Operations Review

In FY14/15, we remained focused on the execution of our leasing strategy, including active tenant and brand mix management, amidst an operating environment of increasing cost pressures.

VivoCity continued to enjoy the support of both retailers and shoppers. Several new to market retail and lifestyle concepts as well as established brands were added to the mall. These included several firsts in Singapore, for example, Superdry's first standalone store, the first Mango flagship store to feature the kids fashion line, as well as the first American Eagle Outfitters store. New lifestyle concepts introduced included Candylicious, which integrates retail space with a party room and a baking studio.

On an on-going basis, the team was able to meet the expansion needs of several existing major tenants in the mall through a series of chain moves which also served to strengthen the trade mix at each location. We had also identified opportunities to enhance yield through more effective use of the space at VivoCity. These included the reconfiguration and right-sizing of units to better suit the needs of our tenants.

The first Asset Enhancement Initiative ("AEI") at the mall was successfully executed towards the end of FY14/15, adding around 15,000 square feet of prime retail space at Basement 1. The newly created space was fully leased prior to the completion of the AEI construction works, demonstrating the strong appeal of VivoCity to retailers. With the leases committed and majority of the works completed, the stabilised Return on Investment ("ROI") is expected to be about 25%.

VivoCity recorded high shopper traffic of 53.2 million for FY14/15. While shopper traffic declined marginally by 0.7 million compared to FY13/14, tenant sales remained relatively resilient and edged higher to a new record of about S$909 million for FY14/15. This is despite fewer trading days during the financial year compared to the year before, due to fit-out periods by major tenants and the AEI construction works.

We continued to capitalise on VivoCity's unique features and scale to create distinctive experiences for our shoppers. In February 2015, VivoCity hosted SAF50@Vivo, where the Republic of Singapore Army, Navy and Air Force came together at VivoCity to showcase a wide array of military assets, including the largest Navy vessel, the Landing Ship Tank RSS Endurance, which was berthed at the waterfront promenade.

Committed occupancy for VivoCity was 99.5% as at 31 March 2015, which includes the additional NLA created from the AEI. Occupancy cost for the tenants was about 17.9% for FY14/15.

The Alexandra Precinct remains an attractive alternative office location to the Central Business District. This has helped PSA Building maintain committed occupancy of 98.7% as at 31 March 2015. To cater to the growing working population in the Precinct, we refreshed the tenancy mix at Alexandra Retail Centre with improved offerings in food and beverage, convenience shopping and services.

In March 2015, PSA Building attained the Green Mark Gold^{Plus} award from the Building and Construction Authority ("BCA") in recognition of the green initiatives and efforts undertaken to improve operating efficiency and reduce energy consumption at the property. With this, all of the properties in MCT's portfolio have been certified Green Mark Gold and above by the BCA.

The other office assets, Mapletree Anson and MLHF, continued to deliver consistent performance and contributed positively to the portfolio's NPI growth for FY14/15. Committed occupancy at Mapletree Anson was 93.8% as at 31 March 2015 as a tenant had vacated to consolidate its operations at another building, with part of the space having since been leased. At MLHF, we successfully concluded the rent review negotiations during the year, achieving a positive rental reversion.

With active leasing and asset management, the retail component of the MCT portfolio ended the year with robust rental uplift of 17.5% for retail leases expiring in FY14/15, while the average rental uplift for office leases in the portfolio was 5.9%.

In a rising cost environment, the Manager has been focused on improving operational efficiency and managing cost increases across the portfolio. The efforts have delivered tangible results. Despite higher property taxes and sharing some of the energy savings with the majority of tenants, portfolio operating expenses declined by 1.6%. This boosted portfolio NPI margins to 74.9% in FY14/15 from 73.1% in FY13/14.

Leasing Update, Occupancy and Top tenants

MCT FY14/15 Leasing Update

	No. of Leases Committed	Retention Rate (by NLA)	Uplift in Fixed Rents[1]
Retail	120	78.4%	17.5%[2]
Office	18	48.1%	5.9%

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.

MCT Portfolio Occupancy

	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
VivoCity[1]	98.1%	99.0%	98.7%	97.5%
PSA Building[2,3]	85.3%	93.1%	99.4%	95.4%
MLHF	100.0%	100.0%	100.0%	100.0%
Mapletree Anson[4]	-	99.4%	93.8%	87.5%
MCT Portfolio	**94.6%**	**97.7%**	**98.2%**	**95.7%**

1 Committed occupancy for VivoCity is 99.5% as at 31 March 2015. This includes the additional NLA from mostly completed VivoCity Basement 1 AEI.
2 Includes both PSAB Office & Alexandra Retail Centre (“ARC”). Committed occupancy for PSAB is 98.7% as at 31 March 2015.
3 The PSAB Asset Enhancement was completed in Nov 2011 and includes the addition of ARC. Tenants in the ARC progressively opened from 15 Dec 2011, about 1 month after completion.
4 Mapletree Anson was acquired on 4 February 2013. Committed occupancy for Mapletree Anson is 93.8% as at 31 March 2015.

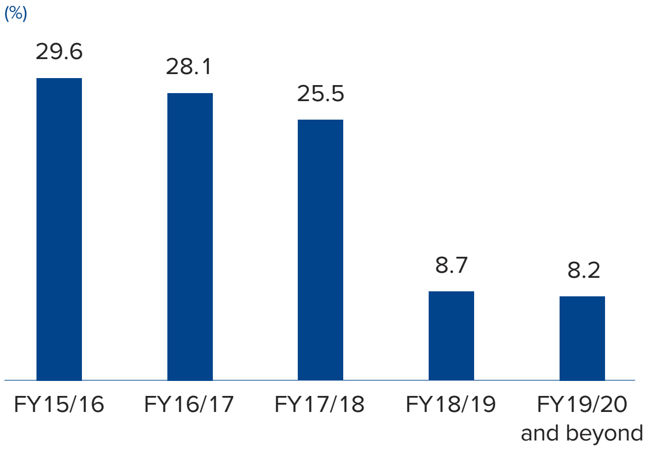
Operations Review

Lease Expiry Profile

The lease expiry profile for MCT remains healthy with portfolio weighted average lease expiry ("WALE") at 2.1 years. With a typical retail lease term of 3 years, the retail portfolio has a WALE of 1.8 years. MCT's office portfolio generally has longer term leases, with the office portfolio having WALE of 2.9 years.

MCT has 172 leases, comprising 29.6% of Gross Rental Revenue, expiring in FY15/16.

Lease Expiry Profile by Gross Rental Revenue
(as at 31 March 2015)



Number of Leases

172	131	117	20	12

Tenant Profile

MCT's top 10 tenants contributed 25.3% of Gross Rental Revenue as at 31 March 2015. With both retail and office assets, MCT's tenants are well diversified and come from a wide variety of trade sectors. No single tenant accounted for more than 6.9% of Gross Rental Revenue.

Breakdown of Tenants in MCT's Portfolio
(as at 31 March 2015)

Property	No. of tenants
VivoCity	287
MLHF	1
PSAB	103
Mapletree Anson	15
Total	**393[1]**

1 Total does not add up due to common tenants between the properties.

MCT Top Ten Tenants by Gross Rental Revenue
(as at 31 March 2015)

	Tenant	Sector	Sub Sector	% of Gross Rental Income
1	Merrill Lynch Global Services Pte. Ltd.	Office	Banking & Financial Services	6.9%
2	Cold Storage Singapore (1983) Pte Ltd	Retail	Hypermart / Departmental Store, Convenience	2.9%
3	PSA Corporation Limited	Office	Shipping Transport	2.8%
4	J. Aron & Company (Singapore) Pte.	Office	Banking & Financial Services	2.2%
5	C.K.Tang Limited	Retail	Hypermart / Departmental Store	2.1%
6	Golden Village Multiplex Pte Ltd	Retail	Entertainment	1.9%
7	H & M Hennes & Mauritz Pte. Ltd.	Retail	Fashion	1.7%
8	RSH (Singapore) Pte Ltd	Retail	Fashion	1.6%
9	Wing Tai Retail Management Pte. Ltd.	Retail	Fashion / Fashion Related	1.6%
10	Sumitomo Corporation Asia Pte Ltd	Office	Trading	1.5%
	Total			**25.3%**

MCT Trade Mix by Gross Rental Revenue
(as at 31 March 2015)

Food & Beverage	22.1%
Fashion	16.5%
Banking & Financial Services	9.9%
Lifestyle	7.1%
Shipping Transport	6.5%
Fashion Related	6.5%
Hypermart/Departmental Store	6.1%
Beauty	3.7%
Trading	3.4%
Real Estate	2.5%
IT Services & Consultancy	2.5%
Sports	2.4%
Entertainment	2.2%
Insurance	2.0%
Others[1]	6.7%

1 Others includes: Government-related Agencies, Retail Bank, Optical, Energy, Pharmaceutical, Medical, Consumer Services, Education, Services, and Convenience.