

FINANCIAL & CAPITAL MANAGEMENT REVIEW

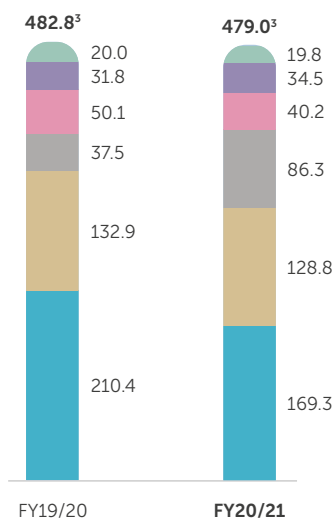
	FY20/21 (S\$'000)	FY19/20 (S\$'000)	Variance (%)
Gross revenue	478,997	482,825	(0.8)
Property operating expenses	(101,987)	(104,885)	2.8
Net property income	377,010	377,940	(0.2)
Finance income	754	813	(7.3)
Finance expenses	(76,848)	(78,787)	2.5
Manager's management fees	(37,538)	(35,148)	(6.8)
Trustee's fees	(1,049)	(952)	(10.2)
Other trust expenses	(1,153)	(1,345)	14.3
Net foreign exchange gain/(loss)	8,639	(7,900)	N.M.
Net change in fair value of financial derivative	(8,786)	8,885	N.M.
Profit before tax and fair value change in investment properties	261,029	263,506	(0.9)
Net change in fair value of investment properties	(192,420)	279,591	N.M.
Income tax expense	(3)	(2)	(50.0)
Profit after tax	68,606	543,095	(87.4)
Amount available for distribution to Unitholders	314,720¹	243,218²	29.4
DPU (Singapore cents)			
– Taxable distribution	8.45	7.97	6.0
– Capital distribution	1.04	0.03	N.M.
Total DPU	9.49¹	8.00²	18.6

N.M.: Not meaningful

GROSS REVENUE

S\$479.0 million
 \approx 0.8%

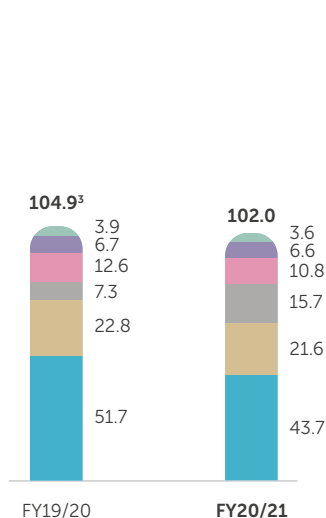
(S\$ million)



PROPERTY OPERATING EXPENSES

S\$102.0 million
 \approx 2.8%

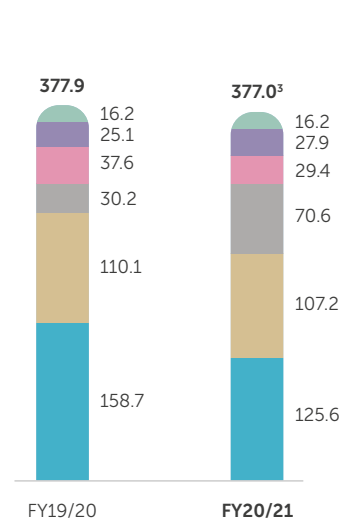
(S\$ million)



NET PROPERTY INCOME

S\$377.0 million
 \approx 0.2%

(S\$ million)



■ VivoCity ■ MBC I ■ MBC II ■ mTower ■ Mapletree Anson ■ MLHF

¹ Includes the release of S\$28.0 million from the retained cash carried forward from 4Q FY19/20.

² In 4Q FY19/20, MCT made capital allowance claims and retained capital distribution totalling S\$43.7 million to conserve liquidity in view of the uncertainty due to the COVID-19 pandemic.

³ Total does not add up due to rounding differences.

FY20/21 was an extraordinary year for everyone as the COVID-19 pandemic precipitated a host of challenges that still persist today. Notwithstanding, we continued our approach in managing MCT proactively and nimbly. With a view to safeguard the long-term health of the retail sector, we provided meaningful assistance to eligible retail tenants to weather the headwinds.

Although our full year financial performance was dampened by the COVID-19 rental rebates, MBC II's maiden full year contribution helped to cushion the impact.

GROSS REVENUE

Gross revenue was 0.8% lower at S\$479.0 million for FY20/21 compared to FY19/20. This was mainly due to rental rebates granted to eligible tenants affected by COVID-19 and lower other income, partially offset by the full year contribution from MBC II of S\$86.3 million in FY20/21.

Revenue for Mapletree Anson was S\$2.7 million higher than FY19/20 mainly due to higher rental income from higher occupancy and step-up rent in existing leases, offset by lower other income.

Revenue for MLHF was S\$0.2 million lower than FY19/20 mainly due to lower other income, offset by step-up rent in existing leases.

Revenue for MBC I was lower by S\$4.1 million mainly due to lower rental income from lower occupancy and lower other income, partially offset by the effects of step-up rents in existing leases.

Revenue for mTower was S\$9.9 million lower than FY19/20 mainly due to lower rental income from lower occupancy at mTower, lower carpark income and rental rebates granted to eligible retail tenants at ARC, offset by cash grants received.

Revenue for VivoCity was S\$41.1 million lower than FY19/20 mainly due to the rental rebates granted to eligible tenants affected by the COVID-19 as well as lower rental income from restructured leases, negative rental revision, lower occupancy and lower turnover rent. Carpark income and advertising and promotion income were also lower due to COVID-19 restrictions. This was partially offset by compensation sum received from pre-termination of leases and step-up rents in existing leases.

PROPERTY OPERATING EXPENSES

Property operating expenses were 2.8% lower at S\$102.0 million compared to FY19/20. Excluding the full year impact of MBC II of S\$15.7 million, the Group incurred lower staff costs, property maintenance expenses, utilities expenses, marketing and promotion expenses, property tax expense and property management fees across all other properties.

NET PROPERTY INCOME

Net property income was S\$377.0 million in FY20/21, marginally lower by 0.2% compared to S\$377.9 million in FY19/20 due to lower gross revenue offset by lower property operating expenses.

FINANCE EXPENSES

Finance expenses were 2.5% lower at S\$76.8 million for FY20/21 compared to FY19/20 mainly due to lower interest rates on floating rate borrowings, lower interest rates from refinancing of fixed rate notes and interest expense incurred on bridging loans drawn down to part finance the MBC II acquisition in 2H FY19/20. This was partially offset by the full year effect of interest expenses for MBC II.

MANAGER'S MANAGEMENT FEES

Manager's management fees were 6.8% higher at S\$37.5 million for FY20/21 compared to FY19/20 mainly due to higher total assets value resulting from the acquisition of MBC II.

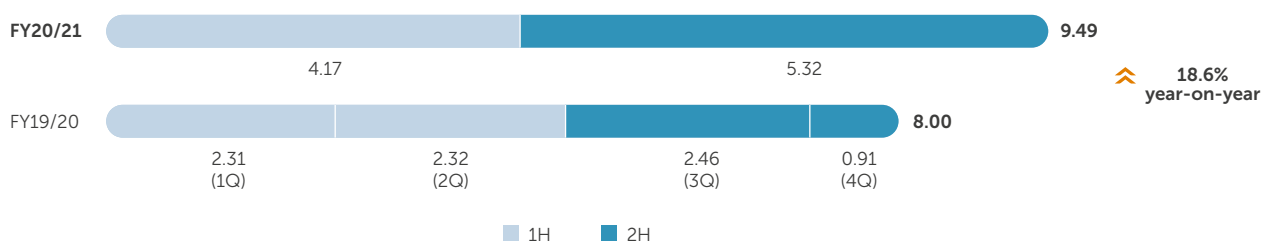
AMOUNT AVAILABLE FOR DISTRIBUTION AND DISTRIBUTION PER UNIT

In 4Q FY19/20, MCT made capital allowance claims and retained capital distribution totalling S\$43.7 million to conserve liquidity in view of the COVID-19 uncertainties. MCT released S\$28.0 million of this retained cash as distribution to Unitholders in FY20/21. As a result, the amount available for distribution to Unitholders for FY20/21 totalled S\$314.7 million, up 29.4% year-on-year.

Correspondingly, the DPU for FY20/21 was 9.49 Singapore cents, a year-on-year increase of 18.6%.

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The breakdown of the DPU in Singapore cents for FY20/21 as compared to FY19/20 is as follows:



PROJECT MANAGEMENT FEES

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

The AEI at VivoCity included the conversion of 32,000 square feet of commercial space on Level 3 into a public library, decanting and using the space to extend the existing Basement 1 retail space, injection of a new stack of escalators to connect Basement 2 and Level 1 through the Basement 1 extension, as well as related works such as

addition of solar panels on the new rooftop carpark shelter, addition of toilets on Basement 1 and upgrading of the water feature at the outdoor plaza. The AEI at mTower relates to the first phase of the upgrading of common area toilets and lift lobbies.

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 10 May 2018 and 13 March 2020.

As at 31 March 2021, the construction cost for AEIs at VivoCity and mTower were finalised. The total project management fees paid/payable to the Property Manager in relation to the AEIs at VivoCity and mTower were S\$364,000 and S\$191,000 respectively. The project management fees were capitalised in investment properties.

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

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	As at 31 March 2021	As at 31 March 2020	Change (%)
Total Assets (S\$'000)	8,950,584	9,007,071	(0.6)
Total Liabilities (S\$'000)	3,241,616	3,220,123	0.7
Net Assets Attributable to Unitholders (S\$'000)	5,708,968	5,786,948	(1.3)
Number of Units in Issue ('000)	3,316,204	3,307,510	0.3
NAV per Unit (S\$)	1.72	1.75	(1.7)

Total assets value decreased by 0.6% to S\$8,950.6 million as at 31 March 2021 as compared to S\$9,007.1 million as at 31 March 2020. The decrease was largely due to the decline in valuation of the investment properties due to the impact of COVID-19.

Total liabilities increased by 0.7% to S\$3,241.6 million as at 31 March 2021

as compared to S\$3,220.1 million as at 31 March 2020. The increase was mainly due to borrowings drawn down for working capital purposes.

Correspondingly, net assets attributable to Unitholders decreased by 1.3% to S\$5,709.0 million as compared to the previous financial year ended 31 March 2020.

NAV per Unit was lower at S\$1.72 as at 31 March 2021. The adjusted NAV per Unit (after excluding the distributable amount payable for 2H FY20/21) was S\$1.67.

VALUATION OF ASSETS

As at 31 March 2021, MCT's properties were valued at S\$8,737.0 million, mainly due to the impact of COVID-19 driving changes in passing rents as well as lower market rents and reduced rental growth profile, offset by compression of capitalisation rates for MBC I, MBC II and MLHF due to market transactions as compared to a year ago. Accordingly, net fair value loss of investment properties of S\$192.4 million was recorded.

	As at 31 March 2021 ¹			As at 31 March 2020
	S\$ million	S\$ per square feet ("psf") NLA	Capitalisation Rate	S\$ million
VivoCity	3,148.0	2,922 psf	4.625%	3,262.0
MBC I	2,226.0	1,304 psf	Office: 3.80% Business Park: 4.85%	2,198.0
MBC II	1,535.0	1,296 psf	Business Park: 4.80% Retail: 4.75%	1,560.0
mTower	742.0	1,411 psf	Office: 4.00% Retail: 4.85%	791.0
Mapletree Anson	747.0	2,269 psf	3.50%	762.0
MLHF	339.0	1,571 psf	3.80%	347.0
MCT Portfolio	8,737.0			8,920.0

CAPITAL MANAGEMENT

The Manager continues to proactively manage MCT's capital structure and takes a disciplined approach in addressing funding requirements and managing refinancing and interest rate risks.

In FY20/21, MCT secured S\$360.0 million of term loan facilities and S\$370.0 million of green loan facilities for refinancing needs. MCT completed the redemption of S\$160.0 million of fixed rate notes due in August 2020 and refinanced S\$369.3 million of bank borrowings ahead of their maturities in April 2021. Subsequent to 31 March 2021, the MTN of S\$70.0 million classified as current liabilities has been fully redeemed upon maturity with existing facilities, thus completing all refinancing for FY21/22.

The Group manages its interest rate risk by maintaining a mix of

fixed and floating rate borrowings. The Group uses derivative financial instruments to hedge its interest rate risks. As part of the Manager's active capital management approach, Interest Rate Swaps ("IRS") of notional S\$200.0 million and forward start IRS of notional S\$50.0 million were executed to provide certainty on interest expenses arising from term loan facilities. As at 31 March 2021, approximately 70.7% of the gross borrowings have been fixed by way of IRS and fixed rate debt.

As at 31 March 2021, MCT's total gross debt outstanding of S\$3,032.9 million remained fully unsecured with minimal financial covenants. Due to the downward valuation of the investment properties, the aggregate leverage ratio increased from 33.3% as at 31 March 2020 to 33.9% as at 31 March 2021, well below the statutory limit, and this is not

expected to have a significant impact on MCT's risk profile. As at 31 March 2021, MCT Group has a sizeable debt headroom of S\$2.8 billion (based on regulatory limit of 50%²).

As at 31 March 2021, the aggregate leverage ratio was 53.1% based on net assets. For the financial year ended 31 March 2021, MCT achieved a healthy interest coverage ratio of 4.4 times and a prudent average all-in cost of debt of 2.48% per annum. Overall, MCT has 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 4.2 years.

Subsequent to the reporting year, Moody's affirmed MCT's Baa1 issuer rating and changed outlook from negative to stable.

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

² On 16 April 2020, MAS raised the leverage limit from 45.0% to 50.0%.

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KEY FINANCIAL INDICATORS

	As at 31 March 2021	As at 31 March 2020
Total Debt Outstanding (S\$ million) ¹	3,032.9	3,003.2
Aggregate Leverage Ratio		
– Based on Total Deposited Property	33.9%	33.3%
– Based on Net Assets	53.1%	51.9%
Interest Coverage Ratio	4.4 times	4.3 times
% of Fixed Rate Debt	70.7% ²	78.9%
Weighted Average All-In Cost of Debt (per annum) ³	2.48%	2.94%
Average Term to Maturity of Debt	4.2 years	4.2 years
Unencumbered Assets as % of Total Assets	100%	100%
MCT Corporate Rating (by Moody's)	Baa1 (Negative)	Baa1 (Stable)

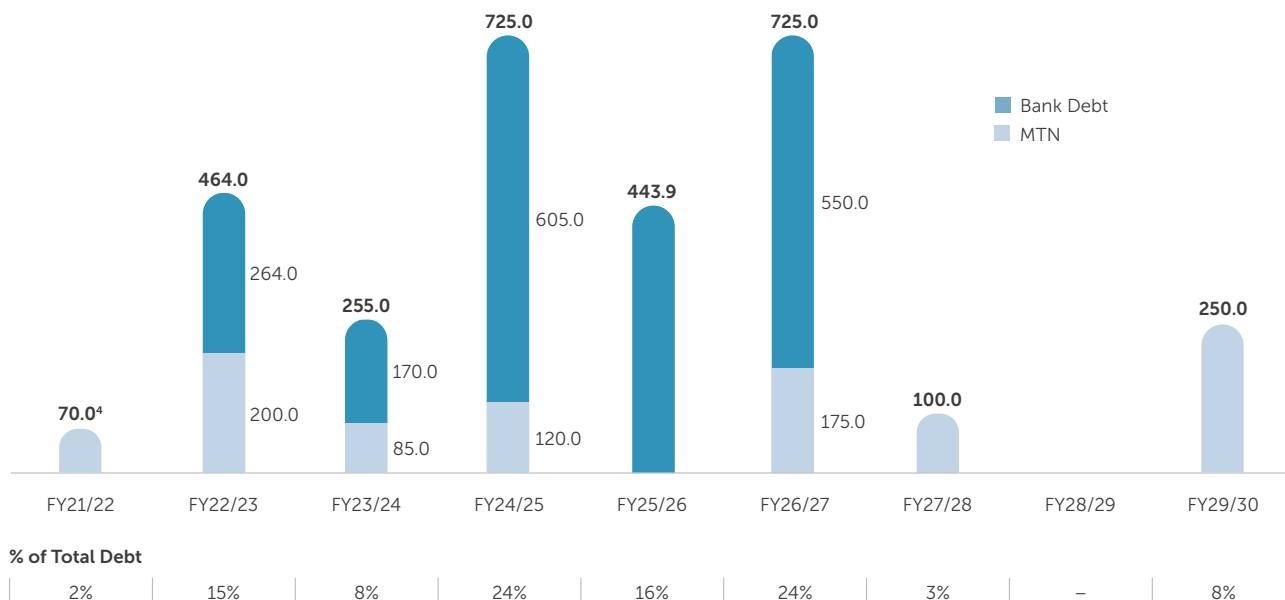
PRIORITISING FINANCIAL FLEXIBILITY

As at 31 March 2021, approximately S\$618.6 million of cash and undrawn committed facilities were available for working capital or future financial obligations. During the financial year, we have proactively completed refinancing ahead of time, maintained a well-distributed debt maturity profile and continued to remain well-capitalised with ample financial flexibility.

We will continue to focus on long-term resilience and sustainable returns underpinned by prudent and disciplined capital management.

DEBT MATURITY PROFILE (as at 31 March 2021)

Gross Debt (S\$ million)



¹ Reflects total gross debt after taking into account the CCIRS taken to hedge the JPY8.7 billion floating rate medium term notes.

² Including forward start IRS of S\$50.0 million, fixed debt is 72.4%.

³ Including amortised transaction costs.

⁴ Subsequent to the reporting year, S\$70.0 million of MTN was redeemed.