity was also voted the Best Shopping Mall (Silver) at the Expat Living's Readers' Choice Awards 2022.

VivoCity's shopper reward programme, VivoRewards+, was revamped in October 2021. This builds on the success of the mall's parking credit redemption programme and transforms it into an all-inclusive loyalty programme for everyone. Through an easy-to-use integrated mobile app, shoppers can submit receipts to earn VRPoints. The VRPoints can then be used to redeem a wide range of attractive rewards such as discounts, store vouchers, Mapletree vouchers and parking credits. Since the launch of the new VivoRewards+, approximately S$84,000 worth of store vouchers and physical vouchers have been redeemed and approximately S$260,000 of parking credits have been utilised.

Capital expenditure works in FY21/22 were mainly focused on rejuvenating the mall's common areas. One major project was the upgrading of the floor tiles in common areas from Basement 1 to Level 3 to give VivoCity a refreshed look. The exercise, which covered in total more than 220,000 square feet of floor area, took two years and was fully completed in January 2022.

We continued to seize opportunities amid ongoing COVID-19 restrictions to upgrade other features and facilities. We improved the Play Court on Level 2 with new playground equipment in March 2022 to provide a more conducive environment for families with children. This was just in time for them to enjoy as the relaxation of COVID-19 measures allowed us to reopen the Play Court after two years of closure. As part of our continuous improvement effort, we have started to upgrade the mall's washrooms, lift lobbies and wayfinding signages in October 2021. Comprising 19 sets of washrooms, 70 lift lobbies including lift interiors, customer service counters and wayfinding signages, this is an extensive project and is expected to be completed in 2023.

With tourist arrivals continuing to be limited in FY21/22, marketing campaigns were mainly focused on ramping up footfall in the mall by focusing on domestic consumers. The atrium spaces on Level 1 hosted displays of several luxury car brands from July to September 2021, including BMW, Lexus, Mercedes and Peugeot. In addition, VivoCity collaborated with GrabFood in 2Q FY21/22 to onboard 22 F&B tenants onto GrabFood's Mix & Match platform. This allowed users to place orders from multiple F&B outlets at VivoCity for a single delivery fee. This collaboration boosted incremental sales to the F&B outlets, especially during the two Phase 2 (Heightened Alert) periods (16 May 2021 to 13 June 2021 and 22 July 2021 to 18 August 2021) where the restrictions on dining-in led to a surge in food deliveries.

On a year-on-year basis, tenant sales and shopper traffic for FY21/22 rose 15.6% and 4.5% to reach S$804.0 million and 26.9 million respectively. Encouragingly, 4Q FY21/22 tenant sales were 10.3% higher than 4Q FY20/21 levels, and had recovered to pre-COVID levels[1].

The average occupancy cost at VivoCity as at 31 March 2022 was 21.7%[2]. For the whole of FY21/22, VivoCity recorded a 2.5% rental reversion, with 20.9% of the mall's NLA being renewed and re-let.

Continued Stability from Office and Business Park Assets

The protracted nature of COVID-19 and the shift to work-from-home and hybrid work arrangements have led to the re-evaluation of workspace needs and strategies by businesses. In spite of this, MCT's office and business park assets have been able to provide a base of stability and strength for the portfolio. 25.5% of the NLA were renewed or re-let at a positive rental reversion of 1.7% and we further achieved a high retention rate of 87.9% in FY21/22. These are clear demonstrations of the assets' resilience.

Through proactive leasing, renewals for both MBC I and MBC II were concluded early in the financial year, while new tenants were brought in at MBC I progressively throughout FY21/22. MBC achieved a committed occupancy of 97.3% as at 31 March 2022. Despite some flux in tenants in MBC I due to many of them reaching the end of their second lease terms, MBC continued to provide a stable revenue stream and remains an integral component of MCT's portfolio.

Similarly at Mapletree Anson, 38.6% of its NLA was renewed in FY21/22, achieving a rental uplift of 5.5% and 100% committed occupancy, BOAHF retained full occupancy throughout FY21/22, lending additional stability to MCT's portfolio.

Notably, good progress was made at backfilling mTower, resulting in its actual occupancy improving to 84.7% (in March 2022) from 75.5% (in March 2021). The majority of mTower's office vacancy was due to the negotiated pre-termination of a lease, and the compensation received in 1Q FY21/22 provided more than a year's cover for backfilling.

Overall, FY21/22 gross revenue from the office and business park assets was up 1.9% year-on-year. This was driven by higher contribution from MBC, mTower and BOAHF.

1 The comparison was made against 4Q FY18/19.
2 Included the rental assistance granted in FY21/22.

OPERATIONS REVIEW

PORTFOLIO OCCUPANCY

In spite of continued challenges in the overall operating environment, the portfolio maintained a healthy committed occupancy of 97.0% as at 31 March 2022.

	March 2018	March 2019	March 2020	March 2021	March 2022	
					Actual	Committed[1]
VivoCity	93.1%	99.4%	99.6%	97.1%	98.6%	99.2%
MBC I	99.4%	97.8%	96.4%	94.2%	94.0%	97.3%
MBC II	–	–	99.4%			
mTower	96.1%	96.4%	88.1%	75.5%[2]	84.7%	88.0%
Mapletree Anson	86.6%	96.8%	97.8%	100%	95.0%	100%
BOAHF	100%	100%	100%	100%	100%	100%
MCT Portfolio	**96.1%**	**98.1%**	**97.1%**	**93.5%**	**94.3%**	**97.0%**

SUMMARY OF LEASES COMMITTED IN FY21/22

The retention rate of MCT's tenants in FY21/22 was 86.0%. Retail leases and office and business park leases both recorded healthy retention rates of 78.6% and 87.9% respectively.

On a portfolio basis, renewed and new leases in FY21/22 achieved a rental uplift of 1.9% against preceding fixed rents of the expiring leases.

	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[3]
Retail	172	78.6%	2.1%[4]
Office/Business Park	32	87.9%	1.7%
MCT Portfolio	**204**	**86.0%**	**1.9%**

LEASE EXPIRY PROFILE

As at 31 March 2022, MCT has a portfolio weighted average lease expiry ("WALE") on a committed basis of 2.6 years. With a typical retail lease term of three years, the WALE for MCT's retail component was 2.1 years. Largely contributed by the defensive lease profiles at MBC, the WALE for the office and business park assets was at a healthy 2.9 years.

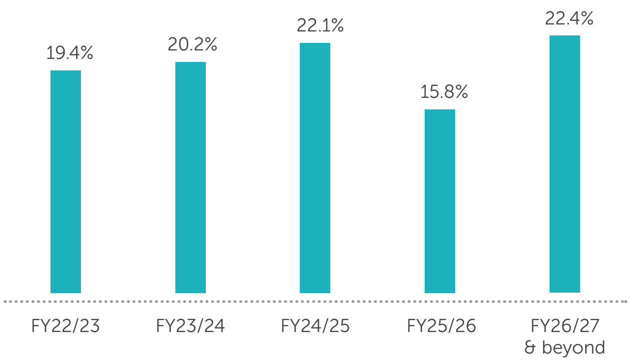
Based on the date of commencement of leases, MCT's portfolio WALE was 2.3 years as at 31 March 2022.

MCT's overall portfolio had 572 committed leases, of which 19.4% would be expiring in FY22/23.

The leases entered into in FY21/22 contributed 32.7% of gross rental income as at 31 March 2022 and had a WALE of 3.6 years.

LEASE EXPIRY PROFILE AS A % OF GROSS RENTAL INCOME

(as at 31 March 2022)



Number of Leases				
158	153	166	56	39

1 As at 31 March 2022.
2 Due to a negotiated pre-termination of lease. There was compensation received in 1Q FY21/22 that provided more than a year of lead time for backfilling.
3 On a committed basis and based on the average of the fixed rents over the lease period of the new committed leases divided by the preceding fixed rents of the expiring leases. Rent reviews are typically not included in the calculation of rental reversions.
4 Includes the effect from trade mix changes and units subdivided and/or amalgamated.

TENANT PROFILE

MCT's top ten tenants (excluding an undisclosed tenant) contributed 27.7% of gross rental income as at 31 March 2022. For both retail and office/business park assets, MCT's tenants come from a wide variety of trade sectors providing good diversification. No single trade segment accounted for more than 19.7% of MCT's gross rental income.

BREAKDOWN OF TENANTS IN MCT'S PORTFOLIO

(as at 31 March 2022)

Property	Number of Tenants
VivoCity	316
MBC	62
BOAHF	3
mTower	111
Mapletree Anson	17
Total	**481**[1]

MCT TOP TEN TENANTS BY GROSS RENTAL INCOME (as at 31 March 2022)

	Tenant	% of Gross Rental Income
1	Google Asia Pacific Pte. Ltd.	10.5%
2	Merrill Lynch Global Services Pte. Ltd.	3.1%
3	(Undisclosed tenant)	–
4	The Hongkong and Shanghai Banking Corporation Limited	2.8%
5	Info-Communications Media Development Authority	2.4%
6	SAP Asia Pte. Ltd.	2.0%
7	Mapletree Investments Pte Ltd	1.9%
8	NTUC Fairprice Co-operative Ltd	1.9%
9	WeWork Singapore Pte. Ltd.	1.7%
10	Samsung Asia Pte. Ltd.	1.5%
	Total	**27.7%**[2,3]

MCT TRADE MIX BY GROSS RENTAL INCOME (as at 31 March 2022)

	Trade Mix	% of Gross Rental Income
1	IT Services & Consultancy	19.7%
2	F&B	14.6%
3	Banking & Financial Services	10.1%
4	Fashion	6.7%
5	Government Related	6.6%
6	Fashion Related	4.3%
7	Shipping Transport	3.8%
8	Hypermarket / Departmental Store	3.8%
9	Electronics[4]	3.7%
10	Real Estate	3.6%
11	Beauty	2.8%
12	Consumer Goods	2.8%
13	Pharmaceutical	2.5%
14	Sports	2.5%
15	Electronics[5]	2.3%
16	Lifestyle	2.1%
17	Others[6]	8.1%
	Total MCT Portfolio	**100%**

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

FINANCIAL & CAPITAL MANAGEMENT REVIEW

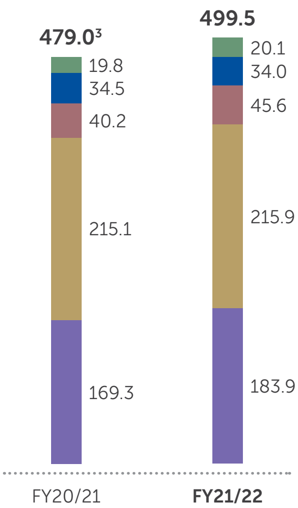
	FY21/22 (S$'000)	FY20/21 (S$'000)	Variance (%)
Gross revenue	499,475	478,997	4.3
Property operating expenses	(110,794)	(101,987)	(8.6)
Net property income	**388,681**	**377,010**	**3.1**
Finance income	284	754	(62.3)
Finance expenses	(72,575)	(76,848)	5.6
Manager's management fees	(37,765)	(37,538)	(0.6)
Trustee's fees	(1,039)	(1,049)	1.0
Other trust expenses	(1,388)	(1,153)	(20.4)
Foreign exchange gain	8,926	8,639	3.3
Net change in fair value of financial derivative	(8,390)	(8,786)	4.5
Profit before tax and fair value change in investment properties	**276,734**	**261,029**	**6.0**
Net change in fair value of investment properties	70,290	(192,420)	N.M.
Income tax expense	(5)	(3)	(66.7)
Profit after tax	**347,019**	**68,606**	**N.M.**
Income available for distribution	**301,229**	**286,720**	**5.1**
Amount available for distribution to Unitholders[1]	**316,982**	**314,720**	**0.7**
DPU (Singapore cents)[1]			
– Taxable distribution	8.60	8.45	1.8
– Capital distribution	0.61	1.04	(41.3)
– Tax-exempt income distribution	0.32	–	N.M.
Total DPU	**9.53**	**9.49**	**0.4**
Total DPU (excluding release of retained cash)	**9.06**	**8.65**	**4.7**

N.M.: Not meaningful

GROSS REVENUE

S$499.5 million

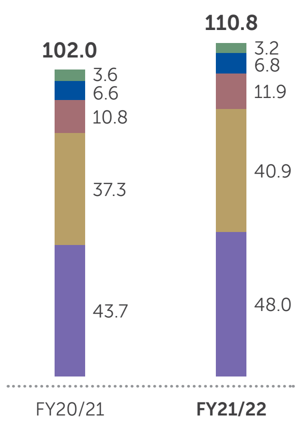
4.3%



PROPERTY EXPENSES

S$110.8 million

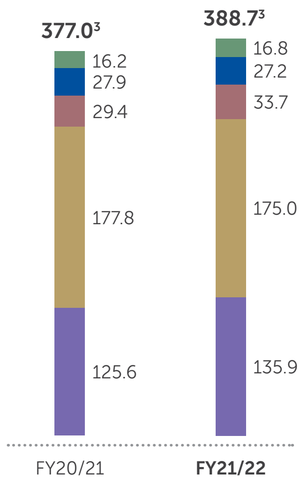
8.6%[2]



NET PROPERTY INCOME

S$388.7 million

3.1%



VivoCity MBC mTower Mapletree Anson BOAHF

1 In view of the COVID-19 uncertainty, MCT made capital allowance claims and retained capital distribution totalling S$43.7 million in 4Q FY19/20. S$28.0 million and S$15.7 million of the retained cash were released as distribution to Unitholders in FY20/21 and FY21/22 respectively.
2 Mainly due to property tax rebates and higher wage support through the Job Support Scheme received from the Government in FY20/21.
3 Total does not add up due to rounding differences.

For much of FY21/22, the country continued to face the prolonged impact from COVID-19. Notwithstanding, we are proud to deliver a steady set of performance. We closed the financial year with positive portfolio rental reversion, and all properties attained higher occupancy. Tenant sales at VivoCity has also picked up further, recovering to pre-COVID levels in the last quarter of the financial year.

GROSS REVENUE

Gross revenue was S$499.5 million for FY21/22, 4.3% higher compared to FY20/21. This was attributed to higher contribution across all properties except for Mapletree Anson due to its transitional vacancy.

Revenue for VivoCity was S$14.6 million higher than FY20/21 mainly due to lower rental rebates granted to eligible tenants, the effects of step-up rents in existing leases and higher carpark income. This was partially offset by lower rental income from restructured leases and longer downtime as well as lower compensation received from pre-termination of leases.

Revenue for mTower was S$5.4 million higher than FY20/21 mainly due to compensation received from pre-termination of leases, lower rental rebates granted to eligible retail tenants at ARC and the effects of step-up rents in existing leases, partially offset by lower rental income from lower occupancy and negative rental reversion.

Revenue for MBC was S$0.8 million higher than F20/21 mainly due to compensation received from pre-termination of leases, the effects of step-up rents in existing leases, lower rental rebates granted to eligible retail tenants, positive rental reversion and higher carpark income, offset by lower rental income from lower occupancy.

Revenue for BOAHF was S$0.2 million higher than FY20/21 mainly due to the effects of step-up rents in existing leases.

Revenue for Mapletree Anson was S$0.5 million lower than FY20/21, mainly attributed to lower rental income due to its transitional vacancy, offset by the effects of step-up rents in existing leases and lower rental rebates granted to tenants.

PROPERTY OPERATING EXPENSES

Property operating expenses were S$110.8 million for FY21/22, 8.6% higher as compared to FY20/21. The Group incurred higher staff costs, property maintenance expenses, utilities expenses, marketing and promotion expenses, property tax expense and property management fees. The higher property taxes were mainly due to the revised annual values assessed and the property tax rebates received from the Government in FY20/21. The higher staff costs was mainly due to the grants received from the Government in FY20/21 under the Job Support Scheme.

NET PROPERTY INCOME

NPI was S$388.7 million in FY21/22, higher by 3.1% as compared to the S$377.0 million recorded in FY20/21. This was due to higher gross revenue offset by higher property operating expenses.

FINANCE EXPENSES

Finance expenses were S$72.6 million for FY21/22, 5.6% lower as compared to FY20/21 mainly due to lower outstanding borrowings, lower interest rates on floating rate borrowings and lower interest rates from the refinancing of fixed rate notes.

CASH RETAINED FROM 4Q FY19/20

In 4Q FY19/20, we made capital allowance claims and retained capital distribution totalling S$43.7 million to conserve liquidity in view of the COVID-19 uncertainties.

S$28.0 million of this retained cash was released as distribution to Unitholders in FY20/21. As the uncertainties associated with COVID-19 have moderated further, the remaining S$15.7 million of cash retained in 4Q FY19/20 was released as distribution to Unitholders in FY21/22.

INCOME AVAILABLE FOR DISTRIBUTION AND DISTRIBUTION PER UNIT (BEFORE RELEASE OF RETAINED CASH)

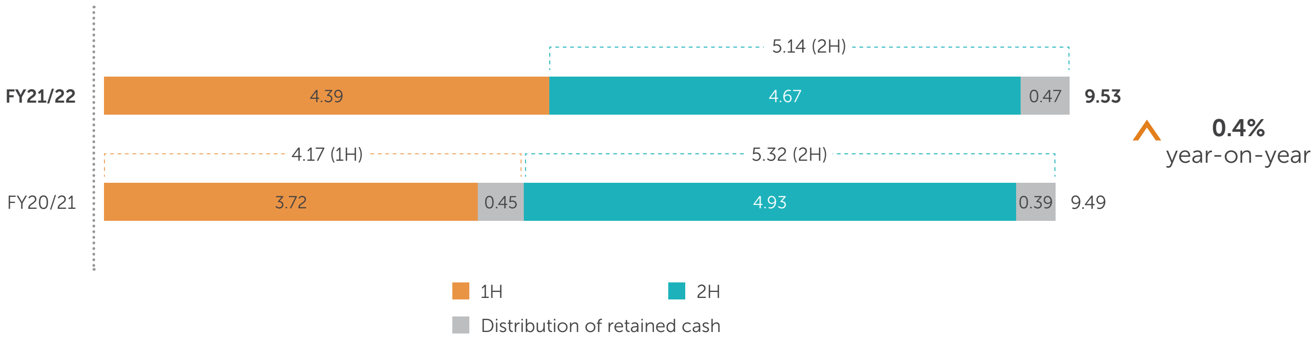
Income available for distribution was S$301.2 million for FY21/22. This was 5.1% higher compared to the S$286.7 million for FY20/21. Correspondingly, the DPU (before the release of retained cash) for FY21/22 was 9.06 cents, up by 4.7% year-on-year.

AMOUNT AVAILABLE FOR DISTRIBUTION AND DISTRIBUTION PER UNIT

With the release of retained cash, the amount available for distribution for FY21/22 was 0.7% higher year-on-year. Correspondingly, DPU for FY21/22 was 9.53 Singapore cents, up marginally by 0.4% from FY20/21.

FINANCIAL & CAPITAL MANAGEMENT REVIEW

The breakdown of the DPU in Singapore cents for FY21/22 as compared to FY20/21 is as follows:



PROJECT MANAGEMENT FEES

The Property Manager was contracted to carry out project management for the asset enhancement initiatives ("AEIs") at mTower.

The AEI at mTower relates to the second phase of the upgrading of common area and toilets for its high-rise zone. The project management fees payable represent 3% of the total construction costs of the AEIs. The quantum of the project management fee is within market norms and reasonable range as assessed by WT Partnership (S) Pte Ltd in its opinion issued on 22 April 2021.

As at 31 March 2022, the construction cost for the AEI at mTower was finalised. The total project management fees paid/ payable to the Property Manager in relation to the second phase AEI at mTower was S$43,000. The project management fees was capitalised in investment properties.

The fee and disclosure are in accordance with the Manager's undertaking as disclosed in the MCT IPO prospectus.

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	As at 31 March 2022	As at 31 March 2021	Change (%)
Total Assets (S$ million)	8,984.5	8,950.6	0.4
Total Liabilities (S$ million)	3,191.0	3,241.6	(1.6)
Net Assets Attributable to Unitholders (S$ million)	5,793.5	5,709.0	1.5
Number of Units in Issue (million)	3,323.5	3,316.2	0.2
Net Assets Value ("NAV") per Unit (S$)	1.74	1.72	1.2
Adjusted NAV per unit (S$)	1.69	1.67	1.2

Total assets value increased by 0.4% to S$8,984.5 million as at 31 March 2022 from S$8,950.6 million as at 31 March 2021. The increase was largely due to the increase in valuation of the investment properties.

Total liabilities decreased by 1.6% to S$3,191.0 million as at 31 March 2022 from S$3,241.6 million as at 31 March 2021. This was primarily due to the repayment of borrowings during the year.

Correspondingly, net assets attributable to Unitholders increased by 1.5% to S$5,793.5 million as compared to the previous financial year, reflecting a higher NAV per Unit of S$1.74 as at 31 March 2022.

The adjusted NAV per Unit (excluding the distributable amount payable for 2H FY21/22) was S$1.69.

VALUATION OF ASSETS

In accordance with the Property Funds Appendix issued by the MAS, a valuer should not value the same property for more than two consecutive years. Consequently, there was a change in the valuers for the independent valuation of the assets. As at 31 March 2022, MCT's properties were valued at S$8,821.0 million, S$84.0 million higher than 31 March 2021. This was mainly due to different valuers' views on capitalisation rates and market assumptions. Accordingly, net fair value gain on investment properties of S$70.3 million was recorded.

	As at 31 March 2022[1]			As at 31 March 2021[2]
	S$ million	S$ per square feet ("psf") NLA	Capitalisation Rate	S$ million
VivoCity	3,182.0	2,953	4.60%	3,148.0
MBC I	2,249.0	1,317	Office: 3.75% Business Park: 4.85%	2,226.0
MBC II	1,551.0	1,309	Business Park: 4.80% Retail: 4.75%	1,535.0
mTower	747.0	1,420	Office: 4.00% Retail: 4.75%	742.0
Mapletree Anson	752.0	2,284	3.35%	747.0
BOAHF	340.0	1,576	3.75%	339.0
MCT Portfolio	**8,821.0**			**8,737.0**

CAPITAL MANAGEMENT

We continue to proactively manage MCT's capital structure and take a disciplined approach in addressing funding requirements and managing refinancing and interest rate risks.

During the financial year, we completed the redemption of S$70.0 million medium term notes ("MTN") upon maturity in April 2021.

We manage MCT's interest rate risk by maintaining a mix of fixed and floating rate borrowings and use derivative financial instruments to hedge our interest rate risks.

As part of our active capital management approach, Interest Rate Swaps ("IRS") of notional S$600.0 million were executed to provide certainty on interest expenses arising from term loan facilities. As at 31 March 2022, 80.3% of the gross borrowings have been fixed by way of IRS and fixed rate debt, an increase from last year of 70.7%, as a result of our approach to manage interest rate hikes.

As at 31 March 2022, MCT's total gross debt outstanding of S$3,014.0 million remained fully unsecured with minimal financial covenants. Due to the upward valuation of the investment properties, the aggregate leverage ratio decreased from 33.9% as at 31 March 2021 to 33.5% as at 31 March 2022, well below the regulatory limit of 50%.

As at 31 March 2022, MCT Group has a sizeable debt headroom of S$2.9 billion (based on the regulatory limit of 50%). As at 31 March 2022, the aggregate leverage ratio was 52.0% based on net assets.

For the financial year ended 31 March 2022, MCT achieved a healthy interest coverage ratio of 4.8 times and a prudent average all-in cost of debt of 2.40% per annum. Overall, we maintained a well-distributed debt maturity profile with no more than 24% of debt due for refinancing in any financial year and an average term to maturity of 3.3 years.

Subsequent to the reporting year, Moody's concluded its review on MCT's issuer rating. It confirmed MCT's Baa1 issuer rating and changed the rating outlook to stable from ratings under review.

1 The valuation of VivoCity was conducted by CBRE while the valuations for MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by JLL.
2 The valuation of VivoCity was conducted by Savills Valuation and Professional Services (S) Pte. Ltd., while the valuations for MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by CBRE.

FINANCIAL & CAPITAL MANAGEMENT REVIEW

KEY FINANCIAL INDICATORS

	As at 31 March 2022	As at 31 March 2021
Total Debt Outstanding (S$ million)[1]	3,014.0	3,032.9
Aggregated Leverage Ratio		
- Based on Total Deposited Property[2]	33.5%	33.9%
- Based on Net Assets	52.0%	53.1%
Interest Coverage Ratio	4.8 times	4.4 times
% of Fixed Rate Debt	80.3%	70.7%
Weighted Average All-In Cost of Debt (per annum)[3]	2.40%	2.48%
Average Term to Maturity of Debt	3.3 years	4.2 years
Unencumbered Assets as % of Total Assets	100%	100%
MCT Corporate Rating (by Moody's)	Baa1 (rating under review)	Baa1 (Negative)

PRIORITISING LIQUIDITY AND FINANCIAL FLEXIBILITY

As at 31 March 2022, approximately S$500 million of cash and undrawn committed facilities were available for working capital and to meet future financial obligations.

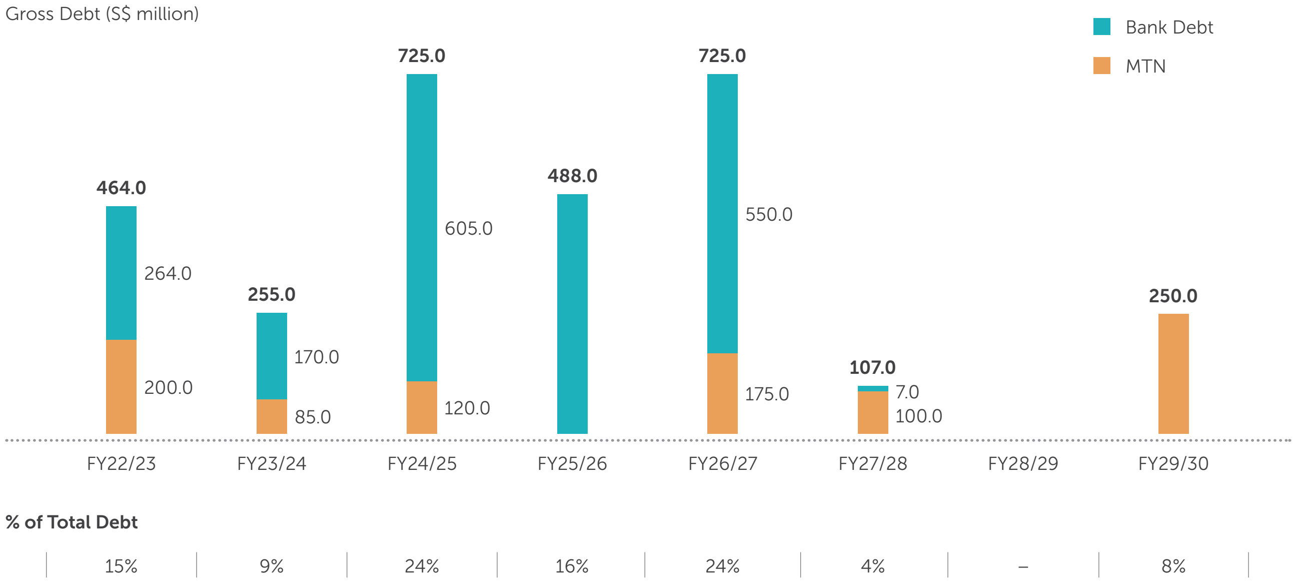
Specifically, the Group has secured a term loan facility to refinance the S$264 million bank borrowing maturing in August 2022.

Throughout the financial year, the debt maturity profile remained well-distributed and MCT remained well-capitalised with ample financial flexibility.

We will continue to adopt a forward-looking capital management strategy that prioritises sustainable returns to Unitholders.

DEBT MATURITY PROFILE

(As at 31 March 2022)



1 Reflects total gross debt after taking into account the CCIRS taken to hedge the JPY8.7 billion floating rate MTN.
2 On 1 January 2022, the MAS reduced the aggregated leverage limit from 50.0% to 45.0%. The aggregate leverage ratio may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowing.
3 Including amortised transaction costs.

PROPOSED MERGER

On 31 December 2021, we announced the proposed merger with MNACT to be effected through the acquisition by MCT of all the issued and paid-up units of MNACT by way of a Trust Scheme in accordance with the Singapore Code on Take-overs and Mergers.

The Proposed Merger was approved by the unitholders of MCT and MNACT at the EGMs and Scheme Meeting held on 23 May 2022 and the court sanction was obtained on 7 June 2022.

To fund the total scheme consideration of up to S$4,250.2 million, we will raise up to S$437.9 million[1] through the issuance of perpetual securities and/or debt funding, and the payment of such amount of the cash component of the scheme consideration which exceeds S$417.3 million will be funded by way of a pro-rata non-renounceable preferential offering.

PREFERENTIAL OFFERING

To fund the additional cash requirement arising from the cash-only consideration option, we will undertake a pro-rata non-renounceable preferential offering of up to 1,094 million Units at an issue price of S$2.0039 per Unit to raise gross proceeds of up to S$2.2 billion.

To demonstrate its conviction and support for the Proposed Merger, MIPL, the Sponsor of both MCT and MNACT, has undertaken to subscribe for the maximum units of the preferential offering of up to S$2.2 billion at an issue price of S$2.0039 per unit.

The size of the preferential offering will be determined based on the results of the election of the form of the scheme consideration to be received by the unitholders of MNACT pursuant to the Trust Scheme.

As an additional demonstration of commitment for the Merged Entity and increased alignment with unitholders, MIPL has also agreed to a voluntary six-month lock-up of its entire unitholdings in the Merged Entity following the completion of the Trust Scheme or the preferential offering.

ADOPTION OF MANAGER'S MANAGEMENT FEE STRUCTURE PEGGED TO DISTRIBUTABLE INCOME AND DPU GROWTH

At the EGM on 23 May 2022, Unitholders also approved the adoption of a manager's management fee structure that is pegged to distributable income and DPU growth. The revised management fee structure will take effect on the effective date of the Proposed Merger.

The revised fee structure enables closer alignment of interests with unitholders of the Merged Entity by incentivising sustainable distributable income and DPU growth.

Under the revised management fee structure, the management fees payable to the Manager will constitute:

(i) base fee comprising 10.0% of the distributable income of the Merged Entity (calculated before accounting for the base fee and performance fee); and

(ii) performance fee comprising 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in that financial year), multiplied by the weighted average number of units in issue for such financial year.

For avoidance of doubt, the acquisition fee and the divestment fee structure of MCT will remain unchanged and will be applicable to the Merged Entity.

In accordance with MCT's current fee structure, there will be no change to the Manager's ability to elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).

1 For the avoidance of doubt, we have put in place sufficient debt facilities to fund this amount.

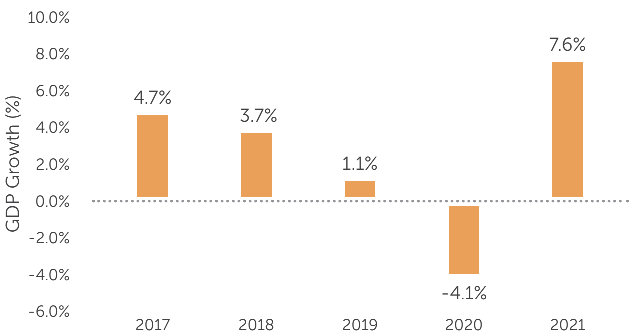
INDEPENDENT MARKET OVERVIEW

1. THE SINGAPORE ECONOMY

1.1 Economic Overview

According to the Ministry of Trade and Industry ("MTI"), Singapore's GDP expanded by 7.6% in 2021, rebounding from a 4.1% contraction in 2020. This was aided mainly by the manufacturing and construction sectors. Based on MTI's advanced estimates in 1Q 2022, Singapore's economy grew by 3.4% year-on-year ("y-o-y") and 0.4%[1] on a quarter-on-quarter ("q-o-q") basis, slower than the 2.3% q-o-q expansion in 4Q 2021.

Chart 1: Singapore Historical GDP Growth Rate



Sources: MTI

In 1Q 2022, the manufacturing sector was the best performing sector, expanding 6.0% y-o-y, but moderating from the 15.5% y-o-y growth in the preceding quarter. Growth was buoyed by the expansion of output across all manufacturing clusters except for the chemical cluster, with the electronics and precision engineering clusters continuing to display strong output growth.

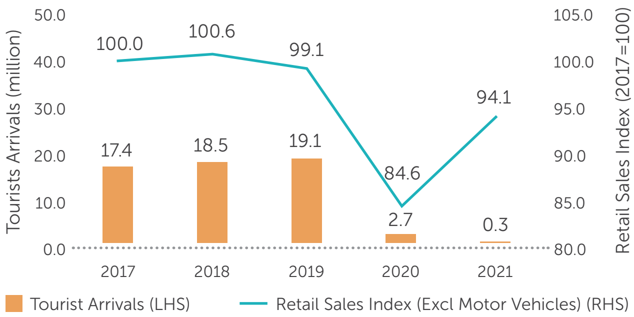
The construction sector grew by 1.8% y-o-y, slower than the 2.9% growth in the preceding quarter. The value-added of the sector remained 25.3% below its pre-pandemic level in absolute terms, as activity at construction worksites continued to be weighed down by labour shortages.

The service producing industries grew 3.9% y-o-y in 1Q 2022. Expansions were led by the information & communications, finance & insurance and professional services sectors which registered a strong growth of 5.3% y-o-y collectively. In particular, the former continued to be supported by strong demand for IT and digital solutions, while growth in the finance & insurance sector was partly driven by auxiliary activities such as security dealing and payment processing activities. On the other hand, accommodation and food & beverage services ("F&B") were the only sectors which contracted. Their weak performance was primarily due to a decline in Government demand for hotel rooms for quarantine as Singapore transitioned to living with COVID-19.

Tourism Sector

Singapore's tourism sector continued to be under pressure in 2021 as global travel restrictions and border closures remained amid the COVID-19 pandemic. As such, visitor arrivals in Singapore declined to 0.3 million in 2021, representing an 88.0% decrease from 2020. However, with a high domestic vaccination rate alongside an accelerated Booster Vaccination Programme, Singapore has positioned itself for a progressive reopening of borders.

Chart 2: Visitor Arrivals & Retail Sales Index (excluding Motor Vehicles)



Source: CBRE, Department of Statistics, Singapore Tourism Board ("STB")

The surge of the Omicron variant had led to uncertainty in Singapore and globally and had an impact on international border reopenings in late 2021. However, Singapore had navigated through the initial uncertainties and launched more Vaccinated Travel Lanes ("VTLs") in 1Q 2022, before reopening borders to all fully vaccinated travellers from 1 April 2022.

Additionally, Meetings, Incentives, Conventions and Exhibitions ("MICE") activities have started to pick up, with Singapore expecting to hold some of its largest events in 2022. The relaxed Safe Management Measures ("SMMs") will help attract a large number of local and international attendees. Highly anticipated events like the 2022 Formula 1 Grand Prix and Food&HotelAsia are expected to attract more than 105,000 visitors from around the world. In April 2022, STB announced that S$500 million had been set aside to support the tourism sector, with initiatives to stimulate Singapore's tourism products and business events while positioning itself as a sustainable urban destination.

1 On a seasonally-adjusted basis.

As Singapore adopts a more endemic approach in line with the rest of the world, CBRE expects a steady increase in visitor arrivals in the coming months and the hotel market is also expected to recover steadily in 2022. While CBRE remains cautiously optimistic, the level of tourism and visitation is expected to reach pre-COVID levels by late 2023 to early 2024.

1.2 Government Response to COVID-19 and Supporting Measures

As Singapore transited towards COVID-19 resilience in 2021, the Government announced an extension of relief measures for affected parties.

When Singapore entered Phase 2 (Heightened Alert) on 16 May 2021, support measures were enhanced to help individuals and businesses. Rental relief was provided to Small and Medium-sized Enterprises ("SMEs") and eligible non-profit organisations, as well as hawker stalls and coffee shops. The Job Support Scheme ("JSS") was also re-introduced between 15 May and 19 December 2021 for affected sectors, with the Government providing wage support ranging between 10% and 60%. Other measures that were introduced, reintroduced or enhanced included the Food Delivery Booster Package, E-Commerce Booster Package, financial assistance schemes such as the Enterprising Financing Scheme, and the Temporary Bridging Loan Programme.

Delays in construction projects and development spillages are expected to continue in the foreseeable future, given the shortage of labour. Under the COVID-19 (Temporary Measures) Act, contractors will not sustain any liability if they are unable to fulfil their contractual obligations.

The Government announced the Budget for 2022 (Charting Our New Way Forward Together) in February 2022, dipping into its past reserves for the third straight year, where over S$7 billion will be utilised to help fund extended COVID-19 relief measures and public health safety. In addition, with the goods and services tax ("GST") rate set to increase from 7% to 9% in two stages, by 1 percentage point each time on 1 January 2023 and 1 January 2024, an enhanced S$6.6 billion Assurance Package was announced to cushion its impact. To develop our green economy, Singapore also aims to issue up to S$35 billion of green bonds by 2030 to fund public sector green infrastructure projects.

With Singapore entering the endemic stage, the Government has relaxed and removed most SMMs after the Disease Outbreak Response System Condition (DORSCON) level was lowered from Orange to Yellow on 26 April 2022, the first time in more than two years. This included the removal of group size limits for social gatherings and safe distancing requirements, the allowance of all workers back to the workplace, and no capacity limits for all venues.

With the latest easing of SMMs from 14 June 2022, requirements for patrons to obtain a negative Antigen Rapid Test ("ART") for entry into nightlife establishments as well as capacity limits for these venues will no longer be required. However, vaccination-differentiated safe management measures will continue to apply, with operators required to ensure that only fully vaccinated patrons visit these settings.

As most venues no longer require mandatory check-in, the use of the TraceTogether app or token and SafeEntry has largely ceased. However, masks are still required indoors but may be removed in a work setting when workers are not facing customers and interacting physically with others. Masks may also be temporarily removed indoors during activities such as eating, drinking, engaging in strenuous physical exercise, photo-taking or filming.

Going forward, the Government will continue to monitor the situation and ensure safe reopening as it moves into a new phase of living with COVID-19.

1.3 Economic Outlook

In 2022, economic recovery is expected to soften compared to 2021. Although vaccination rates and booster rollouts have picked up in many economies, the potential emergence of more virulent COVID-19 strains continues to pose a risk to global economic recovery. In addition, the ongoing geopolitical tension, such as Russia's invasion of Ukraine, has triggered another wave of turbulence in the global economy, causing the prices of crude oil and other commodities to shoot up. This resulted in rising inflation, which is anticipated to exacerbate further amidst the prolonged situation. Together with global supply bottlenecks and diminished fiscal support weighing on the global economy, economic growth remains hindered in the near term.

Domestically, the economy is expected to head for positive growth supported by improved domestic consumption and tourism sentiments as restrictions were further relaxed from 29 March 2022, despite the uncertain and volatile macroeconomic environment. This included the removal of pre-departure test requirements for all fully vaccinated travellers entering Singapore via air or sea checkpoints from 26 April 2022, which has increased convenience for all vaccinated travellers entering Singapore.

INDEPENDENT MARKET OVERVIEW

Singapore's COVID-19 Resilience policy will continue to support economic growth, especially in the aviation and tourism sectors, as well as the F&B and retail sectors, on the back of progressive easing of domestic and border restrictions. Considering the global and domestic economic environment, MTI expects Singapore's economy to expand by 3.0 to 5.0% in 2022[1].

2. THE RETAIL MARKET OVERVIEW

2.1 Retail Sales Index[2]

Following a relatively quiet market in 2020, retail sales rebounded strongly in 2021 as the nation progressively transited from pandemic to endemic with regards to COVID-19. With the gradual reopening of borders and easing of restrictions, there was a resumption of consumer demand alongside economic activity recovery. Overall, the retail sector in Singapore registered growth.

Due to the pandemic, there has been a shift in consumer shopping habits as more people turned to purchasing products and services online. This is evident from the higher proportion of online F&B and retail sales since the onset of the pandemic, which grew from between 4.0% to 8.0%[3] pre-COVID to slightly above 20.0% during the "circuit breaker" in 2020, and which has since stabilised to around 15.0%. It is evident that retailers are increasingly adopting omnichannel strategies to adapt. Likewise, F&B players have re-strategised their businesses to incorporate takeaways and deliveries as an essential part of their operations.

The total retail sales index (excluding motor vehicles) for March 2022 registered a 10.3% growth y-o-y. As safety measures relaxed and more people frequented shopping malls, trade types such as wearing apparel & footwear (29.4%), cosmetics, toiletries & medical goods (26.1%), computer & telecommunications equipment (26.6%), and department stores (18.9%) recorded y-o-y growth, as consumer sentiment improved. Retail sales were also being bolstered by promotional events, while special collaborations such as the Swatch X Omega collection drew large crowds.

On the other hand, sales in optical goods & books (-9.8%) and mini marts & convenience stores (-8.3%) recorded y-o-y declines in March 2022. Overall, retail indicators continued to show signs of recovery and is expected to improve further with the end of work-from-home as the default and the removal of group size limits for dining-in.

The Food & Beverage Services Index[4] posted a 2.2% y-o-y increase in March 2022, a reversal from the decline in February 2022. This was largely contributed by the turnover of food caterers which rose by 48.0% due mainly to higher demand for in-flight catering with the opening of international borders. Dine-in sales also improved following the steady decline in daily COVID-19 cases and the easing of COVID-19 SMMs. As such, growth was observed in restaurants (2.9%) and fast food outlets (1.9%). However, cafes, food courts & other eating places (-1.8%) declined y-o-y in March 2022.

2.2 Existing Retail Supply

Total islandwide retail stock increased by 0.8% y-o-y to 66.7 million sq ft in 1Q 2022, largely attributed to the completion of renovation works for i12 Katong in the Fringe submarket, as well as the completion of Northshore Plaza I & II, a new generation neighbourhood centre by the Housing Development Board ("HDB") located in the Suburban submarket. Similarly, total private retail stock rose by 0.7% y-o-y to 49.7 million sq ft, largely due to i12 Katong.

Across submarkets, the Fringe and Suburban submarkets have the largest stock, accounting for 25.8% and 25.6% of total private retail stock respectively. The remainder is distributed among the Downtown Core, Orchard Road and Rest of Central Region ("RCR"), representing 15.2%, 14.6% and 18.8% respectively. Apart from the two relatively smaller retail projects, there were no notable project completions in 1Q 2022 as there were delays in the construction schedules of some projects.

HarbourFront/Alexandra Micro-market

There is an estimated 1.3 million sq ft of retail space in the HarbourFront/Alexandra micro-market and there was no new completion in the last four quarters.

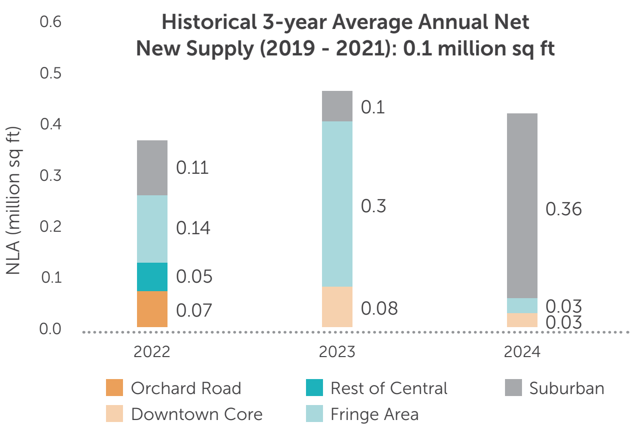
1 MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 Per Cent", 25 May 2022.
2 Retail Sales Index (2017=100), in Chained Volume Terms (seasonally adjusted), Monthly, SA (SSIC 2015 Version 2018).
3 Online Retail Sales Proportion (Out Of The Respective Industry's Total Sales, Monthly).
4 Food & Beverage Services Index, (2017 = 100), In Chained Volume Terms, (SSIC 2015 Version 2018), Monthly, Seasonally Adjusted.

2.3 Future Retail Supply

Between 2Q 2022 and 2024, approximately 1.2 million sq ft of retail space will be introduced into the market, averaging about 0.4 million sq ft of retail space per annum, higher than the historical 3-year average annual net supply (2019-2021) of 0.1 million sq ft.

As construction activities were disrupted for most of 2021 in light of COVID-19, several projects were delayed. Projects that were initially due for completion in 2021 such as Grantral Mall @ Macpherson and Shaw Plaza Balestier were pushed back to 2022. Other notable projects which were delayed include Komo Shoppes and Guoco Midtown from 2022 to 2023, as well as Odeon Towers from 2023 to 2024.

Chart 3: Future Retail Supply



Source: URA, CBRE

In 2022, 0.4 million sq ft of retail space is slated for completion, with the bulk coming from Sengkang Grand Mall in the Outside Central Region ("OCR"). Other notable projects include the completion of A&A works for Shaw Plaza Balestier and Grantral Mall @ Macpherson in the Fringe submarket and Grange Road Carpark in Orchard. 2023 will see the completion of majority (0.5 million sq ft, 39%) of the upcoming supply. This will include the retail podiums of IOI Central, The Woodleigh Mall, Dairy Farm Residences, Komo Shoppes and One Holland Village. The highly anticipated retail clusters of Guoco Midtown[1] is also scheduled to enter the market as part of the fully-integrated mixed-used development. In 2024, 0.4 million sq ft of space is expected to complete. Of which, majority will be in the OCR, such as the retail component of Pasir Ris 8 and A&A works for T2 Airport. Overall, the Suburban and Fringe submarkets will account for majority of future retail supply from 2022 to 2024, representing 42.1% and 39.2% respectively. Orchard Road, Downtown Core and RCR account for the remaining 18.7%.

HarbourFront/Alexandra Micro-market

There is no planned future retail supply in the HarbourFront/Alexandra micro-market from 2Q 2022 to 2024.

2.4 Demand and Occupancy

With the reopening of borders and resumption in economic activities, retailers are likely to be optimistic at the prospect of the eventual return of tourist spending. To stay relevant amid changing demands and lifestyle trends, landlords have been introducing new offerings into their malls in 2021. These included activity-based tenants, supermarkets with niche concepts and online-to-offline fashion retailers.

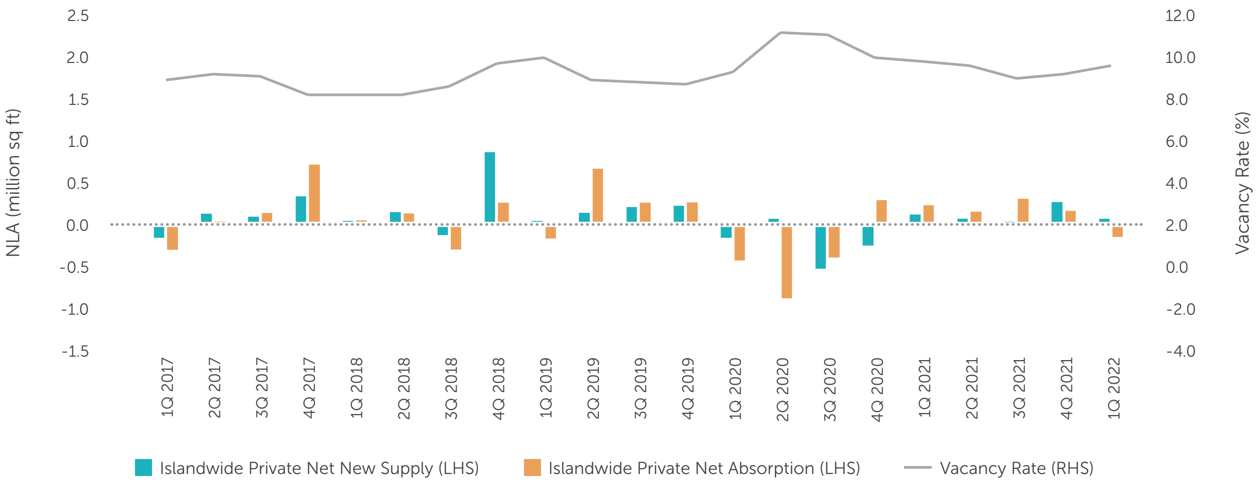
In 1Q 2022, while the recovery of the retail market was still capped by restrictions on social gatherings, leasing activity continued to be stable. F&B was a significant demand driver with expansions and new entrants including Sol & Luna in the newly opened CapitaSpring and Ohayao Mama San in 313@Somerset. That said, due to changing consumer preferences and competition, there were some prominent closures between 2021 and 1Q 2022. These include all outlets of Karaoke Manekineko, Mom's Touch Chicken and Burger, and consolidations of Filmgarde and In Good Company, while TEMT and Abercrombie & Fitch exited the Singapore market.

There were more pop-up stores in 1Q 2022, featuring collaborations and experiential concepts. Examples include RazerStore, X Fitness, Jentle Garden, SK-II and Hawker Stories at Raffles Courtyard. F&B operators also entered the market to test out new concepts, while athleisure and furniture stores increased their presence to capitalise on strong local consumption.

1 Retail clusters of Guoco Midtown include Midtown Market, Midtown House, Midtown Square and Midtown Common.

INDEPENDENT MARKET OVERVIEW

Chart 4: Islandwide Private Retail Net New Supply, Net Absorption and Vacancy Rate



Source: URA, CBRE

The islandwide private retail market registered a negative net absorption of 0.2 million sq ft in 1Q 2022. This was largely contributed by the closures of BHG's One Assembly concept store at Raffles City and the Filmgarde cinema at Bugis+, which released about 57,000 sq ft and 30,000 sq ft of space respectively, as well as BHG further shedding some 49,000 sq ft at Jurong Point and 11,000 sq ft at The Clementi Mall. As at 1Q 2022, vacancy rate of islandwide private retail fell by 0.2 percentage point y-o-y to 9.5%, mainly attributed to the positive net absorption in the preceding three quarters, including the high level of occupancy in i12 Katong, which was newly completed in the previous quarter.

HarbourFront/Alexandra Micro-market

The HarbourFront/Alexandra micro-market under the Greater Southern Waterfront precinct is slated for an urban transformation under the Urban Redevelopment Authority ("URA")'s Master Plan 2019, which will create a major gateway to "Future Live, Work and Play". In a recent announcement, a mix of public and private housing developments, around 6,000 public flats and 3,000 units of private housing, will be built on the 48-hectare Keppel Club site in the Greater Southern Waterfront, and will be progressively scheduled for launch in the next three to five years. This will mean a larger residential catchment, thereby increasing the footfall of retail malls in the vicinity such as VivoCity. Green spaces will also be a key characteristic with four green corridors that will run through the estate and provide leisure and recreational spaces for all. There are also plans to transform the former Pasir Panjang Power Station buildings into a distinctive and vibrant mixed-use district. Thus, the overall vibrancy of the HarbourFront/Alexandra micro-market is expected to be enhanced.

Key developments in the HarbourFront/Alexandra corridor precinct include VivoCity, HarbourFront Centre and Alexandra Retail Centre, which are within a 10-minute drive from the CBD, and offer a diverse range of retail and dining experiences, solidifying the micro-market's position as a strong retail presence that caters to shoppers across the spectrum.

Notwithstanding the slowdown in the retail market during the pandemic, the precinct continues to attract varied retailers and has had several new store openings, supported by its excellent connectivity.

At VivoCity, global sportswear company adidas opened its Performance brand concept store in April 2021, after opening its largest flagship adidas Originals store in Southeast Asia in the same location in December 2020. Spanning 13,000 sq ft, it houses 5 different zones, catering to kids and enthusiasts alike. It includes a MakerLab, said to be the first in Singapore for the brand, which offers an on-the-spot customisation service for sportsgear. Dyson also opened its largest Dyson Demo retail store in Southeast Asia in VivoCity in February 2022, taking up approximately 1,900 sq ft, and features a Beauty Lab with three hair care styling stations, allowing customers to meet and converse with a Dyson Expert about personalising their hair care with Dyson products. Experiential tenant and drone centre DJI opened in 2Q 2021 as well, while unagi speciality restaurant Una Una opened in 1Q 2022 at the mall.

At HarbourFront Centre, new-to-market retailers like Japanese-style spa and restaurant Heiwa Wellness & Spa, and café 55 Degree Celsius were introduced in 4Q 2021 and 2Q 2021 respectively.

2.5 Retail Rents[1]

Amid strong economic recovery in 2021 and a rise in tourist arrivals, retailers are optimistic in view of an eventual return of tourist spending and the return of employees to the office. This is especially so for malls with office catchment such as the CBD and VivoCity. As such, prime retail rents in the Orchard, City Hall and the Rest of Fringe area stabilised in 1Q 2022.

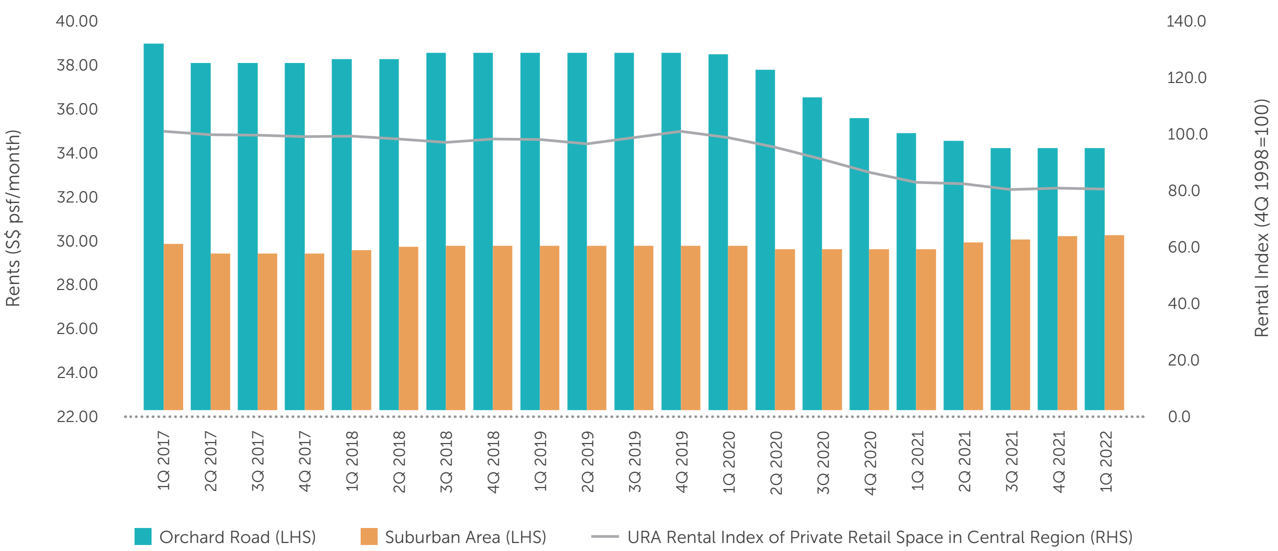
Rents for prime Orchard Road remained stable in 1Q 2022 for the second consecutive quarter, though it declined by 2.0% y-o-y to S$34.20 psf/month. In contrast, the suburban market remained the most resilient, further growing by 0.2% q-o-q or 2.2% y-o-y to S$30.15 psf/month in 1Q 2022, as quality suburban retail spaces remain in high demand and availability remains extremely limited. The rental gap between Orchard and suburban markets continued to narrow this quarter but could see a reversal of the trend, as the resumption of international travel and return of the office crowds support Orchard Road and Downtown Core retail respectively, while suburban rental increases have started to moderate.

Going forward, CBRE expects 2022 to be a tale of two halves. Outbound travel is likely to outpace inbound travel, and the persistent rise in energy and raw material costs, as well as manpower shortage pose additional challenges to retailers. Thus, rents are forecasted to stabilise and flatten out in 1H 2022, while recovery in footfall as well as limited retail supply will support rental increases in 2H 2022.

2.6 Retail Transactions

Interest in retail assets rebounded to S$1.9 billion in 1Q 2022 after a dearth of retail transactions in the previous quarter. This also represented a sharp increase from the S$265.8 million recorded in 1Q 2021. This upbeat movement was contributed by several mall deals, with the main contributor being Lendlease Global Commercial REIT's acquisition of the remaining 68.2% in Jem for S$1.4 billion or S$2,329 psf. Other retail transactions in the quarter include CapitaLand Integrated Commercial Trust's divestiture of JCube to CapitaLand Development for S$340.0 million or S$1,619 psf, Northernone Development's sale of strata-titled Wisteria Mall to Schroders Capital Real Estate Asia Pacific for S$208.0 million or S$1,115 psf, SCC Straits acquiring the retail component of Cross Street Exchange from Frasers Logistics & Commercial Trust for S$179.8 million or S$2,064 psf, and the sale of The Woodgrove for S$68.7 million or S$1,240 psf.

Chart 5: Monthly Retail Rents



Source: CBRE

1 Please note that there has been a change in historical prime retail rents due to a revision in the rental basket in 1Q 2021. For the Orchard Road submarket, selected buildings located in secondary locations/ strata-titled/ of an older building age were removed from the basket. The revisions were made to provide a better reflection of average market rents in the submarket. Orchard Road prime capital values were also revised accordingly due to the change in rental baskets for 1Q 2021.

INDEPENDENT MARKET OVERVIEW

No notable retail transactions were recorded in the HarbourFront/Alexandra micro-market in 2021.

Table 1: Selected Retail Transactions in 2021 and 1Q 2022

Quarter	Property Name	Price (S$ million)	Price (S$ psf)	Land Tenure	Buyer	Seller
2Q 2021	JEM Shopping Mall (28.0%)	337.30	2,328	99 Years	Lendlease Global Commercial REIT	Lendlease Jem Partners, ARIF3 (third parties)
2Q 2021	Paya Lebar Square (45.0%)	90.46	1,181	99 Years	Low Keng Huat (Singapore) Ltd	Sun Venture Realty
4Q 2021	Peace Centre/ Peace Mansion[1]	650.00	1,443	99 Years	CEL Development Pte Ltd (40%)/Sing-Haiyi Crystal (30%)/Ultra Infinity (30%)	Multiple Parties (Collective Sale)
1Q 2022	Tanglin Shopping Centre[2]	868.00	2,769	Freehold	Pacific Eagle Real Estate	Multiple Parties (Collective Sale)
1Q 2022	Cross Street Exchange	179.78	2,064 on NLA	99 Years	SCC Straits Pte. Ltd	Frasers Logistics & Commercial Trust
1Q 2022	Wisteria Mall	208.00	1,115 on Strata	99 years	Schroders Capital Real Estate Asia Pacific	Northernone Development
1Q 2022	JCube	340.00	1,618 on NLA	99 Years	CapitaLand Development	CapitaLand Integrated Commercial Trust
1Q 2022	JEM Shopping Mall (68.2%)	1,417.88	2,851 on NLA	99 Years	Lendlease Global Commercial REIT	Lendlease Jem Partners, ARIF3 (third parties)
1Q 2022	The Woodgrove	68.68	1,240 on Strata	99 Years	Undisclosed	Undisclosed

Source: CBRE

2.7 Retail Outlook

On the back of a turbulent and uncertain 2020 with the circuit breaker and border closures, 2021 showed a marked improvement in the retail scene, which was especially evident from the expansions and openings of new retail concepts. Relaxation of work-from-home measures will be expected to drive shopper traffic in the Central areas as well as malls with office catchments, while the suburban submarket is anticipated to continue its resilience. Coupled with the easing of dining-in measures, F&B businesses also look forward to a surge in spending in the near future. We expect a healthy number of expansions and new openings in the F&B industry in 2022.

To cater to the evolving retail landscape, more retail landlords, including REITs, are looking to introduce new offerings in their malls as well. Furthermore, the trend of pop-up stores is likely to continue as they allow retailers to test their concepts without incurring much risk in terms of cost. Hence, they are expected to remain popular, especially for new-to-market brands, or brands looking to collaborate or venture into a different market segment. Such a strategy is particularly viable in generating social media engagement and improving market visibility for brands, and is successful as a part of omni-channel marketing. While brands can seize the opportunity to experiment and generate interest from consumers, landlords can look to attract more footfall with fresh concepts and collaborations through pop-up stores.

Moving forward, retailers are likely to display a stronger appetite for expansion this year as they are increasingly optimistic about economic growth, the eventual return of tourist spending and return of employees to the office. In CBRE's Asia Pacific October 2021 Retail Flash Survey, two-thirds of respondents were aiming to open more stores in 2022. However, the current inflationary pressures along with geopolitical tensions, have brought about uncertainties in the retail sector. The persistent rise in utility costs and manpower shortage also pose additional challenges. Thus, retailers will practise caution and avoid any aggressive expansion.

1 Retail NLA for Peace Centre is 58,480 sq ft.
2 Includes both retail and office units.

3. THE OFFICE MARKET OVERVIEW

3.1 Existing Office Supply

As at 1Q 2022, islandwide office stock increased by 0.7% (447,612 sq ft) y-o-y to 62.2 million sq ft. In all, Core CBD[1] office stock accounted for majority of the islandwide office stock standing at 32.0 million sq ft (or 51.5%), with 14.8 million sq ft being Grade A Core CBD office space. Fringe CBD[2] represented 25.3% of the total stock at 15.7 million sq ft while the Decentralised[3] submarket accounted for 23.3% of the total stock at 14.5 million sq ft. No new projects obtained Temporary Occupation Permit ("TOP") in 1Q 2022. As such, total islandwide office stock has been holding constant for three consecutive quarters, since 3Q 2021.

Tanjong Pagar Micro-market

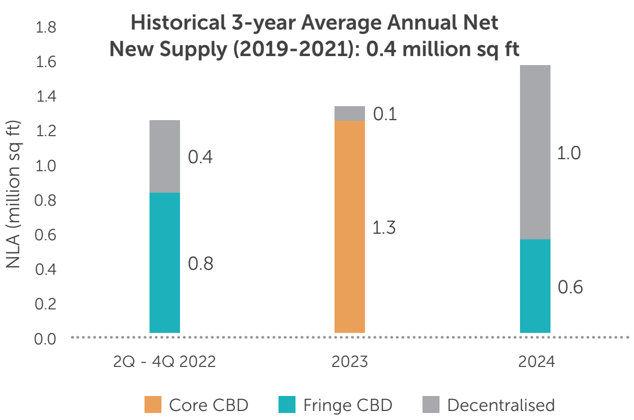
In 1Q 2022, office stock in the Tanjong Pagar micro-market stood at 4.6 million sq ft, after a 2.2% y-o-y contraction in office supply was recorded in the micro-market due to the removal of Fuji Xerox Towers from existing stock in 3Q 2021 as it is slated for redevelopment.

HarbourFront/Alexandra Micro-market

The HarbourFront/Alexandra micro-market stood at 3.7 million sq ft in 1Q 2022. The micro-market has seen an increasing interest for expansion and relocation as occupiers regained confidence in the office market. Interest was mainly driven by companies in the technology and non-banking financial sectors.

3.2 Future Supply Office Supply

Chart 6: Future Office Supply



Source: URA, CBRE

With border restrictions loosening and construction activities slowly regaining its momentum, islandwide new office supply between 2022 and 2024 is projected to be 4.1 million sq ft[4]. New supply from each submarket is expected to be relatively even, with the Core CBD accounting for 30.4% of the upcoming pipeline, while the Fringe CBD and Decentralised submarket account for 34.1% and 35.5% respectively. The average annual supply between 2022 and 2024 is approximately 1.4 million sq ft, a significant increase from the last 3-year historical average annual supply of 0.4 million sq ft.

The requirements for office spaces are gradually changing as occupiers pivot to a new hybrid workplace model. Developers have recognised this shift and have taken initiatives to redevelop and rejuvenate their older assets by leveraging on the CBD Incentive ("CBDI") Scheme and Strategic Development Incentive ("SDI") Scheme. For example, Fuji Xerox Towers has commenced its demolition works, while AXA Tower has announced its redevelopment plans and will be demolished in 2022. As such, future office supply will likely see more new developments with agile space solutions and digitally enabled specifications.

New office supply coming into the market in 2022 includes the redevelopment of Hub Synergy Point (131,200 sq ft) and Guoco Midtown (709,100 sq ft) in the Fringe CBD, and Rochester Commons (195,000 sq ft) and SJ Campus (211,600 sq ft) in the Decentralised submarket. In 2023, new office supply will stem from the completion of IOI Central Boulevard Towers (1.3 million sq ft) in the Core CBD and Holland Village (58,600 sq ft) in the Decentralised submarket. In 2024, supply in the pipeline will include the redevelopment of Keppel Towers & Keppel Towers 2 (526,100 sq ft) and 333 North Bridge Road (40,000 sq ft) in the Fringe CBD, and SP Labrador Park (670,000 sq ft) and Certis Paya Lebar Redevelopment (330,000 sq ft) in the Decentralised submarket.

Tanjong Pagar Micro-market

For the Tanjong Pagar precinct, the redevelopment of Hub Synergy Point which was initially scheduled to be completed in 3Q 2021 was pushed back to 3Q 2022. Upon completion, the development will add approximately 131,200 sq ft of office space into the micro-market. Other redevelopment works in the micro-market includes the redevelopment of Keppel Towers and Keppel Towers 2, which will be completed in 2024, and 80 Anson Road (former Fuji Xerox Towers). There are plans for 80 Anson Road to be redeveloped into a 46-storey freehold mixed-use integrated development with a GFA of 655,000 sq ft, comprising 40.0% office and retail spaces, 35.0% residential and 25.0% serviced

1 The Core area comprises the four micro-markets: Raffles Place, Shenton Way, Marina Bay and Marina Centre.
2 The Fringe area includes Tanjong Pagar, Beach Road/City Hall as well as Orchard Road.
3 The Decentralised markets are anchored mainly by clusters of office in Alexandra/HarbourFront, Western Suburban area and Eastern Suburban area.
4 The NLA and TOP dates are preliminary estimates and are subject to change.

INDEPENDENT MARKET OVERVIEW

apartments[1]. It is likely to be completed in 2025 or later. The residential component is expected to be launched in 2H 2022. These redevelopments will continue to refresh and revitalise the Tanjong Pagar area.

HarbourFront/Alexandra Micro-market

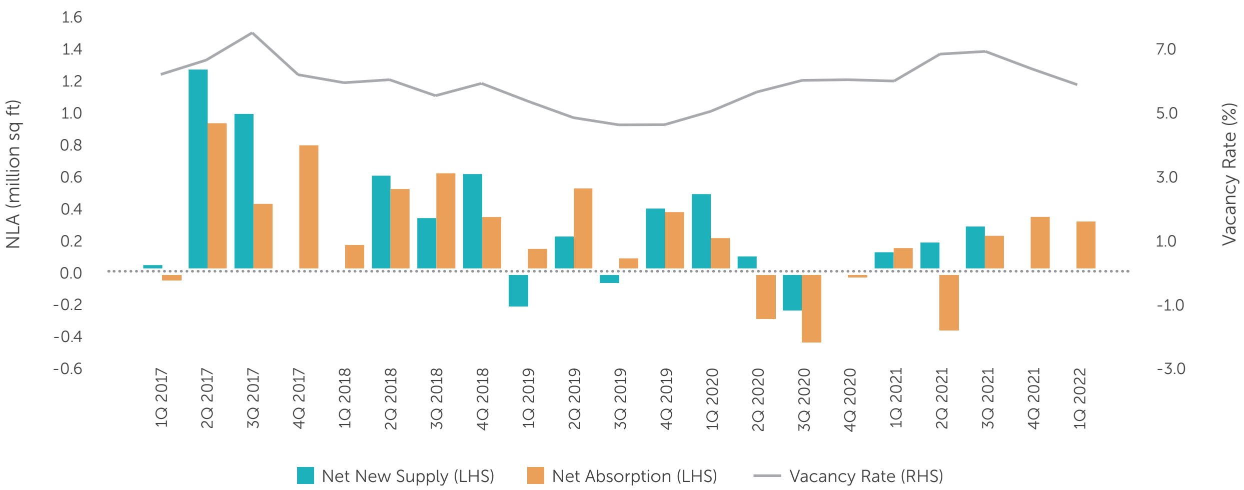
Within the HarbourFront/Alexandra micro-market, Dyson has officially unveiled its global headquarters at St James Power Station on 25 March 2022 and has pledged to invest S$1.5 billion in Singapore over the next four years, reaffirming Singapore's position as a centre of excellence. Going forward, SP Labrador Park will add another 670,000 sq ft of office space in 2024.

Islandwide net absorption for 1Q 2022 was 0.3 million sq ft, bringing forward the positive momentum from the previous quarter, fuelled by robust leasing activity and continued flight-to-quality movement to Core CBD office spaces. This marked the third consecutive quarter of positive net absorption, signalling recovering confidence from the overall office market as pandemic-induced uncertainty starts to subside.

Overall leasing activity was largely dominated by renewals, with continued flight-to-quality movement to Grade A office spaces as firms adapt to the new hybrid work model while recalibrating their space requirements.

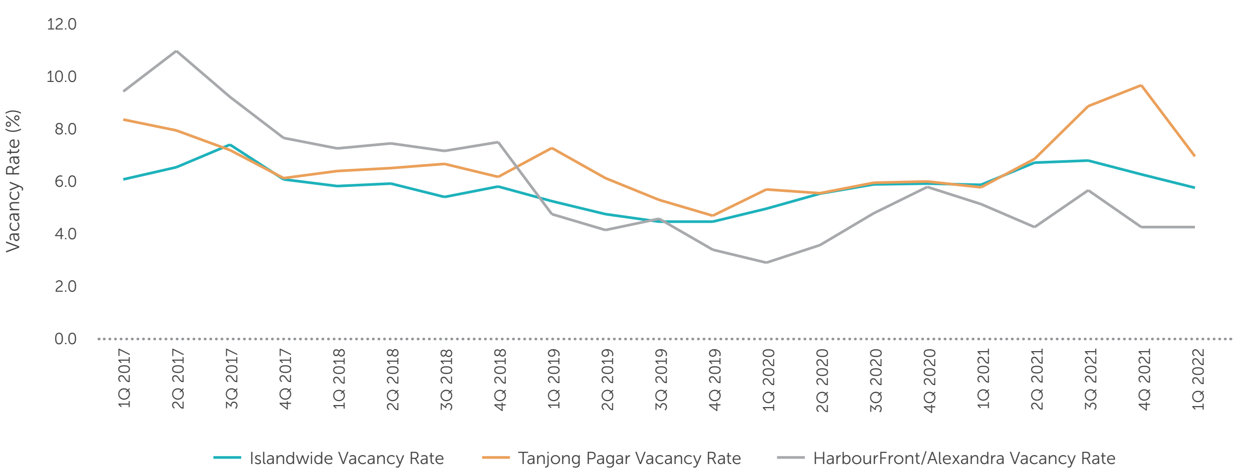
3.3 Demand and Occupancy

Chart 7: Islandwide Office Net New Supply, Net Absorption and Vacancy Rate



Source: URA, CBRE

Chart 8: Office Vacancy Rate



Source: URA, CBRE

1 Subject to authorities' approval, abstracted from CDL's 59th Annual General Meeting on 28 April 2022.

While hybrid work arrangements have given new impetus to downsizing, expansion activity still remained healthy. Firms in the technology and non-bank financial services sector continue to be the main drivers of demand in the office sectors. Against this backdrop, the Grade A office market remains well-positioned as supply pipeline is tight with low vacancy rates. The relaxation of SMMs in April 2022, allowing all workers to return to office, will further brighten the office market outlook.

With no new net supply in 1Q 2022, islandwide office vacancy rate dropped further to 5.8%, a 0.5 percentage point decrease from 6.3% in the previous quarter.

Tanjong Pagar Micro-market

Vacancy rate in the Tanjong Pagar micro-market expanded by 1.2 percentage point y-o-y to 7.0% in 1Q 2022, fuelled by increased downsizing activities as companies shifted towards a hybrid work model in the midst of COVID-19. On the other hand, the vacancy rate for HabourFront/Alexandra submarket contracted by 0.9 percentage point y-o-y to 4.3% in 1Q 2022.

With the completion of new projects in the Tanjong Pagar micro-market in the next few years, the micro-market is expected to be revitalised with a refreshing mix of uses, adding to the vibrancy of the area.

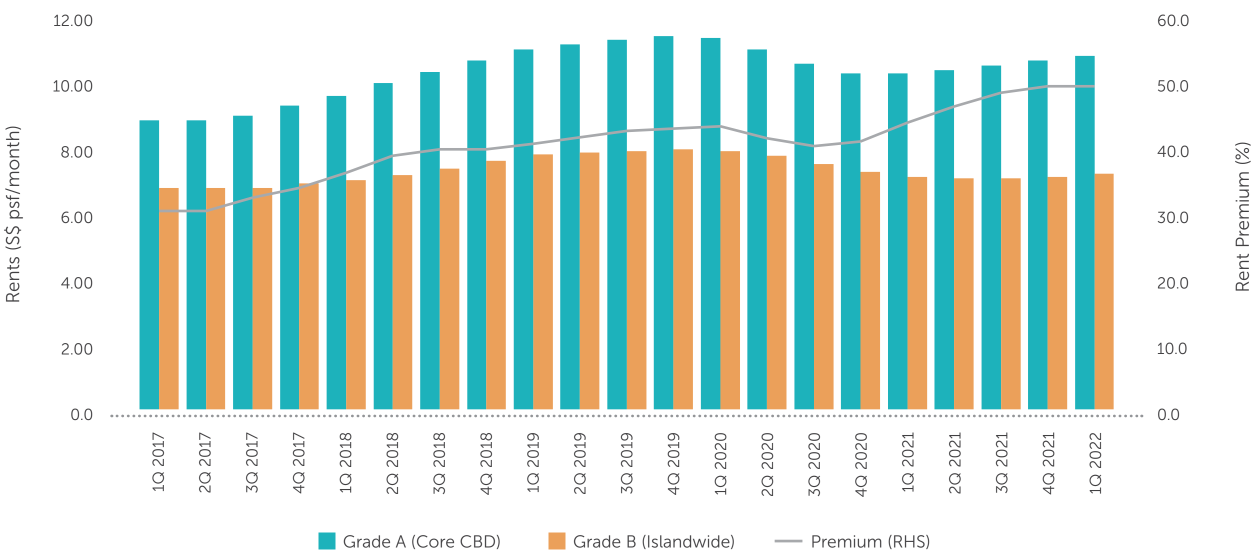
HarbourFront/Alexandra Micro-market

In the longer term, with the gradual completion of projects under the Greater Southern Waterfront master plan, the myriad of new land uses, supporting amenities and facilities will position the precinct as the gateway to "Future Live, Work and Play". This includes the Sentosa-Brani Master Plan, which will be implemented in phases over the coming two to three decades, with plans to rejuvenate and position Singapore as a leading destination. Sentosa Sensoryscape, one of the first milestone projects under this plan, started construction in 4Q 2019 and is set to be completed by 2023, a year later than planned due to challenges faced by the construction industry in the advent of COVID-19.

3.4 Office Rents

Robust demand coupled with tight supply resulted in an overall increase in office rents islandwide. Flight-to-quality relocation has enabled Grade A Core CBD rents to make a faster recovery with four consecutive quarters of expansion since 2Q 2021, while Grade B islandwide rents started to stabilise in 4Q 2021. In 1Q 2022, Grade A Core CBD recorded a 1.4% q-o-q or 5.3% y-o-y growth to S$10.95 psf/month. Similarly, Grade B islandwide rents experienced a 1.4% q-o-q and y-o-y increase respectively in 1Q 2022, pushing rents up to S$7.30 psf/month. With continued demand for better quality office spaces amongst occupiers, the premium between Grade A and Grade B markets will become more apparent. As there is a limited supply of quality offices in the Grade A Core CBD market, a spillover effect could be experienced in the Grade B CBD market as occupiers look for alternative spaces.

Chart 9: Monthly Office Rents



Source: CBRE

INDEPENDENT MARKET OVERVIEW

3.5 Office Investment Market and Capital Values

Office investments in 2021 recorded a total of S$5.4 billion in transactions, a 83.3% y-o-y increase, with international fund managers concluding acquisitions in anticipation of steady rental growth, limited new supply and relatively strong leasing demand. Office investments stood at S$3.4 billion in 1Q 2022, a 79.5% surge from S$1.9 billion in the preceding quarter.

Notable office transactions in 1Q 2022 include the divestment of 79 Robinson Road by CapitaLand Investment and its joint venture partners, Mitsui & Co. and Tokyo Tatemono Co., to CapitaLand Integrated Commercial Trust and CapitaLand Open End Real Estate Fund for S$1.26 billion or S$2,423 psf; the office component at Cross Street Exchange which exchanged hands from Frasers Logistics & Commercial Trust to SCC Straits Pte. Ltd. for approximately S$631.0 million or S$2,064 psf; the sale of 55 Market Street by AEW to Kajima Corporation for S$286.9 million or S$3,450 psf; and the joint investment of Capital Square by SMFL Mirai Partners, Kenedix and ARA Asset Management for S$297.0 million.

Grade A Core CBD capital values expanded for the third consecutive quarter by 5.3% y-o-y to S$3,000 psf in 1Q 2022. Over the same period, Grade A Core CBD prime yields rose slightly by 2 bps to 3.47%. Singapore's office sector is slowly regaining its traction, as return to office arrangements contributed to a more optimistic outlook towards future leasing demand as well as bolstered activity for office assets into 2022. As such, capital values in the office market are expected to trend upwards. On 15 March 2022, in response to fragmented ownership and challenges in maintenance, URA announced that strata subdivision of commercial components into individual units within developments located at prominent areas and routes in the Central Area will no longer be allowed.

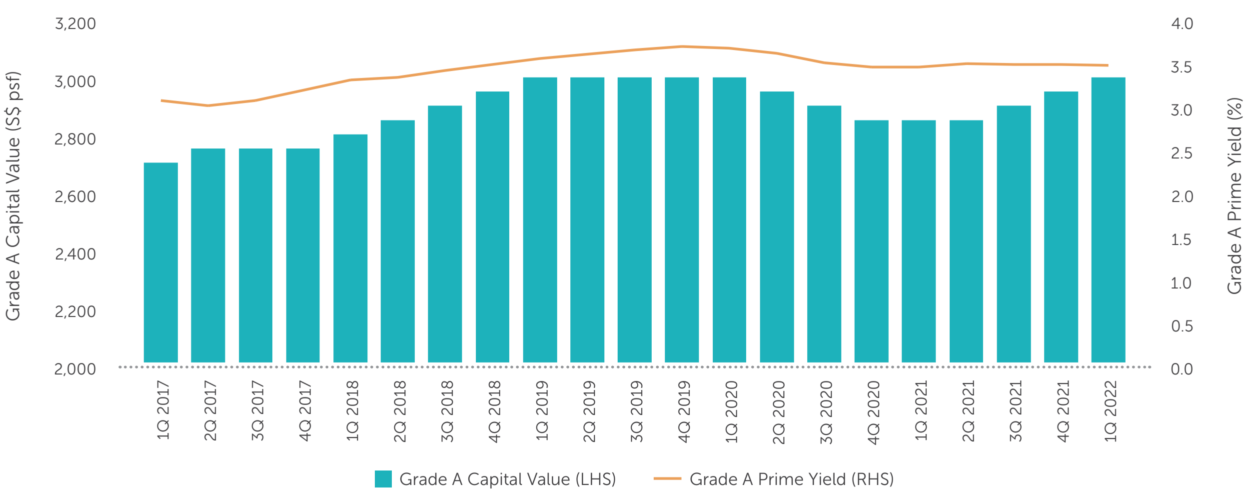
3.7 Office Outlook

With an increased demand for digital services and payment processes by consumers and businesses due to SMMs and social isolation, the technological sector is expected to grow rapidly and become the main driver for leasing activity in the office market in 2022. Companies from the non-banking financial services sector, such as hedge funds, family offices and asset and investment management firms will also be one of the major demand drivers for leasing in Grade A offices.

As work-from-home was the preferred working arrangement in 2021, companies took the opportunity to recalibrate their space requirements, bracing themselves for a new hybrid workplace model in 2022 and beyond. With a shift towards smaller but higher quality offices, spaces that promote camaraderie, company culture and innovation are most preferred by firms. Many firms will also likely incorporate technology tools into their business operations as part of their growth strategy as they move into the new normal.

Looking ahead, the mid-term outlook for the office market is on a growth path, bolstered by tight vacancy and limited upcoming supply of quality office space. However, this growth could face some resistance and moderate subsequently when supply starts to ease with new office completions. With the ongoing trend of flight-to-quality, there has been a slow but stable increase in pre-commitment rates of buildings in the pipeline. New office developments that provide agile

Chart 10: Office Capital Values and Prime Yield



Source: CBRE

and high quality specifications are likely to earn the favour of office occupiers as compared to ageing office stock. Additionally, a heightened emphasis on sustainability and wellness will also trigger upgrading to green buildings. As such, the recovery in the office market is expected to be steered by the Grade A segment with the Grade B segment trailing behind.

Supply for office stock is influenced by varying factors such as supply chain disruption and a lack of manpower due to border restrictions. These factors are likely to result in higher construction costs and potential delays in some projects. Government initiatives like the CBDI and SDI schemes may result in more urban renewal projects, potentially rejuvenating older office stocks to meet new occupier demands over the next few years.

Moving forward, with constrained supply and sustained demand for Grade A Core CBD office from sectors such as technology and non-banking financial services, CBRE expects office rents in the Grade A Core CBD micro-market to increase in the mid-term and moderate in the long-term when supply starts to ease.

4. THE BUSINESS PARK MARKET OVERVIEW

4.1 Overview and Existing Business Park Supply

Business parks are campus-like business spaces that occupy at least five hectares of land. The campuses typically have lush greenery, a full suite of amenities and facilities and high quality building designs. These spaces are generally occupied by businesses that are engaged in advanced technology, research and development in high value-added and knowledge intensive activities.

Key business parks include Changi Business Park, which is a reputed back-office hub for financial institutions, International Business Park, which is a base for knowledge-based activities with technology and manufacturing tenants, Singapore Science Park, which is a technology and development cluster, one-north, which is a major cluster for biomedical sciences, infocomm technology and media industries, as well as Mapletree Business City.

Mapletree Business City, located in the City Fringe, features Grade A building specifications within an integrated business hub with a full suite of contemporary amenities. These include mid-range specialty restaurants, food courts, multipurpose auditorium, conference facilities, tennis and futsal courts, fitness club with lap pool amidst extensive gardens and greenery. This has attracted a wide range of tenants such as Google, HSBC, Info-Communications Media Development Authority, SAP, Cisco Systems, Samsung, Nike, Unilever and Fujifilm.

Total islandwide business park stock increased by 3.3% y-o-y to approximately 24.5 million sq ft as at 1Q 2022. The net increase in stock was contributed by the completion of Razer SEA headquarters, Grab headquarters and Wilmar International headquarters at one-north and the partial completion of the Jurong Town Corporation ("JTC")'s Cleantech Three in Jurong Innovation District (300,000 sq ft), as of 1Q 2022.

Figure 1: Key Business Park Clusters in Singapore

Sources: CBRE

INDEPENDENT MARKET OVERVIEW

4.2 Future Business Park Supply

From 2Q 2022 to 2024, some 4.6 million sq ft of business park spaces is expected to complete, with annual average new supply amounting to approximately 1.6 million sq ft per annum, more than five times the historical 3-year annual average supply of 0.3 million sq ft from 2019 to 2021. More than half of the upcoming supply will be completed in 2024. With the relaxation of border restrictions, less delay is expected in developments as construction activities regain their momentum.

In 2022, two business parks are expected to enter the market. This includes Perennial Business City (1.1 million sq ft), a conversion from Business 1 to Business Park usage, and SJ Campus (356,100 sq ft).

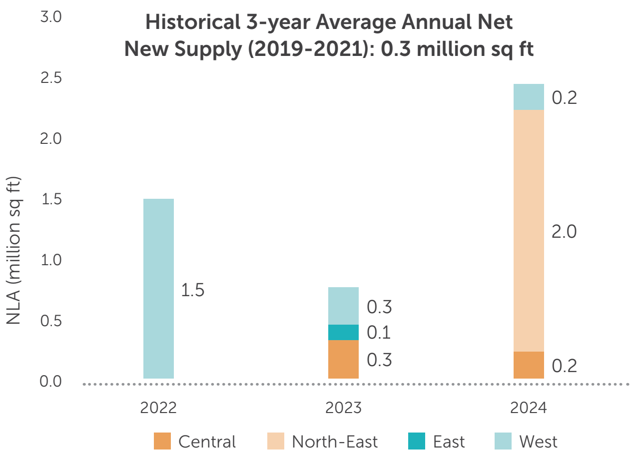
In 2023, three new developments are scheduled to be completed. These include Kaijima's headquarters in Changi Business Park (111,700 sq ft), Elementum (Biopolis Phase 6) in North Buona Vista Drive (302,900 sq ft) and the remaining completion of Cleantech Three (319,100 sq ft) in 8 Cleantech Loop.

In 2024, three new projects are anticipated to come onstream, which are namely Punggol Digital District (1,951,700 sq ft), 3 Science Park Drive (248,200 sq ft) and the redevelopment of iQuest@IBP (212,200 sq ft), which was initially scheduled to complete in 2023.

Beyond 2024, 1 Science Park Drive (969,000 sq ft) will undergo redevelopment to become a life science and innovation campus through a joint venture between Ascendas REIT and CapitaLand Development.

The upcoming development is projected to complete in 2Q 2025 and will house three Grade A buildings and an event plaza with a retail component. This campus will cater to the demand from tenants in new economy sectors such as biomedical sciences, digital and technology.

Chart 11: Future Business Park Supply

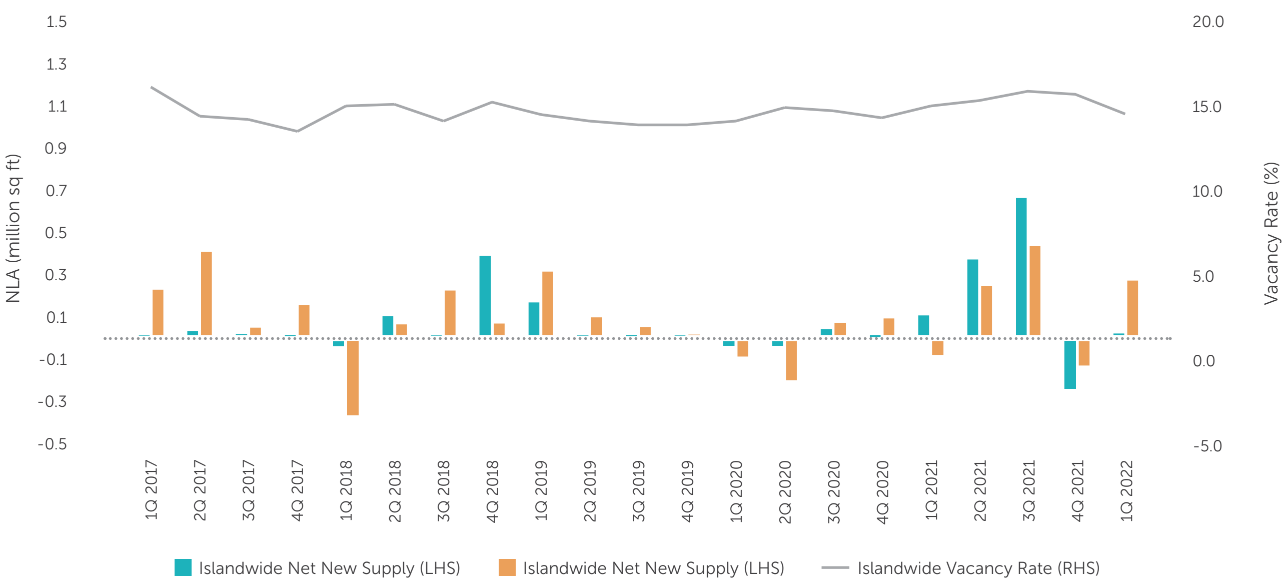


Source: JTC, CBRE

4.3 Demand and Occupancy

The business park segment is showing stronger momentum as islandwide net absorption for the past four quarters from 2Q 2021 to 1Q 2022 was positive at approximately 804,000 sq ft, a significant reversal from last year's four quarters net absorption of -121,000 sq ft. This movement was largely driven by demand coming from businesses in the information and communication technology, e-commerce, gaming and pharmaceutical sectors.

Chart 12: Islandwide Business Park Net New Supply, Net Absorption & Vacancy Rate

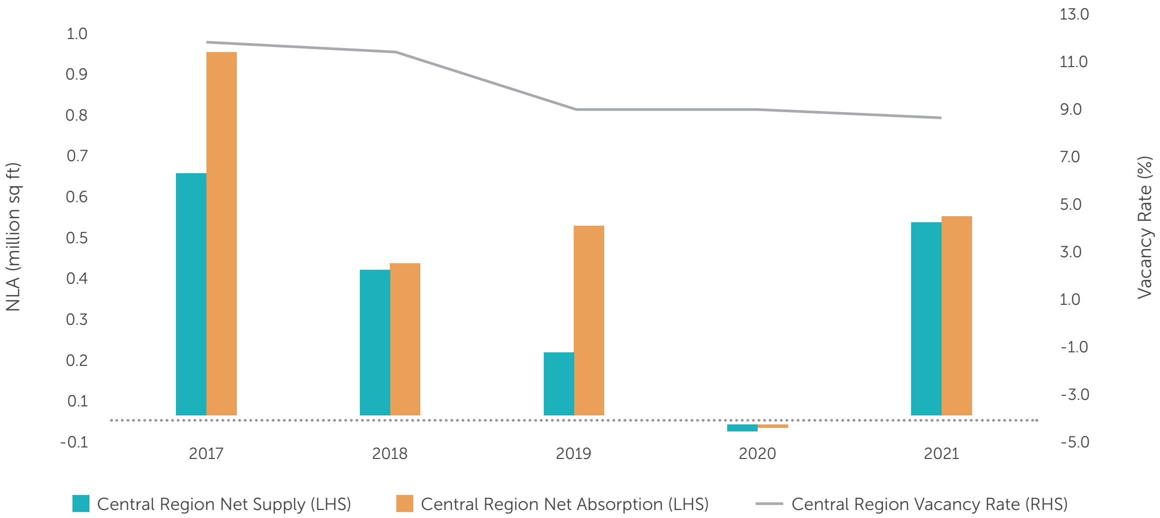


Source: JTC, CBRE

With the ongoing expansion from sectors such as pharmaceutical and technology, islandwide vacancy rate moderated downwards by 0.5 percentage point y-o-y to 14.4% in 1Q 2022. These sectors continue to see healthy expansion and are more inclined to pay higher rents to secure spaces in premium locations.

The business park market still largely remained a two-tier market with the Central Region submarket exuding strong resilience with a 0.4 percentage point decrease in y-o-y vacancy to 8.5%, fueled by strong demand for business park spaces in Mapletree Business City and other recently completed stock.

Chart 13: Central Region Business Park Net New Supply, Net Absorption & Vacancy Rate

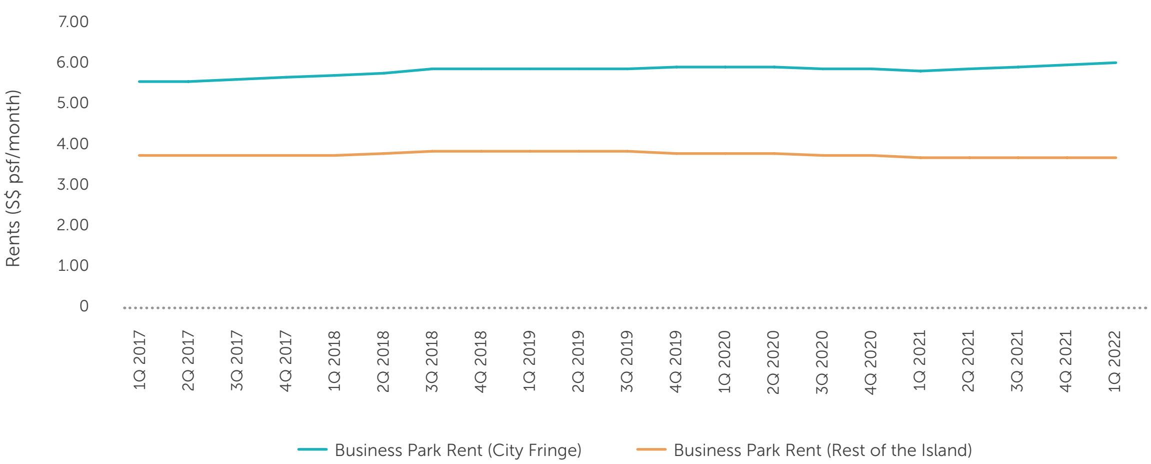


Source: JTC, CBRE

4.4 Business Park Rents

On the back of stronger demand and prevailing tight vacancy, business park rents remained relatively stable. Rental trends between the two submarkets, City Fringe and Rest of the Island, continue to diverge as rents in the City Fringe registered its fourth consecutive quarter of growth of 3.5% y-o-y to S$5.95 psf/month in 1Q 2022, while Rest of the Island submarket rents remained stable for four consecutive quarters at S$3.65 psf/month in the same period, indicating a two-tier market within the business park space.

Chart 14: Business Park Rents



Source: CBRE

INDEPENDENT MARKET OVERVIEW

Business parks in the City Fringe submarket have always commanded a rental premium relative to those located in the Rest of the Island, due to their strategic locations and proximity to the CBD. The further divergence of rents between the two submarkets is also driven by higher rental expectation within the City Fringe submarket as occupiers are aware of the limited available options in the City Fringe submarket. In addition, future supply from 2022 to 2024 is highly concentrated within the Rest of the Island submarket which is likely to put pressure on vacancy in the Rest of the Island submarket, potentially exacerbating the divergence.

4.5 Business Park Transactions

Table 2: Business Park Transactions in 2021 and 2022 Year-to-Date

Quarter	Property Name	Price (S$ million)	Price (on GFA) (S$ psf)	GFA (sq ft)	Land Tenure	Buyer	Seller
1Q 2021	GSK Asia House & GSK Building	144.8	927	156,247	30 + 30 years	Boustead Industrial Fund	BP-Vista
2Q 2021	Eightrium	97.2	455	213,835	60 years	Blackstone, SoilBuild Group's Lim Family	Soilbuild REIT
2Q 2021	Solaris	365.3	662	551,811	60 years	Blackstone, SoilBuild Group's Lim Family	Soilbuild REIT
2Q 2021	Galaxis (75.0% stake)	534.4	962 (based on 100%)	740,933	60 years	Ascendas REIT	Ascendas Fusion 5 Holding Pte Ltd
4Q 2021	TÜV SÜD PSB Building	103.2	456	226,228	95 years	CapitaLand Development	Ascendas REIT

Source: CBRE

In 1Q 2021, Boustead Projects Limited, together with its partners, injected GSK Asia House (23 Rochester Park) and GSK Building (20-22 Rochester Park) into Boustead Industrial Fund for a total of S$144.8 million.

In 2Q 2021, Ascendas REIT bought the remaining 75.0% equity stake in Galaxis from Ascendas Fusion 5 Holding Pte Ltd for S$534.4 million, following the acquisition of an initial 25.0% interest in Galaxis in March 2020 at S$102.9 million from MBK Real Estate Asia. In the same quarter, Soilbuild REIT was taken private by Blackstone and Soilbuild Group's Lim Family at S$1.1 billion for its portfolio of assets. This transaction includes two business park spaces, namely, Solaris which was transacted at S$534.4 million and Eightrium which was transacted at S$97.2 million.

In 4Q 2021, Ascendas REIT sold its 66% stake in TÜV SÜD PSB Building to CapitaLand Development at 1 Science Park Drive for S$103.2 million. Following the transaction, two parties then formed at 34:66 joint venture with plans to redevelop the development into a life science and innovation campus. Upon completion, the campus will bring in 1.2 million sq ft and 39,826 sq ft of business park and retail space respectively, catering to the demand from tenants in the new economy sectors such as biomedical sciences, digital and technology.

No notable transaction in the business park market was observed in 1Q 2022.

4.6 Business Parks Outlook

With the burgeoning demand for high quality spaces in good locations, the divergence in rents between the City Fringe and Rest of the Island submarkets is likely to become more apparent, setting the business park market to be a two-tiered market.

Limited business park stock within the City Fringe submarket alongside strong demand for high quality spaces are likely to drive upward pressure on rental expectations within this submarket. The City Fringe submarket continued to see interests from occupiers in both the technology and pharmaceutical sectors, who are more inclined to pay higher rents to secure spaces in a premium location. With continued flight-to-quality relocations, buildings that are able to meet the new space requirements are well-positioned to ride on this upward rental cycle.

In contrast, the rental expectations in the Rest of the Island submarket could be under pressure as most of the future supply in the pipeline are concentrated within this region. With more spaces to be absorbed within this area, rents could potentially face a downward pressure in this submarket, especially older business park assets.

The trajectory and future impact of the pandemic remains unpredictable. Nonetheless, the outlook for business parks in the City Fringe submarket remains relatively resilient as occupiers in these spaces are continually growing and expanding. On the other hand, with future supply mainly concentrated in the Rest of the Island submarket, the outlook within this submarket may be muted.

QUALIFYING CLAUSE

This Report is subject to the following limiting conditions:

The content of this report is for information only and should not be relied upon as a substitute for professional advice, which should be sought from CBRE prior to acting in reliance upon any such information.

The opinions, estimates and information given herein or otherwise in relation hereto are made by CBRE and affiliated companies in their best judgment, in the utmost good faith and are as far as possible based on data or sources which they believe to be reliable in the context hereto. Where it is stated in the Report that information has been supplied to CBRE's by another party, this information is believed to be reliable by CBRE. Other information is derived from sources which we believe to be reliable to the best of our ability. We can accept no responsibility if this should prove not to be so.

Notwithstanding this, CBRE disclaims any liability in respect of any claim that may arise from any errors or omissions, or from providing such advice, opinion, judgment or information.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. This report has been prepared under conditions of heightened market uncertainty and conditions may change more rapidly and significantly than during standard market conditions. A higher degree of caution should be attached to our analysis than would normally be the case.

BOARD OF DIRECTORS

TSANG YAM PUI
Non-Executive Chairman and Director

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

PREMOD P. THOMAS
Chairman, Audit and Risk Committee
Independent Non-Executive Director

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

Mr Tsang was also the Non-Executive Director and a Member of the Audit and Risk Committee of the Sponsor up to 31 January 2022.

Mr Tsang is concurrently the Non-Executive Director of Bolonia Company Limited. He was formerly the Chief Executive Officer and Executive Director of NWS Holdings Limited from June 2004 until his retirement on 31 December 2018 and continued to serve as a Non-Executive Director until 31 December 2020.

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

For his distinguished public service, Mr Tsang was awarded the Gold Bauhinia Star (Hong Kong SAR), the Order of the British Empire, the Queen's Police Medal and the Colonial Police Medal for Meritorious Service.

Past directorships in listed entitles over the last three years:
- Wai Kee Holdings Limited (listed in Hong Kong)
- NWS Holdings Limited (listed in Hong Kong)

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

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

At present, she sits on the boards of Jurong Town Corporation and Changi Airport Group (Singapore) Pte. Ltd.. She is also a Trustee of the Singapore Cardiac Society.

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

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

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

He is concurrently the Chief Executive Officer and Executive Director of Bayfront Infrastructure Management Pte. Ltd. ("Bayfront"), a Singapore-based specialist infrastructure debt securitisation company, and an Executive Director of BIM Asset Management Pte. Ltd. and Bayfront Infrastructure Capital II Pte. Ltd, both subsidiaries of Bayfront. Mr Thomas is also the Founder and Chief Executive Officer of Capital Insights Pte. Ltd., an investment holding company which focuses on private investments and strategy consulting. Before this, he held various appointments in Bank of America, Standard Chartered Bank, Temasek Holdings (Private) Limited and the Hong Leong Group in Malaysia.

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

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

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

KAN SHIK LUM

Independent Non-Executive Director
Member, Nominating and Renumeration Committee

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

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

Mr Kan is currently an Independent Director of Astrea III Pte. Ltd., Astrea IV Pte. Ltd., Astrea V Pte. Ltd. and Astrea 7 Pte. Ltd., all of which are involved in the investment into non-commercial real estate private equity funds.

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

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

KOH CHENG CHUA

Independent Non-Executive Director
Member, Audit and Risk Committee

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

Mr Koh is concurrently the Managing Director & Head of Group Special Assets Management in United Overseas Bank Limited ("UOB") where he oversees the restructuring and recovery of selected loans and assets in Singapore and the region. Prior to this role, Mr Koh was Head of UOB's Group Commercial Credit where he led credit approval and risk management of customers that were mid-cap corporates and small to medium-sized enterprises. Before joining UOB in 2013, Mr Koh was with DBS Bank Ltd for over 25 years during which he held various senior management positions. He has more than 35 years of experience in corporate and investment banking, private equity and credit risk management.

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

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

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

WU LONG PENG

Independent Non-Executive Director
Member, Audit And Risk Committee

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

Mr Wu was previously the Executive Director of Kuok (Singapore) Limited until 2017 and has more than 30 years of experience in finance and corporate affairs over various industries.

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

Past directorships in listed entitles over the last three years:

- Malaysian Bulk Carriers Berhad (listed in Malaysia)
- PACC Offshore Services Holdings Ltd. (delisted in 2020)
- Gamma Communications PLC (listed in the United Kingdom)

BOARD OF DIRECTORS

MAK KEAT MENG

Independent Non-Executive Director
Member, Audit and Risk Committee

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

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

Mr Mak is the Non-Executive Director and the Chairman of the Audit Committee and a member of the Risk Management Committee of NTUC Income, an insurance group. He is also the Non-Executive Director of Paloe Private Limited, a company providing accounting and IT-related advisory services.

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

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

ALVIN TAY

Independent Non-Executive Director

Mr Alvin Tay is an Independent Non-Executive Director.

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

Mr Tay is also a Non-Executive Director of The RICE Company Limited, a not-for profit organisation involved in the promotion of arts and cultural activities in Singapore.

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

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

HIEW YOON KHONG

Non-Executive Director
Member, Nominating and Remuneration Committee

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

Mr Hiew is currently the Executive Director and Group Chief Executive Officer of the Sponsor. He was formerly a Non-Executive Director of Mapletree Logistics Trust Management Ltd., Mapletree Industrial Trust Management Ltd. and Mapletree North Asia Commercial Trust Management Ltd..

Mr Hiew joined the Sponsor in 2003 as Group Chief Executive Officer. He has since led the Mapletree Group from a Singapore-centric real estate company worth S$2.3 billion to a global company with total assets under management of S$78.7 billion.

His past directorships include serving as a member on the Board of Trustees of the National University of Singapore and Board member of Sentosa Development Corporation.

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

Past directorships in listed entitles over the last three years:

- Mapletree Logistics Trust Management Ltd. (as Manager of Mapletree Logistics Trust)
- Mapletree Industrial Trust Management Ltd. (as Manager of Mapletree Industrial Trust)
- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust)

WENDY KOH
Non-Executive Director

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

Ms Koh is concurrently the Group Chief Financial Officer of the Sponsor. She oversees the Finance, Tax, Treasury and Information Technology functions of the Sponsor. She holds various appointments within the Sponsor group including as the Non-Executive Director of Mapletree Logistic Trust Management Ltd., Mapletree Industrial Trust Management Ltd. and Mapletree North Asia Commercial Trust Management Ltd..

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

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

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

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

AMY NG
Non-Executive Director

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

Ms Ng is currently the Regional Chief Executive Officer, South East Asia & Group Retail of the Sponsor. She oversees the Sponsor's business in Singapore and the rest of the South East Asia region (excluding those in listed real estate investment trusts). She also have direct responsibility over the Sponsor's retail assets and operations in Singapore, China, Malaysia and Vietnam, where she provides executive management and leadership. She holds various appointments in the Sponsor group including as the Non-Executive Director of Vietsin Commercial Complex Development Joint Stock Company, Singapore Cruise Centre Pte. Ltd. and Gemstone Asset Holdings Pte. Ltd. as well as an Alternate Director of MS Commercial Pte. Ltd..

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

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

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

SHARON LIM
Executive Director and Chief Executive Officer

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

Ms Lim is also a Director of Mapletree Commercial Trust Treasury Company Pte. Ltd. and 80 Alexandra Pte. Ltd., subsidiaries of Mapletree Commercial Trust and a member of the Management Committee of Mapletree Business City LLP, a subsidiary of Mapletree Commercial Trust.

Ms Lim joined the Manager as the Chief Operating Officer in 2015. Prior to joining the Manager, Ms Lim held various appointments in the CapitaLand group. Ms Lim was the Executive Director and Chief Executive Officer of CapitaMalls Malaysia REIT Management Sdn Bhd, the manager of CapitaMalls Malaysia Trust, which is listed on Bursa Malaysia. Prior to that, she was responsible for CapitaMall Asia's retail platform in Malaysia as Country Head, Malaysia of CapitaMall Trust Management Limited.

Ms Lim holds a Master of Business Administration degree from Murdoch University, Australia and a Bachelor of Business degree from the RMIT University, Australia.

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

MANAGEMENT TEAM & PROPERTY MANAGEMENT TEAM

SHARON LIM
Chief Executive Officer

JANICA TAN
Chief Financial Officer

KOH WEE LEONG
Head,
Investments & Asset Management

TENG LI YENG
Director,
Investor Relations

GOH PECK CHENG
Vice President,
Investments & Asset Management

JANICE LIM
Vice President,
Finance

FIONA ONG
Vice President,
Finance

MICHELLE LAM
Senior Manager,
Investments & Asset Management

PHANG YI LIANG
Senior Manager,
Investments & Asset Management

WAN KWONG WENG
Joint Company Secretary

SEE HUI HUI
Joint Company Secretary

LI LIT SIEW
Director, *Mapletree Commercial Property Management*

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

GEORGINA GOH
Head,
Office Marketing

GWEN AU
Vice President,
Marketing Communications

CHAY PUI LENG
Vice President,
Office Marketing

SOO WEI-PING
Vice President,
Retail Marketing

PAMELA KOH
Senior Manager,
Office Marketing

KELVIN LEE
Senior Manager,
Property Management

ABDUL KALAM BIN MUHAMED
Senior Manager,
Property Management

MUHAMMAD FITHRI BIN ABDUL JAFFAR
Senior Manager,
Property Management

RICKY SOH
Senior Manager,
Property Management

TERENCE YONG
Senior Manager,
Retail Design Management

MANAGEMENT TEAM

SHARON LIM
Chief Executive Officer

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

JANICA TAN
Chief Financial Officer

Ms Janica Tan is responsible for the overall financial and capital management functions for MCT. She is also a Director of Mapletree Commercial Trust Treasury Company Pte. Ltd. and 80 Alexandra Pte. Ltd., subsidiaries of MCT, and a member of the Management Committee of Mapletree Business City LLP, a subsidiary of MCT.

Prior to joining the Manager in 2016, she was the Chief Financial Officer of OUE Commercial REIT Management Pte. Ltd., the manager of OUE Commercial REIT.

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

KOH WEE LEONG
Head, Investments & Asset Management

Mr Koh Wee Leong oversees the asset management and investment activities for the Manager. This includes formulating business plans, supervising the operations of MCT's properties, implementing MCT's property-related strategies, as well as identifying, researching and evaluating potential acquisitions and divestments. He is also a member of the Management Committee of Mapletree Business City LLP, a subsidiary of MCT.

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

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

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

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

TENG LI YENG
Director, Investor Relations

Ms Teng Li Yeng is responsible for MCT's investor relations function and is in charge of maintaining high standards of corporate disclosure for MCT through clear and timely communication, as well as cultivating relationships and fostering effective two-way dialogues with MCT stakeholders including analysts as well as potential and existing investors.

Prior to joining the Manager, Ms Teng was with the CapitaLand Group where her responsibilities included strategic planning and investor relations with public and private equity partners. She headed up the investor relations function for dual-listed CapitaMalls Asia Limited from 2013 to 2014 before it was privatised.

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

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

GOH PECK CHENG
Vice President, Investments & Asset Management

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

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

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

JANICE LIM
Vice President, Finance

Ms Janice Lim is responsible for the day-to-day finance operations of MCT's portfolio.

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

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

FIONA ONG

Vice President, Finance

Ms Fiona Ong assists the Chief Financial Officer in the financial management and accounting function of MCT including statutory reporting, compliance, capital management, treasury and taxation matters.

Before joining the Manager, Ms Ong was the CFO of UES Holdings Pte. Ltd. where she was responsible for the overall financial management functions. Prior to that, she was the financial controller of SIIC Environment Holdings Ltd.. Ms Ong started her career with Ernst and Young LLP as an external auditor.

Ms Ong holds a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore and is a non-practising member of the Institute of Singapore Chartered Accountants. She is also an Associate Chartered Valuer and Appraiser of Singapore.

MICHELLE LAM

Senior Manager, Investments & Asset Management

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

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

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

PHANG YI LIANG

Senior Manager, Investments & Asset Management

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

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

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

WAN KWONG WENG

Joint Company Secretary

Mr Wan Kwong Weng is the Joint Company Secretary of the Manager as well as the other three Mapletree REIT Managers. He is concurrently the Group Chief Corporate Officer of the Sponsor, where he is responsible for all legal, compliance and corporate secretarial matters, human resource as well as corporate communications and administration matters across all business units and countries.

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 London Business School Senior Executive Programme. He is called to the Singapore Bar, where he was awarded the Justice FA Chua Memorial Prize, and is also on the Rolls of Solicitors (England & Wales). Mr Wan was conferred the Public Service Medal (P.B.M.) in 2012 and Public Service Star (B.B.M.) in 2017.

Mr Wan is also appointed as a Member of the Valuation Review Board since 2019. In addition, he is a Member/Secretary of the SMU Advisory Board for the Real Estate Programme.

SEE HUI HUI

Joint Company Secretary

Ms See Hui Hui is the Joint Company Secretary of the Manager, as well as the Senior Vice President, Legal of the Sponsor.

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

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

CORPORATE GOVERNANCE

The Manager of MCT is responsible for the strategic direction and management of the assets and liabilities of MCT as well as its subsidiaries (collectively, the "Group"). As a REIT manager, the Manager is licensed by the MAS and holds a Capital Markets Services Licence for REIT management ("CMS Licence").

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

The Manager's roles and responsibilities include:

- carrying on the Group's business to generate returns in a sustainable manner and conducting all transactions on normal commercial terms and on an arm's length basis;
- preparing annual budget proposals with forecast on gross revenue, property expenditure, capital expenditure and providing explanations on major variances against prior year's actual results and written commentaries on key issues and any other relevant assumptions. The purpose of such proposals and analyses is to chart the Group's business for the year ahead and to explain the performance of MCT's properties compared to the prior year; and
- ensuring compliance with applicable laws and regulations, including the Securities and Futures Act 2001, the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Code on Collective Investment Schemes ("CIS Code") issued by the MAS (including Appendix 6 of the CIS Code, the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time and any tax rulings.

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

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Effective Board

Our Policy and Practices

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

The key roles of the Board are to:

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

In discharging their roles and responsibilities, all Directors of the Board are expected to act and have acted in the best interests of MCT.

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

As at 31 March 2022, the Board comprises twelve directors (the "Directors"), of whom eleven are Non-Executive Directors and seven are Independent Directors.

The following sets out the composition of the Board:

- Mr Tsang Yam Pui, Non-Executive Chairman and Director;
- Ms Kwa Kim Li, Lead Independent Non-Executive Director and Chairperson of the NRC;
- Mr Premod P. Thomas, Independent Non-Executive Director and Chairman of the AC;
- Mr Kan Shik Lum, Independent Non-Executive Director and Member of the NRC;
- Mr Koh Cheng Chua, Independent Non-Executive Director and Member of the AC;
- Mr Wu Long Peng, Independent Non-Executive Director and Member of the AC;
- Mr Mak Keat Meng, Independent Non-Executive Director and Member of the AC;

- Mr Alvin Tay, Independent Non-Executive Director;
- Mr Hiew Yoon Khong, Non-Executive Director and Member of the NRC;
- Ms Wendy Koh, Non-Executive Director;
- Ms Amy Ng, Non-Executive Director; and
- Ms Sharon Lim, Executive Director and CEO.

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

The diverse professional backgrounds of the Directors enable the Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. The profiles of the Directors are set out in pages 62 to 65 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 AGM for FY21/22 is as follows:

		Board	AC	NRC	AGM[1]
Number of meetings held in FY21/22		**7**	**5**	**1**	**1**
Board Members	**Membership**				
Mr Tsang Yam Pui (Appointed on 1 November 2007) (Last reappointment on 16 September 2021)	Non-Executive Chairman and Director	7	N.A.[2]	N.A.[2]	1
Ms Kwa Kim Li (Appointed on 30 April 2014) (Last reappointment on 30 September 2019)	Lead Independent Non-Executive Director and Chairperson of the NRC	5	N.A.[2]	1	1
Mr Premod P. Thomas (Appointed on 15 June 2015) (Last reappointment on 28 September 2020)	Independent Non-Executive Director and Chairman of the AC	7	5	N.A.[2]	1
Mr Kan Shik Lum (Appointed on 1 December 2015) (Last reappointment on 16 September 2021)	Independent Non-Executive Director and Member of the NRC	7	N.A.[2]	1	1
Mr Koh Cheng Chua (Appointed on 9 June 2014) (Last reappointment on 30 September 2019)	Independent Non-Executive Director and Member of the AC	7	5	N.A.[2]	1
Mr Wu Long Peng (Appointed on 15 December 2018) (Last reappointment on 16 September 2021)	Independent Non-Executive Director Member of the AC	7	5	N.A.[2]	1
Mr Mak Keat Meng (Appointed on 15 December 2019) (Last reappointment on 28 September 2020)	Independent Non-Executive Director and Member of the AC	7	5	N.A.[2]	1
Mr Alvin Tay (Appointed on 15 December 2018) (Last reappointment on 16 September 2021)	Independent Non-Executive Director	7	N.A.[2]	N.A.[2]	1
Mr Hiew Yoon Khong (Appointed on 18 May 2007) (Last reappointment on 28 September 2020)	Non-Executive Director and Member of the NRC	6	N.A.[2]	1	1
Ms Wendy Koh (Appointed on 15 December 2019) (Last reappointment on 28 September 2020)	Non-Executive Director	7	5[3]	N.A.[2]	1

CORPORATE GOVERNANCE

		Board	AC	NRC	AGM[1]
Number of meetings held in FY21/22		**7**	**5**	**1**	**1**
Ms Amy Ng (Appointed on 1 April 2010) (Last reappointment on 28 September 2020)	Non-Executive Director	7	N.A.[2]	N.A.[2]	1
Ms Sharon Lim (Appointed on 1 August 2015) (Last reappointment on 28 September 2020)	Executive Director and CEO	7	5[3]	1[3]	1

Notes:
1 Held on 22 July 2021.
2 N.A. means not applicable.
3 Attendance was by invitation.

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

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

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

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

The Manager has in place an internal code on general conduct and discipline which sets out the framework and guidelines on ethical values such as honesty and responsibility as well as the appropriate conduct expected of the 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 direction, risk management policies, the regulatory environment in which the Group operates and the governance practices of the Group and the Manager, including in areas such as accounting, legal and industry-specific knowledge as appropriate. The Board is updated on any material change to relevant laws, regulations and accounting standards by way of briefings from professionals or updates issued by Management.

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

The 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. The 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.

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

The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Company Secretary attends to the administration of corporate secretarial matters and advises the Board on governance matters. The Company Secretary also attends all Board and Board committee meetings and provides assistance to the Chairman in ensuring adherence to Board procedures.

The Board takes independent professional advice as and when necessary, at the Manager's expense, to enable it and/or the Independent Directors to discharge their responsibilities effectively. The AC meets the external and internal auditors separately at least once a year, without the presence of the 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. Each Director is appointed on the strength of his or her business and industry experience, skills and expertise to give proper guidance to the Management on the business of the Group. In addition, the Board considers other aspects of diversity including age and gender of its members to ensure a balanced composition of the Board.

Towards this end, the Board has in 2022 adopted a Board Diversity Policy which takes into account the abovementioned objectives and outlines its commitment and approach towards achieving an effective and diverse Board. The NRC will review the policy from time to time and will recommend changes to the Board for approval, if necessary, so as to ensure that the policy remains effective and relevant. On gender diversity, the Board is committed to achieve a target of at least 25% female representation on the Board by 2025, and 30% by 2030. As of 31 March 2022, the goal has already been achieved with four female Directors out of a total of 12 Directors on the Board.

The Non-Executive Directors will also conduct periodic review of the investment mandate as well as the strategic focus of MCT with Management. Further, such a board composition, and the separation of the roles of the Chairman and the CEO, provides oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

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

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 (i) is independent in conduct, character and judgement, (ii) has no relationship with the Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of MCT; (iii) is independent from the management and any business relationship with the Manager and MCT, every substantial shareholder of the Manager and every substantial unitholder of MCT, (iv) is not a substantial shareholder of the Manager or a substantial unitholder of MCT and (v) has not served on the Board for a continuous period of nine years or longer.

For FY21/22, each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact his or her independent status. Accordingly, each of the Independent Directors had either made a negative declaration or disclosed such relationships or circumstances as applicable. The declarations or disclosures made by each Independent Director had been reviewed by the NRC.

CORPORATE GOVERNANCE

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

Name of Director	(i) had been independent from the management of the Manager and MCT during FY21/22	(ii) had been independent from any business relationship with the Manager and MCT during FY21/22	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of MCT during FY21/22	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of MCT during FY21/22	(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 FY21/22
Mr Tsang Yam Pui [1,10]	√			√	
Ms Kwa Kim Li [2,10]	√		√	√	√
Mr Premod P. Thomas [3,10]	√			√	√
Mr Kan Shik Lum [4,10]	√			√	√
Mr Koh Cheng Chua [5,10]	√		√	√	√
Mr Wu Long Peng	√	√	√	√	√
Mr Mak Keat Meng	√	√	√	√	√
Mr Alvin Tay	√	√	√	√	√
Mr Hiew Yoon Khong [6,10]				√	
Ms Wendy Koh [7,10]				√	√
Ms Amy Ng [8,10]				√	
Ms Sharon Lim [9,10]				√	√

Notes:

1 Mr Tsang Yam Pui was a Non-Executive Director and a member of the Audit and Risk Committee of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MCT until he stepped down on 31 January 2022.

Pursuant to the SFLCB Regulations, during FY21/22, Mr Tsang is deemed not to be (a) independent from a business relationship with the Manager and MCT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of his directorship in the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2022, Mr Tsang was able to act in the best interests of all Unitholders as a whole.

2 Ms Kwa Kim Li is a partner of Lee & Lee Advocate and Solicitors ("Lee & Lee"). The Sponsor group of companies had made payments to Lee & Lee in FY21/22.

Pursuant to the SFLCB Regulations, during FY21/22, Ms Kwa is deemed not to be independent from a business relationship with the Manager and MCT by virtue of the payments made by the Sponsor group of companies, being related corporations of the Manager, to Lee & Lee, as Ms Kwa is a partner of Lee & Lee.

However, Ms Kwa is not involved in the conduct of such matters and therefore, the Board, in consultation with the NRC, takes the view that her Independent Director status is not compromised.

The Board is satisfied that, as at 31 March 2022, Ms Kwa was able to act in the best interests of all Unitholders as a whole.

3 Mr Premod P. Thomas is the Independent Director of Gemstone Asset Holdings Pte. Ltd., which is a related corporation of both the Manager and the Sponsor. He is also the Chief Executive Officer and Executive Director of Bayfront Infrastructure Management Pte. Ltd. ("Bayfront") and the Executive Director of BIM Asset Management Pte. Ltd. ("BIM") and Bayfront Instructure Capital II Pte. Ltd. ("Bayfront Capital"), both of which are subsidiaries of Bayfront. Bayfront, BIM and Bayfront Capital are companies in which Temasek Holdings (Private) Limited ("Temasek"), a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MCT, has an effective interest of more than 20%.

Pursuant to the SFLCB Regulations, during FY21/22, Mr Thomas is deemed not to be (a) independent from a business relationship with the Manager and MCT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of his directorship in Gemstone Asset Holdings Pte. Ltd., his employment with Bayfront and directorships in BIM and Bayfront Capital.

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

The Board is satisfied that, as at 31 March 2022, Mr Thomas is able to act in the best interests of all Unitholders as a whole.

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

Pursuant to the SFLCB Regulations, during FY21/22, Mr Kan is deemed not to be (a) independent from a business relationship with the Manager and MCT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of his directorships in the abovementioned related corporations of Temasek.

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

The Board is satisfied that, as at 31 March 2022, Mr Kan is able to act in the best interests of all Unitholders as a whole.

5 Mr Koh Cheng Chua is the Managing Director & Head of Group Credit – Commercial Credit in United Overseas Bank Limited ("UOB"). MCT received payments from UOB in excess of S$200,000 in FY21/22.

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

The Sponsor group of companies had also made payment to UOB in FY21/22.

Pursuant to the SFLCB Regulations, during FY21/22, Mr Koh is deemed not to be independent from any business relationship with the Manager and MCT by virtue of (a) the payments received by MCT from UOB and (b) the payments made by the Sponsor group of companies, being related corporations of the Manager, to UOB, as Mr Koh is employed as an executive officer at UOB.

Notwithstanding that MCT received payments from UOB in excess of S$200,000 in FY21/22, the Board, in consultation with the NRC, takes the view that, as at 31 March 2022, Mr Koh's Independent Director status is not compromised as these amounts relate to rental payments for the UOB branch in VivoCity, licence fees for the ATMs at VivoCity and ARC, and payments for Mapletree vouchers sold under the UOB credit card rewards programme. These transactions were all conducted on an arm's length basis and Mr Koh was not involved in the negotiations of any of the agreements. In respect of the payments made by the Sponsor group of companies to UOB for banking services rendered to the Sponsor group of companies, the transactions were all conducted on an arm's length basis and Mr Koh was not involved in the negotiations of any of the agreements and therefore his Independent Director status is not compromised.

The Board is satisfied that, as at 31 March 2022, Mr Koh was able to act in the best interests of all Unitholders as a whole.

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

Pursuant to the SFLCB Regulations, during FY21/22, Mr Hiew is deemed not to be (a) independent from the management of the Manager and MCT by virtue of his employment with the Sponsor; (b) independent from any business relationship with the Manager and MCT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MCT during FY21/22; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of his employment with and his directorship in the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2022, Mr Hiew was able to act in the best interests of all Unitholders as a whole.

7 Ms Wendy Koh is currently the Group Chief Financial Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MCT. She is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust), Mapletree Industrial Trust Management Ltd. (the manager of Mapletree Industrial Trust) and Mapletree North Asia Commercial Trust Management Ltd. (the manager of Mapletree North Asia Commercial Trust), all of which are related corporations of the Sponsor.

Pursuant to the SFLCB Regulations, during FY21/22, Ms Koh is deemed not to be (a) independent from the management of the Manager and MCT by virtue of her employment with the Sponsor; (b) independent from any business relationship with the Manager and MCT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MCT during FY21/22; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of her employment with the Sponsor and her directorships in the abovementioned related corporations of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2022, Ms Koh was able to act in the best interests of all Unitholders as a whole.

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

Pursuant to the SFLCB Regulations, during FY21/22, Ms Ng is deemed not to be (a) independent from the management of the Manager and MCT by virtue of her employment in the Sponsor; (b) independent from any business relationship with the Manager and MCT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MCT during FY21/22; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of her employment with the Sponsor and her directorships in the abovementioned related corporations of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2022, Ms Ng was able to act in the best interests of all Unitholders as a whole.

9 Ms Sharon Lim is currently the Executive Director and CEO of the Manager, which is a related corporation of the Sponsor.

Pursuant to the SFLCB Regulations, during FY21/22, Ms Lim is deemed not to be (a) independent from the management of the Manager and MCT by virtue of her employment with the Manager; (b) independent from any business relationship with the Manager and MCT by virtue of the payments which the Manager had made to the Sponsor and/or received from the trustee of MCT during FY21/22; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MCT by virtue of her employment with and directorship in the Manager which is a related corporation of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2022, Ms Lim was able to act in the best interests of all Unitholders as a whole.

10 For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 March 2022, each of the abovementioned Directors were able to act in the best interests of all the Unitholders as a whole.

CORPORATE GOVERNANCE

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

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

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

Chairman and CEO
Principle 3: Clear division of responsibilities

Our Policy and Practices

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

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

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

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

Board Membership
Principle 4: Formal and transparent process for appointments

Our Policy and Practices

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

The Board established the NRC in January 2016 and it comprises three Directors, being Ms Kwa Kim Li, Mr Kan Shik Lum and Mr Hiew Yoon Khong, all of whom are non-executive and the majority of whom (including the Chairperson) are independent. Ms Kwa Kim Li is the Chairperson of the NRC and also the Lead Independent Non-Executive Director of the Manager.

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

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

The composition of the Board is determined based on the following principles:

- the Chairman of the Board should be a non-executive director of the Manager;

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

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

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

The Manager does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Group, including attending Board and Board committee meetings and contributing constructively to the management of the Manager and the Group. The Manager believes that each Director is best placed to decide whether he or she has sufficient capacity to discharge his or her duties and responsibilities as Director in the best interests of the Manager and Unitholders. Taking into account the meeting attendance records of the Directors in FY21/22 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 FY21/22.

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 FY21/22 has been carried out.

To this end, the NRC will assist the Board in the assessment of the effectiveness of the Board, its Board committees, as well as the contribution by the Chairman and each Director, by reviewing the performance evaluation process and making recommendations to the Board. The evaluation results will be reviewed by the NRC and then shared with the Board. As part of the assessment, the NRC considers the adequacy of the Board composition, the Board's performance and areas of improvement, the level of strategic guidance to the 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 the Directors and the 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.

CORPORATE GOVERNANCE

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 compliance with the requirements of the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) ("AIFMR").

Nominating and Remuneration Committee

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

The current members are:
Ms Kwa Kim Li, Lead Independent Non-Executive Director and Chairperson of NRC, Mr Kan Shik Lum, Independent Non-Executive Director, and Mr Hiew Yoon Khong, Non-Executive Director. The NRC met once during FY21/22 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 the Management, 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 of the Group to be considered along with the other non-financial goals and objectives. The NRC developed the Manager's remuneration policy with a number of principles in mind (the "Remuneration Principles"). The overarching principle is to promote sustainable long-term success of MCT. The remuneration policy should:

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

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

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

- 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 follow:

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

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

The remuneration of the Board and the employees of the Manager is paid by the Manager, and not paid by MCT. The Manager has set out in the table below information on the fees paid to the Directors for FY21/22:

Board Members	Membership	Fees Paid for FY21/22
Mr Tsang Yam Pui	Non-Executive Chairman and Director	S$136,000[1]
Ms Kwa Kim Li	Lead Independent Non-Executive Director and Chairperson of the NRC	S$95,500
Mr Premod P. Thomas	Independent Non-Executive Director and Chairman of the AC	S$106,000
Mr Kan Shik Lum	Independent Non-Executive Director and Member of the NRC	S$82,000
Mr Koh Cheng Chua	Independent Non-Executive Director and Member of the AC	S$91,000
Mr Wu Long Peng	Independent Non-Executive Director and Member of the AC	S$92,000
Mr Mak Keat Meng	Independent Non-Executive Director and Member of the AC	S$92,000
Mr Alvin Tay	Independent Non-Executive Director	S$61,000
Mr Hiew Yoon Khong	Non-Executive Director and Member of the NRC	Nil[2]
Ms Wendy Koh	Non-Executive Director	Nil[2]
Ms Amy Ng	Non-Executive Director	Nil[2]
Ms Sharon Lim	Executive Director and CEO	Nil[3]

Notes:
1 No attendance fees were paid to Mr Tsang Yam Pui, being a director who is not residing in Singapore, for FY21/22.
2 Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors.
3 The CEO does not receive any director's fees in her capacity as a Director.

CORPORATE GOVERNANCE

Link between Pay, Performance and Value Creation

Employee remuneration at the Manager comprises fixed pay, variable incentive, allowances and benefits. Fixed pay comprises a salary and an annual wage supplement. All employees receive a salary that reflects their responsibilities and the level of experience and expertise needed to undertake their roles. Allowances and benefits include statutory provident contributions and benefits-in-kind to enable employees to undertake their role by ensuring their well-being.

Variable incentive is a material component of total remuneration and comprises Performance Target Bonus ("PTB"), Variable Bonus ("VB") and Long-term Incentive ("LTI") award. The PTB amount is determined based on the achievement of non-financial Key Performance Indicators ("KPIs") which are critical to improving people capability, employee engagement, organisational effectiveness and operational efficiency of the Manager, e.g. raising the capability of the employees through increased participation in learning and development, and with specific focus on digitalisation and ESG so as to raise their awareness and improve their general skills and knowledge in these areas, improving the engagement and well-being of the employees through their regular participation in wellness initiatives, regular active investors and tenants engagement despite safe management measures due to the COVID-19 pandemic. The VB amount is assessed based on the achievement of financial KPIs such as NPI Yield, DPU and NAV which measure the financial metrics essential to the Unitholders. KPIs and their weightages may change from year to year. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MCT's Total Shareholder Return ("TSR") targets and value of a notional investment in MCT.

To this end, the NRC has reviewed the performance of the Manager for FY21/22 and is satisfied that all KPIs have been achieved.

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

Employees of the Manager are eligible to be considered for variable pay each year. Variable pay for all employees takes into account MCT, the Manager and the individual's performance against agreed financial and non-financial objectives similar to that of the Management. However, in execution, the PTB and VB are combined to form consolidated variable pay for the employees.

Over the last three financial years and despite the COVID-19 pandemic severely disrupting social activities, tourist arrival, customer traffic and business operations, the Manager has achieved strong results for MCT by delivering good returns to Unitholders, as measured by the performance of unit price, DPU growth and NPI growth. In recognition of this, a one-time discretionary bonus was declared to the employees of the Manager, which was over and above the regular variable pay. Similar to the existing variable pay scheme, the one-time discretionary bonus declared will be subject to the VB banking mechanism and contains a deferred element.

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

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

To assess an individual's performance, a four-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 process has been adhered to.

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

TOTAL REMUNERATION BANDS OF CEO AND KEY MANAGEMENT PERSONNEL FOR FY21/22

	Salary, Allowances and Statutory Contributions	Bonus[1]	Long-term Incentives[2]	Benefits	Total
Above S$2,000,000 to S$2,250,000					
Ms Sharon Lim	19%	51%	30%	N.M.[4]	100%
Other Key Management Personnel					
Ms Janica Tan	31%	45%	24%	N.M.[4]	100%
Mr Koh Wee Leong	39%	41%	20%	N.M.[4]	100%
Ms Charissa Wong[3]	46%	40%	14%	N.M.[4]	100%

Notes:
1 The amounts disclosed are bonuses declared during the financial year, including a one-time discretionary performance bonus awarded to the Manager, taking into account the strong performance achieved for MCT over the last three years. The performance considerations included the last three years' achievement of DPU, NPI and overall shareholders' return. Similar to the existing variable pay scheme, the payment of the one-time discretionary bonus declared is subject to the banking mechanism and contains deferred elements. Should the one-off discretionary bonus amount be amortised over the last three years corresponding to the performance period, the CEO would be in the remuneration band of S$1,500,000 to S$1,750,000.
2 The amounts disclosed include the grant of the LTI award. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MCT's TSR targets and fulfillment of vesting period of up to five years.
3 Ms Charissa Wong is an employee of the Property Manager and is deemed a key management personnel who has responsibility for the management of VivoCity which is material to the performance of MCT.
4 Not meaningful.

The total remuneration for the CEO and the key management personnel in FY21/22 was S$4.5 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 to MCT but instead paid by the Manager, the Manager is also of the view that the interest of the Unitholders would not be prejudiced as the indicative range of the CEO's remuneration, as well as the total remuneration for the CEO and key management personnel of the Manager, have been provided.

There were no employees of the Manager who were substantial shareholder of the Manager, substantial unitholder of MCT or immediate family members of a Director, the CEO or a substantial shareholder of the Manager or substantial unitholder of MCT and whose remuneration exceeded S$100,000 during FY21/22.

Quantitative Remuneration Disclosure under AIFMR

The Manager is required under the AIFMR to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of MCT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies.

The aggregate amount of remuneration awarded by the Manager to its staff in respect of the Manager's financial year ended 31 March 2022 was S$8.9 million. This figure comprised fixed pay of S$3.7 million, variable pay of

CORPORATE GOVERNANCE

S$4.9 million and allowances/benefits-in-kind of S$0.3 million. There were a total of 35 beneficiaries of the remuneration described above.

In respect of the Manager's financial year ended 31 March 2022, the aggregate amount of remuneration awarded by the Manager to its senior management (who are also members of staff whose actions have a material impact on the risk profile of MCT) was S$5.4 million, comprising seven 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 follow:

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

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

The internal audit function, which is outsourced to the Sponsor, reviews the Group's compliance with the control procedures and policies established within the internal controls and risk management systems. The internal audit function is also involved in the validation of the results from the CSA programme.

Whistle-blowing Policy

To reinforce a culture of good business ethics and governance, the Manager has a Whistle-blowing Policy to encourage the reporting, in good faith, of any suspected misconduct or wrongdoing, including possible financial irregularities, while protecting the whistle-blowers from reprisals and detrimental or unfair treatment by, among others, ensuring that the identity of the whistle-blower is kept confidential. 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 further investigation. The findings will then be reported to the AC of the Manager which is responsible for oversight and monitoring of the Whistle-blowing reports received.

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

Risk Management

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

The risk management function which is outsourced to the Sponsor's Risk Management Department oversees the Enterprise Risk Management ("ERM") framework, which is adapted from the International Organisation for Standardisation under (ISO) 31000 Risk Management. It reports key risk exposures, portfolio risk profile and activities in respect of significant risk matters to the AC and the Board independently on a quarterly basis.

The risk management system established by the Manager, which encompasses the ERM framework and the risk management process, is dynamic and evolves with the business. The Manager has identified key risks, assessed their likelihood and impact on MCT's business and established corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The Risk Management Department works closely with the Manager to review and enhance the risk management system in accordance with market practice and regulatory requirements, under the guidance and direction of the AC and the Board.

The Manager's policies and procedures relating to risk management can be found on pages 90 to 93 of this Annual Report.

Information Technology Controls
As part of the Group's risk management process, information technology controls and cybersecurity measures have been put in place and are periodically reviewed to ensure that information technology risks and cybersecurity threats are identified and mitigated. As part of the periodic review, regulatory requirements, such as the MAS Cyber Hygiene Notice and the MAS Technology Risk Management Guidelines (January 2021), are monitored and complied with, where applicable.

On an annual basis, the Manager conducts the Business Continuity Plan ("BCP") and IT Disaster Recovery ("ITDR") Tests, as well as engages external specialists to perform a Vulnerability and Penetration Test ("VAPT") on the Group's networks, systems and devices. The BCP and ITDR ensure that information technology systems remain functional in a crisis situation or system failure, and the VAPT ensures that cybersecurity measures deployed continue to be effective.

The Sponsor's Internal Audit Department conducted the annual review of information technology controls as part of the FY21/22 annual CSA programme. The audit findings were submitted to the AC and the Board for review and appropriate remedial actions were implemented as at 31 March 2022.

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

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

The Group's financial results are prepared in accordance with the Singapore Financial Reporting Standards (International) and are reported to Unitholders in accordance with the requirements of the SGX-ST. These results announcements provide analyses of significant variances in financial performance and commentary on the industry's competitive conditions in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next twelve months.

Detailed disclosure and analysis of the full year financial performance of the Group can be found in the Financial & Capital Management Review section from pages 40 to 45 and the Financial Statements from pages 144 to 211 of this Annual Report.

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

The key financial risks which the Group is exposed to include interest rate risk, foreign currency risk, liquidity risk and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest rate and foreign exchange rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found from pages 40 to 45 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

Internal Audit
The internal audit function, which is outsourced to the Sponsor's Internal Audit Department, prepares a risk-based audit plan annually to review the adequacy and effectiveness of the Group's system of internal controls and this audit

CORPORATE GOVERNANCE

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

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

External Audit

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

Interested Person Transactions

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

The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of the Group's net tangible assets will be subject to review by the AC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the AC (which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers). Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of the Unitholders.

The interested person transactions undertaken by the Group in FY21/22 are set out from pages 212 to 213 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the value of the transaction where the interested person transaction has a fixed term and contract value, while the annual amount incurred and/or accrued is taken as the value of the transaction where an interested person transaction has an indefinite term or where the contract sum is not specified.

Dealing in MCT units

The Manager has adopted a securities dealing policy for its officers and employees which applies the best practices on dealings in securities set out in the Listing Manual. Under the policy, all Directors are required to disclose their interests in MCT and are also provided with disclosures of interests by other Directors as well as reminders on trading restrictions.

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

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

Each Director is required to notify the Manager of his or her acquisition of MCT units or of changes in the number of MCT units which he or she holds or in which he or she has an interest, within two business days of such acquisition or change of interest. In addition, employees of the Manager and the Sponsor are to give pre-trading notifications before any dealing in MCT units.

Role of the Board and AC

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

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

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

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

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

Comment and Opinion on Internal Controls

Based on the internal controls and risk management systems established and maintained by the Manager and the Sponsor, the work performed by the Sponsor's Internal Audit and Risk Management Departments as well as by the external auditor, reviews performed by the Management and the above-mentioned assurance from the CEO, the CFO and other key management personnel, the Board is of the opinion that the Group's internal controls and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considered relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business as at 31 March 2022. However, the Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The AC concurs with the Board's comments provided in the foregoing. For the financial year ended 31 March 2022, the Board and the AC have not identified any material weaknesses in the Group's internal controls and risk management systems.

Audit and Risk Committee

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

Our Policy and Practices

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

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

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

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

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

CORPORATE GOVERNANCE

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

- examination of interested person transactions;
- review and approval of the scope of internal and external audit plans and activities;
- review of the adequacy, effectiveness, independence, scope and audit findings of internal and external auditors as well as Management's responses to them and the implementation of remedial actions to address such findings;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY21/22, MCT paid S$290,030 to PwC, of which S$115,030 was for annual audit services for the Group and S$175,000 was for additional services rendered in relation to the Proposed Merger. The S$175,000 fee in relation to the Proposed Merger comprised S$55,000 for audit services relating to the review of the condensed consolidated financial information of the Group for the nine months ended 31 December 2021 and S$120,000 for non-audit services rendered as independent accountant relating to the Proposed Merger. The AC has undertaken a review of all additional services provided by PwC and is of the opinion that such services would not affect the independence of PwC as the external auditor.
- review of the quality and reliability of information prepared for inclusion in financial reports;
- authority to investigate any matters within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- making recommendation to the Board on the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

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

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

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

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

The AC also considered the work performed by the external auditor, including their assessment of the appropriateness of the valuation methodologies and the key assumptions applied in the valuation of investment properties.

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

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

Due to the uncertainties arising from the COVID-19 pandemic, MCT had conducted an interim independent valuation of the investment properties in September 2021, in addition to the usual annual independent valuation in March 2022.

A total of five AC meetings were held in FY21/22.

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 Chairman of the AC of both the Manager and the Sponsor.

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

The role of the Sponsor's Internal Audit Department is to conduct internal audit work in consultation with, but independently of, Management. Its annual audit plan and audit findings are submitted to the AC for approval and 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 FY21/22, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE

(D) UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder Rights

Principle 11: Fair and equitable treatment of all Unitholders

Engagement with Unitholders

Principle 12: Regular, effective and fair communication with Unitholders

Our Policy and Practices

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

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

The public can access the electronic copy of the Annual Report via SGXNET as well as MCT's website, and printed copies of the Annual Report are also available upon request. Under normal circumstances, Unitholders will receive the notices of general meetings and proxy forms with instructions on the appointment of proxies and may also download these documents from MCT's website. Notices of general meetings are also published in the newspaper and on SGXNET and MCT's website. However, in view of the ongoing COVID-19 situation, the Manager will be conducting the upcoming annual general meeting by hybrid means, and arrangements have been put in place to allow Unitholders to participate in the meeting. Please refer to the notice of annual general meeting dated 7 July 2022 for further information.

An annual general meeting is held once a year to provide a platform for Unitholders to interact with the Board and Management, in particular the Chairman of the Board, the Chairman of the AC, the CEO and the CFO. The external auditor is also present to address Unitholders' queries about the audit and the financial statements of the Group. A record of the Directors' attendance at the annual general meeting can be found in the record of their attendance of meetings set out from pages 71 to 72 of this Annual Report.

Provision 11.4 of the Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Trust Deed currently does not provide for absentia voting which may be considered by the Manager following careful study to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised and legislative changes are effected to recognise remote voting. The Manager is of the view that despite the deviation from Provision 11.4 of the Code, its current practice remains consistent with Principle 11 of the Code as a whole because 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 a proxy form with instructions on the appointment of proxies, instructions on how to access an electronic copy of the circular on SGXNET as well as MCT's website, and a form to request for a printed copy of the circular. 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 or submission of proxy forms depending on the format of the general meeting. An independent scrutineer is also appointed to validate the vote tabulation and procedures. The Manager will announce the results of the votes cast for and against each resolution and the respective percentages and prepare minutes of such meetings.

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

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

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

The Manager also communicates with MCT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. Investor presentation slides used during such conferences and roadshows are also uploaded to SGXNET and MCT's website to ensure Unitholders are kept up-to-date on material information. The Manager's CEO and CFO are present at briefings and communication sessions to answer questions from investors and analyst briefings are also conducted where practicable. Stakeholders can subscribe for email alerts to receive the latest updates on the Group and also contact the Investor Relations Department via a dedicated email address. Further details on the Manager's investor relations activities and efforts are found from pages 141 to 143 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 general meetings (which record substantial and relevant comments and queries from Unitholders and the response from the Board and Management) are also available on MCT's website at www.mapletreecommercialtrust.com.

MCT's distribution policy is to distribute at least 90% of its taxable income, as well as its tax-exempt income (if any). For FY21/22, MCT made two distributions to Unitholders.

(E) MANAGING STAKEHOLDER RELATIONSHIP

Engagement with Stakeholders

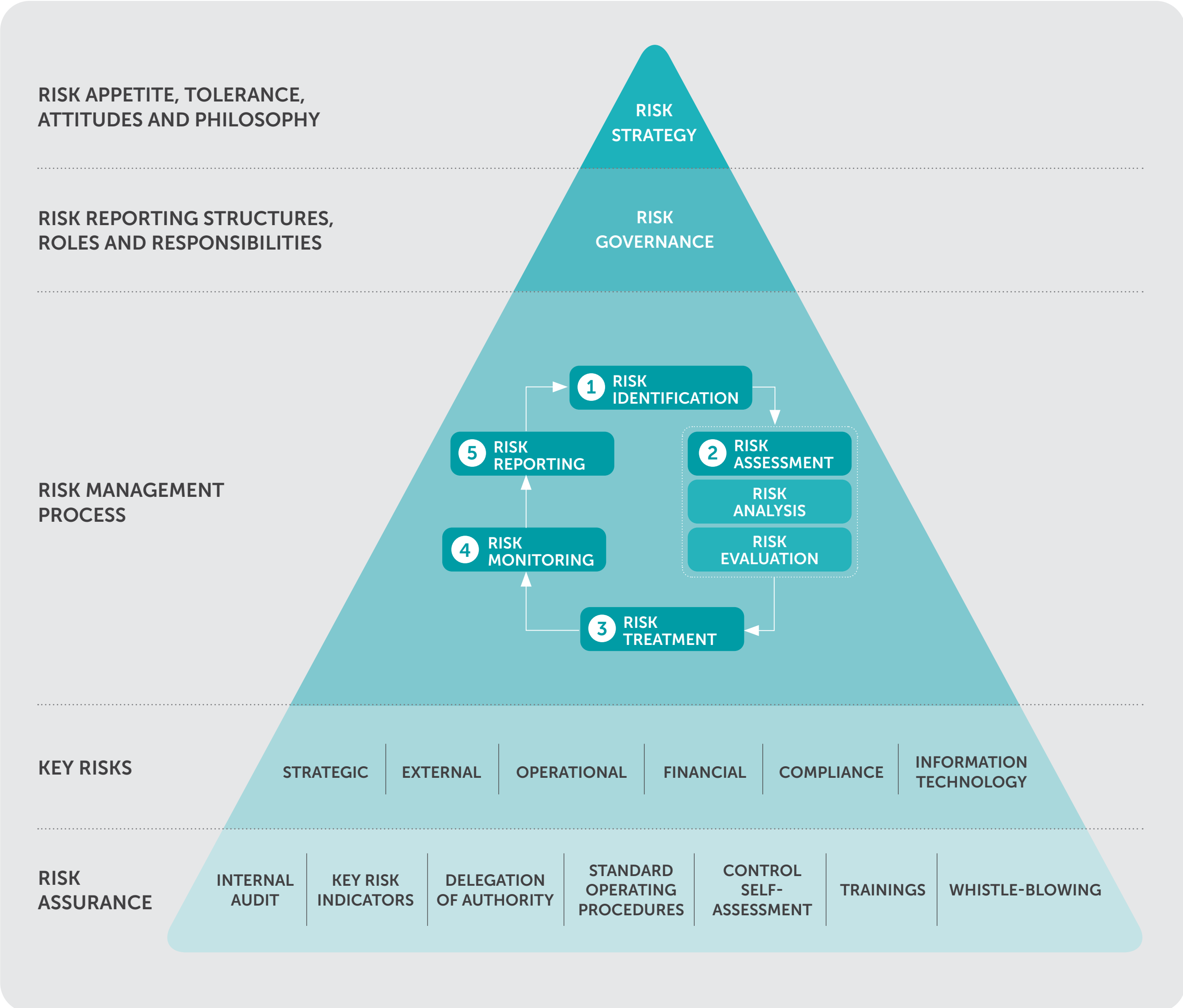
Principle 13: Balance needs and interests of various stakeholders

Our Policy and Practices

The Manager adopts the principle that to build confidence among stakeholders, there is a need to balance the needs and interests of various stakeholders. The Sustainability Report from pages 94 to 140 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 2022.

RISK MANAGEMENT

Risk Management is an integral part of the Manager's business strategy to deliver regular and steady distributions. 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 is responsible for determining the overall risk strategy and risk governance, as well as ensuring that the Manager implements sound risk management and internal control practices. The Board also approves the risk appetite and tolerance statements, which set out the nature and extent of risks that can be taken to achieve the Manager's business objectives. The Board, which is supported by the AC, comprises directors, whose collective diverse experience and knowledge serve to give guidance and provide strategic insights to the Manager. The AC has direct access to the Sponsor's Risk Management ("RM") department, which it engages on a quarterly basis, as part of its review of MCT's portfolio risks.

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

The Manager's ERM framework is adapted from International Organisation for Standardisation (ISO) 31000 Risk Management. It is dynamic and evolves with the business, thus providing the Manager with a holistic and consistent process for the identification, assessment, monitoring and reporting of risks. The Sponsor's RM department works closely with the Manager to continually review and enhance the risk management system in accordance with market practices and regulatory requirements, under the guidance and direction of the AC and the Board. A CSA framework further reinforces risk awareness by fostering accountability, control and risk ownership, as well as provides additional assurance to the Board and the Manager that key operational, financial, compliance and information technology risks are effectively and adequately managed and controlled.

ROBUST MEASUREMENT AND ANALYSIS

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

The VaR methodology measures risks consistently across the portfolio. It enables the Manager to quantify the benefits that arise from diversification across the portfolio, and to assess risk by asset class and risk type. The Manager recognises the limitations of any statistically-based analysis that relies on historical data. Therefore, MCT's portfolio is subject to stress tests and scenario analyses to ensure that the business remains resilient in the event of unexpected market shocks.

RISK IDENTIFICATION AND ASSESSMENT

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

Strategic Risks

Market risk

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

Investment risk

The risks arising from investment activities are managed through a rigorous and disciplined investment approach, particularly in the areas of asset evaluation and pricing. All acquisitions are aligned with MCT's investment strategy to enhance returns to Unitholders. Sensitivity analysis is also performed for each acquisition on all key project variables to test the robustness of the assumptions used. For significant acquisitions, independent risk assessments are conducted by the Sponsor's RM department and included in the investment proposal submitted to the Board for approval. All 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, which is the final approving authority for all investment decisions.

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

External Risks

Economic risk

Elevated geopolitical risks, tight supply conditions and the COVID-19 pandemic continue to pose significant uncertainties to the global economic outlook. To manage such economic risks, the Manager conducts rigorous real estate market research and monitors economic developments closely.

To mitigate the adverse impact on the financial performance of MCT's properties, the Manager has prioritised occupancy. Efforts were taken to restructure retail leases with more flexible terms to maintain portfolio occupancy, and where necessary, the Manager has also extended rental reliefs to support eligible tenants where warranted.

Environmental risk

With climate change and the associated changes in climate regulations, as well as the increasing focus on reducing carbon emissions to mitigate environmental risk, the Manager identifies asset enhancement initiatives, where feasible, to improve the environmental performance of MCT's properties. The Manager sets targets for carbon emission reduction, as well as water and energy efficiency, and will also continue in its efforts of adopting renewable energy sources and attaining green building certifications, where feasible.

RISK MANAGEMENT

Environmental risk due diligence is incorporated as part of the investment considerations and exposure scans to physical risks of existing properties are conducted periodically. The Manager monitors evolving changes in climate regulations and engages various stakeholders in ESG initiatives discussions proactively.

For more information, please refer to the Sustainability Report as set out on page 94 to 140 of this Annual Report.

Operational Risks

Operational risk

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

Human resource risk

The loss of key management personnel or inability to attract, grow and retain key talent and management personnel 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 attract, reward and retain performing personnel.

Property damage and business disruption risks

In the event of unforeseen catastrophic events such as COVID-19, the Manager has established a business continuity plan as well as a crisis communication plan to resume business operations with minimal disruptions and loss. MCT's properties are insured in accordance with industry norms in Singapore.

Health and Safety risks

The Manager places utmost importance on the health and safety of its stakeholders. Safety practices have been incorporated in MCT's SOPs, which include fire emergency plans and regular checks on fire protection systems. Checks on required certificates and permits are also performed regularly to ensure compliance to regulatory requirements. In view of COVID-19, additional measures such as stepping up the frequency of cleaning and disinfecting of common areas, as well as increasing the availability of hand sanitisers within properties, have been taken to enhance properties' cleanliness and hygiene levels. For more information, please refer to pages 111 to 114 of this annual report.

Credit risk

Credit risk is mitigated from the outset by conducting tenant credit assessments as part of the investment due diligence process prior to an acquisition. For new and sizeable leases, credit assessments of prospective tenants are undertaken prior to signing of lease agreements. On an ongoing basis, tenants' credit worthiness is closely monitored by the Manager's asset management team and arrears are managed by the Manager's Credit Control Committee, who meets regularly to review debtor balances.

To further mitigate credit risks, security deposits in the form of cash or banker's guarantees are collected from prospective tenants prior to the commencement of leases, where applicable.

Financial Risks

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

Interest rate risk

The Manager prudently manages exposure to interest rate volatility from MCT's borrowings through interest rate derivatives and fixed rate debts.

Liquidity risk

The Manager actively monitors MCT's cash flow position and funding requirements to ensure sufficient liquid reserves to fund operations, meet short-term obligations and achieve a well-staggered debt maturity profile (see Financial & Capital Management Review section on pages 40 to 45 of this annual report).

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

Compliance Risks

Regulatory risk

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

Fraud risk

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

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

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

Technology and Cyber Risks

Concerns over the threat posed by cybersecurity attacks have risen as such attacks become increasingly more prevalent and sophisticated. The Mapletree Group has in place comprehensive policies and procedures governing information availability, control and governance, as well as data security. A 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 cybersecurity awareness to ensure that they are aware of potential cybersecurity threats. On top of the constant monitoring of internet gateways to detect potential security events, network vulnerability assessments and penetration testing are also conducted regularly to identify potential security gaps.

RIGOROUS MONITORING AND CONTROL

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

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

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board is pleased to publish Mapletree Commercial Trust's sixth Sustainability Report ("SR"). This report encapsulates our policies, practices, targets of all sustainability matters and their respective performance for the period from 1 April 2021 to 31 March 2022.

We are starting to see sustainability take the centre stage for major corporations worldwide. Sustainability forms the core of businesses, is key to strategic business decisions and supports the working philosophy behind business operations. Likewise, at MCT, the Manager firmly believes that businesses have an important role to play in accelerating sustainable development and addressing the challenges of climate change. We strive to conduct our business in a socially responsible manner, care for the environment and communities we live, work and play in, while keeping impacts to a minimum. Every stakeholder matters – employees, tenants, customers, investors – we keep their feedback in mind and strive to meet their expectations. We commit ourselves to delivering long-term value to our stakeholders as we progress further with them on this sustainability journey.

In the long shadows of COVID-19, we continue to reaffirm our commitment to sustainability and are happy to make progress in our ESG efforts. An environmental risk assessment was commenced by the Board in FY21/22. Results of the risk findings were subsequently integrated within our current Enterprise Risk Management framework, which is in line with the Guidelines on Environmental Risk Management for Asset Managers issued by the MAS. This is expected to help us better identify and manage climate-related risks and opportunities. Following this, we adopted the recommendations of the TCFD and have made our inaugural disclosure within this Report. More details can be found within the Energy and Climate Change section.

Our approach towards sustainability is aligned with that of the Sponsor's, and is anchored by our shared belief to incorporate the "triple bottom line" in running our business: financial, social and environmental. During the year, we reassessed our material sustainability matters and conducted a stakeholder engagement survey to better understand their needs and concerns. The survey results revealed the top sustainability matters, which were subsequently presented to the Management for further deliberation. Thereafter, we redefined our material sustainability matters and added four new material sustainability matters (to the existing eight matters) to reflect our areas of focus and the growing scope of sustainability concerns from our stakeholders. Targets for the forthcoming financial year have also been set for all material sustainability matters.

The Board maintains overall responsibility on our sustainability strategy and achievement of long-term performance. The 12 material sustainability matters were presented to the Board for their approval. The Board is closely supported by the Sponsor's Sustainability Steering Committee ("SSC") and MCT's management in overseeing the sustainability direction and management of MCT.

At MCT, we adopt an iterative approach towards the review of our ESG strategies to continuously identify areas for improvement. Since 2020, we have been benchmarked as "A" for GRESB Public Disclosure. This year, we were conferred a GRESB Three Star rating for our inaugural participation in the GRESB Real Estate Assessment, a global ESG performance benchmark for real estate companies and funds. ESG issues have become increasingly important for investors. This assessment enables us to measure our performance against global peers and fine-tune our sustainability practices for the long term.

We are pleased to share some of our sustainability developments:

- All our five properties maintained their respective BCA Green Mark certifications, with three of them being certified Platinum, the highest accolade in recognition of a building's environmental impact and performance, with the remaining two being certified Green Mark Gold^{PLUS};
- Generated more than 1.7 million kilowatt-hour ("kWh") of solar energy in FY21/22 – an increase of more than 4% from FY20/21;

- Introduced more sustainability solutions, including installing Electric Vehicle ("EV") charging points at VivoCity and MBC, as well as smart water meters and sensors across various assets for better monitoring of water consumption;
- All properties have obtained ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications;
- Established the Green Finance Framework to demonstrate our intent to enter into Green Finance Transactions to fund initiatives that would contribute positively to sustainability; and
- Rolled out a groupwide Board Diversity Policy with a target set to achieve at least 25% and 30% of female representation on the Board by 2025 and 2030 respectively.

As we close the year, we look forward to the resumption of normalcy for business and social activities in Singapore. We will remain vigilant in monitoring the situation and will continue to work with the relevant agencies to safeguard the health and safety of our employees, customers and the community.

Sustainability remains at the heart of our business, and there is still much to be done to build a better tomorrow. As we continue our sustainability journey, we would like to again invite our stakeholders to join us in doing well by doing good.

BOARD OF DIRECTORS

ABOUT THE REPORT

REPORTING SCOPE

This report covers the sustainability performance of all the five properties within MCT's portfolio for the period 1 April 2021 to 31 March 2022 ("FY21/22"), unless otherwise stated. Data from prior years has been included for comparison, where available. This SR should be read together with the financial, operational and governance information detailed in the Annual Report.

PROPERTIES

VivoCity
MBC
mTower
Mapletree Anson
BOAHF

REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option. We have also applied additional guidance set forth by the GRI-G4 Construction and Real Estate Sector Disclosures which are relevant to our industry. The GRI Standards was selected as it is the most widely adopted global standard for reporting on environmental, social and governance topics. The SR also meets the requirements of the SGX-ST Listing Rules (711A and 711B), as well as the Sustainability Reporting Guide set out in Practice Note 7.6. We have included supplementary details on our methodology on page 134.

FEEDBACK

We welcome feedback from all stakeholders on our sustainability approach, performance and disclosures. Please share your views, suggestions or feedback via email to Ms Teng Li Yeng, Director, Investor Relations at enquiries_mct@mapletree.com.sg.

SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY

As a Mapletree-sponsored REIT, MCT's sustainability approach is closely aligned with the Sponsor's. We are focused on creating long-term value for our stakeholders and we do so by incorporating sustainability into our daily operations and activities.

As the business environment and stakeholders' needs evolve, it is critical for us to understand and address changing sustainability risks and opportunities. This guides the formulation and implementation of appropriate plans to improve our business activities and day-to-day operations while minimising the impacts to the communities we operate in.

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

- **Supporting the transition to a low carbon economy through sustainable investment, development, and operations**
- **Safeguarding the health and safety of our employees and stakeholders[1]**
- **Focusing on diversity and inclusion of our workforce and support the communities in which we operate in**
- **Maintaining high ethical standards**

To better assess MCT's performance against peers through a standardised and globally-recognised framework, we participated in the GRESB Real Estate Assessment[2] in 2021 for the first time. We are proud to achieve a GRESB Three Star rating from the Assessment and an 'A' for GRESB Real Estate Public Disclosure. This inaugural submission for GRESB Real Estate Assessment marks the start of our alignment with the GRESB framework and signifies the Manager's commitment to continually improve ESG disclosures.

Additionally, we have begun making disclosures in line with the recommendations from the TCFD. Disclosures are structured under four thematic areas: governance, strategy, risk management, and metrics and targets. More details can be found within the Energy and Climate Change section of this Report.

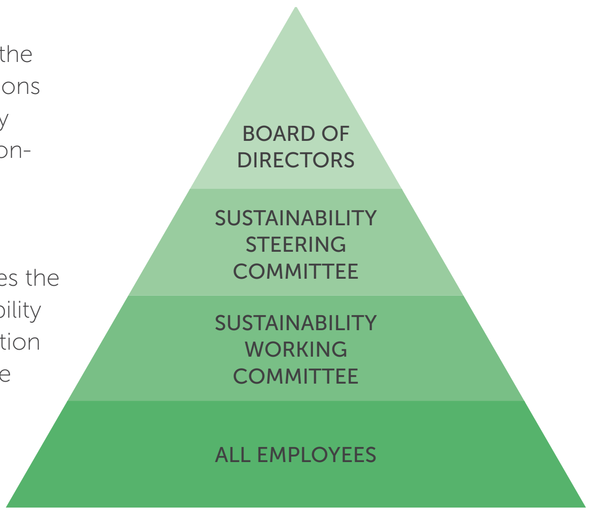
SUSTAINABILITY GOVERNANCE

A strong governance structure enables us to implement our sustainability approach across the business and strengthens relations with stakeholders. Sustainability also underpins strategic decision-making across all levels and supports our long-term goals.

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

The SSC supports the Board, leading the development of, and oversees progress on, policies and initiatives in line with MCT's sustainability strategy. The SSC is co-chaired by the Sponsor's Deputy Group Chief Executive Officer and the Group Chief Corporate Officer and comprises the CEOs of the four Mapletree Group-sponsored REITs as well as other members of the Sponsor's senior management team across various functions. Ms Sharon Lim, Executive Director and CEO, represents the Manager on the SSC.

Supporting the SSC, the Sustainability Working Committee ("SWC") consists of representatives across various business functions at MCT. They help to implement, execute and monitor the sustainability policies and practices within MCT. Sustainability efforts would also be communicated to employees and other stakeholders, and sustainability performance is reported to the SWC.



1 Stakeholders refer to third-party service providers ("TPSPs"), investors, tenants and visitors.
2 This is an investor-driven global ESG benchmark used by real estate companies and funds.

MAPLETREE'S SUSTAINABILITY JOURNEY AHEAD

Behind every metric and measurement is a commitment to engage, collaborate, learn, improve, and share. In the past years, we have reported our sustainability matters based on the GRI framework and aligned our material matters with the United Nations ("UN") Sustainable Development Goals ("SDGs"). In FY21/22, we conducted a materiality review exercise to determine the areas that truly matter to our stakeholders. In addition, we incorporated the MAS Guidelines on Environmental Risk Management for Asset Managers into our sustainability reporting, in a commitment to measure and disclose our climate related risks and opportunities in our portfolio.

Mapletree supports the Paris Agreement and Singapore's net-zero ambitions. In line with this, the Group's refreshed sustainability strategy will include the development of a "net-zero by 2050" roadmap, and seeks to drive change through various energy and water reduction initiatives, increase the use of renewable energy, and reinforce sustainability principles across our investment decisions, operations, and development projects.

Our refreshed sustainability roadmap aims to respond to current and future needs of addressing climate change, social integration, and the diversity of our business.

MATERIALITY

In FY21/22, a groupwide materiality reassessment was conducted to review matters regarded as material to the business and our stakeholders. As part of the assessment, surveys were carried out with internal and external stakeholders and interviews were conducted with the Manager's management, to provide a better understanding of the dynamic business environment. This assessment identified, prioritised and validated a list of sustainability matters that were most relevant to MCT and of significant interest to key stakeholders. A total of four material matters were added (Quality, Sustainable Products and Services, Strong Partnerships, Diversity and Equal Opportunity, and Waste Management) and four material matters were renamed. Please refer to the table on pages 98 to 101 for the list of sustainability matters.

In line with our commitment towards global sustainability, we continue to align our sustainability targets and activities with the UN SDGs. With the materiality reassessment, we have now adopted a total of ten SDGs. We are cognisant of the impacts our businesses have on the communities we operate in and strive to further encourage stakeholders to join us in shaping a better future together.

SUSTAINABILITY REPORT

SUSTAINABILITY MATTERS, TARGETS AND PERFORMANCE

The following table summarises our key material sustainability matters, current and future targets, performance, as well as how we contribute to the corresponding SDGs.

Our Material Sustainability Matters		FY21/22 Targets	Status
ECONOMIC PERFORMANCE	We strive to achieve stable and sustainable returns to our shareholders.	• Strive to provide unitholders of MCT with relatively attractive rate of return on investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit	✓
QUALITY, SUSTAINABLE PRODUCTS AND SERVICES[NEW]	We strive to deliver quality and sustainable real estate products and services.	• N.A. New material matter in FY21/22	
STRONG PARTNERSHIPS[NEW]	We strive to establish and foster strong partnerships with key stakeholders.	• N.A. New material matter in FY21/22	
ETHICAL BUSINESS CONDUCT *(renamed from Anti-corruption)*	We strive to conduct our work with utmost integrity and accountability.	• Maintain zero incidences of non-compliance with anti-corruption laws and regulations	✓
COMPLIANCE WITH LAWS AND REGULATIONS	We strive to achieve full regulatory compliance in everything we do.	• Achieve no material incidences of non-compliance with relevant laws and regulations	✓
HEALTH AND SAFETY	We strive to maintain a safe environment for all our stakeholders, the community and care for the well-being of our employees.	• Achieve zero incidences resulting in employee permanent disability or fatality • Achieve 100% relevant trainings for eligible staff members	✓ ✓
EMPLOYEE ENGAGEMENT AND TALENT MANAGEMENT *(renamed from 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 our hiring process remains stringent and to offer equal opportunity to all potential candidates • Maintain diverse and relevant learning & professional development programmes	✓ ✓

FY22/23 Targets	Contribution to the SDGs
• Strive to provide unitholders of MCT with relatively attractive rate of return on investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit Perpetual	8 DECENT WORK AND ECONOMIC GROWTH
• Maintain BCA Green Mark certifications for majority of MCT's portfolio (by GFA) Perpetual • For elaboration on the update in target, please refer to Greening Our Assets on page 103	11 SUSTAINABLE CITIES AND COMMUNITIES
• Plan at least two initiatives to improve relationships with key stakeholders	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
• Maintain zero incidences of non-compliance with anti-corruption laws and regulations Perpetual	17 PARTNERSHIPS FOR THE GOALS
• Achieve no material incidences of non-compliance with relevant laws and regulations Perpetual	17 PARTNERSHIPS FOR THE GOALS
• Achieve zero incidences resulting in employee permanent disability or fatality Perpetual • Achieve 100% relevant trainings for eligible staff members Perpetual	3 GOOD HEALTH AND WELL-BEING
• Target shifted to Diversity and Equal Opportunity • Maintain diverse and relevant learning & professional development programmes Perpetual • Hold employee town hall meetings at least once a year	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Met Not Met

SUSTAINABILITY REPORT

Our Material Sustainability Matters		FY21/22 Targets	Status
DIVERSITY AND EQUAL OPPORTUNITY NEW	We strive to maintain gender equality by providing fair and equal opportunities for all.	• N.A. New material matter in FY21/22	
COMMUNITY IMPACT *(renamed from Local Communities)*	We strive to support initiatives and projects that have a positive impact on communities.	• Encourage employee participation in Mapletree Corporate Social Responsibility ("CSR") events	✓
ENERGY AND CLIMATE CHANGE *(renamed from Energy)*	We strive to improve our energy performance and efficiency.	• Maintain or improve landlord's like-for-like[1] energy intensity by up to 1% of FY19/20's baseline[2]	✓
		• At least maintain the respective BCA Green Mark certifications for all MCT properties	✓
WATER MANAGEMENT	We strive to manage our water usage in a sustainable manner.	• Maintain landlord's like-for-like[1] water consumption to within ±1% of FY19/20's baseline[2]	✓
WASTE MANAGEMENT NEW	We strive to reduce waste generated and promote recycling.	• N.A. New material matter in FY21/22	

FY22/23 Targets	Contribution to the SDGs
• Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits [Perpetual]	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH
• Encourage employee participation in Mapletree CSR events	3 GOOD HEALTH AND WELL-BEING; 17 PARTNERSHIPS FOR THE GOALS
• Improve landlord's like-for-like[1] electricity intensity by 2% of FY19/20's baseline[2] • Target shifted to Quality, Sustainable Products and Services. • Increase solar energy generating capacity across MCT's portfolio by at least 600 kilowatt peak ("kWp") from FY21/22	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
• Improve landlord's like-for-like[1] water consumption by 1% of FY19/20's baseline[2]	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
• Implement a half-yearly e-waste recycling programme with tenants	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Met Not Met

1 Properties covered in the like-for-like reporting excluded newly acquired or divested properties within the year. Please refer to the methodology on page 134 for more details.

2 FY19/20 has been selected as the baseline for targets for FY21/22 and FY22/23 as the prior year's performance in FY20/21 and FY21/22 respectively would not be fully representative nor comparable to a normal operating year given COVID-19 disruptions.

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

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

Our three-pronged strategy is focused on delivering value to our stakeholders through active asset management and sustainable growth through suitable asset acquisitions, while keeping a disciplined approach on capital and risk management.

CONTRIBUTION TO SDG

8 DECENT WORK AND ECONOMIC GROWTH

HIGHLIGHTS DURING THE YEAR

9.53 Singapore cents

DPU in FY21/22

FINANCIAL PERFORMANCE

In spite of continued COVID-19 disruptions, we closed FY21/22 with a higher gross revenue and NPI of S$499.5 million and S$388.7 million respectively. DPU totalled 9.53 Singapore cents for the year. For detailed information on MCT's financial performance, please refer to Financial Highlights (pages 4 to 5), Financial & Capital Management Review (pages 40 to 45) and Financial Statements (pages 144 to 211) of this Annual Report.

DUE DILIGENCE FOR INVESTMENTS

The Group seeks to continually strengthen the integration of ESG across its investment lifecycle. The Manager aligns its due diligence approach with that of the Group's where environmental and socioeconomic assessments are presently part of our due diligence process for investments. This will enable us to assess and put in place appropriate mitigative measures that are aligned with Government regulations and guidelines, as well as ESG principles.

GREEN FINANCING

Our financial approach is guided by business resiliency and sustainability. We obtained our maiden green loan in October 2019 during the acquisition of MBC II. Since then, we have gone on to secure green loan facilities totalling S$1,040.0 million.

At the same time, we constantly explore ways to diversify our financial sources and enhance financial flexibility by seizing trends in sustainable financing. In January 2022, we took a further step in integrating ESG goals into our financial approach by establishing the Green Finance Framework (the "Framework"). The Framework is prepared in line with the Green Bond Principles (2021) published by the International Capital Markets Association and the Green Loan Principles (2021) published by the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association.

The setting up of the Framework demonstrates our intent to enter into Green Finance Transactions ("GFTs") such as green loans and green bonds. With the Framework outlining the criteria and guidelines for MCT and its subsidiaries to allocate and manage the proceeds raised from the GFTs, we believe this will help us secure funding from like-minded capital providers who share our belief in making a positive impact to the environment and the society.

QUALITY, SUSTAINABLE PRODUCTS AND SERVICES NEW

At MCT, we strive to leverage on innovative solutions and incorporate them into the development, design and operations of our properties. This is in alignment with the Singapore Green Plan 2030, whereby one of the strategic pillars focuses on green infrastructure and buildings. Under the targets set, the Manager aims to further elevate MCT's spaces through the latest building technology as well as obtaining and maintaining green building certification schemes, to deliver high quality and sustainable products and services to its tenants and customers.

OUR POLICIES

Groupwide

- Environmental, Health and Safety Policy

CONTRIBUTION TO SDG

11 SUSTAINABLE CITIES AND COMMUNITIES

OUR TARGETS AND PERFORMANCE

FY21/22 Targets	Performance	FY22/23 Targets
New material factor	–	Maintain BCA Green Mark certifications for majority of MCT's portfolio (by GFA)

HIGHLIGHTS DURING THE YEAR

100%
Portfolio (by GFA) with sustainability certification

All
properties have achieved BCA Green Mark Gold certifications and higher

GREENING OUR ASSETS

In line with the Singapore Green Plan 2030, which is a nationwide movement to advance sustainable development, we invest in greening existing properties and green buildings. Over the years, we have also integrated sustainability into architectural design, building details, asset enhancement works as well as maintenance activities to reduce our carbon footprint and contribute to the development of Singapore as a sustainable city.

We continue to support the Singapore Green Building Masterplan to shape a safe, high quality, sustainable and user-friendly built environment. We are proud to announce that in FY21/22, all of MCT's properties have achieved at least the BCA Green Mark Gold^{PLUS} Award, with three out of the five properties certified Green Mark Platinum, the highest accolade in recognition of a building's environmental impact and performance. MBC II has maintained its Leadership in Energy and Environmental Design ("LEED") certification, further demonstrating our best-in-class building strategies and practices.

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

SUSTAINABILITY REPORT

In April 2021, the BCA Green Mark 2021 ("GM: 2021") scheme was piloted after extensive consultations with key industry stakeholders and partners including the Singapore Green Building Council. The revised scheme is aligned with BCA's aims to raise standards in energy performance in Singapore as well as to better emphasise on other sustainability outcomes. It also aims to promote outcomes that are aligned with the UN SDGs. With the introduction of more stringent guidelines under the GM:2021 scheme, we have made revisions to our green building target. We will now aim to maintain BCA Green Mark Certifications for the majority of our portfolio (by GFA). This will be in addition to our continuous effort to strive for advancements in green initiatives relating to energy, emissions and water as we keep our properties green and sustainable. Engineering forums will continue to be held monthly to discuss ongoing applications or renewals of the green building certifications.

In FY21/22, we have also obtained ISO 14001 and ISO 45001 certifications across all our properties. These two certifications will be integrated with the existing ISO 9001 certification. During the year, all MCT properties have been certified with full conformance in the respective audits – a performance we aim to upkeep.

As announced at Budget 2022, the Singapore Government will be taking steps towards achieving net-zero emissions with a target of doing so "by or around mid-century", and one such avenue is to reduce the environmental impact of transportation. For instance, the adoption of EVs will be incentivised as Singapore gradually phases out internal combustion engine vehicles by 2040. In line with this goal, we have installed EV charging stations at carpark lots of VivoCity and MBC to meet the upcoming demand and to enhance tenants' and shoppers' experiences.

STRONG PARTNERSHIPS NEW

The Manager recognises that establishing and fostering strong relationships with key stakeholders is integral to its business. Through regular and meaningful engagements, the Manager is committed to building and maintaining strong and effective partnerships with all stakeholders across the value chain. This allows for us to deliver tailored responses to address their concerns.

OUR POLICIES

Groupwide

- Investor Relations Policy
- Environmental, Health and Safety Policy

CONTRIBUTION TO SDGS

OUR TARGETS AND PERFORMANCE

FY21/22 Targets	Performance	FY22/23 Targets
New material factor	–	Plan at least two initiatives to improve relationships with key stakeholders

HIGHLIGHTS DURING THE YEAR

48%
of suppliers engaged in FY21/22 were certified with ISO 45001

Over **500**
Investors and analysts engaged through briefings, meetings and roadshows (mostly held virtually)

STAKEHOLDER ENGAGEMENT

Our long-term growth and success depend greatly on our ability to understand stakeholders' key concerns and feedback. This enables us to identify sustainability issues that matter to them and to respond responsibly in a timely manner. Although the frequency of engagement with various stakeholder groups varies, we strive to engage all stakeholders proactively throughout the year. The table below summarises the key concerns for each stakeholder group, the relevant engagement methods and our responses.

● Throughout the year ● Once or at least once a year ● Once every two to three years ● Monthly ● Ad-hoc

Key Stakeholder Groups	Engagement methods	Engagement Frequency	Key concerns	Relevant material sustainability matters
Shoppers	• Customer feedback through customer service	Throughout the year	• Safety and well-being of our shoppers • Range and quality of retail offerings and services for shoppers' convenience • Safe, pleasant and vibrant shopping environment • Connectivity and access to public transport • Health and safety concerns due to COVID-19	• Strong Partnerships • Health and Safety • Community Impact
	• Online and mobile communications platforms, as well as social media	Throughout the year		
	• Advertisements, marketing and promotional events to engage and inform shoppers	Throughout the year		
Tenants	• Ongoing proactive engagements with existing and new tenants through calls, regular meetings, gatherings as well as informal engagement programmes	Throughout the year	• Safety and well-being of tenants and their employees, as well as visitors to the properties • High quality and comfortable retail/office environment • Efficiency and safety of buildings • Competitive rental rates • Range of supporting amenities • Connectivity and access to public transport • Shopper traffic • Collaboration in marketing and promotional events • Disruptions to businesses due to COVID-19	• Quality, Sustainable Products and Services • Strong Partnerships • Health and Safety • Community Impact
	• Joint promotions and partnerships with tenants	Throughout the year		
	• Tenant Handbook, newsletters and tenant circulars	Throughout the year		
	• Tenant engagement surveys	Once every two to three years		
Investment Community (Investors, Unitholders, Analysts and Media)	• Annual and/or Extraordinary General Meetings (held virtually during FY21/22)	Once or at least once a year	• Steady and sustainable distributions • Operational and financial performance • Business strategy and long-term outlook • Good corporate governance • Timely and transparent reporting • Economic performance and recovery of MCT post-COVID-19	• Economic Performance • Strong Partnerships • Ethical Business Conduct • Compliance with Laws and Regulations
	• Website and SGXNet announcements, presentations and press releases	Throughout the year		
	• Annual reports, virtual results briefings and webcasts	Throughout the year		
	• Meetings and conference calls (held virtually during FY21/22)	Throughout the year		
	• Investor conferences and non-deal roadshows (held virtually during FY21/22)	Throughout the year		
	• Electronic communication and feedback channels as well as enquiries hotline	Throughout the year		

SUSTAINABILITY REPORT

Key Stakeholder Groups	Engagement methods	Engagement Frequency	Key concerns	Relevant material sustainability matters
Employees	• Communication sessions by senior management • Career development and performance appraisals • Regular two-way dialogues with employees through formal and informal communication • Electronic communication through emails, intranet and newsletters • Recreational and wellness activities • Training and development programmes and education sponsorships • Employee Handbook and induction programme for new employees • Employee engagement surveys		• Equitable reward and recognition • Employee retention, talent development and management • Fair and competitive employment policies and practices • Safe and healthy working environment • Opportunities for learning and development • Employee development and well-being • Health and safety concerns due to COVID-19	• Economic Performance • Health and Safety • Employee Engagement and Talent Management • Diversity and Equal Opportunity
Trustee	• Monthly reporting and updates • Ongoing dialogues and regular feedback		• Safeguard the rights and interests of Unitholders • Ensure compliance with the Trust Deed and regulations • Open communication channels	• Strong Partnerships • Ethical Business Conduct • Compliance with Laws and Regulations
Business Partners (Government, Regulators, Industry Associations and TPSPs)	• Participation in industry associations such as the REIT Association of Singapore ("REITAS") • Ongoing dialogues, feedback and networking events • Meetings, briefings, consultations and inspections • Letters and electronic communication • Regular operations meeting with TPSPs and Property Managers		• Compliance with rules and regulations • Fair and reasonable business practices • Win-win partnerships	• Ethical Business Conduct • Compliance with Laws and Regulations • Community Impact • Energy and Climate Change • Water Management • Waste Management
Local Communities	• Collaborations with non-profit organisations to raise visibility and impact of philanthropic, social and environmental causes • Communication campaigns to educate and remind tenants, shoppers and employees on COVID-19 health and safety measures • Channels for public feedback including information counters, social media channels, customer service hotlines and electronic feedback forms		• Safe and healthy spaces within MCT's properties, especially amid COVID-19 • Sustainable environmental practices • Positive impact on the local community	• Health and Safety • Strong Partnerships • Community Impact

SCREENING AND ENGAGING WITH TPSPs

We recognise the direct and indirect impacts that may occur across our supply chain as a result of our business activities. As part of our sustainability strategy, we strive to also influence our upstream and downstream TPSPs to adopt sustainable practices in their operations. At MCT, our TPSPs undergo a stringent screening process prior to being awarded a project or to be included in the list of approved TPSPs.

The procurement process is structured, which seeks to adhere to the principles of transparency as well as open and fair competition. Before the commencement of a new tender process, it is mandatory to check if the TPSP is in the Prohibited Vendor List, which includes suppliers with previous track records of compromise of health and safety standards or corrupt conduct. Contracts are awarded after rigorous tender selection involving a balanced evaluation of financial and non-financial criteria.

Certifications that TPSPs have attained are also considered by the Manager. Such certification may include environmental certification such as ISO14001 where necessary. Suppliers will also be assessed based on social criteria which include, but are not limited to:

- Safety performance track records;
- Achievement of National Environment Agency's Enhanced Clean Mark Accreditation Scheme; and
- Relevant International Organisation for Standardisation and Occupational Safety and Health Administration certifications

Appointed TPSPs are also required to meet health and safety policies that have been included in the terms and conditions of their service contracts. This includes compliance with national regulations relating to mosquito and pest breeding, water stagnation, littering, and pollution and waste management issued by the Ministry of Sustainability and the Environment.

The Manager carries out regular spot checks to monitor the health and safety performance of TPSPs to ensure their adherence to occupational health and safety laws and regulations.

In FY21/22, we engaged 80 suppliers and of these suppliers, 34% are certified ISO 14001 and 48% are certified ISO 45001.

INVESTOR ENGAGEMENT

We engage our investors in a regular, proactive and open manner. Throughout the year, the Investor Relations team conducted a series of programmes to provide investors with updates on MCT's performance, strategy, business operations, financial information, transactional activities and other information. These are valuable channels for two-way communication between the Manager and investors. During FY21/22, we engaged more than 500 investors and analysts through briefings, meetings and roadshows. These were mostly conducted via virtual means due to COVID-19 measures. To help retail investors better understand the proposed merger with MNACT and to hear their feedback, we conducted a virtual information session on 10 May 2022. This was facilitated by the Securities Investors Association (Singapore) ("SIAS") and well-attended by more than 120 retail investors. A recording of the virtual information session was made available on MCT's website subsequently.

For more information, please refer to Investor Relations on pages 141 to 143 of the Annual Report.

TENANT AND CUSTOMER ENGAGEMENT

We constantly strive to meet the expectations of tenants and seek to continually improve services in response to tenants' feedback. We continue to proactively engage tenants on a regular basis. Tenants have direct access to the property management team when it comes to sharing feedback or raising any concerns. Regular engagements and interactions are crucial in fostering strong tenant relationships. Tenant surveys are conducted once every two years for each property to gather feedback regarding service delivery, facility management, building security and maintenance of common facilities. Feedback and comments received are consolidated and reviewed by the respective property management team. The next survey will be held in FY22/23, where questions on ESG matters will be included.

Besides the tenant satisfaction survey, the Manager also conducted an ESG-related tenant engagement via multiple engagement channels. Such engagement is crucial for us to receive feedback and address tenants' concerns on ESG. During the year, we encouraged our tenants and their employees to join our efforts in protecting the environment and to raise their awareness in such topics.

SUSTAINABILITY REPORT

Tenant Engagement Programme	Description
Service Excellence Induction Training (Monthly)	VivoCity's monthly Service Excellence Training is aimed at lifting the customer's experience in the mall, through instilling a mindset of service excellence amongst our frontliners. The training syllabus covers facts and useful information about VivoCity for shoppers and tourists, ways to create exceptional experiences for our customers and also transfers general knowledge about the Personal Data Protection Act ("PDPA"). During FY21/22, we conducted four training sessions. A few of them were cancelled due to COVID-19 restrictions.

A tenant Green Guide was implemented across all five properties as part of the Fit-Out Manual to encourage tenants to adopt sustainable practices ranging from energy and water efficiency measures to switching to greener suppliers in their operations. Tenants were also encouraged to achieve Green Mark/LEED certifications or equivalent for their internal office spaces and to consider working with vendors and contractors that are aligned with sustainability objectives.

To support eligible retail tenants who were adversely affected by COVID-19, we have rendered rental rebates amounting to approximately 5.8 months[1] of fixed rent since the start of COVID-19.

We strive to meet the expectations of our shoppers and seek to continually improve our services to meet their needs. Shoppers' feedback is collected to address their concerns and interests. The public is able to provide feedback through dedicated platforms such as electronic feedback forms, customer service hotlines, social media channels as well as through information counters located in our shopping mall. The gathered feedback provides valuable insights for us to identify areas of improvement in order to uphold high service quality and standards.

MEMBERSHIP IN REAL ESTATE INDUSTRY

We remain committed to contributing towards the development of the real estate and REIT industry in Singapore. Together with the Group, we are a member of REITAS. We provide inputs on public consultations and participate in seminars throughout the year.

1 Includes the passing on of property tax rebates, cash grants from the Government and other mandated grants to qualifying tenants.

ETHICAL BUSINESS CONDUCT | COMPLIANCE WITH LAWS AND REGULATIONS

We are committed to uphold the highest standards of corporate governance and transparency across our operations. This includes ensuring full compliance to local laws and regulations and adopting a zero-tolerance approach against all forms of bribery, corruption and anti-competitive practices.

OUR POLICIES

Groupwide

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

CONTRIBUTION TO SDG

17 PARTNERSHIPS FOR THE GOALS

OUR TARGETS AND PERFORMANCE

FY21/22 Targets	Performance	FY22/23 Targets
Maintain zero incidences of non-compliance with anti-corruption laws and regulations	✔	Maintain zero incidences of non-compliance with anti-corruption laws and regulations
Achieve no material incidences of non-compliance with relevant laws and regulations	✔	Achieve no material incidences of non-compliance with relevant laws and regulations

HIGHLIGHTS DURING THE YEAR

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

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

7th
year as a REITAS member whereby we engage actively with policy makers and participate in talks, courses and education events to promote understanding in Singapore REITs

ANTI-CORRUPTION

The Mapletree Group adopts a zero-tolerance approach against all forms of bribery and corruption and have instituted measures to guard against any forms of malpractice. The presence of a strong corporate governance framework is core to every business. It provides accountability and transparency to all stakeholders and enhances investor confidence. All employees are required to adhere to the Group's stringent policies and procedures relating to anti-corruption practices, prohibition of bribery as well as expected conduct of our employees, which are specified in the Employee Handbook. The Handbook establishes the list of prohibited misconduct, including fraud, embezzlement and acceptance or offer of lavish gift giving or acceptance. Employees found to have breached the terms listed in the Handbook may be subjected to disciplinary action being taken upon them. Subject to the severity of breaches, disciplinary action taken can range from corrective counselling, verbal or written warning, stoppage of salary increment, demotion and/or which can include termination of employment.

SUSTAINABILITY REPORT

All employees are also required to declare a potential conflict of interest arising from the appointment of outside directorships, participation in external engagements and personal relationships amongst employees. Where there are identified actual, potential, or perceived conflicts of interest, re-deployment of employees may be necessary.

Our Whistleblowing Policy further provides an avenue for employees and external parties to raise concerns on any illegal, unethical or otherwise inappropriate behaviour observed in the course of our business. Such actions can include questionable accounting, violations of business conduct as well as breaches in the policies set out. Reports can be made via a dedicated e-mail address (reporting@mapletree.com.sg). Strict confidentiality standards are established to ensure that whistle-blowers are protected from reprisals or victimisations.

Where there are cases of threatened or pending litigation, they are carefully monitored and promptly reported to the CEO of the Manager and the Group Chief Corporate Officer and Group General Counsel for their timely resolution.

COMPLIANCE WITH LAWS AND REGULATIONS

MCT strives to be fully compliant with all relevant statutory and regulatory requirements in our business activities and operations. Any case of non-compliance could potentially expose us to reputational risks and liabilities such as financial repercussions, litigations or even revocation of our license to operate.

The Manager is supported by the Group's Enterprise Risk Management Framework which sets out guidelines and processes to identify, monitor and mitigate risk of non-compliance. We have identified applicable laws and regulatory obligations for MCT which include, but are not limited to, listing rules stipulated by SGX-ST, Code on Collective Investment Schemes (in particular Appendix 6 – Investment: Property Funds) by the MAS and the Securities and Futures Act 2001 of Singapore. Any non-compliance pertaining to environmental, safety and security issues are carefully monitored and reported to the Group. During the year, we conducted cybersecurity risk assessments to help us identify potential threats. To mitigate such threats, we endeavour to achieve full adherence to information security policies and procedures set out by the Group. All personal data collected are handled in accordance with the requirements of the Personal Data Protection Act. Stakeholders can reach out to the Data Protection Officer at _MCTM_dpo@mapletree.com.sg on privacy-related matters or concerns. For more information on the above, please refer to Corporate Governance (pages 70 to 89) and Enterprise Risk Management (pages 90 to 93).

As part of the Guidelines on Environmental Risk Management for Asset Managers introduced by the MAS, the Manager is required to assess and manage the potential environmental risk its portfolio may be subjected to. The Guidelines aim to drive sustainability through the integration of environmental risk considerations during investment decisions and improve the climate resilience of the portfolio. Environmental risk can be categorised into two risk channels:

- **Physical Risk**: Risk from the impact of weather events and long-term or widespread environmental changes and can include increased severity of extreme weather events like floods, rising mean temperatures, sea levels, and weather patterns.
- **Transition Risk**: Risks from the process of shifts towards a low-carbon economy, which can include regulatory changes, disruptive technological developments and shifts in consumer and investor preferences.

The environmental assessment was conducted in line with the recommendations of the TCFD and has identified the environmental (including climate) risks that MCT's properties are potentially exposed to. Assets are evaluated under different scenarios to analyse portfolio resilience and develop appropriate mitigation measures to reduce risk. For more information on the potential climate risk and mitigation measures implemented, please refer to the chapter on Energy and Climate Change from pages 123 to 129.

In upholding responsible marketing and advertising practices, we strive to be fully compliant with the Singapore Code of Advertising Practice. All marketing collaterals are reviewed prior to circulation to ensure that they remain within regulated boundaries. Additionally, we ensure that the application and renewal of licenses for the use of music in building premises and the setting up of temporary structures within malls are carried out in a timely manner.

Directors and employees go through regular training to ensure that compliance awareness continues throughout the year. For relevant employees, they are also kept informed of recent developments and changes to applicable laws and regulations through specific training and communication. This year, our employees continued to attend courses and conferences conducted by REITAS, including the REITAS Conference 2021 and Navigating the MAS Guidelines on Environmental Risk Management for REIT Managers. Nine of them completed the online Rules & Ethics Course.

In FY21/22, there were no material incidences of non-compliance relating to laws and regulations, including environmental, socioeconomic compliance, as well as marketing communications – a performance we aim to upkeep. There were also no substantial breaches of customer privacy and losses of customer data within the year. During this period, we were also compliant with all COVID-19 related regulations and will continue to keep ourselves up-to-date as the situation develops.

HEALTH AND SAFETY

Safeguarding the health and safety of our employees and all stakeholders at our properties remain our highest priority because every life matters. Very importantly as well, maintaining a healthy and safe working environment leads to greater morale, efficiency and increases stakeholder confidence in the quality that Mapletree is known for.

OUR POLICIES

Groupwide

- Environmental, Health and Safety Policy
- Pandemic Preparedness Plan

OUR TARGETS AND PERFORMANCE

FY21/22 Targets	Performance	FY22/23 Targets
Achieve zero incidences resulting in employee permanent disability or fatality	✓	Achieve zero incidences resulting in employee permanent disability or fatality
Achieve 100% relevant trainings for eligible staff members	✓	Achieve 100% relevant trainings for eligible staff members

CONTRIBUTION TO SDG

3 GOOD HEALTH AND WELL-BEING

HIGHLIGHTS DURING THE YEAR

91
employees participated in Building & Safety training programmes in FY21/22

0
incidences resulting in employee permanent disability or fatality

FOSTERING A SAFETY-FIRST CULTURE AT MCT

We are committed to provide a safe and healthy environment for employees and stakeholders, which include TPSPs, tenants and visitors. The Manager works closely with the property management teams across the portfolio and has established a health and safety management system comprising a comprehensive set of policies and procedures, risk assessments, regular safety trainings and communication, and regular safety inspections. Located at each of our properties, the property management team oversee all health and safety aspects operationally, with additional support provided by the Mapletree Group property management team. Regardless of how long our visitors stay at our premises, our robust framework ensures accountability in the provision of a healthy, safe and vibrant experience for all.

All employees are required to adhere to our Health and Safety Policy detailed in the Employee

SUSTAINABILITY REPORT

Handbook. They are to comply with the safe work practices relevant to their scope of work and to be aware of the impact their actions may have on colleagues and other stakeholders. Standard operating procedures have been established to guide employees and tenants on incident escalation and reporting in the event of an accident within our premises, which is applicable to all properties managed by the Manager. It provides guidance on reporting and escalation procedures, response to emergency situations whereby workers remove themselves from the hazardous situation, monitoring and investigation of incidents. It also stipulates the implementation of corrective actions and necessary reviews to be taken before closure of the cases. Such procedures are in compliance with the Ministry of Manpower's ("MOM") reporting requirements on workplace incidents.

Various guidelines and processes have also been established to manage risks and communicate health and safety requirements to other key stakeholders.

Stakeholders	Processes to Prevent and Mitigate Occupational Health and Safety Impacts
Tenants	• All tenants are required to adhere to health and safety standards by familiarising themselves with the relevant tenant instruction manuals which includes: - A Fit-Out Manual that details minimum fit-out standards such as safety rules for additions and alterations works, a Fire Safety Manual and Evacuation Plan; and - A Tenant Handbook which details safety rules and some "Dos and Don'ts" for tenants to conduct their business safely and responsibly • All tenants are required to sign a Fitting-Out Briefing Acknowledgement Form prior to any engagement of lease contract to acknowledge that they have read and understood the clauses and requirements pertaining to their operations. • Prior to fitting-out works, tenants are to submit plans which are endorsed by a Professional Engineer ("PE"), where required, to the Property Manager for approval. A risk assessment and mitigation plan is required to ensure that risks have been identified and the relevant mitigation controls are in place. Upon completion of the works, the PE is required again to endorse the as-built plan before final submission to the Property Manager. A joint-site inspection focusing on areas such as fire protection system, security and electrical systems as well as storage of any hazardous substances on site will be conducted by both the Property Manager and the tenant involved. Mandatory safety inspections will also be conducted by a safety representative from the property management team prior to the resumption of operations. • Regular communications in the form of circulars are issued to tenants as and when heightened security and health risks arise (e.g. COVID-19).
Third-party service providers	• Similar to tenants, TPSPs are also furnished with a Fit-Out Manual and are required to sign the Fitting-Out Briefing Acknowledgement Form prior to any works. They will go through the same process (i.e. submit relevant documents, obtain endorsement from PE and go through joint-site inspections) as mentioned in the Tenants section above. • Health and safety performance of TPSPs are also monitored through regular meetings to ensure best practices are being implemented and ensure compliance with the applicable health and safety regulations. • A risk assessment checklist on safe work practices is also shared with all technicians.
Visitors	• Properties are installed with directional signages, emergency exits and emergency lightings for the safety of visitors. • Annual checks of lifts and fire alarm systems are conducted to ensure compliance with building regulations. • Site walkabouts are conducted by the Property Manager every working day to ensure that there are no potential safety and health hazards that may affect tenants and visitors.

HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

We adopt a risk-based approach to prevent and mitigate potential health and safety impacts that are linked to our operations by way of business relationships with stakeholders such as tenants and TPSPs.

The Property Manager takes a proactive approach in identifying potential safety and health hazards within our premises. Throughout the year, regular safety inspections are conducted by the Property Manager to ensure no potential safety or health hazards are present. Should there be any findings, the Property Manager will promptly rectify the issue which may include maintenance, removal of the hazard or replacement of certain materials. Fire safety audits are also conducted annually to ensure that operations and are in line with the Fire Safety Act and its regulations.

COMPETENCE AND TRAINING

Throughout the year, regular health and safety trainings such as first aid, fire and electrical safety management were offered to all relevant employees of the property management team. These trainings can be organised in-house or conducted by external specialists. These courses and trainings prepare employees with the knowledge, expertise and skills to discharge their duties safely and efficiently, and also aims to inform them of leading safety practices and keeps them up-to-date with regulatory changes. In FY21/22, 91 employees attended building and safety training programmes.

EMERGENCY PREPAREDNESS AND RESPONSE

The Manager has certified fire safety managers within its respective property management team. They are responsible for timely submissions to the Singapore Civil Defence Force ("SCDF") annually to renew and maintain the fire safety certifications for all our properties. We have established a planned response to emergency situations and regularly communicate information to all relevant stakeholders. Similar to prior year, physical fire drills have been cancelled and converted to table-top exercises. In FY21/22, all properties have successfully conducted two table-top exercises in accordance to SCDF's requirements. Results from the exercises were promptly submitted to SCDF for their review.

TAKING CARE OF OUR EMPLOYEES

As we move forward with living with COVID-19, we continue to raise awareness on the importance of taking care of one's mental, physical, financial and social well-being. During the year, the Group introduced a mobile application "Mapletree Health App" which allows for the easy tracking of employees' vaccination status, submission of Antigen Rapid Test ("ART") results and for employees to send in their requests to be in office for work exigencies during the mandated work-from-home periods. In addition, all staff received care packages containing items such as disposable surgical masks, hand sanitisers and COVID-19 self-test kits.

We also made sure to look after their overall well-being given the higher stress levels arising from work-from-home and changing work arrangements. Throughout the year, we organised and encouraged employees to participate in health and well-being programmes, reminding them to stay active and rest when needed.

SUSTAINABILITY REPORT

Virtual Workouts conducted by Fitness First

We also regularly review and update employment, insurance and medical benefits for employees. As at 31 March 2022, 85% of our employees have attended a minimum of four wellness activities, ranging from Estate Planning to virtual physical workouts in yoga, pilates and stretching. The virtual physical workouts organised with Fitness First were well-participated by close to 500 participants across the four sessions.

COVID-19: MANAGING RISKS AND ENSURING BUSINESS CONTINUITY

In FY21/22, the Manager and the Property Manager maintained many of the precautionary measures against COVID-19 that were implemented in the prior year. With the distribution and administration of vaccines, the impact of the pandemic has decreased this year. However, we remained vigilant and continued to work closely with the authorities and public health agencies in managing the impact of COVID-19 to our properties, as well as our employees, tenants and visitors. Health and safety measures are updated in line with the national risk assessment levels and regulations such as Singapore's COVID-19 (Temporary Measures) Act. Some of the measures implemented at MCT's properties include:

- Continued implementation of safe-distancing measures and crowd control measures across our properties, especially in dining areas or places where masks can be taken off;
- Application of self-disinfecting of high-touch surfaces in lifts and common-areas;
- Compliance with Safe-Entry requirements for all buildings; and
- Visual reminders (notices, posters and digital panels) placed throughout the common areas of our properties to inform and remind shoppers on best practices to combat the spread of COVID-19

As the COVID-19 situation continues to stabilise in Singapore, we will continue to resume activities by closely monitoring the situation and updates in applicable laws and regulations, and ensuring prompt implementation of appropriate measures.

HEALTH AND SAFETY PERFORMANCE

In FY21/22, there were zero reported incidents that resulted in employee permanent disability or fatality across the 411,060 man-hours worked by our employees. There were also zero incidences of significant non-compliance with relevant health and safety regulatory requirements. In addition, all eligible staff members have completed 100% of relevant trainings assigned to them. We aim to upkeep this track record and continue to inculcate a safety-first mindset in the organisation.

EMPLOYEE ENGAGEMENT AND TALENT MANAGEMENT

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

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

OUR POLICIES

Groupwide

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

OUR TARGETS AND PERFORMANCE

FY21/22 Targets	Performance	FY22/23 Targets
Continue to commit to fair employment practices by ensuring that our hiring process remains stringent and to offer equal opportunity to all potential candidates	✔	Target shifted to Diversity and Equal Opportunity
Maintain diverse and relevant learning & professional development programmes	✔	Maintain diverse and relevant learning & professional development programmes
		Hold employee town hall meetings at least once a year

CONTRIBUTION TO SDGS

HIGHLIGHTS DURING THE YEAR

186
full-time permanent employees in FY21/22

208[1]
employees who attended training courses

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

SUCCESSFUL EMPLOYMENT AND TALENT RETENTION

Our people are critical to our success. Beyond attracting talent, the Sponsor's Human Resource ("HR") policies are aimed at motivating and retaining employees. This holistic approach allows the Group to work towards a common goal of recruiting suitable employees, retaining talent,

1 Includes employees who have left MCT as at the end of FY21/22.

SUSTAINABILITY REPORT

promoting a culture of continuous learning and development, providing equal benefits and opportunities, as well as ensuring compliance with labour laws in Singapore.

Through the COVID-19 pandemic, we continue to ensure job security for our employees. As at 31 March 2022, there were 186 employees at the Manager and Property Manager, the same as a year ago. For more information on the gender breakdown, please refer to the charts within the section on Diversity and Equal Opportunity (pages 118 to 119). As with the prior year, we observed an average monthly new hire rate at 2% for FY21/22 and the average monthly turnover rate was recorded at 2%.

COMPETITIVE AND FAIR REMUNERATION SYSTEM

We adopt a fair and competitive remuneration and reward system that is performance driven. Equal opportunities are offered for all employees to grow and develop during their time with us. Key performance indicators and employees personal achievements are tracked via the groupwide e-Performance Appraisal system. This enables all employees to communicate their development and career goals. All employees also receive regular and timely feedback about their performance throughout the year from their managers.

Annually, all employees are assessed against a core competencies framework and are provided feedback on their performance based on four key areas – domain knowledge, business networks and innovation, collaboration and communications as well as operational excellence. In FY21/22, 100% of employees have completed at least one performance review.

CAREER DEVELOPMENT OPPORTUNITIES

We actively promote a culture of continuous learning among our employees. In alignment with the Group's learning and development programmes, we place emphasis on upskilling our employees by developing their competencies and promoting positive motivation. The Group offers a wide range of functional and technical trainings throughout the year, covering nine broad areas including building and safety, communication, finance, information and technology, leadership, leasing and marketing, personal effectiveness, orientation and real estate. In addition, we also continually identify and groom talents internally within the organisation, where further training would be provided to enhance their career progression.

Even with work-from-home arrangements in place, the Group continued to step on virtual learning programmes for our employees, management and Board. In FY21/22, we launched the Mapletree Learning Management System where staff may access e-learning. In-person training has resumed in FY21/22 for some courses but the majority are still being held virtually. In FY21/22, all of our employees received training from a total of 1,149 courses offered, with 100% of eligible employees receiving ESG-related training. The Group has further developed its first in-house ESG training material which will be rolled out to all staff in FY22/23. Following which, role-specific ESG training will be launched progressively.

The following table highlights some of the in-house and external training programmes:

Training Categories	Examples of Training Programmes
Business Continuity and Sustainability	• The Employee's Guide to Sustainability • Sustainability Strategies • Green Building Concepts Foundations
Building and Safety	• Electrical Safety Course and Occupational First Aid • Achieving HVAC Efficiency for the New Normal • Future Proofing Our Assets – Environmental And Social Governance • ISO Integrated Management System (IMS 9K, 14K and 45K) Internal Auditor and Awareness Training
Digital Transformation	• Digital Transformation • Effectively Leading Digital Transformation • Foundations of the Fourth Industrial Revolution (Industry 4.0) • Assessing Digital Maturity • Digital Body Language • Digital Fraud

Training Categories	Examples of Training Programmes
Finance	• PwC Annual Accounting Workshop 2021 • Understanding the MIPL Delegation of Authority and Procurement Training • BPC Budget Training • ISO Integrated Management System Briefing • Understanding The MIPL Delegation Of Authority
Information and Technology	• Mapletree IT Security Awareness Training (Wi-Fi Security, Phishing, Mobile and Password Security) • E-Procurement User Training • Defend Yourself (and Business) Against Cyber Attacks And Data Breach
Leadership	• Solver Problems and Make Decisions at Operations Level
Leasing & Marketing	• Fair Tenancy Framework Code of Conduct
Personal Effectiveness	• Mindfulness Techniques To Success • Effective Time Management • How to Adapt and Excel in a Changing Environment
Real Estate	• Office Spaces Flexibility, Concept And Value • Office Space Leasing • REITAS Conference 2021 • Mapletree Asset Presentation Platform Training • Various courses under Mapletree Real Estate Course – Investment 101, Property Management, Asset Management & Leasing and Tax
Orientation and others	• Mapletree Orientation Programme • Mapletree Immersion Programme • Temasek Leaders Programme • Mapletree Leadership Excellence Programme

EMPLOYEE ENGAGEMENT

We believe that regular, two-way communication is fundamental in building rapport and instilling confidence among our employees. To this end, we provide multiple channels for employees to share their feedback and raise concerns confidentially. The Group HR manages these various platforms and collates feedback for further actions. Our management and representatives will work alongside Group HR to introduce relevant measures to address the concerns of employees where possible. In addition, feedback and comments are also gathered from employees through exit interviews. These allow us to identify areas of improvement and continually enhance the overall working environment and experience for our people.

As we commit to improving employee engagement within MCT, we have introduced a new target of holding at least one employee town hall meeting starting from FY22/23.

EMPLOYEE WELL-BEING

A healthy and motivated workforce is the core of every business. Likewise, for the Manager, the well-being of our employees is key to MCT's long-term growth and success. We strive to create a culture of inclusiveness and improved job satisfaction among employees.

Within the Mapletree family, we continue to recognise the academic excellence and achievements of our employees' children through the Mapletree Education Award. In FY21/22, the Sponsor presented a total of 107 awards worth S$29,350 to the children of Mapletree employees, including employees of the Manager and the Property Manager.

SUSTAINABILITY REPORT

DIVERSITY AND EQUAL OPPORTUNITY NEW

We value the diversity of its workforce as a strength for the company. We strive to ensure that all genders and age groups are well represented across its governance bodies and employees in order to offer a variety of viewpoints, experiences and skills to the company.

OUR POLICIES

Groupwide

- Board Diversity Policy

OUR TARGETS

FY22/23 Targets
Continue to commit to fair employment practices by ensuring that all individuals receive the same opportunities for hiring, advancement and benefits

CONTRIBUTION TO SDGS

HIGHLIGHTS DURING THE YEAR

93%
percentage of women in Middle Management to Senior Management positions (Vice President and above)

33%
Female board members as at 31 March 2022

Rolled out a groupwide Board Diversity Policy with a target to achieve at least 25% and 30% of female representation on the MCT Board by 2025 and 2030 respectively.

PROFILE OF OUR WORKFORCE

Our people matter to us, and we recognise that our employees' diverse backgrounds, talents and skillsets give us a competitive edge within the industry. In FY21/22, there were 186[1] employees at the Manager and Property Manager who were all based in Singapore. Female and male employees made up 54% and 46% of the entire staff population respectively (FY20/21: 54% and 46% respectively).

Across both genders, 11% of our employees were under 30 years of age (FY20/21: 12%), 71% were between 30 to 50 years of age (FY20/21: 69%), and 18% were above 50 years of age (FY20/21: 19%).

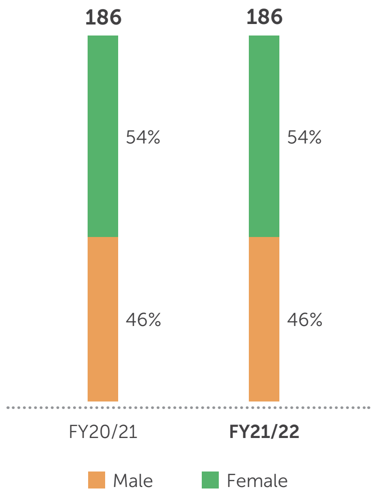
Across employee categories, 93% of Middle Management to Senior Management (Vice President and above) were females, with most of them within the 30 to 50 years old age group. The Executive category (Executive to Senior Manager) has the largest percentage of female employees at 70%.

BOARD DIVERSITY

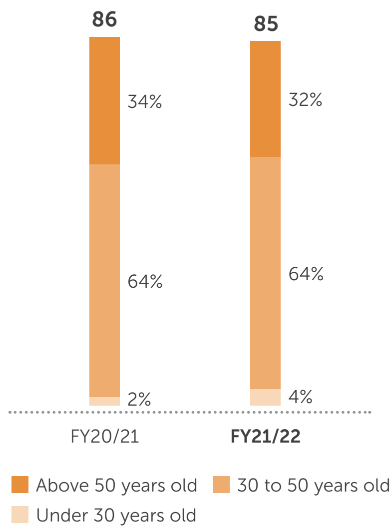
At the Board level, achieving diversity is complementary to the Group's strategy. Our Board comprises business leaders and distinguished professionals with diverse professional backgrounds. As disclosed in our Corporate Governance report, each Director is appointed on the strength of his or her calibre, experience, stature, and potential to give proper guidance to the Management on the business of the Group. In line with the focus on gender diversity as set out by the Council for Board Diversity, the Group has formalised its Board Diversity Policy, incorporating additional aspects of diversity such as age, gender and cultural ethnicity. As a further commitment, we have also set a target to achieve at least 25% and 30% of female representation on the MCT Board by 2025 and 2030 respectively. As at 31 March 2022, we are proud to have already attained 33% female representation on our Board.

1 One female employee is working full-time on a temporary contract.

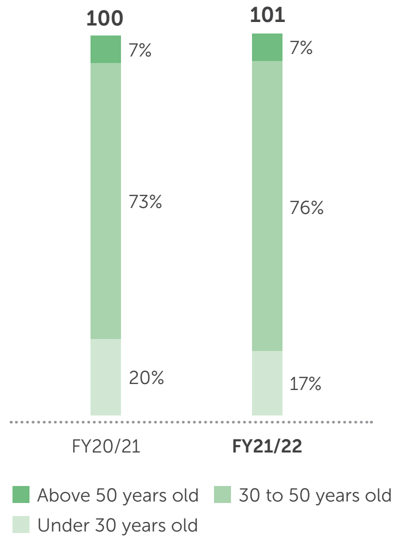
Employee Distribution by Gender



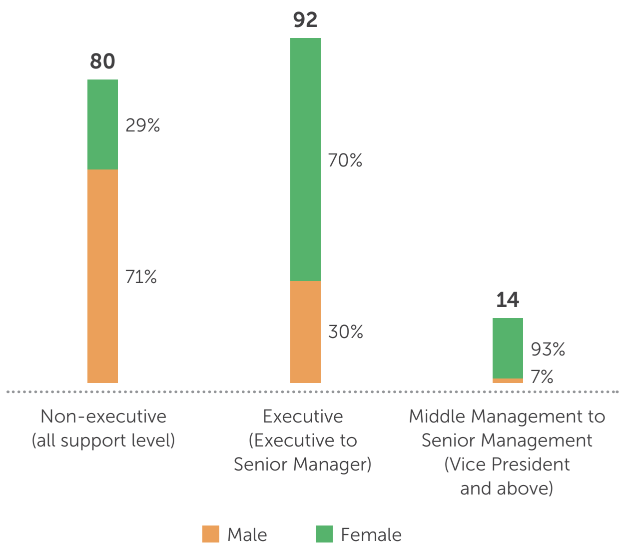
Employee Distribution by Age Group (Male)



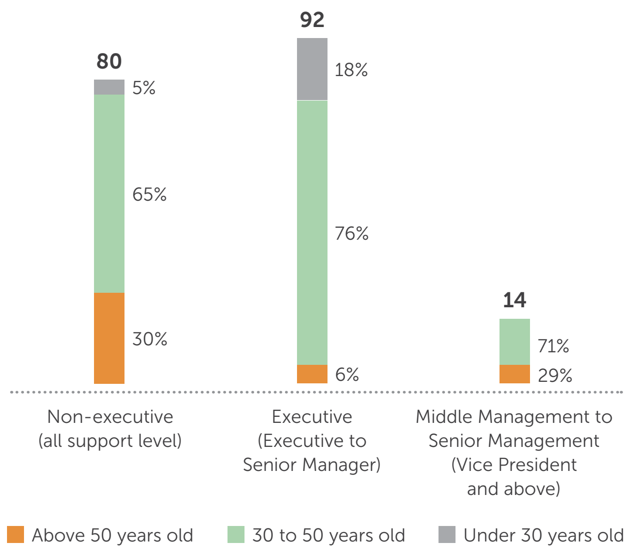
Employee Distribution by Age Group (Female)



Employee Category by Gender in FY21/22



Employee Category by Age in FY21/22



33%
Female board members as at 31 March 2022

DISTRIBUTION OF BOARD MEMBERS BY GENDER

MALE	FEMALE
8 (67%)	**4** (33%)

DISTRIBUTION OF BOARD MEMBERS BY AGE GROUP

30 – 50 YEARS OLD	ABOVE 50 YEARS OLD
2 (17%)	**10** (83%)

SUSTAINABILITY REPORT

COMMUNITY IMPACT

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

OUR POLICIES

Groupwide

- Mapletree CSR Framework

CONTRIBUTION TO SDGS

3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

OUR TARGETS AND PERFORMANCE

FY21/22 Targets	Performance	FY22/23 Targets
Encourage employee participation in Mapletree CSR events	✔	Encourage employee participation in Mapletree CSR events

HIGHLIGHTS DURING THE YEAR

$146,858
of venue and publicity sponsorships provided in FY21/22

128
Mapletree Care Packs delivered to beneficiaries through collaboration with NLB's Project "Deliver Me"

CORPORATE SOCIAL RESPONSIBILITY

We are guided by the groupwide, Mapletree CSR Framework, which comprises two broad objectives of empowering individuals through supporting educational and healthcare initiatives, as well as enriching communities through the arts and environmental sustainability. The Manager aligns itself with the Group and aims to achieve greater impact through four pillars – education, the arts, healthcare and the environment.

Our CSR commitment is closely aligned to the Group's business performance. For every S$500 million of profit after tax and minority interests, or part thereof, S$1 million is set aside by the Sponsor annually to fund CSR projects. A dedicated five-member CSR Board Committee provides strategic oversight of the Group's CSR efforts. The CSR Board Committee comprises Mapletree's Chairman and senior management as well as two Board representatives from the REITs or private platforms/private funds (rotated on a three-year basis).

The process begins with our Mall Marketing Communications Team who will go through proposals on community involvement initiatives received from non-profit organisations, educational institutions and various agencies. Using the guidelines stipulated within the Mapletree CSR Framework, these projects are evaluated by the team. Thereafter, recommended projects are presented to the CSR Board Committee for their approval with priority given to activities with specific social outcomes, long-term engagement as well as opportunities for self-volunteerism.

Over FY21/22, the COVID-19 situation has gradually improved and Singapore has started to resume some activities. We are glad to be able to resume support for some of our key charity programmes such as Hair for Hope 2021 and other community performances. This year, we have provided venue sponsorships and advertising spaces totaling $146,858 for philanthropic causes.

SPREADING THE LOVE OF READING

Since January 2009, the National Library Board ("NLB") has launched a dedicated, free-of-charge delivery service of library materials to homebound library members. Through this initiative, volunteers are involved in selecting and delivering library materials to these members' doorsteps. Since its introduction, NLB has provided customised reading materials to some 128 medically certified homebound beneficiaries.

From 3 to 12 December 2021, we collaborated with NLB on Project "Deliver Me" to bring the joy of reading as well as distribute Mapletree Care Packs to beneficiaries across seven charities including the Asian Women's Welfare Association, Disabled People's Association, Handicaps Welfare Association, Muscular Dystrophy Association (Singapore), Singapore Association of the Visually Handicapped, SPD (formerly known as Society for the Physically Disabled) and The Singapore Cheshire Home.

26 staff volunteers participated in this project, taking on responsibilities from preparing the care packs comprising face masks and hand sanitisers, delivering them to the Central Library and making special deliveries to the doorsteps of ten beneficiaries. Mapletree Care Packs were also packed and distributed to the 128 homebound beneficiaries directly and through NLB. Through this collaboration with NLB, we hope to do our part in promoting a reading culture and to also encourage employees to become an active citizen in fostering an inclusive society.

"This was a very meaningful initiative and reminded me of the joy of giving back to the society. Part of being a person is about helping others. I look forward to doing more for the less fortunate and to foster the spirit of giving with my fellow colleagues."

– MS FIONA ONG
Finance Department

SUSTAINABILITY REPORT

ARTS

School of the Arts (SOTA) Primary 6 Art Competition: VivoCity hosted the exhibition supported by Mapletree Group, featuring works of art from SOTA's annual nationwide drawing and painting competition. We also sponsored advertising space at ARC to promote the Art Competition.

MBC Public Art Tour: MBC was the venue sponsor for Mapletree Group's Public Art Tour, held in partnership with the Visual Arts Centre and the Society of Tourist Guides. This event aims to bring arts closer to the working community through a series of workshops and guided walking tours. Advertising space at ARC was also provided to promote the event.

TENG Ensemble: After a two-year break due to the COVID-19 pandemic, VivoCity resumed venue sponsorship for TENG Ensemble's "Once Upon a Time' live performance. Since FY15/16, the TENG Ensemble has been performing regularly at VivoCity's Level 3 amphitheatre to mark key festivals such as Chinese New Year and Mid-Autumn Festival. Advertising space at ARC was also provided to promote the event.

Singapore Chinese Orchestra: Sponsored advertising space from 16 January to 31 March 2022 to publicise the "SCO gores to VivoCity" live concert slated to be held at VivoCity's amphitheatre on 28 May 2022.

EDUCATION

The Experience Lab (XL) by NLB:
An event held at VivoCity where shoppers can explore and experience attractive and interactive installations. These installations serve to provide first-hand experience of NLB collection via QR codes to access their eBooks/magazines and is aligned with NLB's Libraries and Archives Blueprint (LAB25) from 2021 to 2025 to provide an omnichannel experience to their users. The event was a travelling exhibition, and VivoCity was the second designated venue.

Mapletree Annual Lecture (Webinar) 2021: Provided advertising space to publicise Mapletree Annual Lecture 2021 on The Commercial Real Estate Eco-System held at the Singapore Management University from 1 July to 31 December 2021.

Mapletree-SCCCI RHBHacks for Student Entrepreneurs: Provided advertising space at ARC from 1 July to 31 December 2021 to promote the event. RHBHacks is a platform for youths to showcase their innovation and entrepreneurship while allowing them to immerse in Chinese-business culture and the virtue of giving back to society. This is the fourth year that the Group is sponsoring the event.

ENVIRONMENT

37th Singapore Bird Race Support for Nature Society (Singapore) Programmes: To promote the appreciation, awareness and the conservation of wild birds in Singapore, and to play a part in spreading scientific knowledge on endangered birds in Singapore, Advertising space was provided at the lobby of MBC and the linkbridge connecting it to ARC.

HEALTHCARE

Hair for Hope: Venue sponsorship for the annual hair-shaving event organised by the Children Cancer Foundation ("CCF") programme, which aims to raise childhood cancer awareness and funds to help children with cancer and their families VivoCity has been a partner of CCF since 2010 and this event has evolved to become an iconic event at VivoCity. An exhibition was also held at VivoCity's SouthWest Boulevard from 6 to 19 September 2021.

Health Promotion Board's Healthy Workplace Ecosystem:MBC was the venue sponsor for various mass exercise programmes conducted for the office crowds which were aimed at enhancing workplace vibrancy and well-being of tenants and their employees.

The Purple Parade: Provided advertising space for The Purple Parade – Singapore's largest ground-up initiative to support inclusion and celebrate abilities of Persons with Disabilities ("PWD"). The highlight of The Purple Parade 2021 featured the Livestream Concert which was held on 30 October 2021. It showcased a series of inclusive performances to celebrate the talents and abilities of PWDs through performing arts.

ENERGY AND CLIMATE CHANGE

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

OUR POLICIES

Groupwide

- Environmental, Health and Safety Policy

OUR TARGETS AND PERFORMANCE

FY21/22 Targets	Performance	FY22/23 Targets
Maintain or improve landlord's like-for-like[1] energy intensity by up to 1% of FY19/20's baseline[2]	✓	Improve landlord's like-for-like[1] electricity intensity by 2% of FY19/20's baseline[2]
At least maintain the respective BCA Green Mark certifications for all MCT properties	✓	Target shifted to Quality, Sustainable Products and Services
		Increase solar energy generating capacity across MCT portfolio by at least 600kWp from FY21/22

CONTRIBUTION TO SDGS

HIGHLIGHTS DURING THE YEAR

All
properties have achieved BCA Green Mark Certifications with three out of five properties certified the highest accolade - BCA Green Mark Platinum

More than
1,700,000 kWh
of renewable solar energy generated in FY21/22

13%
improvement in like-for-like[1] energy intensity from FY19/20's baseline[2]

Inaugural Environmental Risk Assessment
conducted to identify the various physical and transition climate-related risks

1 Properties covered in the like-for-like reporting excluded newly acquired or divested properties within the year. Please refer to the methodology on page 134 for more details.
2 FY19/20 has been selected as the baseline for targets for FY21/22 and FY22/23 as the prior year's performance in FY20/21 and FY21/22 respectively would not be fully representative nor comparable to a normal operating year given COVID-19 disruptions.

SUSTAINABILITY REPORT

TCFD

The Manager understands the impact that climate change can have on MCT's portfolio and is committed to addressing key risks it may bring to MCT's business. In recent years, investors have also begun to incorporate ESG risks into their investment decision-making process. This brings about a pertinent need for companies to identify and assess climate risks material to their businesses so as to implement appropriate mitigating actions.

In FY21/22, we embarked on a climate risk assessment in a phased approach to identify and assess how its portfolio might be affected by climate change. We have started to adopt the recommendations of the TCFD, which are structured around the four core elements of governance, strategy, risk management, and metrics and targets. Our approach and progress are elaborated in the sections below.

Core Elements of TCFD Recommendations	MCT's Approach and Progress	Addressed in Annual / Sustainability Report FY21/22
GOVERNANCE a) Describe the board's oversight of climate-related risks and opportunities. b) Describe management's role in assessing and managing climate-related risks and opportunities.	The Board is responsible for determining the overall risk strategy and risk governance, including climate-related risks and opportunities. 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. In addition, the AC supports the Board in risk oversight and is responsible for reviewing the adequacy and effectiveness of internal controls and risk management systems. Ongoing oversight of climate-related risks and opportunities comes under purview of the SSC. The SSC is co-chaired by the Sponsor's Deputy Group Chief Executive Officer and the Group Chief Corporate Officer, and comprises the CEOs of the four Mapletree Group-sponsored REITs as well as other members of the Sponsor's senior management team across various functions. Ms Sharon Lim, Executive Director and the CEO, represents the Manager on the SSC.	Please refer to page 96 on Sustainability Governance for more information.

Core Elements of TCFD Recommendations	MCT's Approach and Progress	Addressed in Annual / Sustainability Report FY21/22
STRATEGY a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning. c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 1.5°C or lower scenario.	The Manager has conducted an inaugural qualitative environmental risk assessment and scenario analysis exercise in FY21/22. The assessment seeks to identify and assess the potential impacts of transition[1] and physical risks[2], under a Net-Zero (RCP 2.6) and Business-as-usual (RCP 8.5) scenario across the short term (by 2025), medium-term (by 2030) and long term (by 2050). The Net-Zero scenario assumes that global mean temperature increase would be limited to 1.5°C from pre-industrial level by 2100. In this scenario, higher transition risks are expected to arise from regulatory, market, and technological changes that will accompany a transition to a lower-carbon and more environmentally sustainable economy. Exposure to physical risks was determined using climate models[3] for the RCP 2.6 pathway. The qualitative scenario analysis has allowed the Manager to identify the following risks across its geographies and activities: **Transition**: Increased pricing of carbon emissions; mandates on and regulations of existing products and services (i.e., energy efficiency requirements and green building certifications); changes in stakeholder expectations; environmental reporting obligations and exposure to climate litigation. **Physical (acute and chronic)**: Climate changes particularly flooding, drought and significant changes in average temperatures. Overall impact of climate-related risks on MCT's business include increased costs required to retrofit or repair existing assets so as to ensure compliance with upcoming green mandates and legislations, as well as to ensure that properties can weather climate events. Furthermore, failure to adopt lower emissions technology or to meet changing stakeholders' expectations may result in a decline in asset value in the long term. Higher expenses may also be associated with the use of non-renewable energy and carbon-intensive products in countries with carbon prices.	Please refer to pages 103 to 104 on the initiatives under Quality, Sustainable Products and Services for more information.

1 Transition risks arise from the process of shifts towards a low-carbon economy, and can include regulatory changes, disruptive technological developments, and shifts in consumer and investor preferences.

2 Physical risks arise from the impact of weather events and long-term or widespread environmental changes and can include increased severity of extreme weather events such as floods, and rising mean temperatures, sea levels, and weather patterns.

3 The Coupled Model Intercomparison Project ("CMIP") phases 5 and 6 provide climate modelling datasets produced under the World Climate Research Programme ("WCRP"), which have been used to inform the Intergovernmental Panel on Climate Change ("IPCC") Fifth and Sixth Assessment Reports. Representative Concentration Pathway ("RCP") 8.5 is a greenhouse gas concentration trajectory by the IPCC that assumes that emissions continue to rise throughout the 21st century.

SUSTAINABILITY REPORT

Core Elements of TCFD Recommendations	MCT's Approach and Progress	Addressed in Annual / Sustainability Report FY21/22
RISK MANAGEMENT a) Describe the organisation's processes for identifying and assessing climate-related risks. b) Describe the organisation's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The Manager has integrated environmental risk management into its existing Enterprise Risk Management Framework to identify, assess, monitor and manage climate-related risks and opportunities across its portfolio. After conducting the portfolio review, the Manager will identify asset enhancement initiatives to improve the environmental performance of its properties where feasible, and sets targets for carbon emissions, water and energy efficiency. The Manager will incorporate environmental risk due diligence as part of the investment considerations and conduct exposure scans to physical risks of existing properties periodically. Evolving changes in climate regulation are monitored regularly and various stakeholder engagements are conducted proactively. Currently, the Manager is exploring the feasibility of flood protection measures such as humps and flood barriers for VivoCity due to its proximity to the sea. Additionally, the Manager recognises the importance of building knowledge and skills in environmental risks and will introduce training to upskill its staff on environmental risk management.	Please refer to pages 90 to 93 on Risk Management within the Annual Report 2021 for more information.
METRICS AND TARGETS a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	Climate-related and environmental metrics such as Scope 2 greenhouse gas emissions ("GHG"), energy and water consumption have been disclosed in MCT's Sustainability Reports since FY16/17 and FY20/21 respectively. Scope 1 GHG emissions will be disclosed starting from this report. Moving forward, the Manager will aim to maintain Green Mark Certifications for the majority of MCT's portfolio (by GFA) and endeavour to achieve advancements in green targets relating to energy, GHG and water.	Please refer to pages 98 to 101 for more information on MCT's targets and pages 127 to 133 for the metrics and performance.

ENERGY USE

MCT's main source of energy consumption comprises purchased electricity for our business operations – property management and operations, lighting, air-conditioning and elevators. They are procured from external utility providers and emissions are classified as our Scope 2 (indirect) GHG emissions. Diesel is only topped up in gensets for back-up purposes and used for the shuttle bus service at MBC. In all, diesel contributed less than 1% of energy used throughout the year. Starting from this report, we will be expanding our energy reporting scope to include the use of diesel across the portfolio. Correspondingly, we will be disclosing our direct (Scope 1) emissions within the Performance Data section, in addition to energy indirect (Scope 2) Emissions.

We continually strive to incorporate new initiatives and review existing processes with a focus on improving energy efficiency and conservation. In FY21/22, the PV panels at our properties generated more than 1,700,000 kWh of renewable energy. As we move towards a low-carbon economy, we will look to increase the proportion of renewable energy within our energy mix to reduce the amount of electricity imported from the grid.

Generating capacity of
1,352 kWp
of solar energy

=

Annual reduction of
705 tonnes
of CO_2

THIS IS EQUIVALENT TO APPROXIMATELY

93
cars taken off the road for a year

36,561
trees cleansing the air for a year

1,628
barrels of oil consumption avoided

The property management team tracks and monitors energy and water usage at each property, oversees the day-to-day operations and ensures that consumption levels remain within a reasonable range. They leverage on the Energy Monitoring System ("EMS") which gathers data from power meters installed at high consumption equipment such as chillers. The accurate tracking of consumption allows the team to compare and analyse month-on-month usage trends for any fluctuations. Annual submissions on our energy data as well as other building-related information are made to BCA through the Building Energy Submission System. Cross audits are conducted annually where findings would be consolidated and good practices shared across properties to inculcate energy conservation habits.

During COVID-19, whereby some proportion of tenants and their staff were working from home, our property management teams responded accordingly by making the necessary adjustments for equipment such as air handling units, fan coil units and lifts, to conserve energy consumption. With the resumption of business operations and activities, appropriate adjustments have been made accordingly based on the capacity and activity levels. As such, we anticipate that energy and water consumption levels will increase in tandem with the resumption of activities in the following years.

SUSTAINABILITY REPORT

For FY21/22, we achieved 17% in energy savings across our portfolio[1]. This is largely attributed to the various energy-saving initiatives implemented since FY19/20 which includes upgrading of chillers, energy optimisation solutions as well as replacements to LED lighting. We continued to explore and introduce new initiatives during the year. For more details, please refer to the initiatives below.

Staircase Light Relamping at VivoCity: Replacement of T5 lighting with LED lights at VivoCity: Completed at 17 staircases with motion-sensor enabled lighting, enabling energy savings of 18,418 kWh/year.

Installation of water meters at toilets of VivoCity, ARC and Mapletree Anson: To track and monitor water usage during upgrading works at these three buildings. The water meters are also connected to the Building Management System ("BMS") which allows early detection of leaks upon any deviations from normal water consumption levels.

Installation of EV charging points: Installed eight EV charging points (four each at VivoCity and MBC) to support the nation's push to use of EV.

Installation of solar lights at VivoCity: 20 garden solar lights installed at VivoCity's Skypark on Level 3, which is set to achieve energy savings of 700 kWh/year. This initiative resulted in cost savings from avoiding the need for new cable installations and its subsequent operating costs.

Installation of flow meter and sensor at VivoCity's cooling tower: A flowmeter was installed to enable real-time monitoring of water consumption patterns at cooling towers and a sensor to measure cycles of concentration[2] ("COC"). With the flowmeter and sensor connected to an online platform, manual recording and checking of operating conditions is eliminated. The platform also sends alerts to technicians when preset thresholds are exceeded, enabling prompt remedial actions to be taken

Installation of rainwater sensors at mTower: A rainwater sensor was installed at the main irrigation supply to automatically control irrigation based on the water demand and weather conditions. Previously, the irrigation system had to be manually switched off during heavy downpours. Since its implementation in March 2021, we have achieved estimated water savings of 100m^3 per month.

1 On a like-for-like basis (excluding MBC II). This is because MBC II was acquired on 1 November 2019 and full year data for FY19/20 was not available. Please refer to the methodology on page 134 for more details.

2 COC specifies how often fresh water is added into the loop which can be used or pumped around before it has to be discharged from the cooling tower.

PERFORMANCE DATA

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

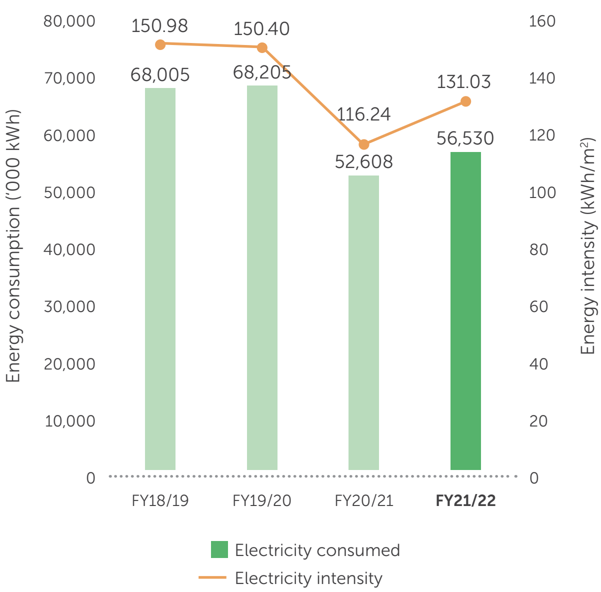
In FY21/22, the total electricity consumption and Scope 2 GHG emissions of all our properties (including MBC II) were 66,532,554 kWh and 27,145 tonnes of carbon dioxide equivalent ("tCO_2e") respectively. Electricity intensity was recorded at 118.33 kWh/m² and Scope 2 GHG emissions at 0.05 tCO_2e/m^2.

The total fuel used (diesel used for back-up purposes and for the shuttle bus service at MBC) in FY21/22 was 521 GJ which corresponds to 38.61 tCO_2e of direct (Scope 1) GHG emissions.

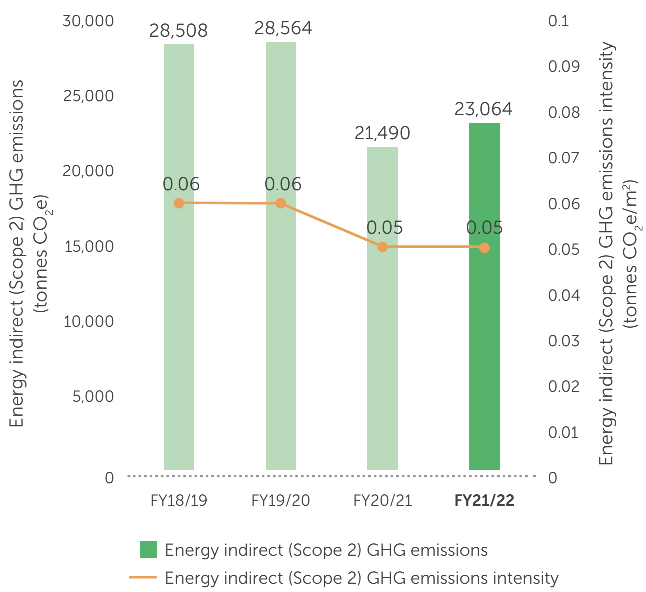
On a like-for-like basis (excluding MBC II), the electricity consumption and intensity were 56,529,694 kWh and 131.03 kWh/m² respectively. This translates to 23,064 tCO_2e of Scope 2 GHG emissions with a corresponding emissions intensity of 0.05 tCO_2e/m^2. Electricity intensity in FY21/22 saw a 13% decrease from the FY19/20 baseline. While the energy savings can be partially attributed to various initiatives we have implemented over the years, we note that FY21/22 was not fully representative nor comparable against a normal operating year, given the prolonged impact of COVID-19. As Singapore began to lift its restrictions, we have observed an increase in footfall with employees heading back to the offices and more shoppers within the malls. This has led to an increase in electricity consumed and corresponding Scope 2 GHG emissions as compared to the prior year, which we anticipate will be on an upward trend in the years to come with the resumption of activities.

Please refer to the following charts for more details.

Like-for-like electricity consumption and intensity (excluding MBC II)



Like-for-like Scope 2 GHG emissions and intensity (excluding MBC II)



SUSTAINABILITY REPORT

WATER MANAGEMENT

Due to the increasing demand for water and limited water resources in Singapore, water scarcity is a prevalent challenge. The Manager acknowledges that water is essential for MCT's business operations and therefore is committed to the responsible use and management of water. Through close monitoring and the implementation of water-efficient technologies, we are able to generate savings, thereby creating more value for our stakeholders.

OUR POLICIES

Groupwide

- Environmental, Health and Safety Policy

OUR TARGETS AND PERFORMANCE

FY21/22 Targets	Performance	FY22/23 Targets
Maintain landlord's like-for-like[1] water consumption to within ±1% of FY19/20's baseline[2]	✓	Improve landlord's like-for-like[1] water consumption by 1% of FY19/20's baseline[2]

CONTRIBUTION TO SDGS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

HIGHLIGHTS DURING THE YEAR

237,021 m³
reduction in water consumption from FY19/20 baseline[2]

33%
improvement in like-for-like[1] water consumption from FY19/20's baseline[2]

>60% NEWater
used for two consecutive years

INTERACTIONS WITH WATER

Water at MCT's properties is mainly provided by PUB, Singapore's water agency. Water supply comprises the 'Four National Taps' – water from local catchment, imported water, highly-purified reclaimed water known as NEWater and desalinated water.

Water is essential to our business operations and is used primarily in common areas, such as restrooms and pantries, in cooling towers, irrigation systems and some of our water features. These are areas where we will continue to make improvements where practicable to minimise our water-related impact. All effluents are discharged in line with Singapore's regulatory requirements.

We also work closely with tenants to steward water as a shared resource and regularly engage them through our water-saving initiatives. The tenant Green Guide within our Fit-Out Manual recommends good practices for adoption by tenants and their employees. For more details refer to the section on Strong Partnerships on page 108.

1 Properties covered in the like-for-like reporting excluded newly acquired or divested properties within the year. Please refer to the methodology on page 134 for more details.
2 FY19/20 has been selected as the baseline for targets for FY21/22 and FY22/23 as the prior year's performance in FY20/21 and FY21/22 respectively would not be fully representative nor comparable to a normal operating year given the COVID-19 disruptions.

As at FY21/22, seven property management personnel have attended and were awarded the Water Efficiency Manager Certification introduced by PUB and Singapore Polytechnic to equip facilities personnel with the knowledge and skills to conduct water audits and apply water efficiency measures to reduce water consumption in the buildings.

IMPROVING WATER EFFICIENCY

Across all properties, the property management team monitors water usage closely and implements water-saving initiatives where practicable. Water-saving measures are established during the design, development and operation processes. In FY20/21, we were able to achieve water savings due to the adjustments made based on the low occupancy observed.

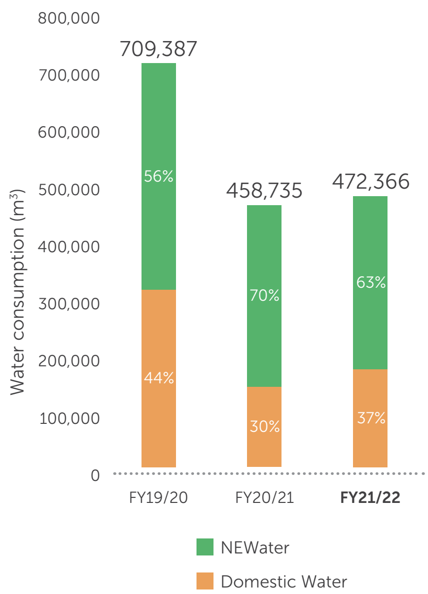
For FY21/22, with the progressive relaxation of COVID-19 measures and as more employees return to the workplace, building activity levels have resumed and water consumption levels have increased correspondingly. Notwithstanding, we continued to introduce various water-saving initiatives and explored water optimisation solutions. In FY21/22, we installed smart meters at cooling towers to reduce the need for manual checking and recording. The real-time monitoring of water consumption, which is made available via a dedicated online platform, enables quicker rectification as building technicians will be promptly notified should there be deviations to usual water consumption levels. At mTower, we also installed rainwater sensors that automatically switch off irrigation systems during heavy downpours. For more details and savings achieved, please refer to the initiatives under 'Energy and Climate Change' on page 128.

PERFORMANCE DATA

In FY21/22, the total water used from all of our properties (including MBC II) was 553,524 m^3, a 1% increase from 549,844 m^3 from FY20/21. This was largely due to the resumption of activities as COVID-19 restrictions were gradually lifted.

On a like-for-like basis (excluding MBC II), the water consumption in FY21/22 was 472,366 m^3, a 33% decrease from 709,387 m^3 from FY19/20. As with the trend with energy, the water savings can be partially attributed to the various initiatives we have implemented over the years. However, we note that FY21/22 was not fully representative nor comparable against a normal operating year, given the continued impact of COVID-19. As Singapore began to lift its restrictions this year, we have observed a gradual increase in footfall across our properties. We anticipate that water consumption will be on an upward trend in the years to come with the resumption of activities.

Like-for-like water consumption (excluding MBC II)



SUSTAINABILITY REPORT

WASTE MANAGEMENT NEW

Waste management is a growing concern in Singapore given the increasing consumption levels and limited space for landfills. Cognisant that the bulk of our waste is generated by tenants and shoppers, we strive to continually explore waste minimisation initiatives, encourage sustainable use of resources, and play our part in moving the economy towards a low-carbon one.

OUR POLICIES

Groupwide

- Environmental, Health and Safety Policy

CONTRIBUTION TO SDG

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OUR TARGETS

FY22/23 Targets
Implement a half-yearly e-waste recycling programme with tenants

HIGHLIGHTS DURING THE YEAR

Recycled 470 tonnes
of waste from total waste generated

0.9 tonnes
of e-waste collected and disposed through ALBA

WASTE MANAGEMENT

The majority of waste generated at MCT's properties is attributable to tenant activities. At each property, we have an assigned property management personnel which oversees waste management matters. We work closely with tenants to effectively implement waste minimisation and recycling initiatives. All tenants are provided with a tenant Green Guide as part of the Fit-Out Manual to encourage sustainable practices. See page 133 for an extract on waste management practices.

Guided by the Group Procurement team, there is a guideline in place to manage Asset End of Life, whereby equipment are upgraded or refurbished rather than replaced with new ones. Since 2015, we have been conducting chiller overhauls instead of replacing the entire chiller, with the latest overhaul being done in FY19/20 at mTower. This has helped to reduce expenditure and waste.

Since FY17/18, recycling bins have been placed across all of MCT's buildings to encourage tenants and shoppers to practise segregation of waste at its source. To promote recycling efforts, we will implement a half-yearly e-waste recycling programme with tenants across the portfolio.

WASTE

Some of our waste management initiatives include:

- Encourage tenants to reduce, reuse and/or recycle materials within their premises;
- Display of posters on waste minimisation and recycling across properties;
- Disposal of recyclable waste (paper, plastic and metal) to recycling bins located at strategic locations in the common areas of our office buildings and retail malls;
- Opt for sustainably-sourced office supplies such as FSC-certified paper, refillable toners and inks and other recycled products; and
- Use of Green Labelled products certified under the Singapore Green Labelling Scheme endorsed by the Singapore Environment Council.

PERFORMANCE DATA

In FY21/22, total waste generated was 6,255 tonnes, of which 8% was recycled. 96% of the recycled waste comprised paper and the remaining 4% was made up of plastic, metal, glass and e-waste. All general and recycled waste was non-hazardous and disposed of by licensed third-party waste disposal vendors in Singapore. General waste in Singapore is sent to waste-to-energy incineration plants.

E-LIMINATE YOUR E-WASTE RESPONSIBLY

As part of Singapore's e-waste collection and recycling programme, we have partnered with NEA's appointed Producer Responsibility Scheme Operator for Electrical and Electronic Waste ("e-waste"), ALBA, to set up an e-waste recycling bin at MBC. These waste bins are made available for tenants to easily dispose of any old or unused electronics, which will be sent for proper recycling.

Since the implementation of the programme in September 2021, a total of 878 kg of e-waste was collected and disposed.

SUSTAINABILITY REPORT

SUPPLEMENTARY INFORMATION

METHODOLOGY

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

EMPLOYEES DATA

"Employees" refer to all employees of the Manager and the Property Manager. They include permanent and temporary contract staff for FY20/21 and FY21/22. The employee data does not include TPSPs engaged to perform certain property management services.

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

OCCUPATIONAL HEALTH AND SAFETY

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

ENVIRONMENTAL DATA

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

ENERGY CONSUMPTION AND INTENSITY

Energy consumed across MCT's properties includes diesel and purchased electricity, which has been included in this report. Diesel is used primarily for gensets during scheduled shutdowns and maintenance, and used for the shuttle bus service. Hence, its usage is very minimal.

Electricity consumption includes all tenants' electricity consumption for air-conditioning within the leased premises only, less the renewable energy generated at the properties.

Like-for-like electricity consumption and intensity included only properties with full year data for FY18/19, FY19/20, FY20/21 and FY21/22. It excludes MBC II as full-year data is unavailable before FY20/21 for comparison.

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

GHG EMISSIONS AND INTENSITY

GHG emissions are reported in line with the guidance from the GHG Protocol Corporate Accounting and Reporting Standard. The operational control approach is applied, and MCT accounts for GHG emissions from operations over which it has operational control. Like-for-like energy indirect (Scope 2) GHG and intensity includes only properties with full year data for FY18/19, FY19/20, FY20/21 and FY21/22. It excludes MBC II as full-year data is unavailable before FY20/21 for comparison.

Direct (Scope 1) GHG emissions are calculated using emission factors and global warming potential rates from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the IPCC Fifth Assessment Report.

A location-based method is adopted for the calculation of energy indirect (Scope 2) GHG emissions. Grid emission factors used are obtained from the Singapore Energy Statistics published by the Energy Market Authority. We adopt the latest available emission factor using the average operating margin ("OM") method for the reporting period. The GHG intensity is derived by taking total energy indirect (Scope 2) GHG emissions divided by the GFA, including common and tenants' areas, less unoccupied NLA.

The estimates for number of trees planted, oil barrels avoided and cars taken off the roads are calculated using estimated coefficients provided by Solar Energy Research Institute of Singapore ("SERIS")

WATER CONSUMPTION

Water consumption includes landlord's usage only. 100% of withdrawn water is freshwater, where concentration of total dissolved solids ≤ 1,000 mg/L. Like-for-like water consumption included only properties with full year data for FY19/20, FY20/21 and FY21/22. It excludes MBC II as full-year data is unavailable before FY20/21 for comparison.

WASTE

Waste generated and disposed is for the whole of MCT's portfolio. This first year of reporting and like-for-like comparison will be introduced from the next report. As part of the service contract, refuse disposal service companies are required to provide waste-related data to the Manager. Where actual data is not available, waste disposed is estimated accordingly at:

- Mapletree Anson - 40kg per bin X 4 bins X 26 days
- BOAHF – 70kg per bin X 5 bins X 30 days. From 1 October 2021 onwards, 70kg per bin X 4 bins X 30 days.

GRI CONTENT INDEX

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
GENERAL DISCLOSURES			
Organisational profile			
102-1	Name of the organisation	Mapletree Commercial Trust Corporate Overview, Page 2	
102-2	Activities, brands, products, and services	Corporate Overview, Page 2	
102-3	Location of headquarters	Corporate Directory, Inside Back Cover	
102-4	Location of operations	Corporate Overview, Page 2	
102-5	Ownership and legal form	Trust Structure, Page 16	
102-6	Markets served	Corporate Overview, Page 2	
102-7	Scale of the organisation	Corporate Overview, Page 2; Financial Highlights, Page 4-5; Diversity and Equal Opportunity, Page 118 - 119	
102-8	Information on employees and other workers	Diversity and Equal Opportunity, Page 118 - 119	
102-9	Supply chain	Strong Partnerships, Page 104 - 108	
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to MCT's supply chain.	
102-11	Precautionary principle or approach	Risk Management, Page 90 - 93	
102-12	External initiatives	Sustainability Matters, Targets and Performance, Page 98 - 101	
102-13	Membership of associations	REIT Association of Singapore	
Strategy			
102-14	Statement from senior decision-maker	Board Statement, Page 94-95	
Ethic and integrity			
102-16	Values, principles, standards, and norms of behaviour	Our Approach to Sustainability, Page 96; Ethical Business Conduct | Compliance with Laws and Regulations, Page 109 - 111	
Governance			
102-18	Governance structure	Our Approach to Sustainability, Page 96	
Stakeholder engagement			
102-40	List of stakeholder groups	Strong Partnerships, Page 105-106	
102-41	Collective bargaining agreements	Not applicable. No collective bargaining agreements are in place	
102-42	Identifying and selecting stakeholders	Strong Partnerships, Page 104 - 108	
102-43	Approach to stakeholder engagement	Strong Partnerships, Page 104 - 108	
102-44	Key topics and concerns raised	Strong Partnerships, Page 104 - 108	
Reporting practice			
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements, Page 184	
102-46	Defining report content and topic Boundaries	About the Report, Page 95; Sustainability Matters, Targets and Performance, Page 98 - 101	
102-47	List of material topics	Sustainability Matters, Targets and Performance, Page 98 - 101	

SUSTAINABILITY REPORT

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
102-48	Restatement of information	There has been no restatement of figures or information disclosed in our previous report.	
102-49	Changes in reporting	Materiality, Page 97 Sustainability Matters, Targets and Performance, Page 98 - 101	
102-50	Reporting period	1 April 2021 – 31 March 2022	
102-51	Date of most recent report	The Annual Report/Sustainability Report for FY20/21 was published on 23 June 2021.	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	About the Report, Page 95	
102-54	Claims of reporting in accordance with the GRI Standards	About the Report, Page 95	
102-55	GRI content index	GRI Content Index, Page 135 - 140	
102-56	External assurance	MCT has not sought external assurance on this report but may do so in the future.	
MATERIAL TOPIC: ECONOMIC PERFORMANCE			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Economic Performance, Page 102	
103-3	Evaluation of the management approach	Economic Performance, Page 102	
GRI 201 (2016): Economic performance			
201-1	Direct economic value generated and distributed	Financial Statements, Page 144 - 211	
MATERIAL TOPIC: QUALITY, SUSTAINABLE PRODUCTS AND SERVICES			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Quality, Sustainable Products and Services, Page 103 - 104	
103-3	Evaluation of the management approach	Quality, Sustainable Products and Services, Page 103 - 104	
GRI-G4 Sector Disclosures: Construction and real estate			
CRE8	Type and number of sustainability certification, rating and labelling schemes	Quality, Sustainable Products and Services, Page 103	
MATERIAL TOPIC: STRONG PARTNERSHIPS			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Strong Partnerships, Page 104 - 108	
103-3	Evaluation of the management approach	Strong Partnerships, Page 104 - 108	

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
GRI 308 (2016): Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Strong Partnerships, Page 107	
GRI 414 (2016): Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Strong Partnerships, Page 107	
MATERIAL TOPIC: ETHICAL BUSINESS CONDUCT			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Ethical Business Conduct | Compliance with Laws and Regulations, Page 109 - 111	
103-3	Evaluation of the management approach	Ethical Business Conduct | Compliance with Laws and Regulations, Page 109 - 111	
GRI 205 (2016): Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	Ethical Business Conduct | Compliance with Laws and Regulations, Page 109	
MATERIAL TOPIC: COMPLIANCE WITH LAWS AND REGULATIONS			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Ethical Business Conduct | Compliance with Laws and Regulations, Page 109 - 111	
103-3	Evaluation of the management approach	Ethical Business Conduct | Compliance with Laws and Regulations, Page 109 - 111	
GRI 417 (2016): Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	Ethical Business Conduct | Compliance with Laws and Regulations, Page 111	
GRI 417 (2016): Marketing and labelling			
417-3	Incidents of non-compliance concerning marketing communications	Ethical Business Conduct | Compliance with Laws and Regulations, Page 111	
GRI 418 (2016): Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethical Business Conduct | Compliance with Laws and Regulations, Page 111	
GRI 419 (2016): Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Ethical Business Conduct | Compliance with Laws and Regulations, Page 111	
MATERIAL TOPIC: HEALTH & SAFETY			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	

SUSTAINABILITY REPORT

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Health and Safety, Page 111 - 114	
103-3	Evaluation of the management approach	Health and Safety, Page 111 - 114	
GRI 403 (2018): Occupational health and safety			
403-1	Occupational health and safety management system	Health and Safety, Page 111 - 114	
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety, Page 111 - 114	
403-3	Occupational health services	Health and Safety, Page 111 - 114	
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety, Page 111 - 114	
403-5	Worker training on occupational health and safety	Health and Safety, Page 111 - 114	
403-6	Promotion of worker health	Health and Safety, Page 111 - 114	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety, Page 111 - 114	
403-9	Work-related injuries	Health and Safety, Page 114	(b) – Information unavailable for workers who are not employees but whose work and/ or workplace is controlled by the organisation
GRI 416 (2016): Customer health and safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health and Safety, Page 114	
MATERIAL TOPIC: EMPLOYEE ENGAGEMENT AND TALENT MANAGEMENT			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Employee Engagement and Talent Management, Page 115 - 117	
103-3	Evaluation of the management approach	Employee Engagement and Talent Management, Page 115 - 117	
GRI 401 (2016): Employment			
401-1	New employee hires and employee turnover	Employment Engagement and Talent Management, Page 116	(a), (b) - Breakdown by age group, gender and region is not applicable
GRI 404 (2016): Training and education			
404-2	Programmes for upgrading employee skills and transition assistance programmes	Employee Engagement and Talent Management, Page 116 - 117	

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Engagement and Talent Management, Page 116	
MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Diversity and Equal Opportunity, Page 118 - 119	
103-3	Evaluation of the management approach	Diversity and Equal Opportunity, Page 118 - 119	
GRI 405 (2016): Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity, Page 118 - 119	
MATERIAL TOPIC: COMMUNITY IMPACT			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Community Impact, Page 120 - 122	
103-3	Evaluation of the management approach	Community Impact, Page 120 - 122	
GRI 413 (2016): Local communities			
413-1	Operations with local community engagement, impact assessments, and development programmes	Community Impact, Page 120 - 122	
MATERIAL TOPIC: ENERGY AND CLIMATE CHANGE			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Energy and Climate Change, Page 123 - 129	
103-3	Evaluation of the management approach	Energy and Climate Change, Page 123 - 129	
GRI 302 (2016): Energy			
302-1	Energy consumption within the organisation	Energy and Climate Change, Page 129	
302-3	Energy intensity	Energy and Climate Change, Page 129	
GRI 305 (2016): Emissions			
305-1	Direct (Scope 1) GHG emissions	Energy and Climate Change, Page 129	
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Climate Change, Page 129	
305-4	GHG emissions intensity	Energy and Climate Change, Page 129	
GRI-G4 Sector Disclosures: Construction and real estate			
CRE1	Building energy intensity	Energy and Climate Change, Page 129	
CRE3	GHG emissions intensity from buildings	Energy and Climate Change, Page 129	

SUSTAINABILITY REPORT

GRI Standards Disclosures		Reference(s) and/or Explanation	Identified Omission(s)
MATERIAL TOPIC: WATER MANAGEMENT			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Water Management, Page 130 - 131	
103-3	Evaluation of the management approach	Water Management, Page 130 - 131	
GRI 303 (2018): Water and effluents			
303-1	Interactions with water as a resource	Water Management, Page 130 - 131	
303-2	Management of water discharge-related impacts	Water Management, Page 130 - 131	
303-3	Water withdrawal	Water Management, Page 131	
MATERIAL TOPIC: WASTE MANAGEMENT			
GRI 103 (2016): Management approach			
103-1	Explanation of the material topic and its boundary	Sustainability Matters, Targets and Performance, Page 98 - 101	
103-2	The management approach and its components	Sustainability Matters, Targets and Performance, Page 98 - 101; Waste Management, Page 132 - 133	
103-3	Evaluation of the management approach	Waste Management, Page 132 - 133	
GRI 306 (2020): Waste			
306-1	Waste generation and significant waste-related impacts	Waste Management, Page 132 - 133	
306-2	Management of significant waste-related impacts	Waste Management, Page 132 - 133	
306-3	Waste generated	Waste Management, Page 133	
306-4	Waste diverted from disposal	Waste Management, Page 133	
306-5	Waste directed to disposal	Waste Management, Page 133	

INVESTOR RELATIONS

COMMITMENT TO HIGH STANDARDS OF DISCLOSURE AND CORPORATE TRANSPARENCY

The Manager is committed to high standards of disclosure and corporate transparency. This is to instil stakeholder confidence and to ensure that they are equipped with the necessary information to make sound judgements about MCT. Because of this, we place a high priority on providing accurate and timely disclosure of financial results, announcements and relevant information related to MCT to the public, and we endeavour to use clear language and maintain consistent disclosures on all relevant issues. We proactively engage investors and analysts, and the media to communicate our business case and to understand and address their concerns where possible. Various avenues and modes of communications are in place to facilitate regular and frequent interactions with the investment community. These include:

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

PROACTIVE ENGAGEMENT OF INVESTORS

We place emphasis on quality interaction with the investment community through multiple platforms such as AGMs, briefings, face-to-face investor meetings, teleconferences, investor conferences, roadshows and property visits. Analysts' briefings are conducted every six months to provide updates on MCT's half-year and full year financial results and operational performance.

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

In FY21/22, we engaged over 500 (FY20/21: over 360) fund managers, institutional investors and analysts. These were, however, conducted via virtual means in line with safe management measures arising from the COVID-19 pandemic. On-site meetings, property visits and physical events were limited during the year.

Due to the COVID-19 restriction orders in Singapore, MCT's tenth AGM on 22 July 2021 and the EGM on 23 May 2022 were held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Pre-registered Unitholders who have been verified were given user details and instructions on how to access the live audio-visual webcast and live audio-only stream of the proceedings of the AGM and EGM.

Ahead of the AGM and EGM, Unitholders were invited to submit questions related to the tabled resolutions and to vote by appointing the Chairman of the Meeting as proxy. Responses to substantial and relevant questions received were published on SGXNET and MCT's website prior to the AGM and EGM. During the live audio-visual webcast of the AGM and EGM, Unitholders were further allowed to submit text-based questions. All resolutions were duly approved by Unitholders and results published on SGXNet and MCT's website on the same day. Minutes of the AGM and EGM were also published subsequently.

To specially help retail investors better understand the rationale of the proposed merger with MNACT and to hear their feedback ahead of the EGM, we conducted a virtual information session on 10 May 2022. This was facilitated by SIAS and well-attended by more than 120 retail investors. The Proposed Merger was approved by Unitholders at the EGM held on 23 May 2022.

RESEARCH COVERAGE

During the financial year, we expanded the research coverage of MCT from 14 to 16. As at 31 March 2022, MCT was actively covered by the following research houses:

- BofA Securities
- CGS-CIMB
- Citigroup
- CLSA
- Credit Suisse
- Daiwa Capital Markets
- DBS
- Goldman Sachs
- HSBC
- Jefferies
- JP Morgan
- Macquarie Bank
- Maybank Kim Eng
- Morgan Stanley
- OCBC
- UOB KayHian

INVESTOR RELATIONS

INVESTOR RELATIONS ACTIVITIES IN FY21/22

	Event
First Quarter (period from 1 April 2021 to 30 June 2021)	Analysts' Results Briefing and 'Live' Webcast for 2H and FY20/21 Results
	2H and FY20/21 Results Investors Teleconference hosted by Citi
	Bank of Singapore Virtual Real Estate Corporate Access Day
	Citi Asia-Pacific Property Virtual Conference
Second Quarter (period from 1 July 2021 30 September 2021)	Tenth AGM
	1Q FY21/22 Business Updates Investors Teleconference hosted by JP Morgan
	Mapletree Bangkok Day Virtual Conference hosted by DBS
	Citi-REITAS-SGX C-Suite Singapore REITS and Sponsors Virtual Forum
	Daiwa Pan-Asia REIT Virtual Conference 2021
	SGX-UOB Kay Hian Virtual Singapore Corporate Day
Third Quarter (period from 1 October 2021 to 31 December 2021)	Analysts' Results Briefing and 'Live' Webcast for 1H FY21/22 Results
	1H FY21/22 Results Investors Teleconference hosted by Daiwa
	UBS Global Real Estate CEO/CFO Virtual Conference 2021
	Joint Media and Analysts Briefing on the proposed merger with MNACT
Fourth Quarter (period from 1 January 2022 to 31 March 2022)	Non-deal Roadshow on the proposed merger with MNACT coordinated by DBS
	3Q and YTD FY21/22 Business Updates Investors Teleconference hosted by DBS
	Joint Media and Analysts Briefing on the Revision of the Trust Scheme for the Proposed Merger

FINANCIAL RESULTS, BUSINESS UPDATES AND DISTRIBUTIONS CALENDAR

27 April 2021	2H and FY20/21 Results Announcement
4 June 2021	Payment of 2H FY20/21 Distribution
23 July 2021	1Q FY21/22 Business Updates
27 October 2021	1H FY21/22 Results Announcement
30 November 2021	Payment of 1H FY21/22 Distribution
26 January 2022	3Q & YTD FY21/22 Business Updates
20 April 2022	2H and FY21/22 Results Announcement
3 June 2022	Payment of 2H FY21/22 Distribution

FINANCIAL, BUSINESS UPDATES & DISTRIBUTION CALENDAR FOR FY22/23

(Tentative and subject to changes)

July 2022	11th AGM
July 2022	1Q FY22/23 Business Updates
October 2022	1H FY22/23 Results Announcement
November 2022	Payment of 1H FY22/23 Distribution
January 2022	3Q & YTD FY22/23 Business Updates
April 2022	2H and FY22/23 Results Announcement
June 2022	Payment of 2H FY22/23 Distribution

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

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

THE MANAGER

Ms Teng Li Yeng
Director, Investor Relations

T: +65 6377 6111
F: +65 6274 3185
E: enquiries_mct@mapletree.com.sg

SUBSTANTIAL UNITHOLDER'S NOTIFICATIONS AND RELATED ENQUIRIES

E: _MCT_disclosure@mapletree.com.sg

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd.
1 Harbourfront Avenue
#14-07
Keppel Bay Tower
Singapore 098632

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

UNITHOLDER DEPOSITORY

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

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07
The Metropolis Tower 2
Singapore 138589

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

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

For the financial year ended 31 March 2022

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Commercial Trust ("MCT") and its subsidiaries (the "Group") in trust for the holders of units in MCT ("Unitholders"). In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Mapletree Commercial Trust Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed MCT and the Group during the financial year covered by these financial statements, set out on pages 152 to 211, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Jane Lim Puay Yuen
Director

Singapore, 21 April 2022

STATEMENT BY THE MANAGER

For the financial year ended 31 March 2022

In the opinion of the directors of Mapletree Commercial Trust Management Ltd., the accompanying financial statements of Mapletree Commercial Trust ("MCT") and its subsidiaries (the "Group") as set out on pages 152 to 211, comprising the Statements of Financial Position and Portfolio Statement of MCT and the Group as at 31 March 2022, the Statements of Profit or Loss, Statements of Comprehensive Income, Distribution Statements and Statements of Movements in Unitholders' Funds of MCT and the Group, the Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements for the financial year then ended are drawn up so as to present fairly, in all material respects, the financial position of MCT and of the Group as at 31 March 2022 and the financial performance, amount distributable and movements of Unitholders' funds of MCT and the Group and consolidated cash flows of the Group for the year then ended in accordance with Singapore Financial Reporting Standards (International) and relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that MCT and the Group will be able to meet its financial obligations as and when they materialise.

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

Lim Hwee Li Sharon
Director

Singapore, 21 April 2022

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE 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 of Mapletree Commercial Trust ("MCT") and its subsidiaries (the "Group") and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement, Statement of Movements in Unitholders' Funds and Portfolio Statement of MCT are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code"), so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MCT as at 31 March 2022 and the consolidated financial performance of the Group and the financial performance of MCT, the consolidated amount distributable of the Group and the amount distributable of MCT, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of MCT, the consolidated portfolio holdings of the Group and portfolio holdings of MCT and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MCT and the Group comprise:

- the statements of profit or loss of the Group and MCT for the financial year ended 31 March 2022;
- the statements of comprehensive income of the Group and MCT for the financial year ended 31 March 2022;
- the statements of financial position of the Group and MCT as at 31 March 2022;
- the distribution statements of the Group and MCT for the financial year ended 31 March 2022;
- the consolidated statement of cash flows of the Group for the financial year ended 31 March 2022;
- the statements of movements in unitholders' funds for the Group and MCT for the financial year ended 31 March 2022;
- the portfolio statement for the Group and MCT for the financial year ended 31 March 2022; and
- the notes to the financial statements, including a summary of significant accounting policies.

BASIS FOR OPINION

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

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

Independence

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

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

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 2022. 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
<u>Valuation of investment properties</u> Refer to Note 13 – Investment properties As at 31 March 2022, the carrying value of the Group's investment properties of $8.82 billion accounted for 98.2% of the Group's total assets. The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions. The independent valuation reports have highlighted that with the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions. The key inputs are disclosed in Note 13 to the accompanying financial statements.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques and inputs used by the external valuers in determining the valuations of individual investment properties; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; • assessed the reasonableness of the capitalisation rates, discount rates and adjusted price per square feet by benchmarking these inputs against those of comparable properties and prior year inputs. Where the inputs and estimates were beyond the expected range, we performed procedures to understand the reasons and therefore the validity of these inputs and estimates; and • challenged the projected cash flows used against the current and historical lease rates. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. The valuers are members of recognised bodies for professional valuers. The valuation techniques used were in line with generally accepted market practices and the key assumptions used were within the range used by valuers of similar investment properties.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

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

OTHER INFORMATION

The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee, and Statement by the Manager (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and other sections of MCT's Annual Report 2021/22 ("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 SFRS(I)s, applicable requirements of the CIS Code and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 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 Rebekah Khan.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 21 April 2022

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 March 2022

		Group		MCT	
	Note	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Gross revenue	3	**499,475**	478,997	**468,486**	450,090
Property operating expenses	4	**(110,794)**	(101,987)	**(93,475)**	(86,259)
Net property income		**388,681**	377,010	**375,011**	363,831
Finance income		**284**	754	**4,768**	3,898
Finance expenses	5	**(72,575)**	(76,848)	**(64,096)**	(67,698)
Manager's management fees					
– Base fees		**(22,218)**	(22,458)	**(18,304)**	(18,546)
– Performance fees		**(15,547)**	(15,080)	**(12,690)**	(12,257)
Trustee's fees		**(1,039)**	(1,049)	**(1,039)**	(1,049)
Other trust expenses	6	**(1,388)**	(1,153)	**(1,319)**	(1,093)
Foreign exchange gain		**8,926**	8,639	**8,926**	8,639
Net change in fair value of financial derivative		**(8,390)**	(8,786)	**(8,390)**	(8,786)
Profit before tax and fair value change in investment properties		**276,734**	261,029	**282,867**	266,939
Net change in fair value of investment properties	7	**70,290**	(192,420)	**49,670**	(173,459)
Profit for the financial year before tax		**347,024**	68,609	**332,537**	93,480
Income tax expense	8(a)	**(5)**	(3)	**–**	–
Profit for the financial year after tax before distribution		**347,019**	68,606	**332,537**	93,480
Earnings per unit (cents)					
– Basic	9	**10.45**	2.07		
– Diluted	9	**10.45**	2.07		

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

		Group		MCT	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Profit for the financial year after tax before distribution		**347,019**	68,606	**332,537**	93,480
Other comprehensive income — items that may be reclassified subsequently to profit or loss					
Cash flow hedges					
– Fair value gain/(loss)	22	**29,459**	(8,949)	**15,839**	(4,976)
– Reclassification to profit or loss	22	**15,032**	14,376	**10,539**	11,218
Total comprehensive income for the financial year		**391,510**	74,033	**358,915**	99,722

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

		Group		MCT	
		31 March		31 March	
	Note	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**124,170**	192,543	**113,051**	176,652
Trade and other receivables	11	**2,725**	7,631	**3,157**	7,813
Tax recoverable	8(c)	**5,849**	5,849	**–**	–
Other assets	12	**649**	528	**475**	346
		133,393	206,551	**116,683**	184,811
Non-current assets					
Investment properties	13	**8,821,000**	8,737,000	**7,270,000**	7,202,000
Plant and equipment	14	**162**	266	**116**	223
Investments in subsidiaries	15	**–**	–	**910,964**	910,964
Derivative financial instruments	16	**27,741**	6,767	**27,741**	14,317
Other assets	12	**2,227**	–	**2,227**	–
		8,851,130	8,744,033	**8,211,048**	8,127,504
Total assets		**8,984,523**	8,950,584	**8,327,731**	8,312,315
LIABILITIES					
Current liabilities					
Derivative financial instruments	16	**4,570**	2,390	**4,570**	2,390
Trade and other payables	17	**102,919**	114,047	**87,046**	97,192
Borrowings	18	**460,547**	70,000	**263,894**	–
Loans from a subsidiary	18	**–**	–	**196,653**	70,000
		568,036	186,437	**552,163**	169,582
Non-current liabilities					
Derivative financial instruments	16	**266**	17,573	**12,887**	19,631
Other payables	17	**53,923**	53,007	**49,915**	45,809
Borrowings	18	**2,543,787**	2,959,625	**1,179,815**	1,391,074
Loans from a subsidiary	18	**–**	–	**728,522**	933,764
Deferred tax liabilities	19	**24,974**	24,974	**–**	–
		2,622,950	3,055,179	**1,971,139**	2,390,278
Total liabilities		**3,190,986**	3,241,616	**2,523,302**	2,559,860
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		**5,793,537**	5,708,968	**5,804,429**	5,752,455
Represented by:					
Unitholders' funds		**5,793,537**	5,708,968	**5,804,429**	5,752,455
UNITS IN ISSUE ('000)	21	**3,323,514**	3,316,204	**3,323,514**	3,316,204
NET ASSET VALUE PER UNIT ($)		**1.74**	1.72	**1.75**	1.73

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

DISTRIBUTION STATEMENTS

For the financial year ended 31 March 2022

	Group		MCT	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Amount available for distribution to Unitholders at beginning of financial year	**212,540**	66,109	**198,975**	53,489
Profit for the financial year after tax before distribution	**347,019**	68,606	**332,537**	93,480
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**(45,790)**	218,114	**(30,314)**	192,295
Income available for distribution	**301,229**	286,720	**302,223**	285,775
Capital Distribution	**15,753**	28,000	**15,753**	28,000
Amount available for distribution for the year	**316,982**	314,720	**317,976**	313,775
Distribution to Unitholders:				
Distribution of 5.32 cents per unit for the period from 1 October 2020 to 31 March 2021	**(176,422)**	–	**(176,422)**	–
Distribution of 4.39 cents per unit for the period from 1 April 2021 to 30 September 2021	**(145,804)**	–	**(145,804)**	–
Distribution of 0.91 cent per unit for the period from 1 January 2020 to 31 March 2020	**–**	(30,098)	**–**	(30,098)
Distribution of 4.17 cents per unit for the period from 1 April 2020 to 30 September 2020	**–**	(138,191)	**–**	(138,191)
Total Unitholders' distribution (including capital distribution) (Note B)	**(322,226)**	(168,289)	**(322,226)**	(168,289)
Amount available for distribution to Unitholders at end of financial year	**207,296**	212,540	**194,725**	198,975

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

DISTRIBUTION STATEMENTS

For the financial year ended 31 March 2022

	Group		MCT	
	2022 **$'000**	2021 $'000	**2022** **$'000**	2021 $'000
Note A:				
Adjustment for net effect of non-tax chargeable items and other adjustments comprise:				
Major non-tax deductible/(chargeable) items:				
– Management fees paid/payable in units	**15,497**	15,402	**15,497**	15,402
– Trustee's fees	**1,039**	1,049	**1,039**	1,049
– Financing fees	**3,436**	3,285	**2,620**	2,471
– Net change in fair value of financial derivative	**8,390**	8,786	**8,390**	8,786
– Net change in fair value of investment properties	**(70,290)**	192,420	**(49,670)**	173,459
– Unrealised foreign exchange gain	**(8,926)**	(8,639)	**(8,926)**	(8,639)
– Amortisation of rental incentives	**4,683**	6,496	**–**	–
Other non-tax deductible items and other adjustments	**381**	(685)	**736**	(233)
	(45,790)	218,114	**(30,314)**	192,295
Note B:				
Taxable income distribution	**(292,692)**	(150,063)	**(292,692)**	(150,063)
Capital distribution	**(18,906)**	(18,226)	**(18,906)**	(18,226)
Tax-exempt income distribution	**(10,628)**	–	**(10,628)**	–
	(322,226)	(168,289)	**(322,226)**	(168,289)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit for the financial year after tax before distribution		**347,019**	68,606
Adjustments for:			
– Income tax expense	8(a)	**5**	3
– Depreciation	14	**148**	148
– Impairment of trade receivables	24(c)	**256**	163
– Unrealised foreign exchange gain		**(8,926)**	(8,639)
– Net change in fair value of investment properties	7	**(70,290)**	192,420
– Net change in fair value of financial derivative		**8,390**	8,786
– Finance income		**(284)**	(754)
– Finance expenses	5	**72,575**	76,848
– Manager's management fees paid/payable in units		**15,497**	15,402
		364,390	352,983
Change in working capital:			
– Trade and other receivables		**4,595**	(4,759)
– Other assets		**(121)**	(2)
– Trade and other payables		**(5,234)**	11,215
Cash generated from operations		**363,630**	359,437
– Income tax paid	8(c)	**(5)**	(4,002)
Net cash provided by operating activities		**363,625**	355,435
Cash flows from investing activities			
Additions to investment properties		**(18,682)**	(14,332)
Additions to plant and equipment	14	**(44)**	(85)
Finance income received		**339**	680
Prepayments of transaction costs directly attributable to the Proposed Merger – Note A		**(453)**	–
Net cash used in investing activities		**(18,840)**	(13,737)
Cash flows from financing activities			
Proceeds from borrowings		**137,900**	944,100
Repayments of borrowings		**(86,800)**	(754,400)
Redemption of notes		**(70,000)**	(160,000)
Payments of financing fees		**(147)**	(2,045)
Finance expenses paid		**(71,885)**	(74,378)
Payments of distribution to Unitholders		**(322,226)**	(168,289)
Net cash used in financing activities		**(413,158)**	(215,012)
Net (decrease)/increase in cash and cash equivalents		**(68,373)**	126,686
Cash and cash equivalents			
Beginning of financial year		**192,543**	65,857
End of financial year	10	**124,170**	192,543

Note A – As at 31 March 2022, the Group incurred transaction costs directly attributable to the proposed merger of MCT and Mapletree North Asia Commercial Trust ("MNACT") ("Proposed Merger") of $2,227,000 (Note 12).

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

Reconciliation of liabilities arising from financing activities

	Borrowings and interest payable	
	2022	2021
	$'000	$'000
Beginning of financial year	**3,042,094**	3,020,608
Proceeds from borrowings	**137,900**	944,100
Repayments of borrowings	**(86,800)**	(754,400)
Redemption of notes	**(70,000)**	(160,000)
Finance expenses paid	**(71,885)**	(74,378)
Payments of financing fees	**(147)**	(2,045)
Non-cash changes:		
– Finance expenses	**72,575**	76,848
– Unrealised foreign exchange gain	**(8,926)**	(8,639)
End of financial year	**3,014,811**	3,042,094

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 March 2022

		Group		MCT	
		2022	2021	**2022**	2021
	Note	**$'000**	$'000	**$'000**	$'000
OPERATIONS					
Balance at beginning of financial year		**1,767,720**	1,867,403	**1,805,715**	1,880,524
Profit for the financial year		**347,019**	68,606	**332,537**	93,480
Distributions to Unitholders		**(322,226)**	(168,289)	**(322,226)**	(168,289)
Balance at end of financial year		**1,792,513**	1,767,720	**1,816,026**	1,805,715
UNITHOLDERS' CONTRIBUTION					
Balance at beginning of financial year		**3,959,140**	3,942,864	**3,959,140**	3,942,864
Movement during the financial year					
– Manager's management fees paid in units		**15,285**	16,276	**15,285**	16,276
Balance at end of financial year		**3,974,425**	3,959,140	**3,974,425**	3,959,140
HEDGING RESERVE					
Balance at beginning of financial year		**(17,892)**	(23,319)	**(12,400)**	(18,642)
Fair value gain/(loss)	22	**29,459**	(8,949)	**15,839**	(4,976)
Reclassification to profit or loss	22	**15,032**	14,376	**10,539**	11,218
Balance at end of financial year	22	**26,599**	(17,892)	**13,978**	(12,400)
Total Unitholders' funds at end of financial year		**5,793,537**	5,708,968	**5,804,429**	5,752,455

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

PORTFOLIO STATEMENT

As at 31 March 2022

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
Investment properties held under MCT					
VivoCity	N.A[2]	Leasehold	99 years	74 years	1 HarbourFront Walk Singapore
Mapletree Business City I ("MBC I")	25 August 2016[3]	Leasehold[3]	99 years	74 years	10, 20, 30 Pasir Panjang Road Singapore
mTower (excludes 17th-21st, 33rd and 39th storeys)	27 April 2011[4]	Leasehold	99 years	74 years	460 Alexandra Road Singapore
Mapletree Anson	4 February 2013[4]	Leasehold	99 years	84 years	60 Anson Road Singapore
Bank of America Merrill Lynch HarbourFront ("MLHF")	27 April 2011[4]	Leasehold	99 years	74 years	2 HarbourFront Place Singapore
Sub-Total – MCT					
Investment property held under Mapletree Business City LLP ("MBC LLP")					
Mapletree Business City II ("MBC II")	1 November 2019[3]	Leasehold[3]	99 years	74 years	Part 20, 40, 50, 60, 70, 80 Pasir Panjang Road Singapore
Sub-Total – MBC LLP					

Gross revenue/Investment properties - Group
Other assets and liabilities (net) – Group
Net assets attributable to Unitholders – Group

Notes:

1 Refers to the leasehold tenure of the land.

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

3 MBC I was acquired from Mapletree Business City Pte. Ltd. ("MBC PL") on 25 August 2016 and MBC II was acquired from Heliconia Realty Pte Ltd ("HRPL") on 1 November 2019. Mapletree Business City ("MBC") comprises MBC I and MBC II. MBC is on a single leasehold land title, with MBC I on strata lease from 25 August 2016 to 29 September 2096.

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

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

The carrying amounts of the investment properties were based on independent valuations as at 31 March 2022 conducted by CBRE Pte. Ltd. ("CBRE") for VivoCity and Jones Lang LaSalle Property Consultants Pte Ltd for MBC I and II, mTower, Mapletree Anson and MLHF (2021: the carrying amounts of the investment properties were based on independent valuations as at 31 March 2021 conducted by Savills Valuation and Professional Services (S) Pte. Ltd. for VivoCity and CBRE for MBC I and II, mTower, Mapletree Anson and MLHF). All valuers are assessed to be independent and have appropriate professional qualifications and experience in the location and category of the properties being valued. As at 31 March 2022, the valuations of the investment properties were based on the income capitalisation method and discounted cash flow method (31 March 2021: income capitalisation method, discounted cash flow method and direct comparison method where applicable).

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

PORTFOLIO STATEMENT

As at 31 March 2022

Gross revenue for the financial year ended 31/03/2022 $'000	Gross revenue for the financial year ended 31/03/2021 $'000	**Occupancy rate as at 31/03/2022 %**	Occupancy rate as at 31/03/2021 %	**At valuation as at 31/03/2022 $'000**	At valuation as at 31/03/2021 $'000	**Percentage of total net assets attributable to Unitholders as at 31/03/2022 %**	Percentage of total net assets attributable to Unitholders as at 31/03/2021 %
183,888	169,323	**98.6**	97.1	**3,182,000**	3,148,000	**54.9**	55.1
127,154	128,803	**89.9**	90.2	**2,249,000**	2,226,000	**38.8**	39.0
45,623	40,219	**84.7**	75.5	**747,000**	742,000	**12.9**	13.0
33,987	34,506	**95.0**	100.0	**752,000**	747,000	**13.0**	13.1
20,061	19,845	**100.0**	100.0	**340,000**	339,000	**5.9**	5.9
410,713	392,696			**7,270,000**	7,202,000	**125.5**	126.1
88,762	86,301	**99.8**	100.0	**1,551,000**	1,535,000	**26.8**	26.9
88,762	86,301			**1,551,000**	1,535,000	**26.8**	26.9
499,475	478,997			**8,821,000**	8,737,000	**152.3**	153.0
				(3,027,463)	(3,028,032)	**(52.3)**	(53.0)
				5,793,537	5,708,968	**100.0**	100.0

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

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

1. GENERAL

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

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

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

The principal investment activity of MCT is to invest directly or indirectly, in a diversified portfolio of properties with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. The principal activities of its subsidiaries are set out in Note 15.

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

(a) Trustee's fees

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

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

(b) Manager's Management fees

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

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

(ii) a performance fee not exceeding 4.0% per annum of the Group's net property income ("NPI") or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

The management fees payable to the Manager shall be paid in the form of cash and/or units. The base fees and performance fees paid in cash and/or units are paid quarterly and annually, in arrears respectively. The Manager has elected to receive 50% of its management fees in units and the balance in cash from MCT and 100% of its management fees in cash from MBC LLP from the date of acquisition, 1 November 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

1. **GENERAL** (continued)

(c) Acquisition and Divestment fees

The Manager is entitled to receive the following fees:

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

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

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

(d) Fees under the Property Management Agreement

(i) Property management fees

The Trustee will pay Mapletree Commercial Property Management Pte. Ltd. (the "Property Manager"), for each fiscal year (as defined in the Property Management Agreement), the following fees:

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

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

(ii) Project management fees

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

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

The area involving a higher degree of judgement, where estimates and assumptions are significant to the financial statements is disclosed in Note 13 – Investment properties.

Notwithstanding the net current liabilities position, based on the Group's existing financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due. Specifically, the Group has sufficient credit facilities available to refinance the portion of the borrowings due within the next 12 months.

Interpretations and amendments to published standards effective in 2021

The Group has adopted new or amended SFRS(I)s and Interpretations to SFRS(I)s ("INT SFRS(I)") that are mandatory for application from 1 April 2021. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s 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 year.

Interest Rate Benchmark Reform ("IBOR reform") – Phase 2

The Group has adopted the amendments to SFRS(I) 9 and SFRS(I) 7 Interest Rate Benchmark Reform – Phase 2 effective 1 April 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the current year opening reserves amounts on adoption.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2021 (continued)

Interest Rate Benchmark Reform – Phase 2 (continued)

Hedge relationships

The Phase 2 amendments address issues arising during IBOR reform, including specifying when hedge designations and documentation should be updated, and when amounts accumulated in cash flow hedge reserve should be recognised in profit or loss.

No changes were required to any of the amounts recognised in the current or prior year as a result of these amendments.

In the current year, the Group and MCT have adopted the following hedge accounting reliefs provided by the 'Phase 2' amendments to existing cash flow hedges (notional amount of $650,000,000 and $150,000,000 respectively) that have transitioned to alternative benchmark rates required by IBOR reform:

- Hedge designation: When the 'Phase 1' amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the interest rate benchmark on which the hedged future cash flows were based is changed as required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate.

Financial instruments measured at amortised cost

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

For the financial year ended 31 March 2022, the Group and MCT have applied the practical expedients provided under Phase 2 of the amendments to total gross borrowing of $1,563,000,000 and $925,000,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2021 (continued)

Interest Rate Benchmark Reform – Phase 2 (continued)

Effect of IBOR reform

The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate bank borrowings that are linked to the Singapore Swap Offer Rate ("SOR") and the Japanese Yen ("JPY") LIBOR medium term note.

On 5 March 2021, the Financial Conduct Authority formally announced the dates for the cessation of all LIBOR benchmark settings published by the ICE Benchmark Administration. Accordingly, JPY LIBOR loses its representativeness after 31 December 2021 and it is replaced by the JPY Tokyo Overnight Average rate ("TONA"). SOR will cease publication after 30 June 2023, and it is replaced by the Singapore Overnight Rate Average ("SORA"). The Group has variable rate SGD bank borrowings which references to SOR and matures after 30 June 2023. The Group hedges the variability in cash flows using SOR-linked interest rate swaps, which have been designated as cash flow hedges.

Except for a SOR-referenced floating-rate gross borrowing of $80,000,000, with carrying amount of $79,764,000, the Group and MCT have completed its transition from SOR to SORA and JPY LIBOR to JPY TONA for borrowings and related interest rate swaps and cross currency interest rate swap contracts maturing after the IBOR cessation date. The Group is finalising the documentation of this remaining SOR-referenced floating-rate borrowing. The remaining borrowings and derivative financial instruments of the Group and MCT have transited to the new benchmark rates or will mature before the SOR cessation date.

The Group continues to apply the Phase 1 temporary amendments for hedge accounting on cash flow hedges relating to the related SOR risk. The expected transition from SOR to SORA had no effect on the amounts reported for the current and prior financial year.

2.2 Revenue recognition

(a) *Rental income and service charges from operating leases*

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

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

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

Any changes in the scope or the consideration for a lease that was not part of the original terms and conditions of the lease (for example, rent concessions given which were not contemplated as part of the original terms and conditions of the lease) are accounted for as lease modifications.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognising the remaining lease payments as income on a either a straight-line basis or another systematic basis over the remaining lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Revenue recognition (continued)

(b) *Car parking income*

Car parking income from the operation of car parks is recognised over time upon utilisation of car parking facilities by tenants and visitors.

(c) *Finance income*

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

(d) *Dividend income*

Dividend income is recognised when the right to receive the payment is established, if it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2.3 Government grants

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

2.4 Expenses

(a) *Trustee's fees*

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

(b) *Manager's management fees*

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

(c) *Property operating expenses*

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

2.5 Borrowing costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Income taxes

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

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

A deferred income tax liability is recognised on temporary differences arising on investments in 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 is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax assets and liabilities are measured:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Significant accounting policies (continued)

2.6 Income taxes (continued)

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

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A Singapore branch of a company incorporated outside Singapore;
- A body of persons (excluding companies or partnerships) registered or constituted in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948; or
- A real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

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

2.7 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

For acquisitions of subsidiaries which do not qualify as business combinations, the transactions are accounted for in accordance with the respective accounting policies for the assets acquired and the liabilities assumed.

(iii) *Disposals*

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

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

Please refer to Note 2.12 "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the financial statements of MCT.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of MCT. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the Unitholders of MCT.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.9 Non-derivative financial assets

(a) Classification and measurement

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

Financial assets at amortised cost

(i) At initial recognition

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

(ii) At subsequent measurement

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

(b) Impairment

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

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

(c) Recognition and derecognition

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Investment properties

Investment properties for the Group are held for long-term rental yields and/or for capital appreciation.

Investment properties are accounted for as non-current assets and are initially recognised at cost and subsequently carried at fair value. The Trust Deed requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code. Changes in fair value are recognised in profit or loss.

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

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

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

For taxation purposes, MCT may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

2.11 Plant and equipment

(a) *Measurement*

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 initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) *Depreciation*

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Plant and equipment	2 – 10 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss for the financial year when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Plant and equipment (continued)

(c) Subsequent expenditure

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

(d) Disposal

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

2.12 Investments in subsidiaries

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

2.13 Impairment of non-financial assets

Plant and equipment and investments in subsidiaries are reviewed for impairment whenever there is any objective evidence or indication that this asset may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, using the effective interest method.

2.16 Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. The Group does not hold or issue derivative financial instruments for trading purposes.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 24(f). The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

Cash flow hedge – Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges to manage the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Leases

When the Group is the lessee:

At the inception of the contract, 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.

Right-of-use assets

Right-of-use 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. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets which meet the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2.10.

Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.18 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques based on market conditions existing at each balance sheet date.

The fair value of interest rate swaps are calculated as the present value of the estimated future cash flows. The fair value of the cross currency interest rate swap is determined using quoted currency rates as at the balance sheet date.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 financial statements are presented in SGD, which is the functional currency of MCT.

(b) *Transactions and balances*

Transactions in a currency other than functional currency ("foreign currency") are translated into functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

2.21 Financial guarantees

The Trustee has issued financial guarantees in relation to certain borrowings of MCT's subsidiaries. These guarantees are financial guarantees as they require MCT to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss allowance computed in accordance with SFRS(I) 9.

2.22 Units and unit issuance expenses

Proceeds from the issuance of units in MCT are recognised as Unitholders' funds. Incremental costs directly attributable to the issuance of new units are deducted directly from the net assets attributable to the Unitholders.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reports provided to management who is responsible for allocating resources and assessing performance of the operating segments.

2.24 Distribution policy

MCT's distribution policy is to distribute at least 90.0% of its adjusted taxable income, comprising substantially its income from the letting of its properties and related property services income, interest income from the placement of periodic cash surpluses in bank deposits and after deducting allowable expenses and allowances, and of its tax-exempt income (if any). The actual level of distribution will be determined at the Manager's discretion, having regard to MCT's funding requirements, other capital management considerations and the overall stability of distributions. Distributions, when made, will be in SGD.

Following the amendments to Rule 705 of the SGX-ST Listing Manual effective from 7 February 2021, MCT has adopted the new half-yearly reporting framework with effect from 1 April 2021. Consequently, any distributions to Unitholders will be on a half-yearly basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

3. GROSS REVENUE

	Group		MCT	
	2022 **$'000**	2021 $'000	**2022** **$'000**	2021 $'000
Gross rental income (a)	**465,749**	454,351	**381,962**	372,718
Car parking income	**9,750**	8,316	**7,753**	6,588
Other operating income	**23,976**	13,586	**20,998**	10,676
Dividend income	**–**	–	**57,773**	57,394
	499,475	476,253	**468,486**	447,376
Government grant income (b)	**48**	36,711	**48**	33,867
Less: Government grant expense (b)	**(48)**	(33,967)	**(48)**	(31,153)
	499,475	478,997	**468,486**	450,090

Gross revenue is generated by the Group's and MCT's investment properties.

(a) Gross rental income

The turnover rental for the financial year ended 31 March 2022 were $8,738,000 and $8,718,000 (2021: $7,957,000 and $7,946,000) for the Group and MCT respectively.

Rental rebates (on top of government support) of $23,399,000 and $22,731,000 (2021: $42,513,000 and $41,329,000) were provided to eligible tenants by the Group and MCT respectively.

(b) Government grant income/expense

Government grant income and corresponding expense have been recognised in relation to cash grant and property tax rebates received from the Singapore Government as part of the COVID-19 relief measures and corresponding disbursement to eligible tenants.

The Group and MCT has fully passed through cash grants and property tax rebates, as mandated by the government, in the form of rental rebates and rental waiver to eligible tenants.

The government grant income relates to cash grant of $48,000 (2021: $10,702,000 and $10,071,000) received by the Group and MCT. No property tax rebates were received by the Group and MCT during the financial year (2021: $26,009,000 and $23,796,000 received by the Group and MCT respectively).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

4. PROPERTY OPERATING EXPENSES

	Group		MCT	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Operation and maintenance	**22,386**	20,722	**18,443**	17,157
Utilities	**7,392**	6,835	**6,532**	6,053
Property tax (a)	**44,610**	41,881	**36,948**	35,117
Property management fees	**20,212**	19,493	**16,559**	15,912
Staff costs (b)	**12,115**	9,531	**11,241**	8,831
Marketing and professional expenses	**2,540**	1,983	**2,508**	1,945
Depreciation (Note 14)	**148**	148	**119**	127
Other operating expenses	**1,391**	1,394	**1,125**	1,117
	110,794	101,987	**93,475**	86,259

All of the Group's and MCT's investment properties generate rental income and the above expenses are direct operating expenses arising from its investment properties.

(a) Property tax

Grant income in relation to the property tax rebates on non-tenanted and common areas of the investment properties of the Group and MCT of $1,603,000 and $1,487,000 respectively were included in property tax for the financial year ended 31 March 2021. No property tax rebates on non-tenanted and common areas of the investment properties were received during the financial year ended 31 March 2022.

(b) Staff costs

The Group and MCT do not have any employee on its payroll because its daily operations and administrative functions are provided by the Manager and Property Manager. Staff costs relate to reimbursements paid/payable to the Property Manager in respect of agreed employee expenditure incurred by the Property Manager for providing its services as provided for in the Property Management Agreement.

The Jobs Support Scheme ("JSS") was introduced in the Budget 2021 and enhanced subsequently in the supplementary budgets to provide wage support to employers to help them retain their local employees. Included in the staff costs, staff cost recovery of $67,000 (2021: $2,345,000) and $62,000 (2021: $2,132,000) in relation to the JSS were received from the Property Manager for the Group and MCT respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

5. FINANCE EXPENSES

	Group		MCT	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Interest expense				
– Bank loans	**26,954**	27,494	**19,291**	19,159
– Medium term notes	**25,970**	30,440	**–**	–
– Loans from a subsidiary	**–**	–	**25,970**	30,440
– Non-hedging derivative instruments	**1,143**	1,213	**5,636**	4,370
	54,067	59,147	**50,897**	53,969
Derivative hedging instruments				
– Cash flow hedges, reclassified from hedging reserve (Note 22)	**15,032**	14,376	**10,539**	11,218
Financing fees	**3,476**	3,325	**2,660**	2,511
	72,575	76,848	**64,096**	67,698

6. OTHER TRUST EXPENSES

	Group		MCT	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Audit fee	**115**	109	**111**	105
Consultancy and professional fees	**357**	279	**314**	244
Valuation fees	**225**	198	**193**	152
Other trust expenses	**691**	567	**701**	592
	1,388	1,153	**1,319**	1,093

Included in other trust expenses of MCT was an amount of $12,000 (2021: $12,000) paid/payable to Mapletree Commercial Trust Treasury Company Pte. Ltd. ("MCTTC") in undertaking the treasury functions in relation to the Group's Medium Term Notes Programme ("MTN Programme").

7. NET CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES

	Group		MCT	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Change in fair value of investment properties (Note 13)	**65,696**	(196,850)	**49,986**	(171,393)
Effects of recognising rental incentives on a straight-line basis over the lease terms	**4,594**	4,430	**(316)**	(2,066)
Net change in fair value of investment properties recognised in the profit or loss	**70,290**	(192,420)	**49,670**	(173,459)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

8. INCOME TAXES

(a) Income tax expense

	Group		MCT	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Tax expense attributable to profit is made up of:				
Current income tax				
– Current financial year	**4**	4	**–**	–
– Under/(Over) provision in prior years	**1**	(1)	**–**	–
	5	3	**–**	–

(b) Tax reconciliation

The tax on the results for the financial year differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group		MCT	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Profit before tax	**347,024**	68,609	**332,537**	93,480
Tax calculated at a tax rate of 17% (2021: 17%)	**58,994**	11,664	**56,531**	15,892
Effects of:				
– Expenses not deductible for tax purposes	**5,038**	37,726	**4,870**	34,346
– Income not subject to tax due to tax transparency ruling (Note 2.6)	**(48,710)**	(47,648)	**(39,845)**	(38,824)
– Income not subject to tax	**(15,318)**	(1,738)	**(21,556)**	(11,414)
– Under/(Over) provision in prior years	**1**	(1)	**–**	–
	5	3	**–**	–

(c) Tax recoverable

	Group		MCT	
	31 March		31 March	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Beginning of financial year	**5,849**	1,850	**–**	–
Income tax paid	**5**	4,002	**–**	–
Income tax expense	**(4)**	(4)	**–**	–
(Under)/Over provision in prior years	**(1)**	1	**–**	–
End of financial year	**5,849**	5,849	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

9. EARNINGS PER UNIT

	Group	
	2022	2021
Profit attributable to Unitholders of MCT ($'000)	**347,019**	68,606
Weighted average number of units outstanding during the financial year ('000)	**3,321,054**	3,313,654
Basic and diluted earnings per unit (Singapore cents)	**10.45**	2.07

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.

10. CASH AND CASH EQUIVALENTS

	Group		MCT	
	31 March		31 March	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Cash at bank and on hand	**36,170**	34,043	**25,051**	21,652
Short-term bank deposits	**88,000**	158,500	**88,000**	155,000
	124,170	192,543	**113,051**	176,652

Short-term bank deposits at the balance sheet date have a weighted average maturity of 2.0 months (31 March 2021: 1.6 months) from the end of the financial year. The effective interest rate at balance sheet date of the Group and MCT are both 0.7% (31 March 2021: 0.3%) per annum.

11. TRADE AND OTHER RECEIVABLES

	Group		MCT	
	31 March		31 March	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Trade receivables:				
– related parties	**19**	58	**5**	56
– non-related parties	**668**	5,644	**532**	5,049
Trade receivables – net	**687**	5,702	**537**	5,105
Non-trade receivables due from subsidiary	**–**	–	**10**	56
Interest receivable:				
– subsidiary	**–**	–	**793**	919
– non-related parties	**32**	87	**32**	87
Other receivables	**128**	30	**132**	34
Accrued revenue	**1,878**	1,812	**1,653**	1,612
	2,725	7,631	**3,157**	7,813

The non-trade and other receivables balances are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

12. OTHER ASSETS

	Group		MCT	
	31 March		31 March	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Current				
Deposits	**128**	134	**71**	73
Prepayments	**521**	394	**404**	273
	649	528	**475**	346
Non-current				
Prepayments[1]	**2,227**	–	**2,227**	–

[1] Relates to directly attributable transaction costs, namely legal and professional fees incurred in relation to the Proposed Merger, of which $175,000 was paid/payable to the auditor of MCT for the services rendered as independent accountant.

13. INVESTMENT PROPERTIES

	Group		MCT	
	31 March		31 March	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Completed investment properties				
Beginning of financial year	**8,737,000**	8,920,000	**7,202,000**	7,360,000
Additions	**18,304**	13,850	**18,014**	13,393
Change in fair value of investment properties (Note 7)	**65,696**	(196,850)	**49,986**	(171,393)
End of financial year	**8,821,000**	8,737,000	**7,270,000**	7,202,000

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation methods which involved certain estimates.

Details of the investment properties are shown in the portfolio statement.

Investment properties are leased to both related and non-related parties under operating leases (Note 20(b)).

Fair value hierarchy

The table below 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 or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the investment properties within the Group's and MCT's portfolio are classified within Level 3 of the fair value measurement hierarchy. The reconciliation between the balances at the beginning of the financial year and end of the financial year is disclosed in the investment properties movement table presented as part of this note.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. INVESTMENT PROPERTIES (continued)

Valuation techniques and significant unobservable inputs

Level 3 fair values of the Group's and MCT's properties have been derived using the income capitalisation method, discounted cash flow method and direct comparison method where applicable.

The fair values are generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising the net property income at an appropriate rate of return to arrive at the market value. The net income of the properties 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, tenure, tenancy profile of the properties, together with the prevailing property market condition.

- Discounted cash flow – Properties are valued by discounting the future net cash flow over a period to arrive at a present value.

- Direct comparison method – Properties are valued using transacted prices for comparable properties in the vicinity and other locations with adjustments made for differences in size, number of storeys, tenure, age, location, siting and building specifications.

The Manager is of the view that the valuation methods and estimates adopted and considered by the professional valuers are reflective of the current market conditions.

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

The 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:

Description	Fair value	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Properties for leasing	**$8,821,000,000** (31 March 2021: $8,737,000,000)	Income capitalisation	Capitalisation rate	**3.35% – 4.85%** (31 March 2021: 3.50% – 4.85%)
		Discounted cash flow	Discount rate	**6.50% – 7.25%** (31 March 2021: 6.50% – 7.25%)
		Direct comparison	Adjusted price per square feet	**Not applicable** (31 March 2021: $2,564)

In the current financial year, the direct comparison approach was not considered as one of its valuation techniques by the independent valuer. The change in valuation techniques has not resulted in a material impact on the valuation of the investment property.

Relationship of key unobservable inputs to fair value

- The higher the capitalisation rate, the lower the fair value.

- The higher the discount rate, the lower the fair value.

- The higher the adjusted price per square feet, the higher the fair value.

There were no significant inter-relationships between unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

14. PLANT AND EQUIPMENT

	Group 31 March 2022 $'000	Group 31 March 2021 $'000	MCT 31 March 2022 $'000	MCT 31 March 2021 $'000
Cost				
Beginning of financial year	**622**	537	**550**	465
Additions	**44**	85	**12**	85
End of financial year	**666**	622	**562**	550
Accumulated depreciation				
Beginning of financial year	**356**	208	**327**	200
Depreciation charge	**148**	148	**119**	127
End of financial year	**504**	356	**446**	327
Net book value				
End of financial year	**162**	266	**116**	223

15. INVESTMENTS IN SUBSIDIARIES

	MCT 31 March 2022 $'000	MCT 31 March 2021 $'000
Equity investments at cost		
Beginning and end of financial year	**910,964**	910,964

The Group has the following subsidiaries as at 31 March 2022 and 31 March 2021:

Name of company	Principal activities	Country of business/ incorporation	Proportion of shares held by Group 31 March 2022 %	Proportion of shares held by Group 31 March 2021 %	Proportion of shares held by MCT 31 March 2022 %	Proportion of shares held by MCT 31 March 2021 %
Mapletree Commercial Trust Treasury Company Pte. Ltd. [a]	Provision of treasury services	Singapore/ Singapore	**100**	100	**100**	100
80 Alexandra Pte. Ltd. [a]	Investment holding	Singapore/ Singapore	**100**	100	**100**	100
Mapletree Business City LLP [b]	Property development and investment	Singapore/ Singapore	**100**	100	**99.9**	99.9

[a] Audited by PricewaterhouseCoopers LLP, Singapore

[b] There is no statutory requirement for the financial statements of Mapletree Business City LLP to be audited.

There are no significant restrictions on the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
Group				
31 March 2022				
Hedge accounting cash-flow hedges:				
Interest rate swaps	April 2022 – February 2027	**1,590,000**	**27,741**	**(1,142)**
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	**100,000**	**–**	**(3,694)**
Total		**1,690,000**	**27,741**	**(4,836)**
Represented by:				
Current portion			**–**	**(4,570)**
Non-current portion			**27,741**	**(266)**
			27,741	**(4,836)**
31 March 2021				
Hedge accounting cash-flow hedges:				
Interest rate swaps	September 2021 – December 2025	1,295,000	2,071	(19,963)
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	100,000	4,696	–
Total		1,395,000	6,767	(19,963)
Represented by:				
Current portion			–	(2,390)
Non-current portion			6,767	(17,573)
			6,767	(19,963)

As at 31 March 2022, the notional amount of cash-flow hedges of the Group and MCT that are directly impacted by IBOR reform amounted to $1,590,000,000 and $1,020,000,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
MCT				
31 March 2022				
Hedge accounting cash-flow hedges:				
Interest rate swaps	April 2022 – February 2027	**1,020,000**	**15,120**	**(1,142)**
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	**100,000**	**–**	**(3,694)**
Interest rate swaps[1]	December 2023 – December 2025	**570,000**	**12,621**	**(12,621)**
Total		**1,690,000**	**27,741**	**(17,457)**
Represented by:				
Current portion			**–**	**(4,570)**
Non-current portion			**27,741**	**(12,887)**
			27,741	**(17,457)**
31 March 2021				
Hedge accounting cash-flow hedges:				
Interest rate swaps	September 2021 – March 2024	745,000	14	(12,414)
Non-hedge accounting:				
Cross currency interest rate swap	March 2023	100,000	4,696	–
Interest rate swaps[1]	August 2023 – December 2025	550,000	9,607	(9,607)
Total		1,395,000	14,317	(22,021)
Represented by:				
Current portion			–	(2,390)
Non-current portion			14,317	(19,631)
			14,317	(22,021)

[1] Relates to the back-to-back interest rate swaps entered into to hedge against a subsidiary's borrowings. As at 31 March 2022, the notional amounts of these interest rate swaps were $570,000,000 (2021: $550,000,000), while the fair value of the derivative financial assets and liabilities arising from the interest rate swaps with the banks are $12,621,000 (2021: $2,057,000) and $Nil (2021: $7,549,000) respectively. For the financial year ended 31 March 2022, MCT recorded related finance income of $4,492,000 (2021: $3,158,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swaps

Interest rate swaps are transacted to hedge variable interest payments on borrowings.

(i) If interest rate swaps are designated as cash flow hedges, fair value changes on the interest rate swaps recognised in the hedging reserve are reclassified to profit or loss as part of finance expense over the period of the borrowings.

(ii) If interest rate swaps are not designated as cash flow hedges, fair value changes on the interest rate swaps are recognised in profit or loss when the changes arise.

As at 31 March 2021, interest rate swaps included a forward start interest rate swap contract for notional amount of $50,000,000 that will mature in 2023, which the Group had entered into for the purposes of fixing the interest rate of the floating rate borrowings. The effective date for the forward start interest rate swap contract was April 2021.

Cross currency interest rate swap

Cross currency interest rate swaps are transacted to hedge foreign currency interest rate risk arising from foreign denominated borrowings. The cross currency interest rate swap is an economic hedge and no hedge accounting is adopted.

As at 31 March 2022, the Group held a JPY/SGD cross currency interest rate swap to provide SGD variable rate funding. The cross currency interest rate swap matures on the same date as the borrowings. Fair value changes on the cross currency interest rate swap are recognised in profit or loss when the changes arise.

Hedging instruments used in the Group's hedging strategy were as follow:

		Carrying Amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount $'000	**Assets $'000**	**Liabilities $'000**	**Financial statement line item**	**Hedging instruments $'000**	**Hedged item $'000**	**Hedge ineffectiveness recognised in profit or loss $'000**	**Weighted average hedged rate**	**Maturity date**
Group									
31 March 2022									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**1,590,000**	**27,741**	**(1,142)**	**Derivative financial instruments**	**29,459**	**(29,459)**	**–**	**1.26%**	**April 2022 – February 2027**
31 March 2021									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	1,295,000	2,071	(19,963)	Derivative financial instruments	(8,949)	8,949	–	1.47%	September 2021 – December 2025

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

		Carrying Amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount $'000	Assets $'000	Liabilities $'000	Financial statement line item	Hedging instruments $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000	Weighted average hedged rate	Maturity date
MCT									
31 March 2022									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**1,020,000**	**15,120**	**(1,142)**	**Derivative financial instruments**	**15,839**	**(15,839)**	**–**	**1.33%**	**April 2022 – February 2027**
31 March 2021									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	745,000	14	(12,414)	Derivative financial instruments	(4,976)	4,976	–	1.76%	September 2021 – March 2024

17. TRADE AND OTHER PAYABLES

	Group 31 March 2022 $'000	Group 31 March 2021 $'000	MCT 31 March 2022 $'000	MCT 31 March 2021 $'000
Current				
Trade payables	**1,816**	1,267	**1,654**	893
Amounts due to subsidiaries				
– non-trade	**–**	–	**77**	–
Accrued capital expenditure	**3,113**	3,640	**3,057**	3,218
Accrued operating expenses	**42,116**	41,609	**36,877**	35,906
Interest payable				
– subsidiary	**–**	–	**5,029**	6,075
– non-related parties	**10,477**	12,469	**4,235**	5,257
Tenancy related deposits	**19,463**	25,785	**16,399**	23,355
Other deposits	**401**	475	**313**	386
Rental received in advance	**9,795**	12,491	**4,865**	7,156
Net Goods and Services Tax payable	**6,425**	7,031	**5,438**	5,930
Other payables	**9,313**	9,280	**9,102**	9,016
	102,919	114,047	**87,046**	97,192
Non-current				
Tenancy related deposits	**53,923**	53,007	**49,915**	45,809
	156,842	167,054	**136,961**	143,001

The amounts due to subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

18. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group		MCT	
	31 March		31 March	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Borrowings				
Current				
Bank loans	**264,000**	–	**264,000**	–
Medium term notes	**196,788**	70,000	**–**	–
Transaction costs to be amortised	**(241)**	(*)	**(106)**	–
	460,547	70,000	**263,894**	–
Non-current				
Bank loans	**1,820,000**	2,032,900	**1,182,000**	1,394,900
Medium term notes	**730,000**	935,714	**–**	–
Transaction costs to be amortised	**(6,213)**	(8,989)	**(2,185)**	(3,826)
	2,543,787	2,959,625	**1,179,815**	1,391,074
Loans from a subsidiary				
Current				
Loans from a subsidiary	**–**	–	**196,788**	70,000
Transaction costs to be amortised	**–**	–	**(135)**	(*)
	–	–	**196,653**	70,000
Non-current				
Loans from a subsidiary	**–**	–	**730,000**	935,714
Transaction costs to be amortised	**–**	–	**(1,478)**	(1,950)
	–	–	**728,522**	933,764
	3,004,334	3,029,625	**2,368,884**	2,394,838

* Amount is less than $1,000

The above bank loans and borrowings are unsecured. In accordance with the various facility agreements, VivoCity, MBC I, MBC II and Mapletree Anson (2021: VivoCity, MBC I, MBC II and Mapletree Anson) are subject to a negative pledge.

As at 31 March 2022, the Trustee has provided guarantees amounting to $638,000,000 (2021: $638,000,000) to the bank in respect to bank loans outstanding in a subsidiary.

(a) Maturity of borrowings

Group
The non-current bank loans mature between 2023 and 2027 (2021: 2022 and 2026). The non-current medium term notes will mature between 2023 and 2029 (2021: 2023 and 2029).

MCT
The non-current bank loans mature between 2023 and 2027 (2021: 2022 and 2026). The non-current loans from a subsidiary will mature between 2023 and 2029 (2021: 2023 and 2029).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(b) Medium term notes

In 2012, the Group established a $1,000,000,000 MTN Programme via its subsidiary, MCTTC. The Programme limit has been increased to $3,000,000,000 with effect from 29 June 2018. Under the MTN Programme, MCTTC may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes and senior or subordinated perpetual securities in series or tranches in SGD or any other currency.

Each series of notes may be issued in various amounts and tenors, and may bear fixed, floating, variable or hybrid rates of interest or may not bear interest.

The notes shall constitute at all times direct, unconditional, unsecured and unsubordinated obligations of MCTTC ranking pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations of MCTTC. All sums payable in respect of the notes issued by MCTTC will be unconditionally and irrevocably guaranteed by the Trustee.

Total notes outstanding as at 31 March 2022 under the MTN Programme was $926,788,000 (2021: $1,005,714,000), consisting of:

Maturity date		Interest rate per annum	Interest payment in arrears	31 March 2022 '000	31 March 2021 '000
(i)	12 April 2021[1]	3.20%	Semi-annually	–	$70,000
(ii)	3 February 2023	3.25%	Semi-annually	**$100,000**	$100,000
(iii)	24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(iv)	15 November 2023	2.795%	Semi-annually	**$85,000**	$85,000
(v)	27 August 2027	3.045%	Semi-annually	**$100,000**	$100,000
(vi)	23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(vii)	22 November 2029	3.05%	Semi-annually	**$250,000**	$250,000
(viii)	16 March 2023[2]	3 month JPY TONA + 0.30835%[3]	Quarterly	**JPY8,700,000**	JPY8,700,000

1 The $70,000,000 notes maturing on 12 April 2021 were fully redeemed on the maturity date.

2 A cross currency interest rate swap has been entered into to hedge the JPY 8,700,000,000 (2021: JPY8,700,000,000) Floating Rate Notes into notional principal amount of $100,000,000 (2021: $100,000,000) at a floating rate SGD basis payable semi-annually in arrears. The cross currency interest rate swap is an economic hedge and no hedge accounting is adopted.

3 The interest rate per annum for 31 March 2021 is 3 month JPY LIBOR + 0.30%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(c) Loans from a subsidiary

MCTTC has on-lent the proceeds from the issuance of the notes to MCT, which has in turn used these proceeds to re-finance its floating rate borrowings.

The loans are unsecured and repayable in full, consisting of:

Maturity date		Interest rate per annum	Interest payment in arrears	31 March 2022 '000	31 March 2021 '000
(i)	12 April 2021[1]	3.20%	Semi-annually	–	$70,000
(ii)	3 February 2023	3.25%	Semi-annually	**$100,000**	$100,000
(iii)	24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(iv)	15 November 2023	2.795%	Semi-annually	**$85,000**	$85,000
(v)	27 August 2027	3.045%	Semi-annually	**$100,000**	$100,000
(vi)	23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(vii)	22 November 2029	3.05%	Semi-annually	**$250,000**	$250,000
(viii)	16 March 2023[2]	3 month JPY TONA + 0.30835%[3]	Quarterly	**JPY8,700,000**	JPY8,700,000

[1] The $70,000,000 notes maturing on 12 April 2021 were fully redeemed on the maturity date.

[2] A cross currency interest rate swap has been entered into to hedge the JPY 8,700,000,000 (2021: JPY8,700,000,000) Floating Rate Notes into notional principal amount of $100,000,000 (2021: $100,000,000) at a floating rate SGD basis payable semi-annually in arrears. The cross currency interest rate swap is an economic hedge and no hedge accounting is adopted.

[3] The interest rate per annum for 31 March 2021 is 3 month JPY LIBOR + 0.30%

(d) Effective interest rates

The weighted average all-in cost of borrowings, including amortised cost charged on the outstanding loans as at 31 March 2021 and 2022 were as follow:

	Group		MCT	
	31 March		31 March	
	2022	2021	**2022**	2021
Bank loans	**2.29%**	2.15%	**2.37%**	2.21%
Medium term notes	**3.01%**	2.97%	**–**	–
Loans from a subsidiary	**–**	–	**3.01%**	2.97%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

18. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(e) Carrying amount and fair value

The carrying amounts of the current and non-current borrowings, which are at variable market rates, approximate their fair values at balance sheet date.

The carrying amounts of the fixed rate current borrowings approximate their fair values at balance sheet date. The carrying amount and fair value of the fixed rate non-current borrowings are as follow:

	Carrying amount		Fair value	
	31 March		31 March	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Group				
Medium term notes (non-current)	**728,522**	828,150	**722,597**	871,640
MCT				
Loans from a subsidiary (non-current)	**728,522**	828,150	**722,597**	871,640

The fair value above is determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the balance sheet date at which the Manager expects to be available to the Group and MCT as follows:

	31 March	
	2022	2021
Group		
Medium term notes (non-current)	**2.53% – 3.46%**	1.16% – 2.47%
MCT		
Loans from a subsidiary (non-current)	**2.53% – 3.46%**	1.16% – 2.47%

The fair values are within Level 2 of the fair value hierarchy.

(f) Undrawn committed borrowing facilities

	Group and MCT	
	31 March	
	2022 $'000	2021 $'000
Expiring beyond one year	**375,000**	426,100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

19. DEFERRED TAX LIABILITIES

	Group	
	31 March	
	2022	2021
	$'000	$'000
Beginning and end of financial year	**24,974**	24,974

The deferred tax liabilities arose entirely due to accelerated tax depreciation.

20. LEASES

(a) The Group and MCT as a lessee

Leasehold land

The right-of-use of leasehold land is secured during acquisition of investment properties and is recognised within Investment properties (Note 13).

There are no externally imposed covenants on these lease arrangements.

(b) The Group and MCT as a lessor

The Group has leased out their owned investment properties for monthly lease payments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees or deposits for the term of the lease. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred. As part of its asset and lease management strategy, the Manager proactively engages tenants for negotiations well ahead of lease expiries to mitigate leasing risk and achieve a well-staggered lease expiry profile. The Group also actively manages its property portfolio and reviews its tenant mix in order to achieve portfolio diversification and stability.

Rental income from investment properties is disclosed in Note 3.

Undiscounted lease payments from the operating leases to be received after the balance sheet date are as below:

	Group		MCT	
	31 March		31 March	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Less than one year	**477,006**	450,884	**387,245**	375,895
One to two years	**383,900**	339,693	**301,132**	300,573
Later than two to three years	**264,933**	237,073	**204,909**	207,744
Later than three to four years	**180,619**	137,404	**128,065**	131,179
Later than four to five years	**77,655**	91,223	**42,880**	89,143
Later than five years	**108,993**	111,391	**105,151**	111,391
Total undiscounted lease payments	**1,493,106**	1,367,668	**1,169,382**	1,215,925

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

21. UNITS IN ISSUE

	Note	Group and MCT	
		2022 **'000**	2021 '000
Units at beginning of financial year		**3,316,204**	3,307,510
Units issued as settlement of Manager's management fees	(a)	**7,310**	8,694
Units at end of financial year		**3,323,514**	3,316,204

(a) During the financial year, 7,309,536 new units (2021: 8,693,494 new units) were issued at the issue price range of \$1.9833 to \$2.1473 (2021: \$1.7686 to \$2.1007) per unit, in respect of the payment of management fees to the Manager in units. The issue prices were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period on which the fees were accrued. These issuances represent non-cash transactions.

Each unit in MCT represents an undivided interest in MCT. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of MCT by receiving a share of all net cash proceeds derived from the realisation of the assets of MCT less any liabilities, in accordance with their proportionate interests in MCT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MCT be transferred to him; and
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the total units issued) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of MCT in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in MCT. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of MCT exceed its assets.

22. HEDGING RESERVE

	Group		MCT	
	2022 **\$'000**	2021 \$'000	**2022** **\$'000**	2021 \$'000
Beginning of financial year	**(17,892)**	(23,319)	**(12,400)**	(18,642)
Fair value gain/(loss)	**29,459**	(8,949)	**15,839**	(4,976)
Reclassification to profit or loss				
– Finance expenses (Note 5)	**15,032**	14,376	**10,539**	11,218
End of financial year	**26,599**	(17,892)	**13,978**	(12,400)

Hedging reserve is non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. COMMITMENTS

Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements amounted to $34,197,000 (2021: $10,956,000).

24. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates and foreign exchange rates.

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as policies covering specific areas, such as interest rate risk, currency risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk – cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate bank borrowings and medium term notes. The Group is exposed mainly to SORA, SOR and JPY TONA (2021: SORA, SOR and JPY LIBOR). The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps. The interest rate swaps and cross currency interest rate swap have reference rates that are indexed to SORA, SOR or JPY TONA (2021: SORA, SOR and JPY LIBOR), which are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s Master Agreement.

<u>Hedging relationships for which 'Phase 1' amendments apply</u>

The 'Phase 1' amendments provides temporary relief from applying specific hedge accounting requirements to hedging relationships directly impacted by IBOR reform. The temporary reliefs would end when the uncertainty arising from IBOR reform is no longer present.

The Group has judged that IBOR uncertainty is still present with respect to its cash flow hedge of a SOR-linked borrowing, because the hedging instrument and the hedged item have not yet been amended to transit to SORA.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk – cash flow and fair value interest rate risks (continued)

Hedging relationships for which 'Phase 1' amendments apply (continued)

The following Phase 1 reliefs are applied to the cash flow hedge linked to SOR:

- When considering the 'highly probable' requirement, the Group has assumed that the SOR interest rate on which the Group's hedge debt is based does not change as a result of IBOR reform;
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the SOR interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by the IBOR reform; and
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

Hedging relationships for which 'Phase 2' amendments apply

The Group has judged that IBOR uncertainty is no longer present with respect to its cash flow hedges of SOR-linked borrowings which have been transitioned from SOR to SORA, once both the hedging instrument and the hedged item have been amended to the alternative benchmark rate with fixed adjustment spreads.

In the current year, the Group has applied the following hedge accounting reliefs provided by the Phase 2 amendments for its hedging relationships that have already transited from SOR to SORA:

- Hedge designation: When the Phase 1 amendments cease to apply, the Group has amended its hedge designation to reflect the following changes which are required by IBOR reform:

  (i) designating SORA as a hedged risk;

  (ii) the contractual benchmark rate of the hedged SGD borrowing has been amended from SOR to SORA plus an adjustment spread; and

  (iii) the variable rate of the hedging interest rate swap has been amended from SOR to SORA, with an adjustment spread added to the fixed rate.

  These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group amended its hedge designation for changes to its SOR-referenced floating rate borrowing that is required by IBOR reform, the accumulated amount outstanding in the cash flow hedge reserve was deemed to be based on SORA.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk – cash flow and fair value interest rate risks (continued)

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet dates after excluding borrowings for which hedge accounting is applied are as follow:

	Group		MCT	
	31 March		31 March	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
6 months or less:				
Revolving credit facilities	**45,000**	43,900	**27,000**	25,900
Term loans	**449,000**	744,000	**399,000**	674,000
Medium term notes	**100,000**	100,000	**–**	–
Loans from a subsidiary	**–**	–	**100,000**	100,000
	594,000	887,900	**526,000**	799,900

During the financial year, the Group has hedged its exposure to changes in interest rates on its variable rate borrowings by entering into the following contracts:

(i) Interest rate swaps, with notional contract amounts of $1,590,000,000 (2021: $1,245,000,000) whereby it receives variable rates equal to the Singapore swap offer rate or SORA on the notional amounts and pays fixed interest rates ranging from 0.26% to 1.99% (2021: 0.36% to 2.18%) per annum.

(ii) Cross currency interest rate swap, with a notional contract amount of $100,000,000 (2021: $100,000,000) whereby it receives a variable rate of JPY TONA + 0.30835% (31 March 2021: JPY LIBOR + 0.30%) per annum on the notional amount and pays a variable rate of Singapore swap offer rate + 1.08% (31 March 2021: Singapore swap offer rate + 1.08%) per annum.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition. For the financial year ended 31 March 2022, there is no such mismatch and hence no hedge ineffectiveness recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk – cash flow and fair value interest rate risks (continued)

Sensitivity analysis

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD and JPY. If the SGD/JPY interest rates increase/(decrease) by 50 basis points ("b.p.") (2021: 50 b.p.) with all other variables including tax rate being held constant, the profit after tax and hedging reserve attributable to Unitholders will (decrease)/increase by the amounts as follows, as a result of higher/lower interest expenses and higher/lower fair value of interest rate swaps and cross currency interest rate swap respectively:

	Increase/(Decrease)			
	Profit after tax		Hedging Reserve	
	Increase by 50 b.p. $'000	Decrease by 50 b.p. $'000	Increase by 50 b.p. $'000	Decrease by 50 b.p. $'000
Group				
31 March 2022				
Interest bearing borrowings	**(2,970)**	**2,970**	**–**	**–**
Interest rate swaps	**–**	**–**	**16,961**	**(16,983)**
Cross currency interest rate swap	**(434)**	**481**	**–**	**–**
31 March 2021				
Interest bearing borrowings	(4,440)	4,440	–	–
Interest rate swaps	–	–	14,084	(14,281)
Cross currency interest rate swap	(18)	18	–	–
MCT				
31 March 2022				
Interest bearing borrowings	**(2,630)**	**2,630**	**–**	**–**
Interest rate swaps	**–**	**–**	**9,852**	**(9,867)**
Cross currency interest rate swap	**(434)**	**481**	**–**	**–**
31 March 2021				
Interest bearing borrowings	(4,000)	4,000	–	–
Interest rate swaps	–	–	5,012	(5,043)
Cross currency interest rate swap	(18)	18	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk

The Group is exposed to foreign currency risk on interest bearing borrowings that are denominated in a currency other than the functional currency of the entities within the Group. The Group hedges this risk by entering into a cross currency interest rate swap with notional contract amount of JPY8,700,000,000 into SGD amounting to $100,000,000. The cross currency interest rate swap matures on the same date that the JPY medium term notes are due for repayment.

(c) Credit risk

Credit risk refers to the risk that tenants or counterparties of the Group will default on its contractual obligations resulting in a financial loss to the Group. The major classes of financial assets of the Group and MCT are cash and cash equivalents and trade receivables. Cash and bank deposits are placed with financial institutions which are regulated. For trade receivables, the Group's credit risk policy is to deal only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing with high credit quality counterparties.

As at 31 March 2022 and 31 March 2021, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statements of Financial Position, except for the guarantees provided by the Trustee in relation to certain borrowings of MCT's subsidiaries (Note 18) amounting $1,568,000,000 (2021: $1,638,000,000).

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The expected credit losses also incorporate forward looking information such as forecast of macro-economic conditions. In computing the expected credit loss rate, the Group has considered the volatility of the forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables. The loss allowance for trade receivables as at 31 March 2022 and 31 March 2021 was assessed as not material.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The Group considers a financial asset as impaired (net of security deposits and bankers' guarantee) when the counterparty fails to make payments in accordance with the contractual terms of agreement. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. When recoveries are made, these are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The ageing of trade receivables at the balance sheet date was:

	Gross Carrying Amount $'000	Loss Allowance $'000
Group		
31 March 2022		
Past due 3 months or less	**641**	**–**
Past due over 3 months	**126**	**(80)**
	767	**(80)**
31 March 2021		
Past due 3 months or less	5,017	(80)
Past due over 3 months	765	–
	5,782	(80)
MCT		
31 March 2022		
Past due 3 months or less	**511**	**–**
Past due over 3 months	**106**	**(80)**
	617	**(80)**
31 March 2021		
Past due 3 months or less	4,989	(80)
Past due over 3 months	196	–
	5,185	(80)

The movement in allowance for expected credit losses of trade receivables computed based on lifetime expected credit losses are as follow:

	Group and MCT	
	2022 $'000	2021 $'000
Expected credit loss allowance		
Beginning of financial year	**80**	77
Allowance made	**256**	163
Allowance utilised	**(256)**	(160)
End of financial year	**80**	80

Cash and cash equivalents

The Group and MCT held cash and cash equivalents of $124,170,000 and $113,051,000 respectively (2021: $192,543,000 and $176,652,000). The Group and MCT considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

Financial guarantee contracts

The Trustee has issued financial guarantees in relation to certain borrowings of MCT's subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. MCT has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

(d) Liquidity risk

The Group and MCT adopt prudent liquidity risk management by maintaining sufficient cash to fund their working capital and financial obligations.

The following table analyses non-derivative financial liabilities of the Group and MCT into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date (including extension periods where applicable). The amounts disclosed in the table are the contractual undiscounted cash flows of non-derivative financial liabilities, including interest payments. Balances due within 12 months approximate their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	**Between 1 and 5 years $'000**	**More than 5 years $'000**
Group			
As at 31 March 2022			
Trade and other payables	**76,222**	**51,031**	**2,892**
Borrowings and interest payable	**515,500**	**2,328,204**	**381,425**
	591,722	**2,379,235**	**384,317**
As at 31 March 2021			
Trade and other payables	82,056	47,933	5,074
Borrowings and interest payable	123,622	2,053,306	1,117,427
	205,678	2,101,239	1,122,501
MCT			
As at 31 March 2022			
Trade and other payables	**67,479**	**47,044**	**2,871**
Borrowings and interest payable	**284,273**	**1,215,805**	**7,027**
Loans from a subsidiary	**222,751**	**450,058**	**374,398**
	574,503	**1,712,907**	**384,296**
As at 31 March 2021			
Trade and other payables	72,774	40,770	5,039
Borrowings and interest payable	18,934	1,063,858	383,100
Loans from a subsidiary	97,021	493,307	562,768
	188,729	1,597,935	950,907

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Group's and MCT's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group and MCT			
As at 31 March 2022			
Net-settled interest rate swaps			
– Net cash outflows	**12,215**	**18,045**	**–**
Gross-settled cross currency interest rate swap			
– Cash inflows	**(97,063)**	**–**	**–**
– Cash outflows	**101,849**	**–**	**–**
	17,001	**18,045**	**–**
As at 31 March 2021			
Net-settled interest rate swaps			
– Net cash outflows	13,960	16,499	–
Gross-settled cross currency interest rate swap			
– Cash inflows	(230)	(105,934)	–
– Cash outflows	1,390	101,329	–
	15,120	11,894	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS Code to fund acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in the Appendix 6 of the CIS Code ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund on or after 1 January 2022 should not exceed 45% (2021: 50.0%) of its Deposited Property. The Aggregate Leverage may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowing. As at the balance sheet date, the Group's corporate family rating has been changed to rating under review (2021: Baa1 Negative) by Moody's Investors Service.

The Group has complied with the Aggregate Leverage requirements for the financial years ended 31 March 2022 and 31 March 2021.

	Group	
	31 March	
	2022	2021
	$'000	$'000
Total gross borrowings[1]	**3,014,000**	3,032,900
Total deposited property	**8,984,523**	8,950,584
Aggregate leverage ratio	**33.5%**	33.9%
Interest coverage ratio[2] ("ICR")	**4.8 times**	4.4 times
Adjusted ICR[3]	**4.8 times**	4.4 times
Percentage of the Group's total gross borrowings to the Group's net asset value	**52.0%**	53.1%

1 Reflects total gross borrowings after taking into account the cross currency interest rate swap entered into to hedge the JPY8,700,000,000 (2021: JPY8,700,000,000) floating rate medium term notes.

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

3 The Adjusted ICR is the same as the ICR as there are no hybrid securities issued by the Group.

There were no changes in the Group's approach to capital management during the financial year.

The Group is in compliance with the borrowing limit requirement imposed by the CIS Code and all externally imposed capital requirements for the financial years ended 31 March 2022 and 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Group		MCT	
	31 March		31 March	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Level 2				
Assets				
Derivative financial instruments				
– Interest rate swaps	**27,741**	2,071	**27,741**	9,621
– Cross currency interest rate swap	**–**	4,696	**–**	4,696
	27,741	6,767	**27,741**	14,317
Liabilities				
Derivative financial instruments				
– Interest rate swaps	**(1,142)**	(19,963)	**(13,763)**	(22,021)
– Cross currency interest rate swap	**(3,694)**	–	**(3,694)**	–
	(4,836)	(19,963)	**(17,457)**	(22,021)

The fair value of the derivative financial instruments not traded in an active market is determined by using valuation techniques based on market conditions existing at each balance sheet date. The fair value of interest rate swaps are calculated as the present value of the estimated future cash flows. The fair value of the cross currency interest rate swap is determined using quoted currency rates as at the balance sheet date.

The carrying values of trade and other receivables, other current assets and trade and other payables (including non-current tenancy related deposits) approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes as disclosed in Note 18(e) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. FINANCIAL RISK MANAGEMENT (continued)

(g) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Statements of Financial Position and in Note 16 to the financial statements, except for the following:

	Group		MCT	
	31 March		31 March	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost	**127,023**	200,308	**116,279**	184,538
Financial liabilities at amortised cost	**3,144,956**	3,177,157	**2,495,542**	2,524,753

25. INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

For financial reporting purposes in accordance with SFRS(I) 10 *Consolidated Financial Statements*, MCT is regarded as a subsidiary of Mapletree Investments Pte Ltd.

Consequentially, the intermediate and ultimate holding companies are Mapletree Investments Pte Ltd and Temasek Holdings (Private) Limited respectively. The intermediate and ultimate holding companies are incorporated in Singapore.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals and entities. The Manager and the Property Manager are indirect wholly-owned subsidiaries of the intermediate holding company.

During the financial year, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2022	2021
	$'000	$'000
Project management fees paid/payable to the Manager	**119**	20
Rental and other related income received/receivable from related parties	**13,896**	15,898
Finance income received/receivable from a related company of the Manager	**–**	4
Other products and service fees paid/payable to related parties	**2,847**	2,613
Interest expenses, financing fees and fees related to the issue of units paid/payable to a related party	**15,523**	15,746

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

27. FINANCIAL RATIOS

	Group	
	2022	2021
	%	%
Ratio of expenses to weighted average net assets[1]		
– including performance component of asset management fees	**0.71**	0.70
– excluding performance component of asset management fees	**0.44**	0.43
Ratio of total operating expenses to net asset value[2]	**2.61**	2.48
Portfolio Turnover Ratio[3]	**–**	–

1 The ratios are computed in accordance with the guidelines of Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses of the Group, excluding property expenses, borrowing costs, net foreign exchange differences and income tax expense.

2 The ratio is computed based on the total operating expenses expressed as a percentage of net asset value as at the end of the financial year. The operating expenses include property operating expenses, manager's management fees, trustee's fee and other trust expenses amounting to $150,986,000 for the financial year ended 31 March 2022 (2021: $141,727,000).

3 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 in accordance with the formulae stated in the CIS Code. There were no sales of investment properties for the financial years ended 31 March 2022 and 31 March 2021.

28. SEGMENT REPORTING

For the purpose of making resource allocation decisions and the assessment of segment performance, MCT's management reviews internal/management reports of its investment properties.

The Manager monitors and assesses the performance of the individual property within the Group's portfolio. This forms the basis of identifying the operating segments of the Group.

Segment revenue comprises mainly of income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the management for the purpose of assessment of segment performance. In addition, the management monitors the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees, trust expenses, finance income and finance expenses.

Information regarding the Group's reportable segments is presented in the following tables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2022 is as follows:

	VivoCity $'000	MBC $'000	mTower $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Gross revenue	183,888	215,916	45,623	33,987	20,061	499,475
Property operating expenses	(48,030)	(40,869)	(11,888)	(6,794)	(3,213)	(110,794)
Segment net property income	135,858	175,047	33,735	27,193	16,848	388,681
Finance income						284
Finance expenses						(72,575)
Manager's management fees						(37,765)
Trustee's fees						(1,039)
Other trust expenses						(1,388)
Foreign exchange gain						8,926
Net change in fair value of financial derivative						(8,390)
Profit before tax and fair value change in investment properties						276,734
Net change in fair value of investment properties	20,541	42,793	2,530	3,736	690	70,290
Profit for the financial year before tax						347,024
Income tax expense						(5)
Profit for the financial year after tax before distribution						347,019

Major tenant

There was one tenant (2021: one) that contributed more than 10% of the gross revenue of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2022 is as follows:

	VivoCity $'000	MBC $'000	mTower $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Segment assets						
– Investment properties	3,182,000	3,800,000	747,000	752,000	340,000	8,821,000
– Plant and equipment	69	73	14	4	2	162
– Trade and other receivables	1,843	499	79	85	42	2,548
	3,183,912	3,800,572	747,093	752,089	340,044	8,823,710
Unallocated assets						
– Cash and cash equivalents						124,170
– Other receivables						177
– Tax recoverable						5,849
– Other assets						2,876
– Derivative financial instruments						27,741
Total assets						8,984,523
Segment liabilities	46,665	22,163	10,234	7,041	648	86,751
Unallocated liabilities						
– Trade and other payables						70,091
– Borrowings						3,004,334
– Deferred tax liabilities						24,974
– Derivative financial instruments						4,836
Total liabilities						3,190,986
Other segmental information						
Additions to:						
– Investment properties	13,317	838	2,466	1,278	405	18,304
– Plant and equipment	8	32	4	–	–	44

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2021 is as follows:

	VivoCity $'000	MBC $'000	mTower $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Gross revenue	169,323	215,104	40,219	34,506	19,845	478,997
Property operating expenses	(43,682)	(37,296)	(10,791)	(6,602)	(3,616)	(101,987)
Segment net property income	125,641	177,808	29,428	27,904	16,229	377,010
Finance income						754
Finance expenses						(76,848)
Manager's management fees						(37,538)
Trustee's fees						(1,049)
Other trust expenses						(1,153)
Foreign exchange gain						8,639
Net change in fair value of financial derivative						(8,786)
Profit before tax and fair value change in investment properties						261,029
Net change in fair value of investment properties	(121,586)	6,418	(53,362)	(15,349)	(8,541)	(192,420)
Profit for the financial year before tax						68,609
Income tax expense						(3)
Profit for the financial year after tax before distribution						68,606

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

28. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2021 is as follows:

	VivoCity $'000	MBC $'000	mTower $'000	Mapletree Anson $'000	MLHF $'000	Total $'000
Segment assets						
– Investment properties	3,148,000	3,761,000	742,000	747,000	339,000	8,737,000
– Plant and equipment	133	98	22	10	3	266
– Trade and other receivables	4,623	2,089	616	81	47	7,456
	3,152,756	3,763,187	742,638	747,091	339,050	8,744,722
Unallocated assets						
– Cash and cash equivalents						192,543
– Other receivables						175
– Tax recoverable						5,849
– Other current assets						528
– Derivative financial instruments						6,767
Total assets						8,950,584
Segment liabilities	48,728	28,142	10,728	7,046	588	95,232
Unallocated liabilities						
– Trade and other payables						71,822
– Borrowings						3,029,625
– Deferred tax liabilities						24,974
– Derivative financial instruments						19,963
Total liabilities						3,241,616
Other segmental information						
Additions to:						
– Investment properties	7,586	1,322	4,362	330	250	13,850
– Plant and equipment	61	9	12	–	3	85

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. EVENTS OCCURRING AFTER BALANCE SHEET DATE

(a) Distribution to Unitholders

Subsequent to the balance sheet date, the Manager announced a distribution of 5.14 cents per unit for the period 1 October 2021 to 31 March 2022.

(b) Proposed Merger between MCT and MNACT

On 31 December 2021, 28 January 2022 and 21 March 2022, the Manager and the manager of MNACT jointly announced the Proposed Merger to be effected through the acquisition by MCT of all the issued and paid-up units of MNACT by way of a trust scheme of arrangement ("Trust Scheme") in accordance with the Singapore Code on Take-overs and Mergers. The Proposed Merger is subjected to the approvals of (i) MCT Unitholders and MNACT Unitholders; and (ii) certain regulatory authorities which are scheduled after the balance sheet date.

On 21 March 2022, the Manager announced to undertake a pro-rata non-renounceable preferential offering ("Proposed Preferential Offering") of up to $2.2 billion at an issue price of $2.0039 per unit to fund the additional cash requirement of the cash-only consideration of the Proposed Merger. Mapletree Investment Pte Ltd, the sponsor of MCT has provided an undertaking to subscribe for the Proposed Preferential Offering for an amount of up to $2.2 billion and to a voluntary six-month lock-up of its entire unitholdings in the merged entity.

30. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATION

Below are the mandatory amendments to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2022 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

31. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 21 April 2022.

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 March 2022

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than S$100,000 each) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Mapletree Investments Pte Ltd and its related companies	**Mapletree Investments Pte Ltd:** Controlling shareholder of the Manager and controlling unitholder, and its subsidiaries or associates		
– Manager's management fees		37,765	–
– Property and lease management fees		20,212	–
– Staff costs		12,115	–
– Lease related income		11,832	–
– Project management fees		119	–
Temasek Holdings (Private) Limited and its related companies	**Temasek Holdings (Private) Limited:** Controlling shareholder of the Manager and controlling unitholder, and its subsidiaries or associates		
– Lease related income		1,678	–
– Operating related expenses		660	–
DBS Group Holdings Ltd and its related companies	**DBS Trustee Limited:** Trustee of MCT, its holding company and subsidiaries or associates		
– Trustee's fees		1,039	–
– Lease related income		243	–

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 March 2022

For the purpose of the disclosure, the full contract sum was used where an interested person transaction had a fixed term and contract value, while the annual amount incurred and accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

Save as disclosed above, there were no interested person transactions (excluding transactions of less than S$100,000 each), during the financial year under review.

Save as disclosed above, there were no material contracts entered into by MCT and its subsidiaries that involved the interests of the CEO or Director of the Manager, or any controlling unitholder of MCT, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

As set out in MCT's Prospectus dated 18 April 2011, fees and charges payable by MCT to the Property Manager under the Property Management Agreement are not subject to Rule 905 and 906 of the Listing Manual. The Property Management Agreement was renewed with effect from 27 April 2021 and accordingly, the renewed Property Management Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual.

MCT Group has not obtained a general mandate from Unitholders pursuant to Rule 920 for any interested person transactions for the financial year under review.

Please also see Significant Related Party Transactions on Note 26 in the financial statements.

MANAGER'S MANAGEMENT FEES PAID AND PAYABLE IN UNITS

A summary of Units issued and issuable for payment of the Manager's management fees during or in respect of the financial year are as follows:

For Period	Issue Date	Units Issued	Issue Price* (S$)
Manager's Base Management Fee			
1 April 2021 to 30 June 2021	5 August 2021	1,066,319	2.1473
1 July 2021 to 30 September 2021	10 November 2021	1,085,779	2.1156
1 October 2021 to 31 December 2021	10 February 2022	1,160,023	1.9833
1 January 2022 to 31 March 2022	5 May 2022	1,192,622	1.8989
Manager's Performance Fee			
1 April 2021 to 31 March 2022	5 May 2022	3,341,283	1.8989

* Based on the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten business days of the relevant period in which the management fees accrued.

STATISTICS OF UNITHOLDINGS

As at 17 June 2022

ISSUED AND FULLY PAID UNITS

3,328,047,490 units (voting rights: one vote per unit)
Market Capitalisation: S$5,890,644,057.30 (based on closing price of S$1.770 per unit on 17 June 2022)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	378	1.45	16,476	0.00
100 – 1,000	3,788	14.54	3,027,070	0.09
1,001 – 10,000	15,446	59.27	72,204,617	2.17
10,001 – 1,000,000	6,410	24.60	243,680,313	7.32
1,000,001 and above	37	0.14	3,009,119,014	90.42
Total	**26,059**	**100.00**	**3,328,047,490**	**100.00**

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	25,528	97.96	3,319,166,405	99.73
Malaysia	338	1.30	5,518,344	0.17
Others	193	0.74	3,362,741	0.10
Total	**26,059**	**100.00**	**3,328,047,490**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	Citibank Nominees Singapore Pte Ltd	555,992,407	16.71
2.	HarbourFront Place Pte. Ltd.	442,846,329	13.30
3.	HSBC (Singapore) Nominees Pte Ltd	362,535,872	10.89
4.	HarbourFront Eight Pte Ltd	352,238,977	10.58
5.	DBS Nominees (Private) Limited	293,133,915	8.81
6.	Raffles Nominees (Pte.) Limited	278,843,755	8.38
7.	DBSN Services Pte. Ltd.	251,563,854	7.56
8.	The HarbourFront Pte Ltd	137,699,999	4.13
9.	Mapletree Commercial Trust Management Ltd.	108,500,107	3.26
10.	Sienna Pte. Ltd.	47,201,893	1.41
11.	BPSS Nominees Singapore (Pte.) Ltd.	33,035,109	0.99
12.	United Overseas Bank Nominees (Private) Limited	18,606,254	0.56
13.	Morgan Stanley Asia (Singapore) Securities Pte Ltd	18,109,824	0.54
14.	Phillip Securities Pte Ltd	11,177,001	0.34
15.	DB Nominees (Singapore) Pte Ltd	10,136,103	0.30
16.	ABN AMRO Clearing Bank N.V.	9,103,677	0.27
17.	Societe Generale Singapore Branch	8,986,200	0.27
18.	iFAST Financial Pte. Ltd.	8,285,840	0.25
19.	OCBC Nominees Singapore Private Limited	7,361,396	0.22
20.	DBS Vickers Securities (Singapore) Pte Ltd	5,910,638	0.18
	Total	**2,961,269,150**	**88.95**

STATISTICS OF UNITHOLDINGS

As at 17 June 2022

SUBSTANTIAL UNITHOLDINGS AS AT 17 JUNE 2022

No.	Name of Company	No. of Units Direct Interest	No. of Units Deemed Interest	% of Total Issued Capital
1.	Temasek Holdings (Private) Limited(1)	–	1,115,291,751	33.51
2.	Fullerton Management Pte Ltd(1)	–	1,088,487,305	32.70
3.	Mapletree Investments Pte Ltd(2)	–	1,088,487,305	32.70
4.	The HarbourFront Pte Ltd(3)	137,699,999	795,085,306	28.02
5.	HarbourFront Place Pte. Ltd.	442,846,329	–	13.30
6.	HarbourFront Eight Pte Ltd	352,238,977	–	10.58
7.	BlackRock, Inc.(4)	–	185,478,962	5.57

Notes:

1 Each of Temasek Holdings (Private) Limited ("**Temasek**") and Fullerton Management Pte Ltd ("**Fullerton**") is deemed to be interested in the 137,699,999 units held by The HarbourFront Pte Ltd ("**THFPL**"), 442,846,329 units held by HarbourFront Place Pte. Ltd. ("**HFPlace**"), 352,238,977 units held by HarbourFront Eight Pte Ltd ("**HF8**"), 47,201,893 units held by Sienna Pte. Ltd. ("**Sienna**") and 108,500,107 units held by Mapletree Commercial Trust Management Ltd. ("**MCTM**"). In addition, Temasek is deemed to be interested in the 26,804,446 units in which its other subsidiaries and associated companies have direct or deemed interests. THFPL, HFPlace, HF8, Sienna and MCTM are wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("**MIPL**"). MIPL is a wholly-owned subsidiary of Fullerton which is in turn a wholly-owned subsidiary of Temasek. Each of MIPL and such other subsidiaries and associated companies referred to above is an independently-managed Temasek portfolio company. Neither Temasek nor Fullerton are involved in their business or operating decisions, including those regarding their unitholdings.

2 MIPL is deemed to be interested in the 137,699,999 units held by THFPL, 442,846,329 units held by HFPlace, 352,238,977 units held by HF8, 47,201,893 units held by Sienna and 108,500,107 units held by MCTM.

3 THFPL as holding company of HFPlace and HF8, is deemed to be interested in the 442,846,329 units held by HFPlace and 352,238,977 units held by HF8.

4 BlackRock, Inc. is deemed to be interested in the 185,478,962 units held through BlackRock, Inc.'s subsidiaries.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER AS AT 21 APRIL 2022

No.	Name	No. of Units Direct Interest	No. of Units Deemed Interest
1.	Tsang Yam Pui	–	426,043
2.	Kwa Kim Li	10,000	29,600
3.	Premod P. Thomas	–	–
4.	Kan Shik Lum	–	–
5.	Koh Cheng Chua	–	–
6.	Wu Long Peng	–	–
7.	Mak Keat Meng	–	–
8.	Alvin Tay	–	–
9.	Hiew Yoon Khong	612,751	4,476,380
10.	Wendy Koh	–	1,128,699
11.	Amy Ng	680,513	–
12.	Sharon Lim	–	20,200

FREE FLOAT

Based on the information made available to the Manager as at 17 June 2022, approximately 60.69% of the units in MCT were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

This page is intentionally left blank.

CORPORATE DIRECTORY

MANAGER
Mapletree Commercial Trust Management Ltd.

REGISTERED OFFICE
10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

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

BOARD OF DIRECTORS
Mr Tsang Yam Pui
Non-Executive Chairman and Director

Ms Kwa Kim Li
Lead Independent
Non-Executive Director

Mr Premod P. Thomas
Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director

Mr Koh Cheng Chua
Independent Non-Executive Director

Mr Wu Long Peng
Independent Non-Executive Director

Mr Mak Keat Meng
Independent Non-Executive Director

Mr Alvin Tay
Independent Non-Executive Director

Mr Hiew Yoon Khong
Non-Executive Director

Ms Wendy Koh
Non-Executive Director

Ms Amy Ng
Non-Executive Director

Ms Sharon Lim
Executive Director and
Chief Executive Officer

AUDIT AND RISK COMMITTEE
Mr Premod P. Thomas
Chairman

Mr Koh Cheng Chua

Mr Wu Long Peng

Mr Mak Keat Meng

NOMINATING AND REMUNERATION COMMITTEE
Ms Kwa Kim Li
Chairperson

Mr Kan Shik Lum

Mr Hiew Yoon Khong

MANAGEMENT
Ms Sharon Lim
Chief Executive Officer

Ms Janica Tan
Chief Financial Officer

Mr Koh Wee Leong
Head, Investments &
Asset Management

CORPORATE SERVICES
Mr Wan Kwong Weng
Joint Company Secretary

Ms See Hui Hui
Joint Company Secretary

UNIT REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07
Keppel Bay Tower
Singapore 098632

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

EXTERNAL AUDITOR
PricewaterhouseCoopers LLP
7 Straits View
Marina One
East Tower
Level 12
Singapore 018936

T: +65 6236 3388

Ms Rebekah Khan
Partner-in-charge
(since financial year ended
31 March 2020)

Mapletree Commercial Trust Management Ltd.
(as Manager of Mapletree Commercial Trust)
Co. Reg. No.:200708826C)

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

www.mapletreecommercialtrust.com

MIX
Paper from responsible sources
FSC™ C158351
www.fsc.org

This report is printed on
environmentally friendly paper