LETTER TO UNITHOLDERS

Dear Unitholders,

On behalf of the Board and management, we thank you for your unyielding support in FY18/19.

Year by year, by harnessing our collective strength and experience, we have made sound progress in delivering value to our stakeholders. In our last letter to you, we shared how the Manager's stewardship has guided MCT through structural shifts and economic uncertainties. Capitalising on new opportunities that had arisen from the changing landscape, our ventures have borne fruit – MCT emerged stronger and delivered a noteworthy set of results in FY18/19.

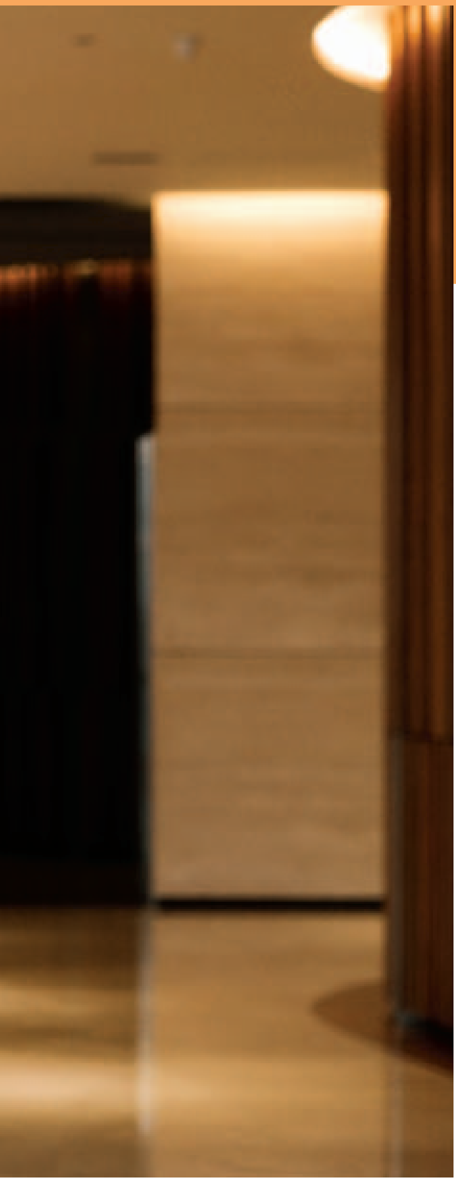
OUTSTANDING PERFORMANCE IN AN EVOLVING MARKET

We are pleased to report a record DPU of 9.14 Singapore cents for the full year, up 1.1% from the previous year. This was driven by higher contribution from VivoCity, MBC I, PSA Building and MLHF.

MCT's gross portfolio revenue grew 2.4% year-on-year to S$443.9 million for FY18/19. NPI was S$347.6 million, surpassing last year's record high by 2.6%. Correspondingly, distributable income grew 1.4% year-on-year to S$264.0 million.

Given the upward independent revaluation of the portfolio as at 31 March 2019, MCT's total investment properties increased 5.3% to S$7.0 billion. NAV per unit rose 7.4% to S$1.60 as compared to a year ago.

Since MCT's public listing on 27 April 2011 at S$0.88 per unit, we have paid out a total distribution of 62.06 Singapore cents per unit. Given



Left:
Tsang Yam Pui
Non-Executive Chairman and Director

Right:
Sharon Lim
Executive Director and Chief Executive Officer

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MCT's closing unit price of S$1.89 as at 31 March 2019, Unitholders who have invested in MCT since day one would have received a total return exceeding 185%.

VIVOCITY – OUR CROWN ASSET SHINING THROUGH

Our crown asset, VivoCity, continues to preserve its shine into the 12th year of operations. It registered robust performance in FY18/19, growing 3.0% in revenue and 3.6% in NPI year-on-year. Full year shopper traffic reached 55.2 million in spite of transitory impact and downtime from enhancement works including the creation of concept stores and a public library, expansion of Basement 1 and changeover of the hypermarket.

VivoCity's continued success is derived from a multitude of factors. Located within the southern corridor of Singapore, the country's biggest mall offers more than a million square feet of NLA, which houses a complete trade mix and features an extensive waterfront promenade. With the HarbourFront MRT station nestled against Basement 2, the Sentosa Express Monorail VivoCity Station located on Level 3, direct linkages to the Singapore Cruise Centre@HarbourFront, and proximity to the Sentosa Island, VivoCity enjoys unrivalled connectivity and generous shopper catchments.

Notwithstanding its fine physical attributes, we have methodically undertaken several asset enhancement initiatives ("AEIs") throughout the years. VivoCity's first AEI in 2015 created 15,000 square feet of retail space on Basement 1, allowing us to capitalise on the shopper traffic passing between the MRT station and VivoCity's main atrium. A year later, we increased the number of food kiosks from 13 to 21 on Basement 2, improved the line of sight for some restaurants, and introduced a popular hotpot restaurant on Level 3. Then in 2017, we converted approximately 9,200 square feet of anchor space on Level 1 and Level 2 into higher-yielding specialty space for existing tenants who were expanding as well as new-to-mall brands.

Most recently, we completed VivoCity's fourth AEI to add a public library and to extend Basement 1. Being the largest scale AEI to date, the whole project required meticulous planning and execution. The AEI started in 3Q FY17/18 when the Community/Sports Facilities Scheme ("CSFS") allowed 32,000 square feet of commercial space on Level 3 to be converted into Singapore's largest library in a shopping mall in return for bonus GFA. The bonus GFA was then used to extend the existing Basement 1 of VivoCity, adding on seamlessly to the entire Basement 1 shopping experience. To improve vertical connectivity and mobility within the mall, we took the opportunity to add a fresh stack of escalators connecting Basement 2 and Level 1 through the new Basement 1 space. The completion of this set of initial works was marked by the June 2018 opening of the Basement 1 extension, which houses ten exciting lifestyle and

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athleisure brands spanning 24,000 square feet of NLA.

We finally welcomed the library, library@harbourfront, into VivoCity on 12 January 2019. Designed to serve all ages and integrated with the latest interactive technology, this community asset is a meaningful addition to the mall. By fostering a culture of learning and reading, it highly complements VivoCity's positioning as a family-centric destination mall and also encourages repeat visits. Its official launch concludes VivoCity's fourth AEI that delivered over 10% of annual return on investment[1] on a stabilised basis.

In October 2018, we announced that VivoMart would be replaced by Singapore's leading grocer and multi-format retailer, NTUC FairPrice. We are pleased that the changeover of the former VivoMart space on Level 1 and Basement 2 has made good progress since 1 April 2019. FairPrice has started fit-out works for its integrated space of 91,000 square feet. Specifically designed to cater to the varied needs of today's shoppers, the new store comprises a FairPrice Xtra hypermarket, a Unity pharmacy and a Cheers convenience store. Meanwhile, about 24,000 square feet of remaining anchor space from VivoMart on Level 1 and Basement 2 has been recovered and fully committed by tenants including Uniqlo, who is expanding its footprint in VivoCity, as well as new lifestyle and mid-range food & beverage ("F&B") offerings. Scheduled for completion by 2Q FY19/20, the entire changeover is expected to contribute approximately 40% of annual return on investment on a stabilised basis[2], in addition to the positive rental uplift from the new grocer. Collectively, these changes will further enhance VivoCity's retail offerings and appeal.

To stay ahead of the competition, the management diligently keeps abreast of market transformation and seizes suitable opportunities. A long-standing retail trend – consolidation – remains a force. This has prompted retailers to consolidate their footprints into efficient networks of stores in high quality locations in order to maximise efficiency. VivoCity, as an outstanding destination mall, has been a beneficiary of this consolidation. During the year, established retailers such as Zara, Pull & Bear, Superdry as well as Marks & Spencer have decided to expand in VivoCity to establish their larger format concept stores. On top of these, we continued our rigorous approach in tenant mix management to bring in a wide variety of well-loved brands such as Bath & Body Works, Beauty in the Pot, Da Paolo Gastronomia and Hans Im Glück.

Beyond physical upgrades and tenant remixing, VivoCity's success is also buttressed by its curated mix of fun and shopper-centric activities that drive footfall and sales. A key event was the collaboration with the Walt Disney Company to present the "VivoCity x Disney Tsum Tsum Mid-Autumn: A Celebration of Love" campaign from 30 August 2018 to 30 September 2018. VivoCity Sky Park was filled with more than 2,000 Disney Tsum Tsum lanterns and a record-setting 10-metre tall Mickey and Minnie Mouse lantern installation. The month-long festivity was overwhelmingly received by shoppers of all ages and widely covered by the local, international and social media. On 21 December 2018, VivoCity held its inaugural Christmas Late Night Shopping, with over 100 retailers extending their operating hours till 2 a.m.. The Christmas celebrations also included an outdoor skating rink from 7 to 25 December 2018.

Shoppers today are driven by convenience. To us, this means providing a shopping experience that saves them time and effort. In July 2018, we rolled out the VivoCity SG mobile application, a free one-stop portal for shoppers. By downloading the app and becoming a VivoRewards member, shoppers can easily browse through the mall's directory, find out about the latest promotions and events in the mall, check available parking spaces in advance, manage their membership statuses, and earn VivoRewards with minimum hassle.

OFFICE AND BUSINESS PARK ASSETS EXHIBITING ROBUSTNESS

Our portfolio also consists of four quality office and business park assets, namely MBC I, PSA Building, Mapletree Anson and MLHF.

MBC I stands out as a best-in-class integrated office and business park complex given its size, Grade-A building specifications, proximity to the CBD, complete suite of facilities and amenities, as well as its lush greenery. Its premium offerings have attracted a list of established tenants such as HSBC, the Info-Communications Media Development Authority, Unilever and Samsung. With its strong attributes and solid tenant base, MBC I has continued to give MCT a stable anchor. Mainly driven by higher rental income from new leases and the effects of step-up rents in existing leases, MBC I posted 0.9% and 0.4% year-on-year growth in FY18/19 revenue and NPI respectively.

Our consistent approach in retaining quality tenants and engaging them early to secure renewals with an emphasis on preserving cashflows has paid off. In FY18/19, our office and business park properties contributed S$231.0 million of

1 Based on capital expenditure of approximately S$16.0 million, including expenditure for related works such as addition of escalator and carpark deck, installation of solar panels for the new carpark shelter and various M&E upgrading works.
2 Based on estimated capital expenditure of approximately S$2.2 million.

revenue and S$185.4 million of NPI, up 1.8% and 1.7% respectively from a year ago, and further attained 8.7% rental uplift. MBC I and PSA Building closed the year with 98.1% and 96.4% committed occupancies respectively. Notwithstanding some tenant changeover, Mapletree Anson achieved 97.8% committed occupancy. MLHF maintained full occupancy.

FORTIFYING OUR CAPITAL STRUCTURE

In managing our balance sheet, our modus operandi has been to fortify the capital structure without losing sight of the overall cost of debt. In navigating today's volatile interest rate environment, this approach becomes even more relevant. Since FY16/17, we have been proactive in refinancing our debts with longer-term notes and bank borrowings.

During the year, we continued to take advantage of favourable opportunities to enhance our financial flexibility. In June 2018, we entered into two revolving credit facilities totalling S$150.0 million and increased our Multicurrency Medium Term Note ("MTN") Programme limit from S$1.0 billion to S$3.0 billion. We further secured term loan facilities aggregating S$345.0 million in July and August 2018 for refinancing. These concluded the refinancing of MCT's term loans due up till FY19/20.

MCT also kept ample debt headroom of approximately S$1.5 billion (based on the 45% regulatory limit) and the debt maturity profile stayed well-distributed with no more than 20% of debt due for refinancing in any financial year.

Given the upward revaluation of our portfolio and total debt at S$2,349.0 million, aggregate leverage was lowered to 33.1% (as at 31 March 2019) from 34.5% (as at 31 March 2018). As at 31 March 2019, approximately 85.0% of MCT's total debt was fixed by way of fixed rate debt or interest rate swaps ("IRS"), giving us sufficient certainty on interest expenses. We maintained a healthy interest cover ratio of approximately 4.5 times for FY18/19, and the all-in cost of debt stood at a reasonable 2.97% per annum. Moody's continued to endorse our assets' quality, operating strength and financial health by reaffirming MCT's Baa1 issuer rating with a stable outlook.

UPHOLDING OUR PLEDGE TO SUSTAINABILITY

We remain committed to upholding high corporate governance standards and integrating sustainability efforts into our daily operations.

At MCT, we endeavour to keep our environment, employees and community in good shape to ensure the success and sustainability of our business. Now, more so than ever, as these various stakeholders become more aware of their impact on the ecosystem, their diverse perspectives have taken more weight in shaping our sustainability plans and actions.

Our third Sustainability Report shares our ongoing practices, improvement efforts and achievements across key material environmental, social and governance factors. As we continue to refine our sustainability framework, we have decided to adopt seven new United Nations ("UN") Sustainable Development Goals ("SDGs") this year. These UN SDGs are long-term goals which allow companies to dovetail their sustainability strategies and operations so as to contribute towards global betterment.

STAYING THE COURSE

Singapore's economy improved by 3.1% in 2018 and has been forecast to grow at 1.5% to 2.5% in 2019[1]. However, there could be uncertainties and downside risks arising from weaker regional and global economies due to further escalations in the US-China trade war, a sharper-than-expected slowdown of the Chinese economy and a "no-deal" Brexit.

Retail consolidations will continue as retailers optimise their portfolios, adapt to e-commerce trends and adjust to the tightening labour market. On the other hand, we have also observed how online retailers are increasingly expanding into traditional stores to bolster their presence.

To that end, our game plan is to remain true to our fundamentals while charting our way forward. MCT, with a capable management at helm, has weathered tides and stayed the course to deliver consistent value to our Unitholders. Our stable fleet of assets, led by two best-in-class properties, VivoCity and MBC I, will continue to sail forward resiliently.

ACKNOWLEDGEMENTS

In closing, we would like to thank our Directors for their stewardship and guidance, and our staff for their industrious service and dedication. We would also like to welcome Mr Alvin Tay and Mr Wu Long Peng who were appointed as Independent Non-Executive Directors on 15 December 2018. We look forward to their invaluable counsel.

Finally, our appreciation goes out to you, our Unitholders, tenants, shoppers, financiers and business partners, for your continued confidence and resolute support.

TSANG YAM PUI
Non-Executive Chairman and Director

SHARON LIM
Executive Director and
Chief Executive Officer

1 Source: Ministry of Trade & Industry, Economic Survey of Singapore First Quarter 2019 dated 21 May 2019.