Portfolio Performance

In FY16/17, MCT's portfolio gross revenue increased 31.3% year-on-year to $377.7 million while portfolio NPI grew 32.4% to $292.3 million on the back of the acquisition of MBC I and improved performance from VivoCity, PSA Building and Mapletree Anson. While most of the growth was attributed by the new income stream contributed by MBC I, our same store assets also performed well despite the challenging operating environment, registering growth of 5.2% in gross revenue and 4.7% in NPI. Overall, MCT achieved a high retention rate of 90.8% with a rental uplift of 11.6% for the expiring leases. With the addition of MBC I and valuation gains largely contributed by VivoCity, MCT's total investment properties grew 46.0% in valuation to S$6.3 billion as at 31 March 2017.

Acquisition

In FY16/17, MCT successfully completed its second accretive acquisition with the addition of MBC I, one of the largest and highest quality integrated office and business park developments in Singapore. The transaction was approved at an EGM held on 25 July 2016 and completed on 25 August 2016. The total acquisition cost of about S$1,843.5 million for MBC I, comprising purchase consideration of S$1,780.0 million[1] and directly attributable acquisition costs of $63.5 million, was financed through an equity fund raising exercise which raised S$1.04 billion and bank borrowings of S$800 million.

The accretive acquisition fits into the Manager's investment strategy of investing on a long-term basis in a diversified portfolio of income-producing real estate in Singapore while providing Unitholders with an attractive rate of return through regular and stable distributions, as well as long-term stability in DPU and NAV per unit. Portfolio gross revenue, NPI and DPU for FY16/17 have all outperformed the Forecast disclosed in the Circular on 5 July 2016.

The acquisition also increased MCT's total managed NLA by 80.7% from 2.1 million square feet to 3.8 million square feet.

Active Asset Management and Leasing

Throughout FY16/17, the operating environment remained challenging as the industry faced rising headwinds from volatilities in the macro-environment and softer overall demand. We continued to exercise discipline in implementing a pro-active strategy in managing the assets and leases, resulting in improved operational performances across the portfolio.

VivoCity celebrated its 10th anniversary in FY16/17. Since its official opening on 1 December 2006, the mall has grown from strength to strength. Shopper traffic and tenant sales have grown from 38.6 milllion and S$570.5 million respectively in its first year of operation to 55.8 million and S$951.8 million in FY16/17. Despite the softer overall economy and retail climate, FY16/17 shopper traffic and tenant sales respectively grew by 4.8% and 1.3% from FY15/16.

To celebrate VivoCity's 10th anniversary, we organised a series of advertising and promotional activities to thank shoppers and tenants for their continued support and to drive footfall and shopper spend at the same time. Major events like the Revival of the Punch Buddies and Mazda MX5 giveaway (in partnership with American Express), as well as the 10th Anniversary Special Food Menu and the Special 10 Deals (in partnership with our F&B and retail tenants respectively) were well-received by shoppers. A Tenants' Party & Tenants' Awards' Presentation was also held to thank tenants for their continued support and to show recognition for tenants' staff members who have been with VivoCity since its opening.

VivoCity's location and scale allow us to integrate diverse retail offerings with vibrant leisure activities and fun spaces, creating a multi-dimensional retail and lifestyle destination where people can come together and connect. As the only shopping mall with a waterfront promenade, able to dock ships up to 150m in length, VivoCity has hosted the Republic of Singapore Navy's Navy@Vivo events for four years. In 2016, the RSN's stealth frigate RSS Tenacious and her on-board Sikorsky S-70B naval helicopter was docked at VivoCity's Promenade for public to visit and learn more about the Navy's capabilities. The four-day Navy event hosted approximately 52,200 members of the public. VivoCity's expansive atrium spaces also allow for a diverse mix of promotional and sale events within the mall. The month-long Mid-Autumn and Chinese New Year Fairs continued to be mainstay crowd drawers. These events were complemented by a variety of car shows, travel fairs, product launches and atrium sales. We also collaborated with Walt Disney and Lucasfilm to hold an exclusive major exhibition in conjunction with the movie release of Rogue One: A Star Wars Story.

1. The purchase consideration of MBC I was arrived at on a willing-buyer-willing-seller basis after taking into account the independent valuations of MBC I. The purchase consideration was at a discount of approximately 2.3% and 2.8% to the valuations of MBC I as at 31 May 2016 by independent property valuers – Knight Frank's S$1,822.0 million and DTZ Debenham Tie Leung (SEA) Pte Ltd (now known as ETC)'s SS1,832.0 million respectively. The valuations by the independent property valuers were based on the capitalisation approach and the discounted cash flow method.

Following the completion and success of VivoCity's first AEI in FY15/16, VivoCity completed its second AEI in September 2016. This involved the reconfiguration of kiosks and shop units on Basement 2 to revamp its layout and enhance its circulation resulting in improved ambience and F&B offerings. This second AEI also included the conversion of use of space on Level 3 from a gym into a popular steamboat establishment to achieve higher yield. On a stabilised basis, this AEI would contribute more than 20% in returns.

As at 31 March 2017, we had commenced works to convert about 9,200 square feet of anchor space into specialty stores on Level 1 and Level 2 of the mall. These spaces had already been committed by new-to-mall brands as well as existing tenants expanding their footprints. On a stabilised basis, this S$2.8 million AEI is expected to contribute about 25% in returns. We continually strive to identify suitable opportunities for additional AEIs that will complement the mall's positioning and drive shopper traffic while balancing the costs and benefits for such initiatives to ensure that a healthy return on investment is achieved.

As a testimony to our successful leasing strategy and mall management, VivoCity achieved a high retention rate of 95.7%. We had also taken the opportunity to strengthen VivoCity's tenant mix by bringing in popular brand names and new-to-mall offerings, as well as rejuvenating and refreshing the look and feel of the mall. Our active tenant engagement efforts have yielded positive results. Overall, 46.6% of NLA was renewed and re-let at 13.8% rental reversion. This includes the positive renewal of major leases totalling more than 260,000 square feet of NLA. As at 31 March 2017, committed occupancy remained high at 99.8%.

Our office assets performed well and demonstrated resilience during FY16/17 despite persistent weaknesses in the overall office sector. Our pro-active lease management resulted in improved occupancy rates during the year. As at 31 March 2017, Mapletree Anson's occupancy was 100%, higher than the 91.0% achieved as at 31 March 2016. PSA Building also improved its overall occupancy to 98.3% as at 31 March 2017, up from 92.8% at the end of the previous financial year notwithstanding difficulties faced by tenants in the oil & gas and shipping sectors.

In April 2016, we completed the restructuring of BoAML's lease at MLHF ahead of the lease's original expiry in November 2017. While some space was returned, the early renewal of BoAML's lease for a further term of 6 years commencing 1 January 2017 is positive for MCT and is expected to deliver stability to the office portfolio going forward. In December 2016, we managed to secure a tenant for part of the returned space, bringing the committed occupancy for MLHF to 91.6%.

PSA Building, Mapletree Anson and MLHF contributed a total of S$102.1 million of gross revenue and S$80.6 million of NPI in FY16/17, up 5.7% and 7.0% respectively from the previous financial year. Including MBC I, gross revenue and NPI totalled S$176.9 million and S$141.9 million respectively. Despite the impending new supply of office space in Singapore, our continuous efforts in active engagement and early negotiations with tenants have resulted in retention rate of 87% for the leases expiring in FY16/17, and a 8.5% rental uplift.

Summary of Leases Committed in FY16/17

	Number of Leases Committed	Retention Rate (by NLA)	% Change in Fixed Rents[1]
Retail	121	95.3%	13.5%[2]
Office/Business Park[3]	20	87.0%	8.5%[4]
MCT Portfolio	**141**	**90.8%**	**11.6%**

1. Based on average of the fixed rents over the lease period of the new leases divided by the preceding fixed rents of the expiring leases.
2. Includes the effect from trade mix changes and units subdivided and/or amalgamated.
3. Includes all MBC I leases expiring in FY16/17.
4. Excluding MBC I, office portfolio rental uplift was 9.8%. MBC 1 rental uplift was 7.1%.

MCT Portfolio Occupancy

	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017
VivoCity	99.0%	98.7%	97.5%	99.6%	99.0%[1]
MBC I	-	-	-	-	99.0%[2]
PSA Building	93.1%	99.4%	95.4%	92.8%	98.3%[3]
Mapletree Anson	99.4%	93.8%	87.5%	91.0%	100.0%
MLHF	100.0%	100.0%	100.0%	100.0%	79.2%[4]
MCT Portfolio	**97.7%**	**98.2%**	**95.7%**	**96.6%**	**97.9%[5]**

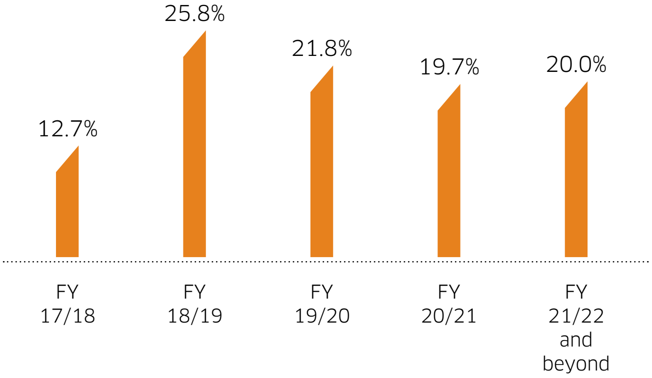
1. Committed occupancy for VivoCity was 99.8%.
2. Committed and physical occupancies were the same for MBC I.
3. Committed occupancy for PSA Building was 98.4%.
4. Committed occupancy for MLHF was 91.6%.
5. Committed occupancy for MCT Portfolio was 98.8%.

Lease Expiry Profile

As at 31 March 2017, the lease expiry profile for MCT remained well-balanced with a portfolio weighted average lease expiry ("WALE") of 2.7 years. With a typical retail lease term of 3 years, the WALE for the retail leases was 2.0 years. The office/business park WALE was healthy at 3.4 years largely contributed by the defensive lease profiles at MBC I and the long term lease secured at MLHF.

MCT's overall portfolio had 526 committed leases, of which 12.7% of gross rental revenue would be expiring in FY17/18.

Lease Expiry Profile by Gross Rental Revenue (as at 31 March 2017)



Number of Leases

96	190	159	53	28

The leases entered into in FY16/17 contributed 33.9% of gross revenue as at 31 March 2017 and had a WALE of 4.0 years.

Tenant Profile

MCT's top 10 tenants contributed 25.2% of gross rental revenue as at 31 March 2017. With both retail and office/business park assets, MCT's tenants come from a wide variety of trade sectors thus providing good diversification. No single trade segment accounted for more than 16.1% of MCT's gross rental revenue.

Breakdown of Tenants in MCT's Portfolio (as at 31 March 2017)

Property	No. of Tenants
VivoCity	309
MBC I	30
PSA Building	112
Mapletree Anson	19
MLHF	1
Total	**471**

MCT Top Ten Tenants by Gross Rental Revenue (as at 31 March 2017)

	Tenant	% of Gross Rental Revenue
1	Merrill Lynch Global Services Pte. Ltd.	3.7%
2	The Hongkong and Shanghai Banking Corporation Limited	3.4%
3	Samsung Asia Pte. Ltd.	2.6%
4	Government Technology Agency / Assurity Trusted Solutions Pte. Ltd.	2.5%
5	Unilever Asia Pte Ltd / Unilever Singapore Pte. Limited	2.4%
6	SAP Asia Pte Ltd	2.3%
7	Cold Storage Singapore (1983) Pte Ltd	2.3%
8	Mapletree Investments Pte Ltd	2.0%
9	BW Marine Pte Ltd / BW Offshore Singapore Pte. Ltd.	2.0%
10	PSA Corporation Limited	1.8%
	MCT Portfolio	**25.2%[1]**

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

MCT Trade Mix by Gross Rental Revenue (as at 31 March 2017)

	Trade Mix	% of Gross Rental Income
1	Food & Beverage	16.1%
2	Banking & Financial Services	13.2%
3	Fashion	10.3%
4	Government Related	5.7%
5	IT Services & Consultancy	5.6%
6	Shipping Transport	5.5%
7	Fashion Related	5.0%
8	Departmental Store / Hypermart	4.5%
9	Electronics	4.2%
10	Consumer Goods	4.0%
11	Trading	3.3%
12	Beauty	3.2%
13	Real Estate	2.8%
14	Lifestyle	2.8%
15	Electronics – Retail	2.1%
16	Others[1]	11.6%

1. Others includes Sports, Energy, Pharmaceutical, Entertainment, Retail Bank, Insurance, Optical, Consumer Services, Education, Medical, Services and Convenience.