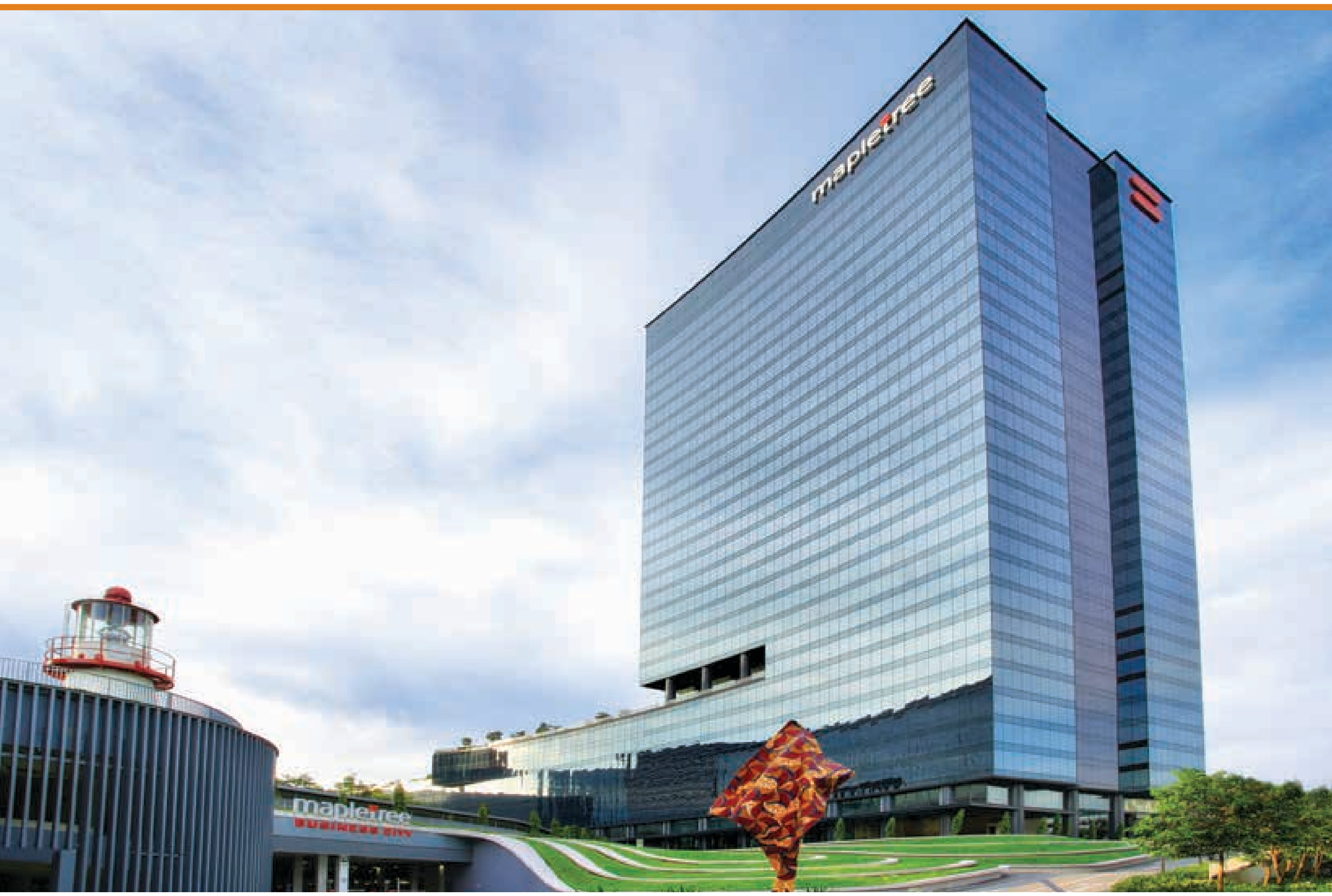
mapletree commercial

MAPLETREE COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 25 August 2005 (as amended))

CIRCULAR DATED 27 SEPTEMBER 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.



Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the new units in Mapletree Commercial Trust ("**MCT**", and the units in MCT, "**Units**") to be issued for the purpose of the Equity Fund Raising (as defined herein) (the "**New Units**") on the Main Board of the SGX-ST. The SGX-ST's approval in-principle is not an indication of the merits of the Acquisition, the Equity Fund Raising, the New Units, the Whitewash Resolution, the Manager (each as defined herein), MCT and/or its subsidiaries.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular does not constitute an offer of securities in the United States or any other jurisdiction. Any proposed issue of New Units described in this Circular will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States, and any such New Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Manager does not intend to conduct a public offering of any securities of MCT in the United States.

This overview section is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary of this Circular.

CIRCULAR TO UNITHOLDERS IN RELATION TO:

(1) THE PROPOSED ACQUISITION OF THE PROPERTY (COMPRISING MAPLETREE BUSINESS CITY (PHASE 2) AND THE COMMON PREMISES) THROUGH THE ACQUISITION OF THE SHARES OF MAPLETREE BUSINESS CITY PTE. LTD., AS AN INTERESTED PERSON TRANSACTION;

(2) THE PROPOSED ISSUE OF UP TO 500.0 MILLION NEW UNITS UNDER THE EQUITY FUND RAISING; AND

(3) THE PROPOSED WHITEWASH RESOLUTION FOR THE RIGHT OF INDEPENDENT UNITHOLDERS TO RECEIVE A MANDATORY OFFER FROM THE CONCERT PARTY GROUP FOR ALL THE REMAINING UNITS NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP.

IMPORTANT DATES AND TIMES FOR UNITHOLDERS	
Last date and time for lodgement of proxy forms	12 October 2019 (Saturday) at 3.30 p.m.
Date and time of Extraordinary General Meeting	15 October 2019 (Tuesday) at 3.30 p.m.
Place of Extraordinary General Meeting	20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439

Managed by

Mapletree Commercial Trust Management Ltd.

Joint Global Co-ordinators and Bookrunners in relation to the Equity Fund Raising (in alphabetical order)

citi DBS UBS

Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee and the Trustee

ANZ

Acquisition of Mapletree Business City (Phase 2) and the Common Premises

Property Overview

The Property	■ Mapletree Business City (Phase 2) located at 40, 50, 60, 70, 80 Pasir Panjang Road including the common property (carpark, landscape areas, driveways and walkways) ■ Common Premises comprising the common carpark, multi-purpose hall, retail area and common property (including the landscape areas, driveways and walkways) located at 10, 20, 30 Pasir Panjang Road	
Year of Completion	■ 2016 (the Common Premises were completed in 2010)	
Agreed Property Value	■ S$1,550 million	
Valuation	■ Savills: S$1,552 million – Business Park: S$1,520 million – Retail: S$32 million	■ CBRE: S$1,560 million – Business Park: S$1,530 million – Retail: S$30 million
Land Tenure	■ 99 years leasehold commencing 1 October 1997	
Net Lettable Area ("NLA")	■ 1,184,704 sq ft – Business Park: 1,167,106 sq ft – Retail: 17,598 sq ft	
Average Passing Rent	■ S$6.15 psf per month[(1)]	
Committed Occupancy	■ 99.4%[(1)]	
Weighted Average Lease Expiry ("WALE")	■ 2.9 years[(2)]	

Mapletree Business City Development and PSA Building in the Alexandra Precinct

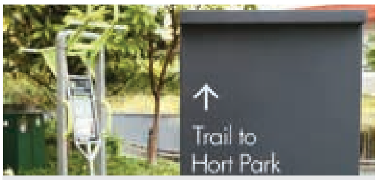
(1) As at 31 August 2019.
(2) By Gross Rental Income as at 31 August 2019.

1 Owning the Workplace of the Future

Campus Styled Workplace

- Grade A building specifications at attractive rents
- Vast green communal landscape
- Comprehensive suite of sports, recreational facilities and lifestyle amenities favoured by the modern workforce
- Large floor plates enabling flexible office layouts which foster collaboration amongst employees
- Proximity to major public green spaces adds to its campus-style appeal


Vast green communal landscape and proximity to green spaces



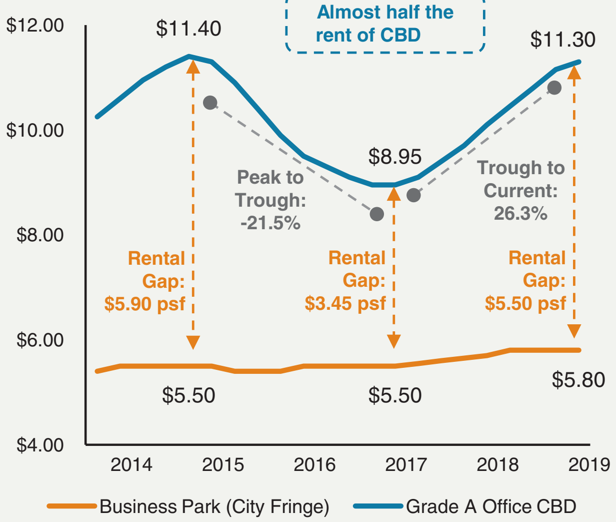
Extensive sports and recreational facilities

Variety of on-site lifestyle amenities

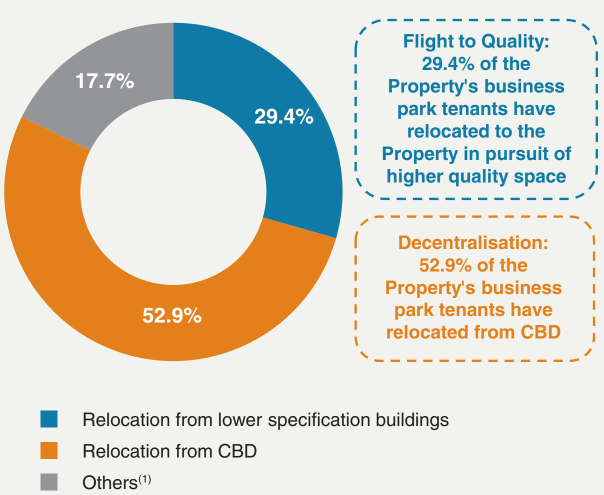

Highly flexible and expansive column-free floor plates

Beneficiary of Decentralisation and Flight to Quality

Rents
(S$ psf pm)



Proportion of the Property's Business Park Tenants
(%)



Source: Independent Market Research Report

Award-Winning Eco-Friendly Features Translating to Operational Efficiency and Cost Savings

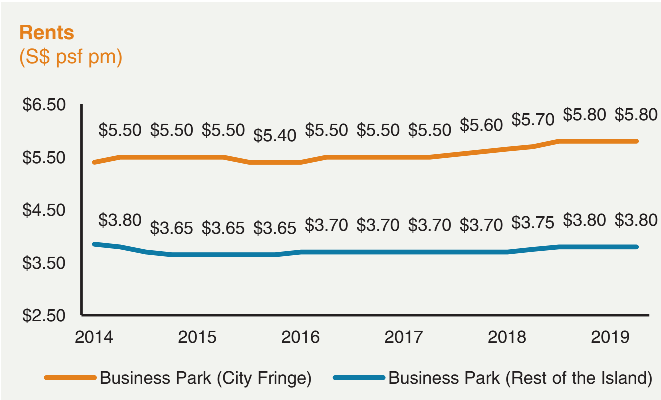
- Solar panels as a source of renewable energy
- District cooling systems with high energy efficiency
- Rain water harvesting systems integrated with an automatic rain sensor control
- High-performance facade glazing systems to reduce cooling costs

Awards Achieved	
2018	BCA Universal Design Mark (Platinum) Award BCA Green Mark Platinum Award LEED Gold Certification
2017	Award of Excellence for the International Federation of Landscape Architects Asia-Pacific Landscape Architecture Awards – Parks and Open Space Category
2015	LEAF-certified Development by National Parks Board, Singapore

(1) Others include one tenant consolidating its operations from CBD and business park areas, and two tenants expanding their operations. Excludes the foodcourt tenant.

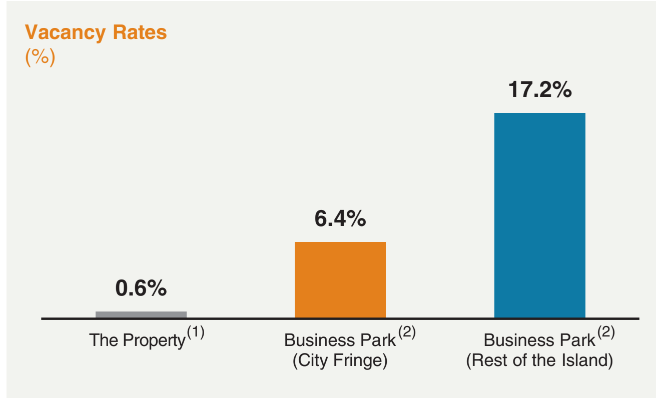
2 Asset Class Provides Steady Rental Growth at Low Volatility

City fringe business parks enjoy a significant rental premium due to their proximity to CBD and better building specifications



Source: Independent Market Research Report

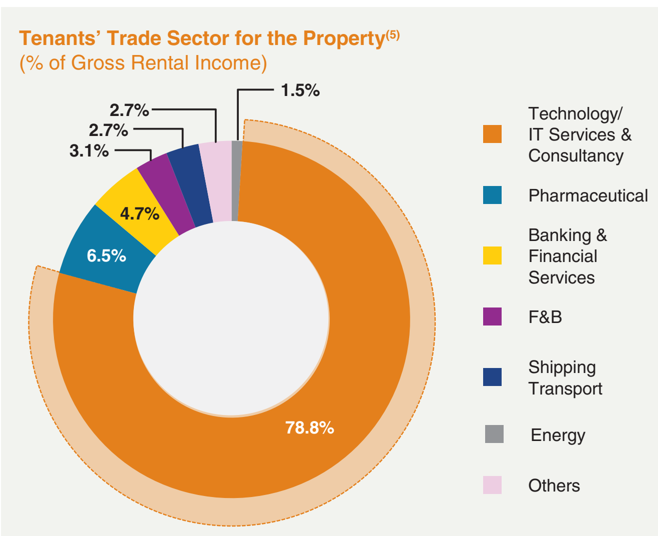
City fringe business parks supported by strong demand and tight vacancies



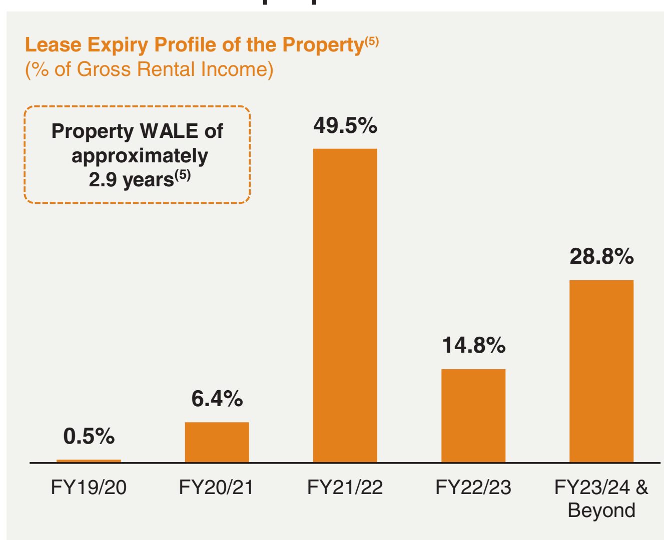
Source: Independent Market Research Report

3 Stable Cashflows with Embedded Rental Growth from High Quality Tenants

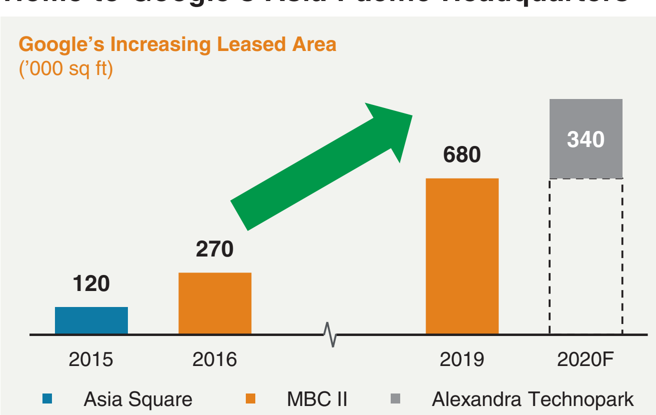
Technology Sector Contributes 78.8% of Gross Rental Income of the Property



99.4%[3] Committed Occupancy and ~ 97% of Leases[4] embedded with ~ 2.3% Average Annual Rental Step-Ups



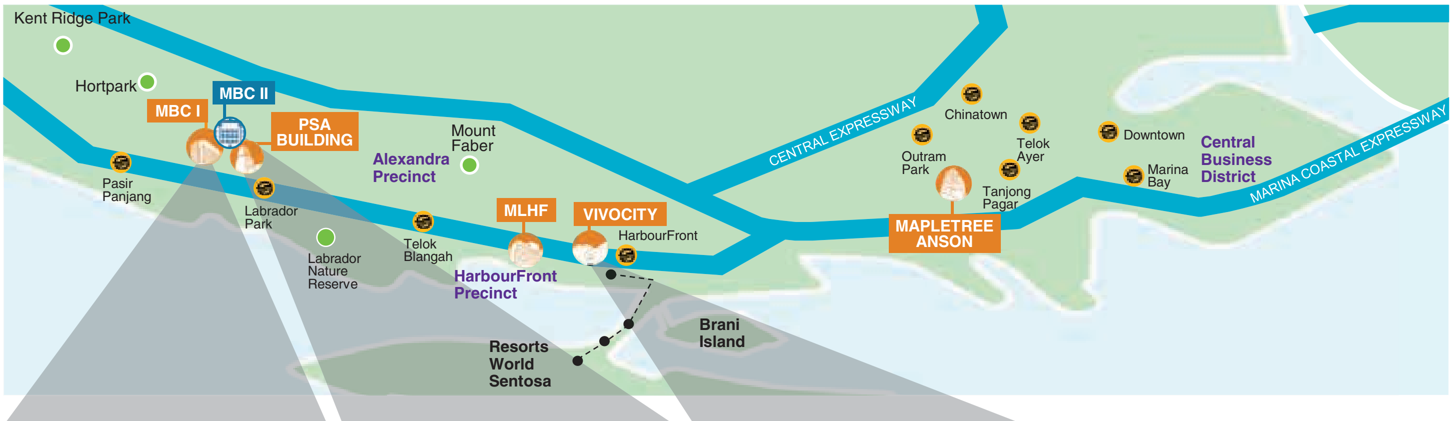
Home to Google's Asia Pacific Headquarters



Source: Independent Market Research Report
(1) Vacancy rates for the Property as at 31 August 2019.
(2) Vacancy rates for Business Park (City Fringe) and Business Park (Rest of the Island) as at Q2 2019.
(3) As at 31 August 2019.
(4) By NLA.
(5) Based on Gross Rental Income as at 31 August 2019.

4 Further Enhances MCT's Portfolio

Solidifies MCT's Leadership in the Greater Southern Waterfront



Best-in-Class Assets Constitute 79% of MCT's Enlarged Portfolio(1)

MBC I

MBC II

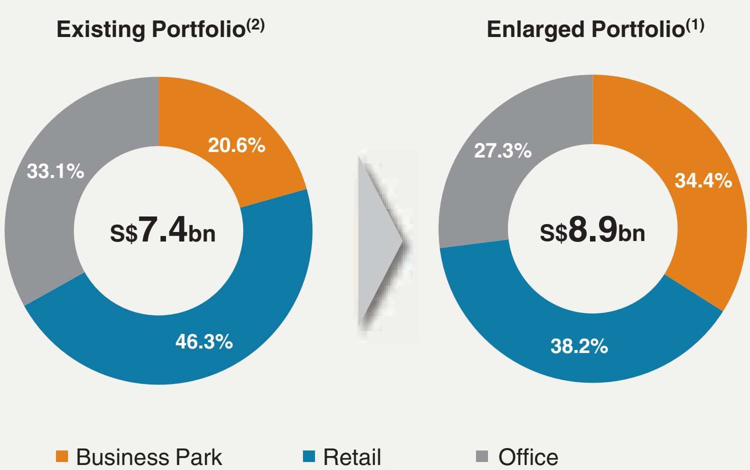
VivoCity

Completes MCT's Control Over the Entire Alexandra Precinct

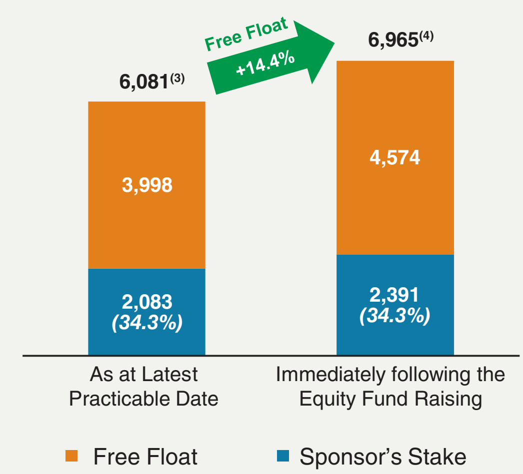
- ☑ Greater economies of scale and operational efficiency
- ☑ More flexibility to meet tenant space requirements
- ☑ Better optimisation of retail and lifestyle offerings

Increases MCT's Size, Free Float and Liquidity

MCT's Portfolio Valuation by Asset Class
(S$ billion)



Market Capitalisation and Free Float
(S$ million)

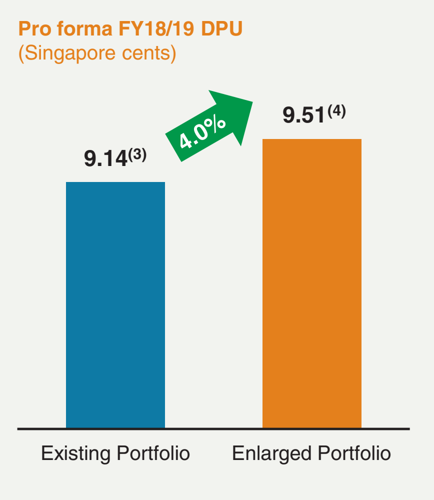


(1) Based on the valuation of the Existing Portfolio as at 31 August 2019 and the Agreed Property Value of the Property of S$1,550.0 million.
(2) Based on the valuation of the Existing Portfolio as at 31 August 2019.
(3) Based on 2,895.6 million Units in issue as at the Latest Practicable Date and the illustrative issue price of S$2.10 per Unit.
(4) Based on 2,895.6 million Units in issue as at the Latest Practicable Date and (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit, and (b) approximately 3.7 million of the Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. Assuming, for illustrative purposes, the Sponsor's ownership percentage in MCT of 34.3% remained constant before and after the Acquisition.

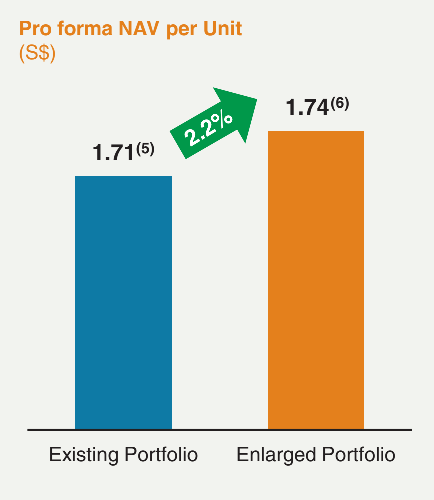
5 Attractive Valuation and NPI, DPU and NAV Accretive

NPI Yield

DPU



NAV



Proposed Funding

The Manager intends to finance the Total Acquisition Cost through the Equity Fund Raising and a drawdown of the Loan Facilities (comprising the New Loan Facilities and/or existing loan facilities granted to MCT).

The structure and timing of the Equity Fund Raising have not been determined by the Manager and may comprise a Private Placement of New Units and/or a non-renounceable Preferential Offering of New Units. The Sponsor has irrevocably undertaken that, among other things, in the event that the Equity Fund Raising includes a Preferential Offering: (i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST) and in accordance with the terms and conditions of the Preferential Offering, it will accept, or procure that the Relevant Entities accept, subscribe and pay in full for its and the Relevant Entities' total provisional allotment of the Preferential Offering Units; and (ii) (subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders), in the event that the Equity Fund Raising includes a Private Placement in addition to the Preferential Offering, it will, in addition to (i) above, apply for, and/or procure the application of, such number of the Sponsor Excess Units under the Preferential Offering in accordance with the terms and conditions of the Preferential Offering, so that if it and/or the Relevant Entities are fully allotted the Sponsor Excess Units, MIPL would maintain its percentage unitholding at the Pre-Placement Percentage.

The New Loan Facilities of up to an aggregate amount of S$800.0 million, comprise (i) a five-year term loan facility, (ii) a six-year term loan facility, (iii) a seven-year term loan facility and (iv) a six-year revolving credit facility.

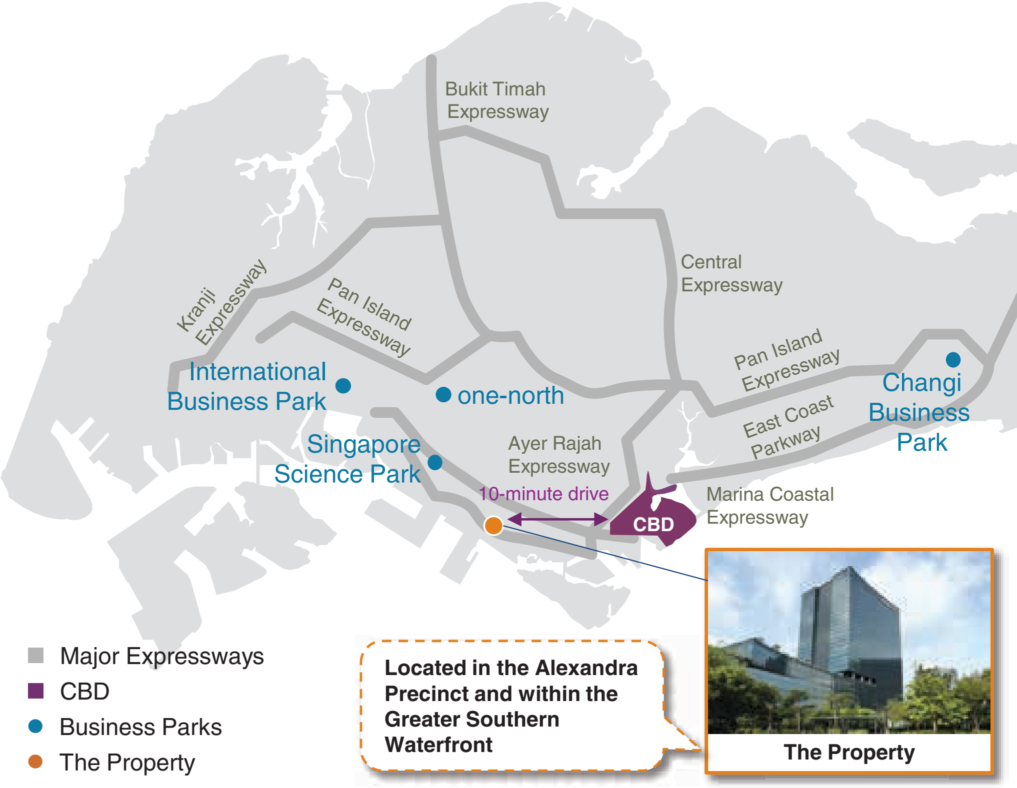
The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions to provide overall DPU and NAV accretion to Unitholders, while maintaining an optimum level of leverage.

Assuming that the Acquisition is partially funded by the drawdown of S$697.5 million from the New Loan Facilities, MCT's aggregate leverage immediately following Completion would increase from 31.7%(7) to 33.8%.

The Property

(1) Based on NPI for the financial year ended 31 March 2019 over the value of the Existing Portfolio as at 31 August 2019.
(2) Based on NPI over the Agreed Property Value of the Property of S$1,550.0 million. The NPI of the Property assumes that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018 without taking into effect the amortisation of rental income for fit-out periods.
(3) For the financial year ended 31 March 2019.
(4) Based on the drawdown of S$697.5 million from the New Loan Facilities with an average interest cost of 2.9% per annum and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit, the payment of Manager's management fee in relation to the Acquisition entirely in the form of cash, and the NPI of the Property assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018. The weighted average number of units used in computing the pro forma DPU includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. The pro forma DPU comprises taxable distribution and capital distribution arising from the amortisation of rental income for fit-out periods.
(5) Based on the NAV as at 31 March 2019 and adjusted for the change in valuation of the Existing Portfolio from 31 March 2019 to 31 August 2019. Without adjusting for the change in valuation of the Existing Portfolio, the pro forma NAV per unit for the Existing Portfolio would be S$1.60.
(6) Based on the drawdown of S$697.5 million from the New Loan Facilities and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit. The number of Units in issue used in computing the pro forma NAV per Unit includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. Without adjusting for the change in valuation of the Existing Portfolio, the pro forma NAV per unit for the Enlarged Portfolio would be S$1.65.
(7) Based on MCT's aggregate leverage as at 31 March 2019 and adjusted for the valuation of the Existing Portfolio which was valued as at 31 August 2019.

Excellent Location and Connectivity



By car

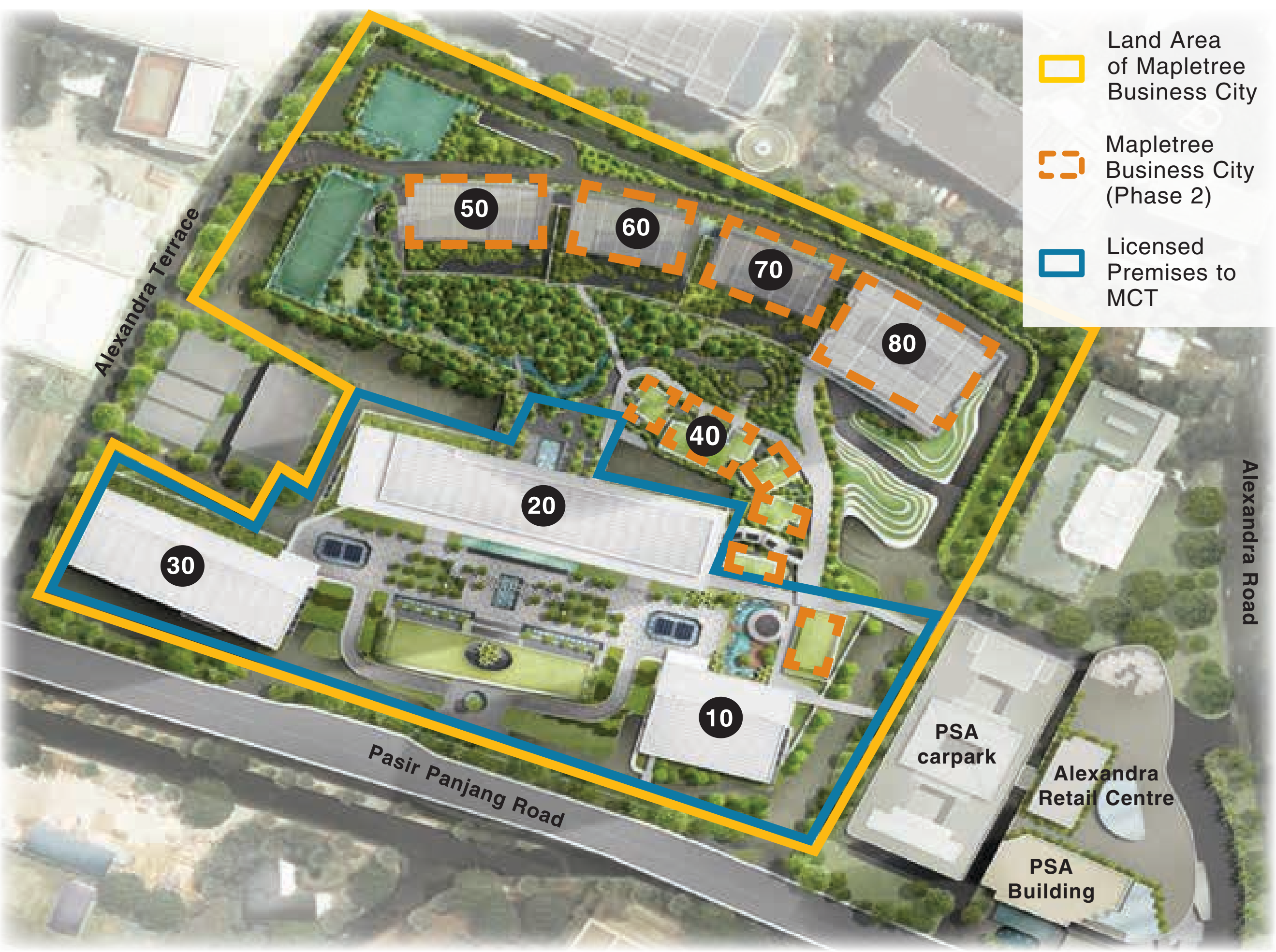
- 10-minute drive from CBD
- Easy access from various parts of Singapore via major roads and expressways

By train

- Covered walkways connect the Property to Labrador Park MRT Station

By bus

- Covered walkways connect the Property to numerous bus stops



- ✔ Premium campus-style environment with Grade A building specifications
- ✔ Closest business park to the CBD
- ✔ Attractive to modern and high quality tenants
- ✔ Stable cashflows with embedded rental growth
- ✔ Prime beneficiary of the Greater Southern Waterfront Development
- ✔ Completes MCT's control over the entire Alexandra Precinct

Key Benefits to Unitholders

1	*Adds Another Best-in-Class Asset to MCT's Portfolio*
2	*Beneficiary of Decentralisation and Flight to Quality*
3	*Further Stabilises and Enhances MCT's Income Streams*
4	*NPI, DPU and NAV Accretive*
5	*Increases Free Float and Liquidity, and Enhances Index Representation*

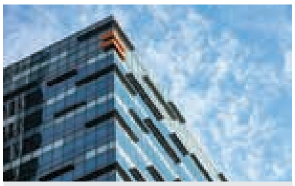
Positive Impact on Enlarged Portfolio

	Existing Portfolio	The Property		Enlarged Portfolio
GFA (million sq ft)	4.9	1.4	28.9%	6.4
NLA (million sq ft)	3.8	1.2	30.8%	5.0
Number of Tenants[1]	444	32	5.9%	470
Valuation (S$ million)	7,350[2]	1,550[3]	21.1%	8,900
Committed Occupancy (%)	98.8	99.4	10 bps	98.9
Revenue (S$ million)	443.9[4]	94.9[5]	21.4%	538.8
NPI (S$ million)	347.6[4]	77.0[5]	22.2%	424.6

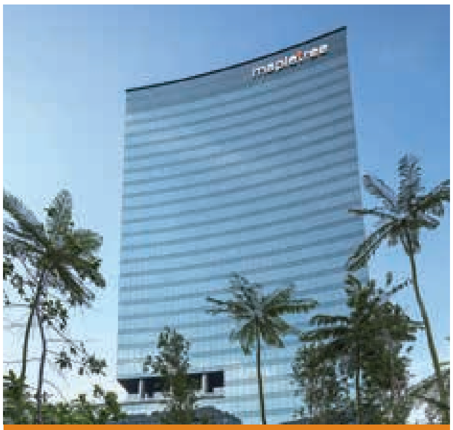

VivoCity
S$3,262 million[2]


MBC I
S$2,193 million[2]


PSA Building
S$786 million[2]


Mapletree Anson
S$762 million[2]


MLHF
S$347 million[2]


The Property
S$1,550 million[3]

(1) Total for the Enlarged Portfolio does not add up due to common tenants across properties.
(2) As at 31 August 2019.
(3) Refers to the Agreed Property Value.
(4) For the financial year ended 31 March 2019.
(5) Assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018 without taking into effect the amortisation of rental income for fit-out periods.

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CORPORATE INFORMATION

Directors of Mapletree Commercial Trust Management Ltd., (the manager of Mapletree Commercial Trust) (the "Manager")	:	Mr. Tsang Yam Pui (Non-Executive Chairman and Director) Ms. Kwa Kim Li (Lead Independent Non-Executive Director) Mrs. Jennifer Loh (Independent Non-Executive Director) Mr. Kan Shik Lum (Independent Non-Executive Director) Mr. Koh Cheng Chua (Independent Non-Executive Director) Mr. Premod P. Thomas (Independent Non-Executive Director) Mr. Alvin Tay (Independent Non-Executive Director) Mr. Wu Long Peng (Independent Non-Executive Director) Mr. Hiew Yoon Khong (Non-Executive Director) Mr. Wong Mun Hoong (Non-Executive Director) Ms. Amy Ng Lee Hoon (Non-Executive Director) Ms. Lim Hwee Li Sharon (Executive Director and Chief Executive Officer)
Joint Company Secretaries	:	Mr. Wan Kwong Weng Ms. See Hui Hui
Registered Office of the Manager	:	10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438
Trustee of Mapletree Commercial Trust (the "Trustee")	:	DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Joint Global Co-ordinators and Bookrunners in relation to the Equity Fund Raising (the "Joint Global Co-ordinators and Bookrunners") (in alphabetical order)	:	Citigroup Global Markets Singapore Pte. Ltd. ("**Citi**") 8 Marina View #21-00 Asia Square Tower 1 Singapore 018960 DBS Bank Ltd. ("**DBS**") 12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982 UBS AG, Singapore Branch ("**UBS**") One Raffles Quay #50-01 North Tower Singapore 048583

Legal Adviser to the Manager in relation to the Acquisition and the Equity Fund Raising	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Joint Global Co-ordinators and Bookrunners in relation to the Equity Fund Raising	:	Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee of the Manager and the Trustee (the "IFA")	:	Australia and New Zealand Banking Group Limited, Singapore Branch ("**ANZ**") 10 Collyer Quay #30-00 Ocean Financial Centre Singapore 049315
Independent Valuers (the "Independent Valuers")	:	CBRE Pte. Ltd. ("**CBRE**") 6 Battery Road #32-01 Singapore 049909 (appointed by the Manager) Savills Valuation and Professional Services (S) Pte. Ltd. ("**Savills**") 30 Cecil Street #20-03 Prudential Tower Singapore 049712 (appointed by the Trustee)
Independent Market Research Consultant	:	CBRE Pte. Ltd., in its capacity as the independent market research consultant (the "**Independent Market Research Consultant**") 6 Battery Road #32-01 Singapore 049909

OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 58 to 66 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

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 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.

Sponsored by Mapletree Investments Pte Ltd ("**MIPL**" or the "**Sponsor**"), a leading real estate development, investment, capital and property management company headquartered in Singapore, MCT was listed on the SGX-ST on 27 April 2011.

MCT's existing portfolio comprises five properties located in Singapore, namely:

(a) VivoCity, Singapore's largest mall located in the HarbourFront Precinct (as defined herein), comprising a three-storey shopping complex and two basement levels;

(b) Mapletree Business City I, a large-scale integrated office and business park complex located at 10, 20, 30 Pasir Panjang Road Singapore 117438/117439/117440 in the Alexandra Precinct (as defined herein) ("**Mapletree Business City (Phase 1)**" or "**MBC I**");

(c) PSA Building, an established integrated development with a 40-storey office block and a three-storey retail centre known as Alexandra Retail Centre ("**ARC**");

(d) Mapletree Anson, a 19-storey premium office building located in the Tanjong Pagar area of the Central Business District ("**CBD**"); and

(e) Bank of America Merrill Lynch HarbourFront ("**MLHF**"), a six-storey premium office building located in the HarbourFront Precinct,

(collectively, the "**Existing Portfolio**").

In connection with the listing of MCT on the SGX-ST in 2011, the Sponsor had granted to the Trustee a right of first refusal over several of its properties, one of which was Mapletree Business City, which comprises (i) Mapletree Business City (Phase 1) (acquired by the Trustee in 2016), (ii) the common carpark, multi-purpose hall, retail area and common property (including the landscape areas, driveways and walkways) located at 10, 20, 30 Pasir Panjang Road Singapore 117438/117439/117440 (the "**Common Premises**") and (iii) Mapletree Business City (Phase 2) located at 40, 50, 60, 70 and 80 Pasir Panjang Road, Singapore 117383/117384/117385/117371/117372 including the common property (carpark, landscape areas, driveways and walkways) ("**Mapletree Business City (Phase 2)**" or "**MBC II**", and together with Mapletree Business City (Phase 1) and the Common Premises, the "**Mapletree Business City Development**").

On 26 September 2019, the Trustee and 80 Alexandra Pte. Ltd. ("**80 Alexandra**", and together with the Trustee, the "**Purchasers**") entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Heliconia Realty Pte Ltd (the "**Vendor**") and Mapletree Dextra Pte. Ltd. ("**Dextra**"), each a direct wholly-owned subsidiary of MIPL, to acquire Mapletree Business City (Phase 2) and the Common Premises (collectively, the "**Property**") through the acquisition of 100% of the ordinary shares (the "**Sale Shares**") in the issued share capital of Mapletree Business City Pte. Ltd. ("**MBCPL**", and the acquisition of the Sale Shares, the "**Acquisition**"). The Trustee, on behalf of MCT, will acquire 99.9% of the Sale Shares, and 80 Alexandra, a wholly-owned subsidiary of MCT, will acquire 0.1% of the Sale Shares.

The leasehold interest over the strata area comprising Mapletree Business City (Phase 1) for a term commencing from 25 August 2016 to 29 September 2096 (the "**Strata Lease**")[1], was previously acquired from MBCPL (as vendor) in 2016 (which was approved at an extraordinary general meeting held on 25 July 2016) (the "**MBC I Acquisition**"), with MBCPL retaining ownership of the Property, comprising Mapletree Business City (Phase 2) and the Common Premises. Concurrent with the MBC I Acquisition, the Trustee entered into a licence agreement and a shared services agreement to provide MCT with the right to use the Common Premises. Post-Acquisition, MCT will indirectly own the entire leasehold interest in Mapletree Business City Development.

As soon as practicable following the completion of the Acquisition (the "**Completion**"), MBCPL will be converted to a limited liability partnership ("**MBC LLP**") pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore) (the "**Conversion**"). 80 Alexandra and the Trustee, as shareholders of MBCPL, will enter into a limited liability partnership agreement (the "**LLP Agreement**") to regulate the relationship between them *inter se* as partners of the limited liability partnership. Following the Conversion, the Trustee and 80 Alexandra will continue to hold 99.9% and 0.1% interest respectively in MBC LLP as partners of MBC LLP. The Conversion allows unitholders of MCT ("**Unitholders**") to enjoy tax transparency treatment on MCT's 99.9% share of income from the Property. The income generated from the Property will not be subject to corporate income tax at the MBC LLP level as a limited liability partnership is tax transparent for Singapore tax purposes.

For the purposes of this Circular, the "**Enlarged Portfolio**" comprises (i) the Existing Portfolio and (ii) the Property.

Unless otherwise stated, the property information contained in this Circular on the Existing Portfolio and the Enlarged Portfolio is as at 31 August 2019.

SUMMARY OF APPROVALS SOUGHT

The Manager seeks approval from Unitholders for the resolutions stated below:

(1) **Resolution 1**: The proposed Acquisition of the Property through the acquisition of the Sale Shares, as an Interested Person Transaction (as defined herein) (Ordinary Resolution);

(2) **Resolution 2**: The proposed issue of up to 500.0 million New Units under the Equity Fund Raising (Ordinary Resolution); and

(3) **Resolution 3**: The proposed Whitewash Resolution in relation to the Concert Party Group (Ordinary Resolution).

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1 The Strata Lease terminates one day prior to the expiry of the State Lease (as defined herein).

Unitholders should note that Resolution 1 (the Acquisition) and Resolution 2 (the Equity Fund Raising) are inter-conditional. Resolution 1 and Resolution 2 are not subject to and not contingent upon the passing of Resolution 3 (the Whitewash Resolution). In the event Resolution 3 is not passed, the Manager will still proceed with the Acquisition and the Equity Fund Raising.

RESOLUTION 1: THE PROPOSED ACQUISITION OF THE PROPERTY THROUGH THE ACQUISITION OF THE SALE SHARES, AS AN INTERESTED PERSON TRANSACTION

Description of the Property

The Property comprises Mapletree Business City (Phase 2) and the Common Premises. The Property, together with Mapletree Business City (Phase 1), forms Mapletree Business City Development and is one of the largest integrated office and business park developments in Singapore with Grade A building specifications. Mapletree Business City Development, together with PSA Building (which is currently owned by MCT), forms the Alexandra Precinct.

Mapletree Business City Development has excellent transport connectivity and is approximately a 10-minute drive from the CBD. It is well-served by major roads and expressways such as the West Coast Highway, the Ayer Rajah Expressway and the Marina Coastal Expressway. Extensive bus services run through the surrounding area. All blocks in Mapletree Business City Development are linked by elevated covered walkways, which also provide connectivity to the adjacent PSA Building, as well as to Labrador Park MRT Station.

The Property has a net lettable area ("**NLA**") of 1,184,704 square feet ("**sq ft**") (as at 31 August 2019) and comprises four blocks of business park space (MBC 50, 60, 70 and 80, with a total NLA of 1,167,106 sq ft) and retail space with a total NLA of 17,598 sq ft. Mapletree Business City Development is zoned business park (with 15% white and gross plot ratio of 2.8) with a land tenure of 99 years leasehold commencing 1 October 1997. This is in line with the land tenures for commercial developments as opposed to the typical business park properties which have land tenures of 60 years leasehold.

Offering commanding views of the sea and surrounding parks, MBC II's 30-storey business park tower terraces down to eight, six and five-storey blocks and is set amidst 2.8 hectares of lush landscape. The carpark podium, which is linked to all blocks in Mapletree Business City Development, provides 2,001 carpark lots over two levels and serves both MBC I and MBC II. Amenities within Mapletree Business City Development include modern conference facilities, a 294-seat auditorium, an on-site gym with a 44 metre-long heated pool, sporting facilities such as an outdoor running track, tennis, futsal and basketball courts, a garden amphitheatre for arts events and performances, as well as a wide assortment of food and beverage ("**F&B**") options. Mapletree Business City Development is also directly linked via elevated covered walkways to ARC. ARC has a wide range of tenants, which include F&B establishments, retail outlets and service trades as well as a supermarket, providing amenities to the growing working population within the Alexandra Precinct.

Completed in 2016, MBC II has been designed with environmentally friendly features and has garnered numerous local and international awards including the prestigious Building and Construction Authority of Singapore ("**BCA**") Green Mark Platinum Award, BCA Universal Design Mark (Platinum) Award and Leadership in Energy and Environmental Design ("**LEED**") Gold certification.

Since its completion in 2016, MBC II has attracted a strong and diverse tenant base comprising many well-known and reputable multinational corporations ("**MNCs**"), and enjoys a committed occupancy rate of 99.4% (as at 31 August 2019).

Share Purchase Agreement

Pursuant to the Share Purchase Agreement dated 26 September 2019, the Purchasers will acquire the Property through the acquisition of the Sale Shares.

The total purchase consideration payable by the Purchasers in connection with the Acquisition is S$884.9 million (the "**Total Consideration**"). The Trustee and 80 Alexandra shall each be responsible for 99.9% and 0.1% of the Total Consideration respectively. The Total Consideration is derived from the adjusted net asset value (the "**Adjusted Net Asset Value**") of MBCPL (based on the pro forma completion balance sheet of MBCPL as at 31 July 2019 and subject to completion adjustments up to the day preceding the date of Completion (the "**Completion Date**")) after taking into account, among others, the agreed value of the Property of S$1,550.0 million (the "**Agreed Property Value**"), less the intercompany loans of approximately S$665.0 million[1] owed by MBCPL to the Vendor and Mapletree Treasury Services Limited, a wholly-owned subsidiary of MIPL (collectively, the "**Intercompany Loan**") which shall be fully repaid on the Completion Date upon the drawdown of the new loan facilities of up to an aggregate amount of S$800.0 million, comprising (i) a five-year term loan facility, (ii) a six-year term loan facility, (iii) a seven-year term loan facility and (iv) a six-year revolving credit facility, (collectively, the "**New Loan Facilities**") taken up to part-finance the Total Acquisition Cost (as defined herein).

(See paragraph 2.4 of the Letter to Unitholders for further details.)

Valuation

The Agreed Property Value of S$1,550.0 million was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property.

In this respect, the Trustee has commissioned an independent property valuer, Savills, and the Manager has commissioned another independent property valuer, CBRE, to value the Property. According to the independent valuation reports[2] issued by Savills and CBRE, the market value of the Property as at 31 August 2019 is S$1,552.0 million and S$1,560.0 million respectively. In arriving at the market value, the Independent Valuers relied on the income capitalisation method and the discounted cash flow analysis. The average appraised value of the Property by the Independent Valuers is S$1,556.0 million as at 31 August 2019.

The Agreed Property Value of S$1,550.0 million is in line with the appraised values of the Independent Valuers.

Total Acquisition Cost

The total acquisition cost is estimated to be approximately S$1,575.8 million, comprising:

(i) the Total Consideration which is estimated to be S$884.9 million, subject to post-Completion adjustments to the Adjusted Net Asset Value of MBCPL;

(ii) the repayment of the entire Intercompany Loan on the Completion Date;

1 Based on the amount expected to be outstanding as at the Completion Date.

2 The independent valuation reports issued by Savills and CBRE are dated 31 August 2019.

(iii) the acquisition fee payable in Units[1] to the Manager for the Acquisition (the "**Acquisition Fee**") of approximately S$7.8 million (representing 0.5% of the Agreed Property Value); and

(iv) the estimated stamp duty, professional and other fees and expenses of approximately S$18.1 million incurred or to be incurred by MCT in connection with the Acquisition, the Equity Fund Raising and the New Loan Facilities,

(collectively, the "**Total Acquisition Cost**").

Payment of Acquisition Fee in Units

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee at the rate of 1% of the Agreed Property Value, which is taken into account when computing the Total Consideration (or such lower percentage as may be determined by the Manager in its absolute discretion). The Manager has, at its discretion, elected to receive an acquisition fee of 0.5% of the Agreed Property Value.

Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units equal to the 10-day volume weighted average price ("**VWAP**") prior to the issuance date of the Acquisition Fee Units.

Based on an illustrative issue price of S$2.10 per Acquisition Fee Unit, the number of Acquisition Fee Units issued shall be approximately 3.7 million Units.

Pursuant to Rule 805(1) of the listing manual of the SGX-ST (the "**Listing Manual**"), the Manager is seeking approval of the Unitholders for the issue of the Acquisition Fee Units to the Manager, outside its general mandate. By approving the Acquisition, Unitholders will be deemed to have also approved the issue of the Acquisition Fee Units to the Manager.

Interested Person Transaction and Interested Party Transaction

As at 19 September 2019, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 992,114,110 Units, which is equivalent to approximately 34.3% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MCT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendor is a direct wholly-owned subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being a wholly-owned subsidiary of both a "controlling unitholder" of MCT and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MCT.

1 As the Acquisition will constitute an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS", and Appendix 6, the "Property Funds Appendix"), the Acquisition Fee will be in the form of Units (the "Acquisition Fee Units"), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

(See paragraph 5.2.3 of the Letter to Unitholders for further details.)

Rationale for and Key Benefits of the Acquisition

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

- **Owning the workplace of the future**

  (i) **Campus for the workforce of the future** – Grade A building specifications and comprehensive suite of amenities amidst 2.8 hectares of lush landscape

  (ii) **Excellent location and connectivity** – closest business park to the CBD

  (iii) **Award-winning eco-friendly features** – attracts modern and high quality tenants, and delivers energy and cost savings

  (iv) **Beneficiary of decentralisation and flight to quality**

    a. A cost-efficient alternative to the CBD – almost half the rent at similar quality;

    b. 52.9% of the Property's business park tenants have relocated from the CBD; and

    c. 29.4% of the Property's business park tenants have relocated to the Property in pursuit of higher quality space

- **Asset class provides steady rental growth at low volatility**

  (i) **City fringe business parks have experienced steady rental growth over the past five years** – supported by low vacancies compared to business parks in the rest of the island

  (ii) **Limited supply supports stable rents and occupancies –** upcoming city fringe business park supply consists of only two built-to-suit facilities

- **Stable cashflows with embedded rental growth from high quality tenants**

  (i) **Proven demand from key growth industries –** 78.8% of Gross Rental Income (as defined herein) from the technology sector

  (ii) **MNC tenants with strong credit quality –** over 80% of Gross Rental Income from tenants with strong credit ratings

  (iii) **High occupancy with embedded rental step-ups –** 99.4% committed occupancy, with approximately 97% of leased NLA having contractual step-ups

- **Further enhances MCT's portfolio**

  (i) **Solidifies MCT's leadership in the Greater Southern Waterfront (as defined herein) –** prime beneficiary of Singapore's latest 2,000 hectares urban transformation project

(ii) **Completes MCT's control over the entire Alexandra Precinct** – which delivers greater flexibility and economies of scale

(iii) **Further enhances and diversifies MCT's income streams –** technology sector becomes the largest industry within MCT's tenant trade mix

(iv) **Increases MCT's size, free float and liquidity –** 21.1% increase in total valuation

- **Attractive valuation and NPI, DPU and NAV accretive**

(i) **Higher net property income ("NPI") yield than MCT's Existing Portfolio**

(ii) **4.0% distribution per Unit ("DPU") accretion**

(iii) **2.2% net asset value ("NAV") per Unit accretion**

(See paragraph 3 of the Letter to Unitholders for further details.)

UNITHOLDERS SHOULD NOTE THAT RESOLUTION 1 (THE ACQUISITION) AND RESOLUTION 2 (THE EQUITY FUND RAISING) ARE INTER-CONDITIONAL.

Therefore, in the event Resolution 1 is passed but Resolution 2 is not passed, the Manager will not proceed with the Acquisition.

UNITHOLDERS SHOULD NOTE THAT RESOLUTION 1 (THE ACQUISITION) IS NOT SUBJECT TO AND NOT CONTINGENT UPON THE PASSING OF RESOLUTION 3 (THE WHITEWASH RESOLUTION).

Therefore, in the event Resolution 1 is passed but Resolution 3 is not passed, the Manager will still proceed with the Acquisition and the Undertaking (as defined herein) by the Sponsor in connection with the Preferential Offering (as defined herein) shall apply only to MIPL's and the Relevant Entities' (as defined herein) total provisional allotment of the Preferential Offering Units (as defined herein).

RESOLUTION 2: THE PROPOSED ISSUE OF UP TO 500.0 MILLION NEW UNITS UNDER THE EQUITY FUND RAISING

The Manager is seeking Unitholders' approval for the proposed issue of up to 500.0 million New Units (representing approximately 17.3% of the existing number of issued Units as at the Latest Practicable Date).

Based on an illustrative Issue Price of S$2.10 per New Unit (the "**Illustrative Issue Price**"), the Equity Fund Raising is expected to raise gross proceeds of approximately S$874.8 million to partially fund the cash portion of the Total Acquisition Cost (which comprises the Total Acquisition Cost less the Acquisition Fee which is payable in Units), with the balance of the Total Acquisition Cost to be funded by a drawdown of the New Loan Facilities and/or existing loan facilities granted to MCT (the "**Existing Loan Facilities**", and together with the New Loan Facilities, the "**Loan Facilities**"). The final decision regarding the proportion of equity and debt to be employed to fund the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions to provide overall DPU and NAV accretion to Unitholders, while maintaining an optimum level of leverage.

The structure and timing of the Equity Fund Raising have not been determined by the Manager. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the Manager's absolute discretion and subject to the then prevailing market conditions, comprise:

(i) a private placement of New Units to institutional and other investors (the "**Private Placement**"); and/or

(ii) a non-renounceable preferential offering of New Units to the existing Unitholders on a *pro rata* basis (the "**Preferential Offering**", and the New Units to be issued pursuant to the Preferential Offering, the "**Preferential Offering Units**").

The structure and timing of the Equity Fund Raising and the issue price of the New Units (the "**Issue Price**") will be determined in accordance with, among others, Chapter 8 of the Listing Manual. The Issue Price will comply with Rules 811(1) and 811(5) of the Listing Manual, and will not be at more than a 10.0% discount to the VWAP for trades done on the SGX-ST for the full market day on which the underwriting agreement between the Manager and the Joint Global Co-ordinators and Bookrunners (the "**Underwriting Agreement**") is signed, or (if trading in the Units is not available for a full market day) for the preceding market day up to the time the Underwriting Agreement is signed, excluding (where applicable) declared distributions, provided that the holders of the New Units are not entitled to the declared distributions. The Underwriting Agreement is anticipated to be signed upon the terms of the Equity Fund Raising being agreed upon, which will be after the approval of the relevant resolutions by the Unitholders at the EGM is received.

On 26 September 2019, the SGX-ST granted its approval in-principle for the listing and quotation of the New Units on the Main Board of the SGX-ST, subject to certain conditions which are further set out in paragraph 4 of the Letter to Unitholders.

The Issue Price of the New Units issued under the Private Placement may differ from the Issue Price of the New Units issued under the Preferential Offering.

The Manager will announce the details of the Equity Fund Raising on the SGXNET at the appropriate time when it launches the Equity Fund Raising in such structure and at such time as may be agreed with the Joint Global Co-ordinators and Bookrunners.

(See paragraph 4.1 of the Letter to Unitholders for further details.)

Use of Proceeds

The Manager intends to utilise the net proceeds of the Equity Fund Raising to finance part of the Total Acquisition Cost of approximately S$1,575.8 million, with the balance thereof to be funded by a drawdown of the Loan Facilities.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in MCT's announcements on the use of proceeds and in MCT's annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

Further details pertaining to the use of proceeds of the Equity Fund Raising (including details on the percentage allocation for each use) will be announced at the appropriate time.

(See paragraph 4.2 of the Letter to Unitholders for further details.)

Consequential Adjustment to Distribution Period and Status of New Units

MCT's policy is to distribute its distributable income on a quarterly basis to Unitholders.

However, pursuant to the Equity Fund Raising, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution, an advanced distribution or such other plans to ensure fairness to existing Unitholders holding Units on the day immediately prior to the date on which the New Units are issued under the Private Placement.

In the event that the Manager undertakes a Preferential Offering, the New Units issued in connection with the Preferential Offering will, upon issue and allotment, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued under the Preferential Offering, including the right to any distributions which may accrue prior to the issuance of the New Units under the Preferential Offering.

Further details pertaining to any adjustments to the distribution period, if any, and the status of the New Units issued pursuant to the Equity Fund Raising will be announced at the appropriate time.

Requirement for Unitholders' Approval

The Manager is seeking Unitholders' approval for the proposed issue of up to 500.0 million New Units (representing approximately 17.3% of the existing number of issued Units as at the Latest Practicable Date), pursuant to the Equity Fund Raising as required by Rule 805(1) of the Listing Manual.

Rationale for the Equity Fund Raising

Given the size of the Total Acquisition Cost, the Manager's aim to maintain a well-balanced capital structure, and the borrowing limit imposed by the MAS on property funds such as MCT, the Manager believes that the Equity Fund Raising is an efficient and overall beneficial method of raising funds to finance the Total Acquisition Cost.

Undertaking by the Sponsor

To demonstrate its support for MCT and the Equity Fund Raising, the Sponsor, which owns an aggregate interest of approximately 34.3% of the total number of Units in issue through its wholly-owned subsidiaries as at the Latest Practicable Date, has irrevocably undertaken to the Manager and the Joint Global Co-ordinators and Bookrunners on 26 September 2019 (the "**Undertaking**") that, among other things, in the event that the Equity Fund Raising includes a Preferential Offering:

(i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), and in accordance with the terms and conditions of the Preferential Offering, it will accept, or procure that its subsidiaries (the "**Relevant Entities**") accept, subscribe and pay in full for, its and the Relevant Entities' total provisional allotment of the Preferential Offering Units; and

(ii) (subject to and conditional upon the approval of the Whitewash Resolution by Unitholders other than MIPL and parties acting in concert with it (the "**Concert Party Group**") or parties not independent of them (the "**Independent Unitholders**")), in the event that the Equity Fund Raising includes a Private Placement in addition to the Preferential Offering, it will, in addition to paragraph (i) above, apply for, and/or procure the application of such number of excess Units under the Preferential Offering (the "**Sponsor Excess Units**") in accordance with the terms and conditions of the Preferential Offering, so that if it and/or the Relevant Entities are fully allotted the Sponsor Excess Units, MIPL would maintain its percentage unitholding at the level immediately prior to the Private Placement (the "**Pre-Placement Percentage**")[1]. For the avoidance of doubt, MIPL, among others, will rank last in the allocation of excess Unit applications. If the Whitewash Resolution is not approved, the Sponsor's undertaking shall apply only to MIPL's and the Relevant Entities' total provisional allotment of the Preferential Offering Units.

It is intended that in the event the number of excess New Units under the Preferential Offering, even if fully allotted to MIPL and/or its Relevant Entities, would not be sufficient for MIPL to maintain its Pre-Placement Percentage, MIPL would apply for, and/or procure the application by the Relevant Entities of, the maximum number of excess New Units under the Preferential Offering.

UNITHOLDERS SHOULD NOTE THAT RESOLUTION 2 (THE EQUITY FUND RAISING) IS SUBJECT TO AND CONTINGENT UPON THE PASSING OF RESOLUTION 1 (THE ACQUISITION).

FURTHER, UNITHOLDERS SHOULD NOTE THAT RESOLUTION 2 (THE EQUITY FUND RAISING) AND RESOLUTION 3 (THE WHITEWASH RESOLUTION) ARE NOT INTER-CONDITIONAL.

In the event Resolution 2 is passed but Resolution 3 is not passed, the Manager will still proceed with the Equity Fund Raising and the Undertaking shall apply only to MIPL's and the Relevant Entities' total provisional allotment of the Preferential Offering Units.

1 In the event that the Equity Fund Raising comprises a Private Placement and a Preferential Offering and the Preferential Offering follows after the Private Placement, the Sponsor's percentage unitholding will decrease immediately after the Private Placement as the Sponsor will not be participating in the Private Placement.

RESOLUTION 3: THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP

Waiver of the Singapore Code on Take-overs and Mergers

The Securities Industry Council ("**SIC**") has on 20 September 2019 granted a waiver (the "**SIC Waiver**") of the requirement for the Concert Party Group to make a mandatory offer ("**Mandatory Offer**") for the remaining Units not owned or controlled by the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") as a result of:

(a) the issuance of New Units under the Private Placement (the "**Private Placement Units**") such that MIPL's percentage unitholding would decrease, as MIPL will not be participating in the Private Placement;

(b) the subscription by MIPL and/or the Relevant Entities of the New Units to be subscribed by it and/or the Relevant Entities under the Preferential Offering undertaken following a Private Placement (the "**MIPL Preferential Offering Units**") in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage (see paragraph 6 of the Letter to Unitholders for details);

(c) the receipt by the Manager in its personal capacity of approximately 3.7 million Acquisition Fee Units[1]; and

(d) the receipt by the Manager in its personal capacity of approximately 1.1 million Units (the "**2Q Management Fee Units**") as payment for the management fees for the period from 1 July 2019 to 30 September 2019 ("**2Q 2019/20**", and the management fees for 2Q 2019/20, the "**2Q Management Fee**") that the Manager in its personal capacity is entitled to for 2Q 2019/20[2],

subject to the satisfaction of the conditions specified in the SIC Waiver (as set out in paragraph 6 of the Letter to Unitholders) including receipt of the whitewash resolution approved by the Independent Unitholders, on a poll, to waive their rights to receive a general offer for their Units from the Concert Party Group (the "**Whitewash Resolution**").

In addition to taking up its *pro rata* entitlement to the Preferential Offering, MIPL has, subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders, irrevocably undertaken to apply for, and/or procure the application of, such number of Sponsor Excess Units such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage of 34.3%. The exact percentage increase in unitholding will depend on the overall level of acceptances and excess applications by Unitholders for the Preferential Offering as according to Rule 877(10) of the Listing Manual, MIPL, among others, will rank last in the allocation of excess Unit applications. In the event that MIPL is allocated in full its application for the Sponsor Excess Units, MIPL's percentage unitholding will increase to its Pre-Placement Percentage. MIPL's percentage unitholding after the Preferential Offering will therefore vary depending on zero allocation and full allocation of the Sponsor Excess Units applied, respectively.

Rule 14.1(b) of the Code states that the Concert Party Group would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MCT and MIPL, or any person acting in concert with it, acquires in any period

1 This is based on an illustrative issue price of S$2.10 per Acquisition Fee Unit.

2 This is based on an illustrative issue price of S$2.04 per 2Q Management Fee Unit.

of six months additional Units which carry more than 1% of the voting rights of MCT. If MIPL's percentage unitholding after the Preferential Offering increases by more than 1% as a result of any allocation further to its application for excess Units, the Concert Party Group would then be required to make a Mandatory Offer unless waived by the SIC. A waiver is accordingly sought by MIPL and the SIC Waiver was granted subject to the satisfaction of the conditions specified in the SIC Waiver (as set out in paragraph 6.2 of the Letter to Unitholders), including the Whitewash Resolution being approved by Independent Unitholders at the EGM.

It should be noted that, in view of the Equity Fund Raising being structured as a Private Placement followed by a Preferential Offering, MIPL's percentage unitholding will decrease immediately upon the completion of the Private Placement as MIPL will not be participating in the Private Placement. Assuming that MIPL and its Relevant Entities are allocated in full their application for the Sponsor Excess Units under the Preferential Offering, MIPL's percentage unitholding will increase after completion of the Preferential Offering to its Pre-Placement Percentage. Accordingly, if the Equity Fund Raising is structured in such manner, MIPL's percentage unitholding immediately after the Preferential Offering will actually be equal to or lower than its Pre-Placement Percentage.

Accordingly, the Manager is seeking approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Concert Party Group, in the event that the Concert Party Group incur an obligation to make a Mandatory Offer as a result of:

- the issuance of Private Placement Units such that MIPL's percentage unitholding would decrease, as MIPL will not be participating in the Private Placement;
- the subscription by MIPL and/or the Relevant Entities of the MIPL Preferential Offering Units in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage;
- the receipt by the Manager in its personal capacity of approximately 3.7 million Acquisition Fee Units[1]; and
- the receipt by the Manager in its personal capacity of approximately 1.1 million 2Q Management Fee Units[2].

Rationale for the Whitewash Resolution

The Whitewash Resolution is to enable:

- the subscription by MIPL and/or the Relevant Entities of the Sponsor Excess Units so that if it is fully allotted the Sponsor Excess Units, MIPL would maintain its percentage unitholding at the level immediately prior to the Equity Fund Raising;
- the receipt by the Manager in its personal capacity of the Acquisition Fee Units; and
- the receipt by the Manager in its personal capacity of the 2Q Management Fee Units as payment for the 2Q Management Fee that the Manager is entitled to in its personal capacity for 2Q 2019/20 pursuant to the Trust Deed.

Further details on the rationale for the Whitewash Resolution is set out in paragraph 6.3 of the Letter to Unitholders.

1 This is based on an illustrative issue price of S$2.10 per Acquisition Fee Unit.

2 This is based on an illustrative issue price of S$2.04 per 2Q Management Fee Unit.

TIMETABLE

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	12 October 2019 at 3.30 p.m.
Date and time of the EGM	:	15 October 2019 at 3.30 p.m.

If the approvals sought at the EGM are obtained, the Manager will work with the Joint Global Co-ordinators and Bookrunners to determine the most appropriate time to launch the Equity Fund Raising.

mapletree
commercial

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 25 August 2005 (as amended))

Directors of the Manager	**Registered Office**
Mr. Tsang Yam Pui (Non-Executive Chairman and Director) Ms. Kwa Kim Li (Lead Independent Non-Executive Director) Mrs. Jennifer Loh (Independent Non-Executive Director) Mr. Kan Shik Lum (Independent Non-Executive Director) Mr. Koh Cheng Chua (Independent Non-Executive Director) Mr. Premod P. Thomas (Independent Non-Executive Director) Mr. Alvin Tay (Independent Non-Executive Director) Mr. Wu Long Peng (Independent Non-Executive Director) Mr. Hiew Yoon Khong (Non-Executive Director) Mr. Wong Mun Hoong (Non-Executive Director) Ms. Amy Ng Lee Hoon (Non-Executive Director) Ms. Lim Hwee Li Sharon (Executive Director and Chief Executive Officer)	10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438 27 September 2019

To: Unitholders of Mapletree Commercial Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of Ordinary Resolution[1]:

(a) **Resolution 1**: the proposed Acquisition of the Property through the acquisition of the Sale Shares, as an Interested Person Transaction;

(b) **Resolution 2**: the proposed issue of up to 500.0 million New Units under the Equity Fund Raising; and

(b) **Resolution 3**: the proposed Whitewash Resolution in relation to the Concert Party Group.

Unitholders should note that Resolution 1 (the Acquisition) and Resolution 2 (the Equity Fund Raising) are inter-conditional. Resolution 1 and Resolution 2 are not subject to and not contingent upon the passing of Resolution 3 (the Whitewash Resolution). In the event Resolution 3 is not passed, the Manager will still proceed with the Acquisition and the Equity Fund Raising.

1 "Ordinary Resolution" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

2. THE ACQUISITION

2.1 Description of the Property

The Property comprises Mapletree Business City (Phase 2) and the Common Premises. The Property, together with Mapletree Business City (Phase 1), forms Mapletree Business City Development and is one of the largest integrated office and business park developments in Singapore with Grade A building specifications. Mapletree Business City Development, together with PSA Building (which is currently owned by MCT), forms the Alexandra Precinct.

Mapletree Business City Development has excellent transport connectivity and is approximately a 10-minute drive from the CBD. It is well-served by major roads and expressways such as the West Coast Highway, the Ayer Rajah Expressway and the Marina Coastal Expressway. Extensive bus services run through the surrounding area. All blocks in Mapletree Business City Development are linked by elevated covered walkways, which also provide connectivity to the adjacent PSA Building, as well as to Labrador Park MRT Station.

The Property has an NLA of 1,184,704 sq ft (as at 31 August 2019) and comprises four blocks of business park space (MBC 50, 60, 70 and 80 with a total NLA of 1,167,106 sq ft) and retail space with a total NLA of 17,598 sq ft. Mapletree Business City Development is zoned business park (with 15% white and gross plot ratio of 2.8) with a land tenure of 99 years leasehold commencing 1 October 1997. This is in line with the land tenures for commercial developments as opposed to the typical business park properties which have land tenures of 60 years leasehold.

Offering commanding views of the sea and surrounding parks, MBC II's 30-storey business park tower terraces down to eight, six and five-storey blocks and is set amidst 2.8 hectares of lush landscape. The carpark podium, which is linked to all blocks in Mapletree Business City Development, provides 2,001 carpark lots over two levels and serves both MBC I and MBC II. Amenities within Mapletree Business City Development include modern conference facilities, a 294-seat auditorium, an on-site gym with a 44 metre-long heated pool, sporting facilities such as an outdoor running track, tennis, futsal and basketball courts, a garden amphitheatre for arts events and performances, as well as a wide assortment of F&B options. Mapletree Business City Development is also directly linked via elevated covered walkways to ARC. ARC has a wide range of tenants, which include F&B establishments, retail outlets and service trades as well as a supermarket, providing amenities to the growing working population within the Alexandra Precinct.

Completed in 2016, MBC II has been designed with environmentally friendly features and has garnered numerous local and international awards including the prestigious BCA Green Mark Platinum Award, BCA Universal Design Mark (Platinum) Award and LEED Gold certification.

Since its completion in 2016, MBC II has attracted a strong and diverse tenant base comprising many well-known and reputable MNCs, and enjoys a committed occupancy rate of 99.4% (as at 31 August 2019).

(See **Appendix A** of this Circular for further details.)

2.2 Structure of the Acquisition

Pursuant to the Share Purchase Agreement dated 26 September 2019, the Property will be acquired by MCT through the acquisition of 99.9% of the Sale Shares by the Trustee, on behalf of MCT, and the acquisition of 0.1% of the Sale Shares by 80 Alexandra, a wholly-owned subsidiary of MCT. The Total Consideration payable by the Purchasers in connection with the Acquisition is the Adjusted Net Asset Value of MBCPL as at the Completion Date, subject to post-Completion adjustments. The Adjusted Net Asset Value shall take into account the Agreed Property Value, less the Intercompany Loan.

The Strata Lease[1] of Mapletree Business City (Phase 1) was previously acquired from MBCPL (as vendor) through the MBC I Acquisition, with MBCPL retaining ownership of the Property, comprising Mapletree Business City (Phase 2) and the Common Premises. Concurrent with the MBC I Acquisition, the Trustee entered into a licence agreement and shared services agreement to provide MCT with the right to use the Common Premises in respect of Mapletree Business City (Phase 1). Post-Acquisition, MCT will indirectly own the entire leasehold interest in Mapletree Business City Development.

As soon as practicable following Completion, MBCPL will be converted to a limited liability partnership pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore). 80 Alexandra and the Trustee, as shareholders of MBCPL, will enter into the LLP Agreement to regulate the relationship between them *inter se* as partners of the limited liability partnership. Following the Conversion, the Trustee and 80 Alexandra will continue to hold 99.9% and 0.1% interest respectively in MBC LLP as partners of MBC LLP. The Conversion allows Unitholders to enjoy tax transparency treatment on MCT's 99.9% share of income from the Property. The income generated from the Property will not be subject to corporate income tax at the MBC LLP level as a limited liability partnership is tax transparent for Singapore tax purposes.

2.3 Valuation

The Agreed Property Value of S$1,550.0 million was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property.

In this respect, the Trustee has commissioned an independent property valuer, Savills, and the Manager has commissioned another independent property valuer, CBRE, to value the Property. According to the independent valuation reports[2] issued by Savills and CBRE, the market value of the Property as at 31 August 2019 is S$1,552.0 million and S$1,560.0 million respectively. In arriving at the market value, the Independent Valuers relied on the income capitalisation method and the discounted cash flow analysis. The average appraised value of the Property by Savills and CBRE is S$1,556.0 million as at 31 August 2019.

The Agreed Property Value of S$1,550.0 million is in line with the appraised values of the two Independent Valuers.

1 The Strata Lease terminates one day prior to the expiry of the State Lease (as defined herein).

2 The independent valuation reports issued by Savills and CBRE are dated 31 August 2019.

2.4 Certain Terms and Conditions of the Share Purchase Agreement

The principal terms of the Share Purchase Agreement include, among others, the following conditions precedent:

(i) in respect of the State Lease, the approval of the President of the Republic of Singapore and his successors-in-office (the "**State Lessor**") for the assignment of the Property to MBC LLP, and if such approval is given subject to conditions, such conditions being acceptable to the Vendor and Purchasers acting reasonably;

(ii) the approval of Unitholders at the EGM in connection with the Acquisition;

(iii) the receipt of an in-principle approval from Inland Revenue Authority of Singapore ("**IRAS**") to grant relief from stamp duties for the transfer of assets under section 15(1A) of the Stamp Duties Act arising from the Conversion and there not having occurred any withdrawal of such in-principle approval and, if applicable, the conditions to such in-principle approval having been fulfilled;

(iv) the receipt of approval in-principle of the SGX-ST for the listing and quotation of the New Units to be issued pursuant to the Equity Fund Raising, and there not having occurred any revocation or withdrawal of such approval;

(v) the listing and commencement of trading of the new Units to be issued pursuant to the Private Placement;

(vi) the receipt by the Purchasers of the proceeds of the Private Placement and/or external borrowings to fully fund the Acquisition;

(vii) there being no compulsory acquisition of the whole or any part of the Property which, in the reasonable opinion of the Purchasers, acting on the recommendation of the Manager, will have an adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of MCT or on the Property, in each case, taken as a whole, and no notice of such intended compulsory acquisition has been given, by the government or other competent authority; and

(viii) there being no material damage to the Property and/or the plant and equipment in the Property and no material breach of the warranties which, in the reasonable opinion of the Purchasers acting on the recommendation of the Manager, will have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of MCT or on the Property, in each case, taken as a whole.

2.5 Total Acquisition Cost

The Total Acquisition Cost is estimated to be approximately S$1,575.8 million, comprising:

(i) the Total Consideration which is estimated to be S$884.9 million, subject to post-Completion adjustments to the Adjusted Net Asset Value of MBCPL;

(ii) the repayment of the entire Intercompany Loan on the Completion Date;

(iii) the Acquisition Fee payable in Units to the Manager for the Acquisition of approximately S$7.8 million (representing 0.5% of the Agreed Property Value); and

(iv) the estimated stamp duty, professional and other fees and expenses of approximately S$18.1 million incurred or to be incurred by MCT in connection with the Acquisition, the Equity Fund Raising and the New Loan Facilities.

2.6 Payment of Acquisition Fee in Units

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee at the rate of 1% of the Agreed Property Value, which is taken into account when computing the Total Consideration (or such lower percentage as may be determined by the Manager in its absolute discretion). The Manager has elected to receive an acquisition fee at the rate of 0.5% of the Agreed Property Value.

Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units equal to the 10-day VWAP prior to the issuance date of the Acquisition Fee Units.

Based on an illustrative issue price of S$2.10 per Acquisition Fee Unit, the number of Acquisition Fee Units issued shall be approximately 3.7 million Units.

2.7 Method of Financing for the Acquisition

The Manager intends to finance the Total Acquisition Cost through the Equity Fund Raising and a drawdown of the Loan Facilities.

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions to provide overall DPU and NAV accretion to Unitholders while maintaining an optimum level of leverage.

Assuming that the Acquisition is partially funded by the drawdown of S$697.5 million from the New Loan Facilities, MCT's aggregate leverage immediately following Completion would increase from 31.7%[1] to 33.8%.

3. RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition provides the following key benefits to Unitholders:

3.1 Owning the workplace of the future

The Property primarily comprises over 1.1 million sq ft of business park space. Together with MBC I, it forms one of the largest office and business park developments in Singapore with Grade A building specifications.

The Manager believes that the Property appeals to high quality tenants who tend to value (i) a modern campus-style environment, (ii) an excellent location, (iii) an environmentally friendly footprint, and (iv) a cost-efficient space which does not compromise on quality.

1 Based on MCT's aggregate leverage as at 31 March 2019 and adjusted for the valuation of the Existing Portfolio which was valued as at 31 August 2019.

3.1.1 Campus for the workforce of the future

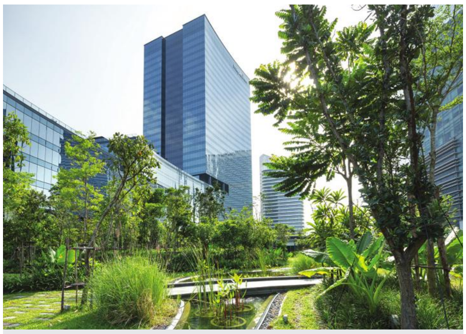
Forward-thinking companies, particularly those in the technology sector, are increasingly looking to create campus-like workplaces, in order to foster collaboration amongst employees, develop an organic identity and more importantly, attract and retain young talent.

In line with the above trends and evolving tenant preferences, the Property offers a unique combination of Grade A building specifications and a comprehensive suite of distinctive lifestyle amenities, set amidst 2.8 hectares of lush landscape.

The Property features highly flexible and expansive column-free floor plates of up to 32,000 sq ft, typical floor-to-ceiling heights of 3.2 metres, high quality finishes and state-of-the-art building management systems. The Property is also able to cater to tenants' demand for larger and flexible spaces by amalgamating units across the four blocks on the same level, creating seamless floor plates of up to 123,000 sq ft.

Popular on-site lifestyle amenities include a gym with a 44 metre-long heated pool, an outdoor running track, tennis, futsal and basketball courts, a garden amphitheatre for arts events and performances, as well as a variety of F&B options – all located in a vast green communal landscape. Additional amenities can also be found in the neighbouring ARC, whose tenants include a supermarket, service, retail and F&B establishments.

In addition, the Property's proximity to major public green spaces, including Kent Ridge Park, HortPark, Labrador Nature Reserve, Telok Blangah Hill Park and Mount Faber Park, further adds to its campus-style appeal.



Vast green communal landscape and proximity to green spaces

Extensive sports and recreational facilities

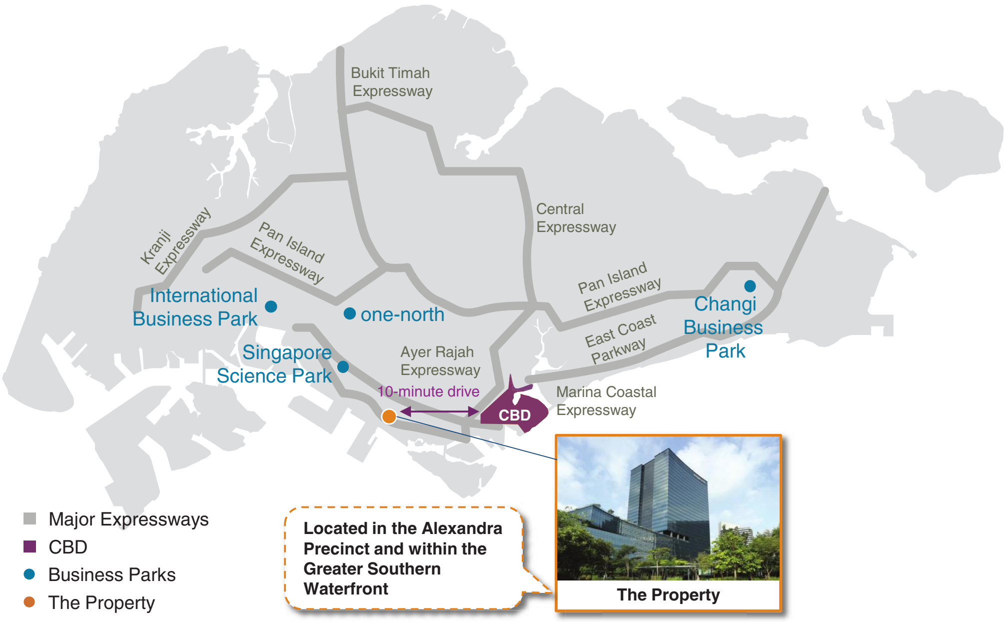
Variety of on-site lifestyle amenities

Highly flexible and expansive column-free floor plates

3.1.2 Excellent location and connectivity

Located in the Alexandra Precinct and within the Greater Southern Waterfront ("**GSW**"), the Property is the closest business park to the CBD. This allows it to attract tenants who do not require a CBD location, but would still benefit from being only a 10-minute drive from the CBD.

The Property also provides easy access to the West Coast Highway, the Ayer Rajah Expressway and the Marina Coastal Expressway, which in turn provide fast and seamless connectivity to the CBD and Changi Airport. It is also connected via elevated covered walkways to Labrador Park MRT Station and numerous bus stops along Pasir Panjang Road and Alexandra Road.



3.1.3 Award-winning eco-friendly features

Sustainable design is an increasingly important element in attracting modern, high quality tenants, and has the added benefit of increasing operational efficiency and delivering cost savings.

Environmentally friendly features in Mapletree Business City Development include solar panels as a source of renewable energy, high-performance facade glazing systems to reduce cooling costs, district cooling systems with high energy efficiency, and rain water harvesting systems integrated with an automatic rain sensor control.

Awards Achieved

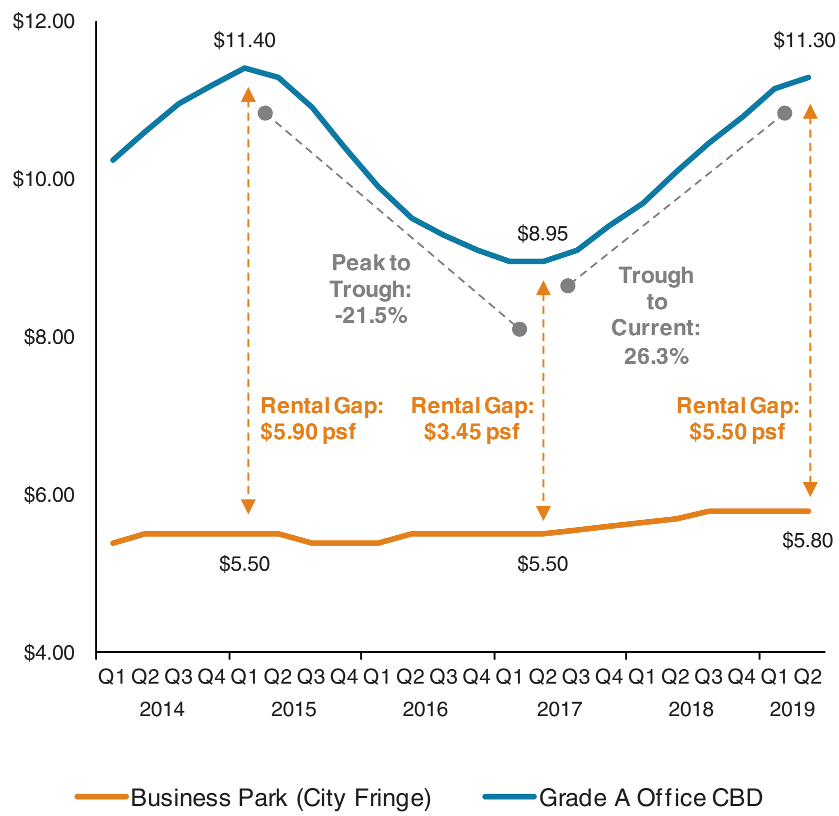
2018	• BCA Universal Design Mark (Platinum) Award • BCA Green Mark Platinum Award • LEED Gold Certification
2017	• Award of Excellence for the International Federation of Landscape Architects Asia-Pacific Landscape Architecture Awards – Parks and Open Space Category
2015	• LEAF-certified Development by National Parks Board, Singapore

3.1.4 Beneficiary of decentralisation and flight to quality

(A) A cost-efficient alternative to the CBD – almost half the rent at similar quality

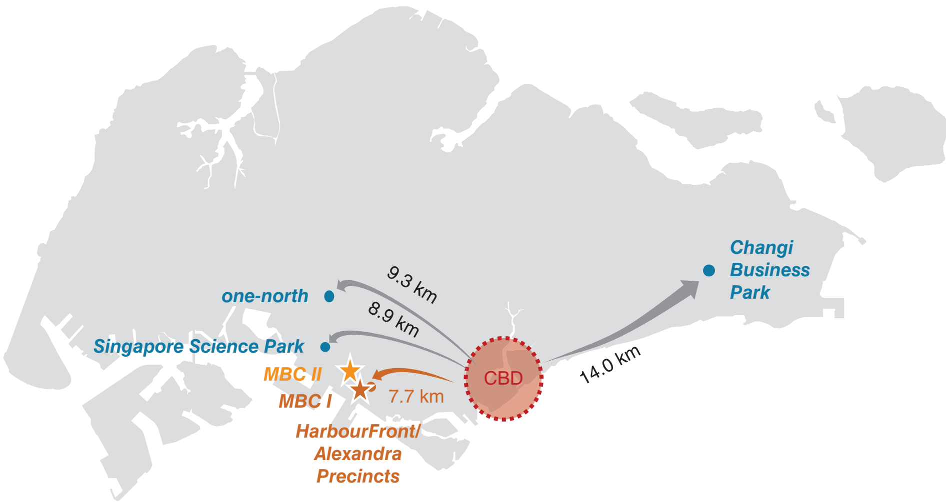
As the closest business park to the CBD, the Property provides Grade A building specifications and superior lifestyle amenities that are on par with any core Grade A offices in the CBD, but at almost half the rent.

Rents
(S$ psf pm)



Source: Independent Market Research Report

Approximate Distance of Business Parks from the CBD
(km)



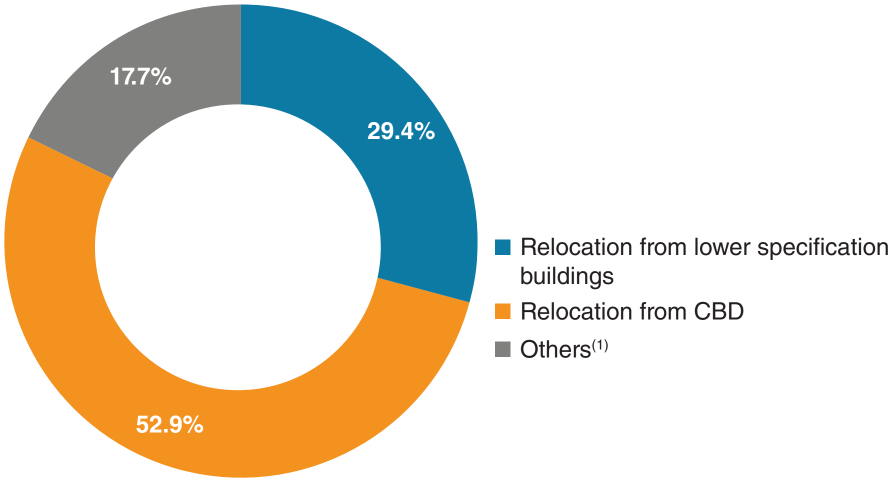
(B) 52.9% of the Property's business park tenants have relocated from the CBD

The Property's excellent location and outstanding features have attracted many tenants, particularly those in the technology sector, to relocate out of the CBD, consolidate their island-wide operations, and expand their footprints cost-effectively, without compromising on employee satisfaction and retention rates. A prominent example from the technology sector is Google, which has relocated from Asia Square, a Grade A core CBD building, to the Property in 2016. Major tenants in other sectors that have relocated from the CBD include International Air Transport Association and Covidien, among others.

(C) 29.4% of the Property's business park tenants have relocated to the Property in pursuit of higher quality space

The Property's high specifications and outstanding amenities have prompted tenants to relocate into the Property from lower quality and less well-located business parks. Pfizer and IGG Singapore are a few examples of tenants that have relocated from lower specification buildings to the Property in pursuit of higher quality space in recent years.

Proportion of the Property's Business Park Tenants
(%)



Note:

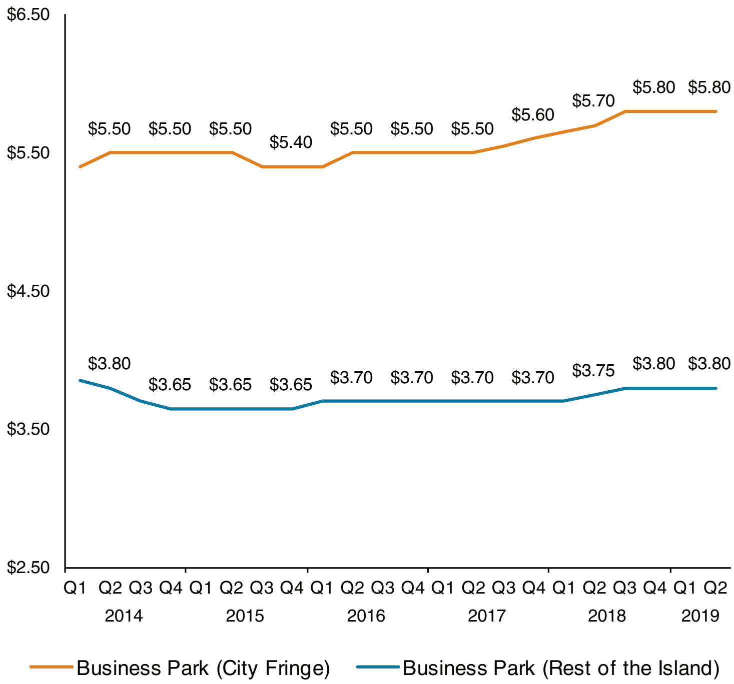
(1) Others include one tenant consolidating its operations from CBD and business park areas, and two tenants expanding their operations. Excludes the foodcourt tenant.

3.2 Asset class provides steady rental growth at low volatility

3.2.1 City fringe business parks have experienced steady rental growth over the last five years

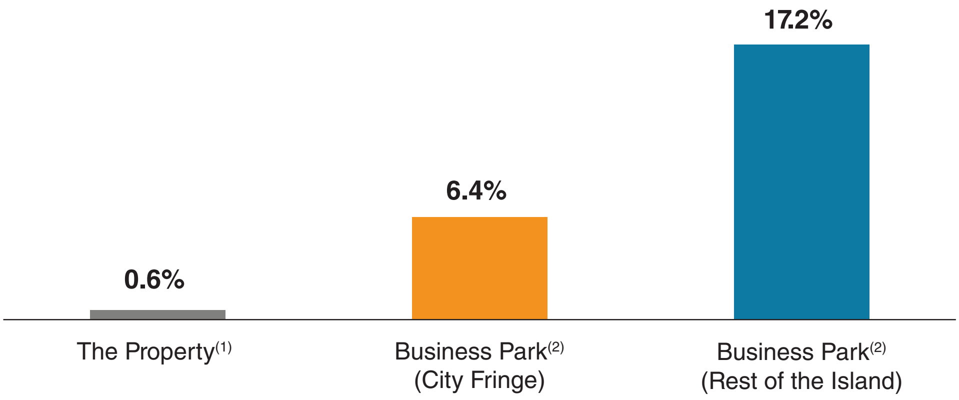
Business parks in the city fringe submarket enjoy a significant rental premium due to their proximity to the CBD and better building specifications compared to business parks in the rest of the island. Supported by strong demand and tight vacancies, the city fringe submarket has also experienced steady rental growth.

Rents
(S$ psf pm)



Source: Independent Market Research Report

Vacancy Rates
(%)



Source: Independent Market Research Report

Notes:

(1) Vacancy rates for the Property as at 31 August 2019.

(2) Vacancy rates for Business Park (City Fringe) and Business Park (Rest of the Island) as at Q2 2019.

3.2.2 Limited supply supports stable rents and occupancies

Business park rents and occupancies are expected to remain stable, supported by robust demand and limited supply. The total new supply of business parks over the next three years is expected to be approximately 2.0 million sq ft, of which a large proportion is already pre-committed.

The city fringe market in particular is expected to see only 0.5 million sq ft of new supply consisting of two built-to-suit facilities for Razer and Grab.

Future Business Park Projects

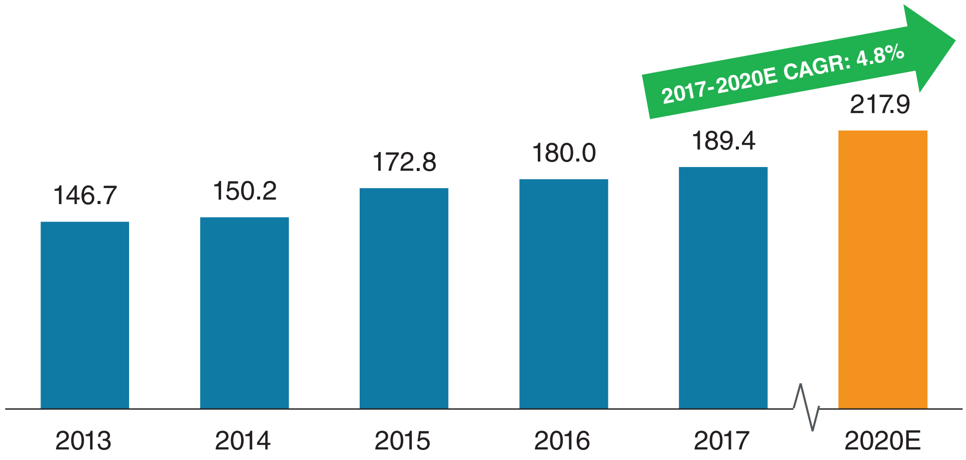
	Expected Completion	Development Name	Location	Sub-Market	Estimated NLA (sq ft)
City Fringe	2020	Grab Headquarters – Built to Suit	one-north	Central	364,336
City Fringe	2020	Razer Headquarters – Built to Suit	one-north	Central	166,195
Rest of the Island	2020	Redevelopment of 13 International Business Park	International Business Park	West	190,844
Rest of the Island	2020	Business Park Development (PBA Group)	Jurong Innovation District	West	228,109
Rest of the Island	2020	JTC Cleantech Three	Jurong Innovation District	West	538,453
Rest of the Island	2020	Additions/Alterations to existing Business Park Component	Jurong Innovation District	West	111,342
Rest of the Island	2021	Surbana Jurong Campus (Business Park Component) – Built to Suit	Jurong Innovation District	West	356,070
				Total	**1,955,349**

Source: Independent Market Research Report

3.3 Stable cashflows with embedded rental growth from high quality tenants

3.3.1 Proven demand from key growth industries

Annual Employed Manpower in the Infocomm Sector
('000s)

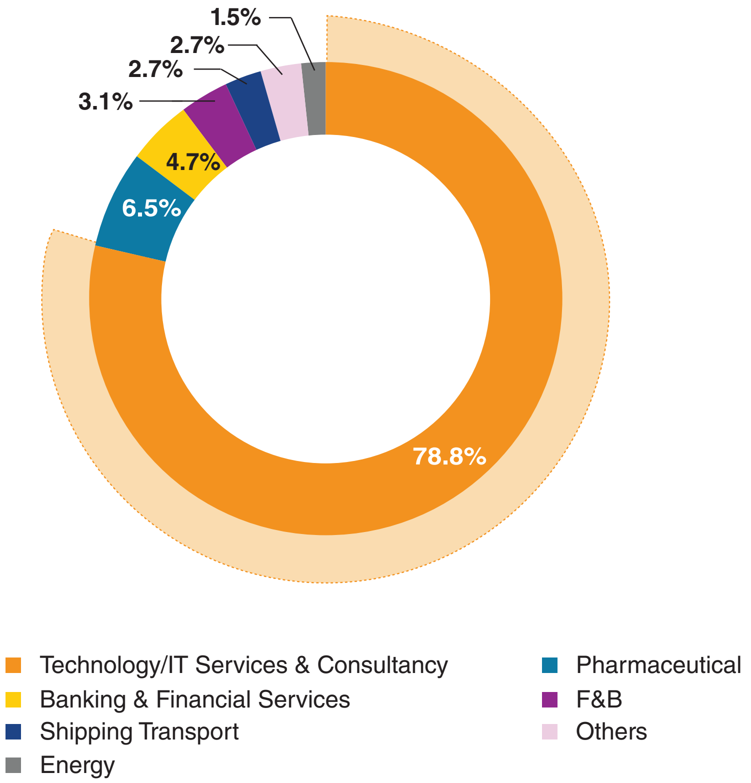


Source: Independent Market Research Report

The infocomm sector has been one of the fastest growing sectors in Singapore, with employment increasing for 10 consecutive years between 2007 – 2017 at a compound annual growth rate ("**CAGR**") of 4.3%. Demand for infocomm professionals is projected to grow by 4.8% annually between 2017 – 2020, outpacing the growth over the decade between 2007 – 2017.

The Property has been a key beneficiary of growth in this sector, as 78.8% of its Gross Rental Income comes from technology tenants.

Tenants' Trade Sector for the Property(1)
(% of Gross Rental Income)



Note:

(1) Based on Gross Rental Income as at 31 August 2019.

3.3.2 MNC tenants with strong credit quality

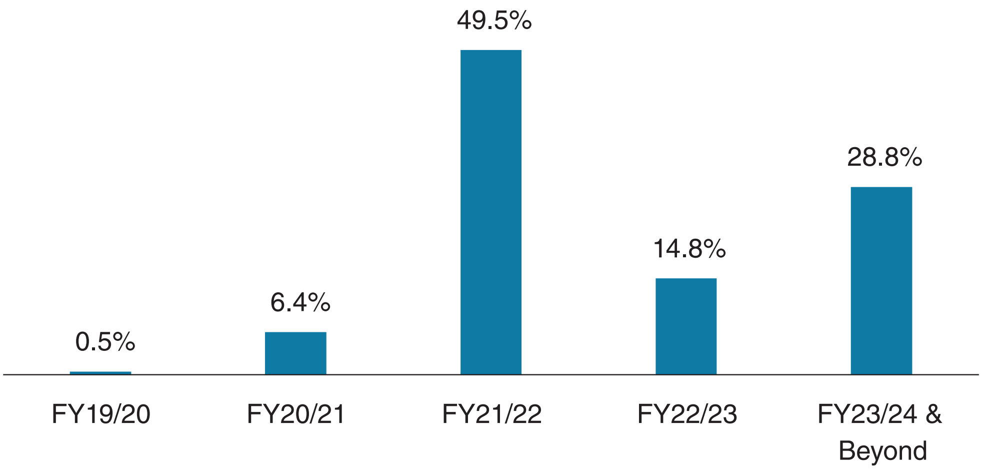
The Property has a robust tenant base consisting primarily of high quality, reputable MNCs with over 80% of Gross Rental Income contributed by tenants with strong credit ratings[1].

3.3.3 High occupancy with embedded rental step-ups

The Property's occupancy has ramped up rapidly since 2016, and its committed occupancy stands at 99.4% as at 31 August 2019. As at 31 August 2019, the Property's weighted average lease to expiry ("**WALE**") by Gross Rental Income is approximately 2.9 years, with close to 90% of tenants by NLA entering into long leases of between four to seven years. In addition, approximately 97% of leases (by NLA) have built-in annual rental step-ups of approximately 2.3% on average.

1 Based on tenants' parent company having S&P Credit Rating of A (or equivalent) and above.

Lease Expiry Profile of the Property[1]
(% of Gross Rental Income)

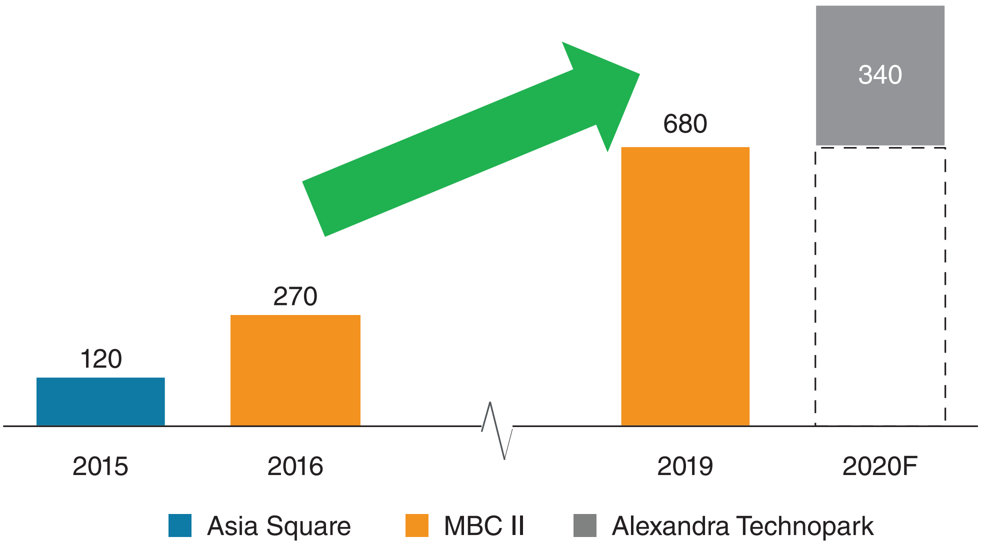


Note:

(1) Based on Gross Rental Income as at 31 August 2019.

In particular, the Property houses the Asia Pacific headquarters of Google. Since relocating to the Property from Asia Square in 2016, Google has steadily increased its leased area in the Property, expanded its headcount, and invested heavily in the fit-out and interior design of its space.

Google's Increasing Leased Area
('000 sq ft)



Source: Independent Market Research Report

3.4 Further enhances MCT's portfolio

3.4.1 Solidifies MCT's leadership in the Greater Southern Waterfront

As announced in Singapore's National Day Rally 2019 (an annual national address by Singapore's Prime Minister on key challenges and major policy changes), the GSW is slated to be redeveloped into a new coastal "live-work-play" precinct. Initial plans include building 9,000 housing units with waterfront promenades, additional commercial space as well as new recreational amenities and green spaces.

Overview of the Greater Southern Waterfront Development

The developments in the GSW are expected to increase the live-in population of the area, thereby fuelling overall development and attracting a wider pool of tenants. The increase in commercial space will also strengthen GSW as an attractive alternative to the CBD, further driving growth. Similarly, the theme park rejuvenation at Pulau Brani is expected to bring holiday-goers and families to the vicinity, adding to the overall vibrancy of the area.

Based on the 2014 URA Master Plan, post-Acquisition, MCT would control 100% and 31.8% of the current business park and office NLA respectively within the Alexandra/HarbourFront micro market, making MCT a prime beneficiary of the GSW transformation.

3.4.2 Completes MCT's control over the entire Alexandra Precinct which delivers greater flexibility and economies of scale

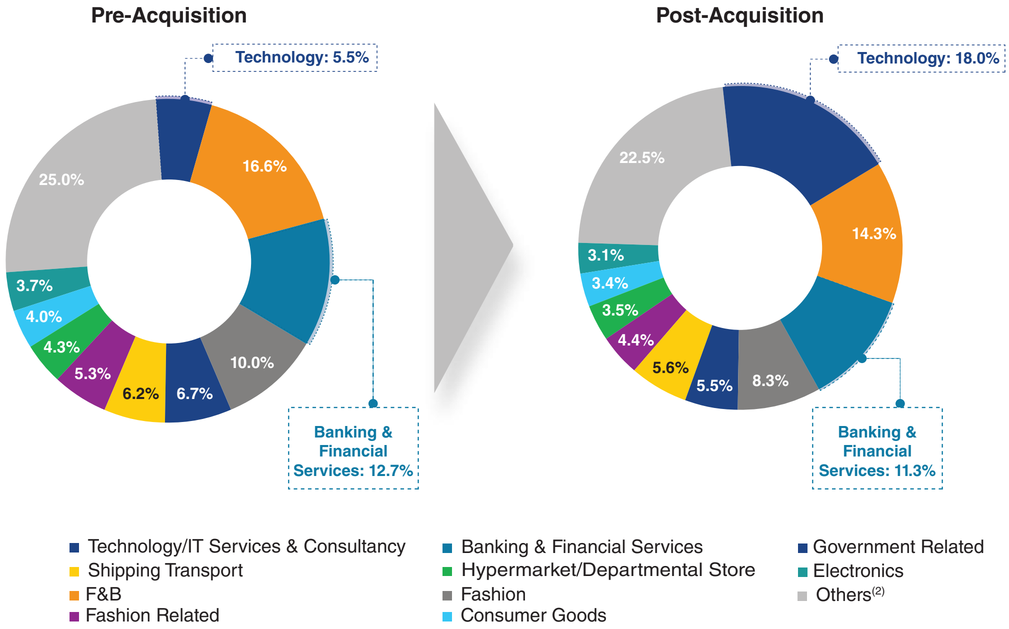
Post-Acquisition, MCT will control and manage the entire Alexandra Precinct which spans 13.5 hectares. This will allow MCT to achieve greater economies of scale, operational efficiency, greater flexibility in meeting tenant space requirements, as well as the ability to better optimise retail and lifestyle offerings within the precinct.

The Acquisition also provides MCT with ancillary revenue from the entire Mapletree Business City Development (not currently accruing to MCT from its ownership of MBC I), including the revenue from 2,001 carpark lots and other amenities. Such ancillary revenue[1] accounts for more than 8.0% of the total revenue from the Property.

3.4.3 Further enhances and diversifies MCT's income streams

The Acquisition will enhance the overall quality, number and diversity of MCT's tenant base. Post-Acquisition, the technology industry – a key growth sector – will become the largest industry within MCT's tenant trade mix, with 18.0% of Gross Rental Income as at 31 August 2019. Exposure to the Banking and Financial Services sector will be reduced.

MCT Tenant Trade Mix by Gross Rental Income(1)



Notes:

(1) Gross Rental Income as at 31 August 2019.

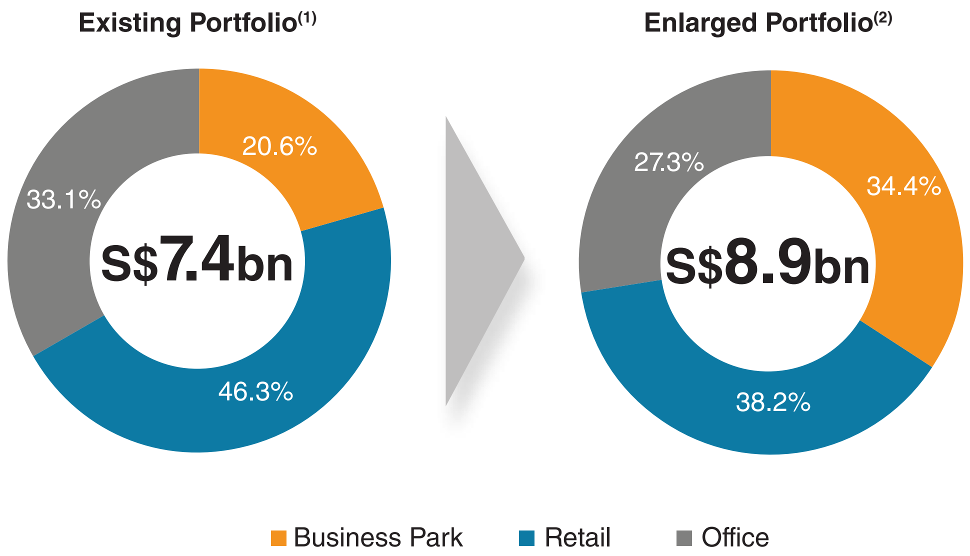
(2) Others include Pharmaceutical, Beauty, Trading, Lifestyle, Sports, Real Estate, Electronics - Retail, Energy, Entertainment, Retail Bank, Insurance, Optical, Education, Consumer Services, Medical, Services and Convenience. For a detailed breakdown of the tenant trade mix pre-Acquisition and post-Acquisition, please refer to Appendix A.

3.4.4 Increases MCT's size, free float and liquidity

The Acquisition will result in a 21.1% increase in MCT's total portfolio valuation and a 14.4% increase in MCT's free float. The increase in free float and trading liquidity is expected to lead to increased investor demand from improved index representation. See paragraph 5 on the pro forma financial effects of the Acquisition for the assumptions on the Equity Fund Raising.

1 Comprises carpark charges and rental revenue from amenities together with leasing related ancillary revenues, including but not limited to additional provision of air-conditioning and supply of chilled water.

MCT's Portfolio Valuation by Asset Class
(S$ billion)

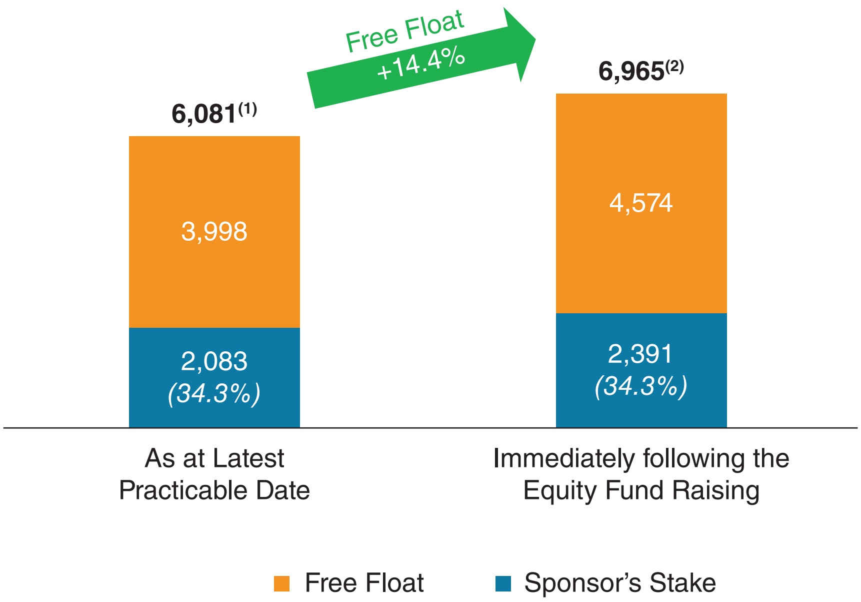


Notes:

(1) Based on the valuation of the Existing Portfolio as at 31 August 2019.

(2) Based on the valuation of the Existing Portfolio as at 31 August 2019 and the Agreed Property Value of the Property of S$1,550.0 million.

Market Capitalisation and Free Float
(S$ million)



Notes:

(1) Based on 2,895.6 million Units in issue as at the Latest Practicable Date and the illustrative issue price of S$2.10 per Unit.

(2) Based on 2,895.6 million Units in issue as at the Latest Practicable Date and (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit, and (b) approximately 3.7 million of Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. Assuming, for illustrative purposes, the Sponsor's ownership percentage in MCT of 34.3% remained constant before and after the Acquisition.

3.5 Attractive valuation and NPI, DPU and NAV accretive

The Property is proposed to be acquired at an NPI yield of approximately 5.0%, which is higher than the Existing Portfolio's NPI yield of approximately 4.7%.

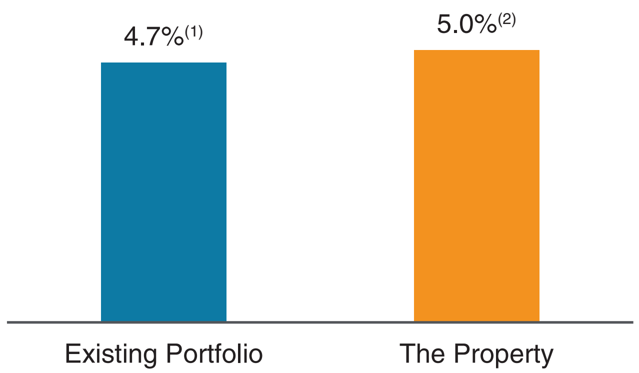
Unitholders can also expect to benefit from the higher DPU and NAV per Unit as a result of the Acquisition. On a pro forma basis and based on the proposed method of financing, the DPU and NAV per Unit will increase by 4.0% and 2.2% respectively. The charts below illustrate the accretion to MCT's pro forma DPU and NAV per Unit in relation to the Existing Portfolio and the Enlarged Portfolio.

Post-completion of the Acquisition, the Equity Fund Raising and a drawdown of the New Loan Facilities, MCT's aggregate leverage is expected to be 33.8%, which is well below the regulatory limit of 45.0%.

See paragraph 5 for more details on the pro forma financial effects of the Acquisition for the assumptions on the Equity Fund Raising.

3.5.1 Higher NPI Yield than MCT's Existing Portfolio

NPI Yield
(%)



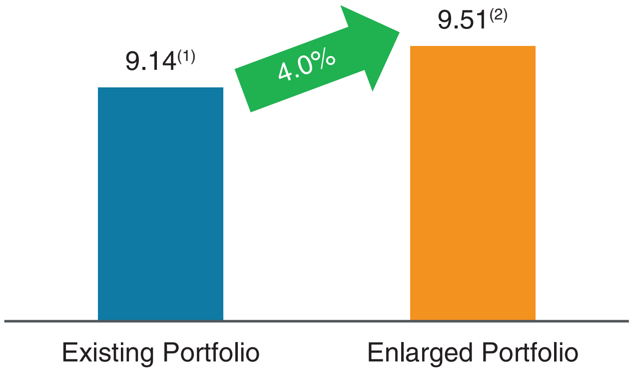
Notes:

(1) Based on NPI for the financial year ended 31 March 2019 over the value of the Existing Portfolio as at 31 August 2019.

(2) Based on NPI over the Agreed Property Value of the Property of S$1,550.0 million. The NPI of the Property assumes that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018 without taking into effect the amortisation of rental income for fit-out periods.

3.5.2 4.0% DPU accretion

Pro forma FY18/19 DPU
(Singapore cents)



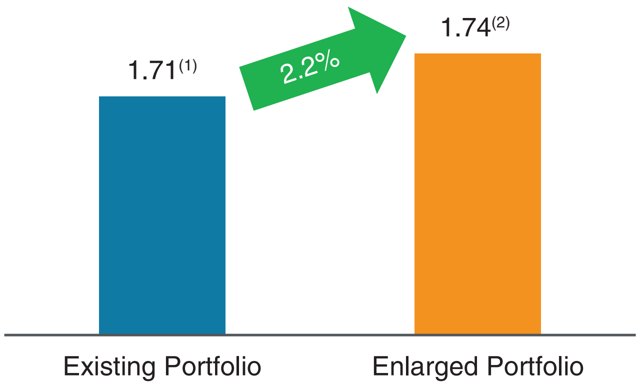
Notes:

(1) For the financial year ended 31 March 2019.

(2) Based on the drawdown of S$697.5 million from the New Loan Facilities with an average interest cost of 2.9% per annum and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit, the payment of Manager's management fee in relation to the Acquisition entirely in the form of cash, and the NPI of the Property assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018. The weighted average number of units used in computing the pro forma DPU includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. The pro forma DPU comprises taxable distribution and capital distribution arising from the amortisation of rental income for fit-out periods.

3.5.3 2.2% NAV per unit accretion

Pro forma NAV per Unit
(S$)



Notes:

(1) Based on the NAV as at 31 March 2019 and adjusted for the change in valuation of the Existing Portfolio from 31 March 2019 to 31 August 2019. Without adjusting for the change in valuation of the Existing Portfolio, the pro forma NAV per unit for the Existing Portfolio would be S$1.60.

(2) Based on the drawdown of S$697.5 million from the New Loan Facilities and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit. The number of Units in issue used in computing the pro forma NAV per Unit includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. Without adjusting for the change in valuation of the Existing Portfolio, the pro forma NAV per unit for the Enlarged Portfolio would be S$1.65.

FOR ILLUSTRATIVE PURPOSES ONLY: The table set out below shows the FY18/19 DPU, pro forma FY18/19 DPU and DPU accretion at various prices for the New Units:

Issue Price for the New Units (S$)	Approx. Number of New Units issued under the Equity Fund Raising (million)(1)	FY18/19 DPU (Singapore cents)		DPU accretion
		Existing Portfolio(2)	Enlarged Portfolio (Pro forma)(3)	
1.800	486.8	9.14	9.30	1.77%
1.900	461.1	9.14	9.38	2.58%
2.000	438.0	9.14	9.45	3.35%
2.100	**417.1**	**9.14**	**9.51**	**4.00%**
2.200	398.1	9.14	9.56	4.60%
2.300	380.8	9.14	9.61	5.14%
2.400	364.9	9.14	9.66	5.69%
2.500	350.3	9.14	9.70	6.13%

Notes:

(1) Based on the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at the respective issue prices. Estimated number of New Units excludes Acquisition Fee Units.

(2) For the financial year ended 31 March 2019.

(3) Based on the drawdown of S$697.5 million from the New Loan Facilities with an average interest cost of 2.9% per annum, the payment of Manager's management fee in relation to the Acquisition entirely in the form of cash, and the NPI of the Property assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018. The weighted average number of units used in computing the pro forma DPU includes (a) New Units issued at the respective issue price per New Unit and (b) the Acquisition Fee Units issued at the respective issue price per Acquisition Fee Unit. The pro forma DPU comprises taxable distribution and capital distribution arising from the amortisation of rental income for fit-out periods.

There is no assurance that the actual issue price of the New Units will be within the issue price range set out in the table above.

FOR ILLUSTRATIVE PURPOSES ONLY: The table set out below shows the impact on pro forma FY18/19 DPU accretion at varying amounts of debt:

Debt as % of Agreed Property Value(1)	Amount (S$ million)	DPU accretion for the Enlarged Portfolio(2)
40%	620.0	3.46%
45%	**697.5**	**4.00%**
50%	775.0	4.38%

Notes:

(1) Based on the drawdown from the New Loan Facilities at respective percentage of the Agreed Property Value of S$1,550.0 million.

(2) DPU accretion is based on DPU for the Existing Portfolio for the financial year ended 31 March 2019 and the Enlarged Portfolio pro forma DPU, which is based on the drawdown from the New Loan Facilities at respective percentage of the Agreed Property Value with an average interest cost of 2.9% per annum, the payment of Manager's management fee in relation to the Acquisition entirely in the form of cash, and the NPI of the Property assuming that the Property had an

occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018. The weighted average number of units used in computing the pro forma DPU includes (a) New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. The pro forma DPU comprises taxable distribution and capital distribution arising from the amortisation of rental income for fit-out periods.

There is no assurance that the actual amount of debt will be within the range as set out in the table above.

FOR ILLUSTRATIVE PURPOSES ONLY: The table set out below shows the impact on pro forma FY18/19 DPU accretion at varying interest rates:

Average interest rates for the New Loan Facilities[(1)]	DPU accretion for the Enlarged Portfolio[(2)]
2.50%	4.88%
2.70%	4.44%
2.90%	**4.00**%
3.10%	3.46%
3.30%	3.02%

Notes:

(1) Based on the drawdown of S$697.5 million from the New Loan Facilities at the respective average interest rates.

(2) DPU accretion is based on DPU for the Existing Portfolio for the financial year ended 31 March 2019 and the Enlarged Portfolio pro forma DPU, which is based on the drawdown of S$697.5 million from the New Loan Facilities, the payment of Manager's management fee in relation to the Acquisition entirely in the form of cash, and the NPI of the Property assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018. The weighted average number of units used in computing the pro forma DPU includes (a) approximately 417.1 million of New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issued at an illustrative issue price of S$2.10 per Acquisition Fee Unit. The pro forma DPU comprises taxable distribution and capital distribution arising from the amortisation of rental income for fit-out periods.

There is no assurance that the actual interest rate will be within the range as set out in the table above.

4. EQUITY FUND RAISING

4.1 Structure of the Equity Fund Raising

The structure and timing of the Equity Fund Raising have not been determined by the Manager. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the Manager's absolute discretion and subject to the then prevailing market conditions, comprise:

(i) a Private Placement of New Units to institutional and other investors; and/or

(ii) a non-renounceable Preferential Offering of New Units to the existing Unitholders on a *pro rata* basis.

Unitholders should note that the Preferential Offering Units, if issued, will be on a non-renounceable basis. The ARE[1] will not be renounceable or transferable and will be for use only by entitled Unitholders.

The Manager will work with the Joint Global Co-ordinators and Bookrunners to determine the structure of the Equity Fund Raising, the timing for the Equity Fund Raising and the Issue Price, taking into account market conditions and other factors that the Manager and the Joint Global Co-ordinators and Bookrunners may consider relevant. The Manager will announce details of the Equity Fund Raising at the appropriate time.

In the event that the Equity Fund Raising is approved by Unitholders, but market conditions are not conducive to carry out the Equity Fund Raising or the Equity Fund Raising cannot be effected on acceptable terms, the Manager may still proceed with the Proposed Acquisition.

The Issue Price under the Equity Fund Raising will be determined by the Manager and the Joint Global Co-ordinators and Bookrunners closer to the date of commencement of the Equity Fund Raising. The actual number of New Units to be issued pursuant to the Equity Fund Raising will depend on the aggregate amount of proceeds to be raised from the Equity Fund Raising and the Issue Price.

The structure and timing of the Equity Fund Raising and the Issue Price will be determined in accordance with, among others, Chapter 8 of the Listing Manual. The Issue Price for New Units under the Private Placement and/or Preferential Offering will comply with Rules 811(1) and 811(5) of the Listing Manual, and will not be at more than 10.0% discount to the VWAP for trades done on the SGX-ST for the full market day on which the Underwriting Agreement is signed, or (if trading in the Units is not available for a full market day) for the preceding market day up to the time the Underwriting Agreement is signed, excluding (where applicable) declared distributions provided that the holders of the New Units are not entitled to the declared distributions.

The Issue Price of New Units pursuant to the Private Placement may differ from the Issue Price of New Units pursuant to the Preferential Offering.

The unitholding interest of existing Unitholders may be diluted by the issue of New Units in the event that the Manager issues New Units under the Equity Fund Raising and such existing Unitholders do not participate or do not have the opportunity to participate in the Equity Fund Raising.

If the Manager should decide to undertake the Equity Fund Raising using a form other than, or in addition to, the Private Placement, such as the Preferential Offering, the Manager will enter into discussions with the Joint Global Co-ordinators and Bookrunners to explore how the Joint Global Co-ordinators and Bookrunners may assist to facilitate the successful execution of the Equity Fund Raising.

The Equity Fund Raising and any underwriting obligations are subject to, among others, prevailing market conditions and mutual agreement to the terms of the Equity Fund Raising, such as the Issue Price of the New Units, and execution of the Underwriting Agreement.

1 "ARE" refers to the application for rights entitlement acceptance form for New Units provisionally allotted to entitled Unitholders under the Preferential Offering and application form for excess New Units.

4.2 Use of Proceeds of the Equity Fund Raising

The Manager intends to utilise the net proceeds of the Equity Fund Raising to finance part of the Total Acquisition Cost of approximately S$1,575.8 million, with the balance thereof to be funded by a drawdown of the Loan Facilities. MCT has been granted the various New Loan Facilities by certain financial institutions of up to an aggregate amount of S$800.0 million, comprising (i) a five-year term loan facility, (ii) a six-year term loan facility, (iii) a seven-year term loan facility, and (iv) a six-year revolving credit facility.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in MCT's announcements on the use of proceeds and in MCT's annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or to be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

4.3 Rationale for the Equity Fund Raising

Given the size of the Total Acquisition Cost, the Manager's aim to maintain a well-balanced capital structure, and the borrowing limit imposed by MAS on property funds such as MCT, the Manager believes that the Equity Fund Raising is an efficient and overall beneficial method of raising funds to finance the Total Acquisition Cost.

4.4 Undertaking by the Sponsor

To demonstrate its support for MCT and the Equity Fund Raising, the Sponsor, which owns an aggregate interest of approximately 34.3% of the total number of Units in issue through its wholly-owned subsidiaries as at the Latest Practicable Date, has irrevocably undertaken to the Manager and the Joint Global Co-ordinators and Bookrunners on 26 September 2019 that, among other things, in the event that the Equity Fund Raising includes a Preferential Offering:

(i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), and in accordance with the terms and conditions of the Preferential Offering, it will accept, or procure that the Relevant Entities accept, subscribe and pay in full for its and the Relevant Entities' total provisional allotment of the Preferential Offering Units; and

(ii) (subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders), in the event that the Equity Fund Raising includes a Private Placement in addition to the Preferential Offering, it will, in addition to paragraph (i) above, apply for, and/or procure the application of, such number of the Sponsor Excess Units under the Preferential Offering in accordance with the terms and conditions of the Preferential Offering, so that if it and/or the Relevant Entities are fully allotted the Sponsor Excess Units, MIPL would maintain its percentage unitholding at the Pre-Placement Percentage[1]. For the avoidance of doubt, MIPL, among others, will rank last in the allocation of excess Unit applications. If the Whitewash Resolution is not approved, the Sponsor's undertaking shall apply only to MIPL's and the Relevant Entities' total provisional allotment of the Preferential Offering Units.

It is intended that in the event the number of excess New Units under the Preferential Offering, even if fully allotted to MIPL and/or its Relevant Entities, would not be sufficient for MIPL to maintain its Pre-Placement Percentage, MIPL would apply for, and/or procure the application by the Relevant Entities of, the maximum number of excess New Units under the Preferential Offering.

4.5 Consequential Adjustment to Distribution Period and Status of the New Units

MCT's policy is to distribute its distributable income on a quarterly basis to Unitholders.

However, pursuant to the Equity Fund Raising, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution, an advanced distribution or such other plans to ensure fairness to existing Unitholders holding Units on the day immediately prior to the date on which the New Units are issued under the Private Placement.

In the event that the Manager undertakes a Preferential Offering, the New Units issued in connection with the Preferential Offering will, upon issue and allotment, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued under the Preferential Offering, including the right to any distributions which may accrue prior to the issuance of the New Units under the Preferential Offering.

Further details pertaining to any adjustments to the distribution period, if any, and the status of the New Units issued pursuant to the Equity Fund Raising will be announced at the appropriate time.

4.6 Receipt of Approval In-Principle

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the New Units on the Main Board of the SGX-ST. The SGX-ST's approval in-principle is not an indication of the merits of the Acquisition, the Equity Fund Raising, the New Units, the Whitewash Resolution, the Manager, MCT and/or its subsidiaries. The SGX-ST's approval in-principle is subject to the following:

(a) in respect of the Private Placement,

(i) compliance with the SGX-ST's listing requirements;

(ii) Unitholders' approval of the Equity Fund Raising; and

1 In the event that the Equity Fund Raising comprises a Private Placement and a Preferential Offering and the Preferential Offering follows after the Private Placement, the Sponsor's percentage unitholding will decrease immediately after the Private Placement as the Sponsor will not be participating in the Private Placement.

(iii) submission of:

(1) a written undertaking from the Manager that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of proceeds from the Private Placement and where proceeds are to be used for working capital purposes, MCT will disclose a breakdown with specific details on the use of proceeds for working capital in its announcements on use of proceeds and in the annual report;

(2) a written undertaking from the Manager that it will comply with Rule 803 of the Listing Manual;

(3) written undertakings from the Joint Global Co-ordinators and Bookrunners that they will ensure that MCT will comply with Rule 803 of the Listing Manual;

(4) a written confirmation from the Manager that it will not issue the New Units to persons prohibited under Rule 812(1) of the Listing Manual; and

(5) written confirmations from the Joint Global Co-ordinators and Bookrunners that the New Units will not be placed out to persons prohibited under Rule 812(1) of the Listing Manual; and

(b) in respect of the Preferential Offering,

(i) compliance with the SGX-ST's listing requirements;

(ii) Unitholders' approval of the Equity Fund Raising; and

(iii) submission of:

(1) a written undertaking from the Manager that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of proceeds from the Preferential Offering and where proceeds are to be used for working capital purposes, MCT will disclose a breakdown with specific details on the use of proceeds for working capital in its announcements on use of proceeds and in the annual report;

(2) a written undertaking from the Manager that it will comply with Rule 877(10) of the Listing Manual with regard to the allotment of any excess New Units; and

(3) a written confirmation from the financial institution as required under Rule 877(9) of the Listing Manual that the Unitholders who have given irrevocable undertakings to subscribe for the Preferential Offering Units, have sufficient financial resources to fulfil their obligations under their undertakings.

5. DETAILS AND FINANCIAL INFORMATION OF THE ACQUISITION

5.1 Pro Forma Financial Effects of the Acquisition

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and have been prepared based on the audited consolidated financial statements of MCT for the financial year ended 31 March 2019 (the "**2018/19 Audited Financial Statements**") as well as the following assumptions that:

(i) the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018[1];

(ii) approximately 417.1 million New Units are issued at the Illustrative Issue Price of S$2.10 per New Unit pursuant to the Equity Fund Raising;

(iii) the Manager's Acquisition Fee is paid in the form of approximately 3.7 million Acquisition Fee Units at the illustrative issue price of S$2.10 per Acquisition Fee Unit;

(iv) the Manager's management fee in relation to the Acquisition is paid entirely in the form of cash; and

(v) S$697.5 million is drawn down by MCT and/or MBCPL from the New Loan Facilities with an average interest cost of 2.9% per annum to repay, among other things, the Intercompany Loan.

5.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on MCT's DPU for the 2018/19 Audited Financial Statements, as if the Acquisition, the issuance of New Units, the issuance of Acquisition Fee Units, and the drawdown of the New Loan Facilities were completed on 1 April 2018, and MCT had held and operated the Property through to 31 March 2019 are as follows:

	Effects of the Acquisition	
	Before the Acquisition	**After the Acquisition(1)**
Profit before tax and fair value change in investment properties (S$'000)	245,684	288,392(2)
Distributable income (S$'000)	264,027	314,624(3)
Units in issue (million)	2,889.7(4)	3,310.5(5)
DPU (Singapore cents)	9.14(6)	9.51(7)
DPU accretion (%)	–	4.0

Notes:

(1) Based on the drawdown of S$697.5 million from the New Loan Facilities and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit.

1 The Property was completed in April 2016 and for FY18/19, the average occupancy rate of the Property was approximately 76.3%. As at 31 August 2019, the committed occupancy rate of the Property is 99.4%.

(2) Assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018. The profit before tax and fair value change in investment properties were after deducting the borrowing costs associated with the New Loan Facilities, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the Acquisition.

(3) After adjustment for non-tax deductible item arising from the amortisation of rental income for fit-out periods.

(4) Number of Units in issue as at 31 March 2019.

(5) Includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative issue price of S$2.10 per Acquisition Fee Unit.

(6) For the financial year ended 31 March 2019.

(7) Comprises taxable distribution and capital distribution arising from the amortisation of rental income for fit-out periods.

5.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 March 2019, as if the Acquisition, the issuance of New Units and the issuance of Acquisition Fee Units were completed on 31 March 2019, are as follows:

	Effects of the Acquisition	
	Before the Acquisition	**After the Acquisition(1)**
NAV (S$ million)	4,616.0	5,460.1
Units in issue (million)	2,889.7(2)	3,310.5(3)
NAV per Unit (S$)(4)	1.60	1.65

Notes:

(1) Based on the drawdown of S$697.5 million from the New Loan Facilities and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit.

(2) Number of Units in issue as at 31 March 2019.

(3) Includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative issue price of S$2.10 per Acquisition Fee Unit.

(4) The pro forma NAV per Unit adjusted for the changes in valuation of the Existing Portfolio from 31 March 2019 to 31 August 2019 before and after the Acquisition will be S$1.71 and S$1.74 respectively.

5.2 Requirement of Unitholders' Approval

5.2.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by MCT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by MCT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with MCT's NAV;

(ii) the net profits attributable to the assets acquired, compared with MCT's net profits;

(iii) the aggregate value of the consideration given, compared with MCT's market capitalisation; and

(iv) the number of Units issued by MCT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction. The Listing Manual requires that a major transaction involving MCT be made conditional upon approval by Unitholders in a general meeting. However, the approval of Unitholders is not required in the case of an acquisition of profitable assets if only sub-paragraph 5.2.1(ii) exceeds the relevant 20.0% threshold.

5.2.2 Relative Figures computed on the Bases set out in Rule 1006

The relative figures for the Property using the applicable bases of comparison described in paragraph 5.2.1(ii) and 5.2.1(iii) above are set out in the table below.

Comparison of	The Property (S$ million)	MCT (S$ million)	Relative figure (%)
NPI	77.0(1)	347.6	22.2
Consideration against market capitalisation	1,550.0(2)	6,746.8(3)	23.0

Notes:

(1) Assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018 without taking into effect the amortisation of rental income for fit-out periods.

(2) The figure represents the Agreed Property Value. For the avoidance of doubt, the amount to be received by the Vendors in connection with the Acquisition shall be the aggregate of the Total Consideration and the Intercompany Loan.

(3) The figure is based on the closing price of S$2.33 per Unit on SGX-ST as at 25 September 2019, being the market day immediately prior to the entry of the Share Purchase Agreement.

The Manager is of the view that the Acquisition is in the ordinary course of MCT's business as the Property being acquired is within the investment policy of MCT and does not change the risk profile of MCT. As such, the Acquisition should therefore not be subject to Chapter 10 of the Listing Manual notwithstanding that the relative figure exceeds 20.0%. However, as the Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix, the Acquisition will still be subject to the specific approval of Unitholders.

5.2.3 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where MCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MCT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

Based on the 2018/19 Audited Financial Statements, the NTA of MCT was S$4,616.0 million as at 31 March 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by MCT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$230.7 million, such a transaction would be subject to Unitholders' approval. Given the Agreed Property Value is S$1,550.0 million (which is 33.6% of the NTA of MCT as at 31 March 2019), the value of the Acquisition exceeds the said threshold.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by MCT whose value exceeds 5.0% of MCT's latest audited NAV. Based on the 2018/19 Audited Financial Statements, the NAV of MCT was S$4,616.0 million as at 31 March 2019. Accordingly, if the value of a transaction which is proposed to be entered into by MCT with an interested party is equal to or greater than S$230.7 million, such a transaction would be subject to Unitholders' approval. Given the Agreed Property Value is S$1,550.0 million (which is 33.6% of the NAV of MCT as at 31 March 2019), the value of the Acquisition exceeds the said threshold.

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 992,114,110 Units, which is equivalent to approximately 34.3% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MCT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendor is a direct wholly-owned subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being a wholly-owned subsidiary of both a "controlling unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MCT.

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

In approving the Acquisition, Unitholders will be deemed to have approved all documents required to be executed or assigned by the parties in order to give effect to the Acquisition.

5.3 Advice of the Independent Financial Adviser

The Manager has appointed the IFA to advise the independent directors of the Manager (the "**Independent Directors**"), the audit and risk committee of the Manager (the "**Audit and Risk Committee**") and the Trustee in relation to the Acquisition. A copy of the letter from the IFA (the "**IFA Letter**"), containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

After carefully considering the information available to it as at the Latest Practicable Date, and based on the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to the qualifications set out in the IFA Letter, the IFA is of the opinion that the Acquisition is made on normal commercial terms and is not prejudicial to the interests of MCT and its minority Unitholders.

5.4 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 6,005,730 Units. Further details of the interests in Units of the directors of the Manager ("**Directors**") and Substantial Unitholders[1] are set out below.

Mr. Tsang Yam Pui is a member of the board of directors of the Sponsor (the "**Sponsor Board**") and is a member of the Audit and Risk Committee of the Sponsor. Mr. Hiew Yoon Khong is the Executive Director of the Sponsor Board and the Group Chief Executive Officer of the Sponsor. Mr. Wong Mun Hoong is the Regional Chief Executive Officer, Australia & North Asia of the Sponsor. Ms. Amy Ng Lee Hoon is the Regional Chief Executive Officer, South East Asia & Group Retail of the Sponsor. Ms. Lim Hwee Li Sharon is the Chief Executive Officer and Executive Director of the Manager, a wholly-owned subsidiary of the Sponsor.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Director	Direct Interest		Deemed Interest		Total no. of Units held	%[(1)]
	No. of Units	%[(1)]	No. of Units	%[(1)]		
Mr. Tsang Yam Pui	–	–	397,800	0.01	397,800	0.01
Ms. Kwa Kim Li	10,000	0.0003	27,600	0.0009	37,600	0.001
Mrs. Jennifer Loh	397,800	0.01	–	–	397,800	0.01
Mr. Kan Shik Lum	–	–	–	–	–	–
Mr. Koh Cheng Chua	–	–	–	–	–	–
Mr. Premod P. Thomas	–	–	–	–	–	–
Mr. Alvin Tay	–	–	–	–	–	–
Mr. Wu Long Peng	–	–	–	–	–	–
Mr. Hiew Yoon Khong	572,130	0.02	3,946,200	0.13	4,518,330	0.15
Mr. Wong Mun Hoong	–	–	–	–	–	–
Ms. Amy Ng Lee Hoon	635,400	0.02	–	–	635,400	0.02
Ms. Lim Hwee Li Sharon	–	–	18,800	0.0006	18,800	0.0006

Note:

(1) The percentage is based on 2,895,631,555 Units in issue as at the Latest Practicable Date.

1 "Substantial Unitholder" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders of MCT and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	%[1]
	No. of Units	%[1]	No. of Units	%[1]		
Temasek Holdings (Private) Limited ("**Temasek**")[2]	–	–	1,013,781,354	35.01	1,013,781,354	35.01
Fullerton Management Pte Ltd ("**Fullerton**")[2]	–	–	992,114,110	34.26	992,114,110	34.26
MIPL[3]	–	–	992,114,110	34.26	992,114,110	34.26
The HarbourFront Pte Ltd ("**HFPL**")[4]	128,571,428	4.44	742,376,570	25.63	870,947,998	30.07
HarbourFront Place Pte. Ltd. ("**HF Place**")	413,488,636	14.27	–	–	413,488,636	14.27
HarbourFront Eight Pte Ltd ("**HF Eight**")	328,887,934	11.35	–	–	328,887,934	11.35
Schroders plc[5]	–	–	220,332,843	7.60	220,332,843	7.60

Notes:

(1) The percentage is based on 2,895,631,555 Units in issue in MCT as at the Latest Practicable Date.

(2) Each of Temasek and Fullerton is deemed to be interested in the 128,571,428 Units held by HFPL, 413,488,636 Units held by HF Place, 328,887,934 Units held by HF Eight, 44,072,730 Units held by Sienna Pte. Ltd. ("**Sienna**") and 77,093,382 Units held by the Manager. In addition, Temasek is deemed to be interested in the 21,667,244 Units in which its other portfolio companies have direct or deemed interests. HFPL, HF Place, HF Eight, Sienna and the Manager are wholly-owned subsidiaries of MIPL which is in turn a wholly-owned subsidiary of Fullerton. Fullerton is a wholly-owned subsidiary of Temasek. Each of MIPL and the portfolio companies referred to above is an independently-managed Temasek portfolio company. Temasek and Fullerton are not involved in their business or operating decisions, including those regarding their unitholdings.

(3) MIPL is deemed to be interested in the 128,571,428 Units held by HFPL, 413,488,636 Units held by HF Place, 328,887,934 Units held by HF Eight, 44,072,730 Units held by Sienna and 77,093,382 Units held by the Manager.

(4) HFPL as holding company of HF Place and HF Eight is deemed to be interested in the 413,488,636 Units held by HF Place and 328,887,934 Units held by HF Eight.

(5) Schroders plc is deemed to be interested in the 220,332,843 Units held on behalf of clients as investment managers.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Acquisition.

5.5 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition.

6. THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP

6.1 Rule 14 of the Code

The Manager proposes to seek approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer as a result of:

(i) the issuance of Private Placement Units such that MIPL's percentage unitholding would decrease, as MIPL will not be participating in the Private Placement;

(ii) the subscription by MIPL and/or the Relevant Entities of the MIPL Preferential Offering Units in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage;

(iii) the receipt by the Manager in its personal capacity of approximately 3.7 million Acquisition Fee Units[1]; and

(iv) the receipt by the Manager in its personal capacity of approximately 1.1 million 2Q Management Fee Units[2].

In addition to taking up its *pro rata* entitlement to the Preferential Offering, MIPL will, subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders, apply for, and/or procure the application of, such number of Sponsor Excess Units under the Preferential Offering such that if it and/or the Relevant Entities are fully allotted the Sponsor Excess Units, MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage. The exact percentage increase in MIPL's percentage unitholding will depend on the overall level of acceptances and excess applications by Unitholders for the Preferential Offering as according to the rules of the Listing Manual, MIPL, among others, will rank last in the allocation of excess Unit applications. In the event that MIPL is allocated in full its application for the Sponsor Excess Units, MIPL's percentage unitholding will increase to its Pre-Placement Percentage. MIPL's percentage unitholding after the Preferential Offering will therefore vary based on zero allocation and full allocation of the Sponsor Excess Units applied, respectively.

It should be noted that in the event that the Equity Fund Raising is structured as a Private Placement followed by a Preferential Offering, MIPL's percentage unitholding will decrease immediately upon the completion of the Private Placement as MIPL will not be participating in the Private Placement. Assuming that MIPL is allocated in full its application for the Sponsor Excess Units under the Preferential Offering, MIPL's percentage unitholding will increase after completion of the Preferential Offering to its Pre-Placement Percentage. Accordingly, if the Equity Fund Raising is structured in such manner, MIPL's percentage unitholding immediately after the Equity Fund Raising will actually be equal to or lower than its Pre-Placement Percentage.

1 This is based on an illustrative issue price of S$2.10 per Acquisition Fee Unit.

2 This is based on an illustrative issue price of S$2.04 per 2Q Management Fee Unit.

Upon the occurrence of the events set out in sub-paragraphs 6.1(i) to (iv) above, the Concert Party Group may possibly end up acquiring additional Units which exceed the threshold pursuant to Rule 14.1(b) of the Code.

Rule 14.1(b) of the Code states that the Concert Party Group would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MCT and the Concert Party Group, acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of MCT.

Unless waived by the SIC, pursuant to Rule 14.1(b) of the Code, the Concert Party Group would then be required to make a Mandatory Offer. The SIC has granted this waiver on 20 September 2019 subject to, *inter alia*, Resolution 3 (the Whitewash Resolution) being approved by Independent Unitholders at the EGM.

To the best of the knowledge of the Manager and MIPL, the Concert Party Group holds, in aggregate, 1,002,315,034 Units representing 34.61% of the voting rights of MCT as at the Latest Practicable Date.

For illustrative purposes, the following example shows an illustrative scenario where (i) 417.1 million New Units are issued pursuant to the Equity Fund Raising (comprising 236.9 million New Units issued under the Private Placement and 180.2 million New Units issued under the Preferential Offering), (ii) approximately 3.7 million Acquisition Fee Units are issued to the Manager in its personal capacity as payment for the Acquisition Fee, and (iii) approximately 1.1 million 2Q Management Fee Units are issued to the Manager in its personal capacity as payment for the 2Q Management Fee.

Based on an Illustrative Issue Price of (i) S$2.10 per New Unit, (ii) S$2.10 per Acquisition Fee Unit and (iii) S$2.04 per 2Q Management Fee Unit, the aggregated unitholding of the Concert Party Group immediately after the issue of all the above-mentioned new Units will be 34.66%.

The following table sets out the respective maximum unitholdings of the Concert Party Group if the Manager receives approximately 3.7 million Acquisition Fee Units (based on an illustrative issue price of S$2.10 per Acquisition Fee Unit) and approximately 1.1 million 2Q Management Fee Units (based on an illustrative issue price of S$2.04 per 2Q Management Fee Unit).

	As at the Latest Practicable Date	After the Private Placement	Pre-Preferential Offering(1)	Post-Preferential Offering(2)	Post-Preferential Offering(2) and Issuance of the Acquisition Fee Units
Issued Units	2,895,631,555	3,132,598,555	3,133,683,335	3,313,851,604	3,317,547,285
Number of Units held by MIPL and parties acting in concert with it	1,002,315,034	1,002,315,034	1,003,399,814	1,146,242,147	1,149,937,828
Number of Units held by Unitholders, other than MIPL and parties acting in concert with it	1,893,316,521	2,130,283,521	2,130,283,521	2,167,609,457	2,167,609,457
% of issued Units held by MIPL and parties acting in concert with it	34.61%	32.00%	32.02%	34.59%	34.66%
% of issued Units held by Unitholders, other than MIPL and parties acting in concert with it	65.39%	68.00%	67.98%	65.41%	65.34%

Notes:

(1) In the table above, the 2Q Management Fee Units is assumed to be issued after the Private Placement and before the Preferential Offering. The actual sequence of the events as set out in the table above may differ depending on the timing of the Private Placement, the Preferential Offering, the issuance of the 2Q Management Fee Units and the issuance of the Acquisition Fee Units.

(2) Assuming the Concert Party Group accepts its *pro rata* provisional allotment of the Preferential Offering Units in full and is allocated in full its application for the Sponsor Excess Units.

6.2 Application for Waiver from Rule 14 of the Code

An application was made to the SIC on 21 August 2019 for the waiver of the obligation of the Concert Party Group to make a Mandatory Offer under Rule 14 of the Code should the obligation to do so arise as a result of:

(a) the issuance of the Private Placement Units such that MIPL's percentage unitholding would decrease, as MIPL will not be participating in the Private Placement;

(b) the subscription by MIPL and/or the Relevant Entities of the MIPL Preferential Offering Units in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage[1];

(c) the receipt by the Manager in its personal capacity of the Acquisition Fee Units; and

(d) the receipt by the Manager in its personal capacity of the 2Q Management Fee Units.

1 See the table in paragraph 6.1 to the Letter to Unitholders and the assumptions stated therein.

The SIC granted the SIC Waiver on 20 September 2019, subject to, *inter alia*, the satisfaction of the following conditions:

(a) a majority of Unitholders approve at a general meeting, before the issuance of the Preferential Offering Units, the Acquisition Fee Units, or the 2Q Management Fee Units (collectively, the "**Proposed Issuance of Units**"), the Whitewash Resolution by way of a poll to waive their rights to receive a Mandatory Offer from the Concert Party Group;

(b) the Whitewash Resolution is separate from other resolutions;

(c) the Concert Party Group and parties not independent of them abstain from voting on the Whitewash Resolution;

(d) the Concert Party Group did not acquire or are not to acquire any units or instruments convertible into and options in respect of Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Units which have been disclosed in the circular):

  (i) during the period between the first announcement of the Acquisition and the date Unitholders' approval is obtained for the Whitewash Resolution; and

  (ii) in the six months prior to the announcement of the Acquisition but subsequent to negotiations, discussion or the reaching of understandings or agreements with the directors of the Manager in relation to such proposal;

(e) MCT appoints an independent financial adviser to advise the Independent Unitholders on the Whitewash Resolution;

(f) MCT sets out clearly in the Circular:

  (i) details of the Proposed Issuance of Units;

  (ii) the dilution effect of the Proposed Issuance of Units to existing holders of voting rights;

  (iii) the number and percentage of voting rights in MCT as well as the number of instruments convertible into, rights to subscribe for and options in respect of Units held by the Concert Party Group at the Latest Practicable Date;

  (iv) the number and percentage of voting rights in MCT to be acquired by the Concert Party Group as a result of their acquisition of the Preferential Offering Units, the Acquisition Fee Units, and the 2Q Management Fee Units; and

  (v) specific and prominent reference to the fact that Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a Mandatory Offer from the Concert Party Group at the highest price paid by the Concert Party Group for the Units in the past 6 months preceding the commencement of the offer;

(g) the Circular states that the waiver granted by SIC to the Concert Party Group from the requirement to make a Mandatory Offer under Rule 14 is subject to the conditions set out in sub-paragraphs (a) to (f) above;

(h) MCT obtains SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and

(i) to rely on the Whitewash Resolution, the acquisition of the Preferential Offering Units, the Acquisition Fee Units, and the 2Q Management Fee Units by the Concert Party Group must be completed within three months of the approval of the Whitewash Resolution.

Independent Unitholders should note that by voting for the Whitewash Resolution, they are waiving their rights to receive a Mandatory Offer from the Concert Party Group at the highest price paid or agreed to be paid by the Concert Party Group for Units in the six months preceding the announcement of the Equity Fund Raising.

6.3 Rationale for the Whitewash Resolution

The Whitewash Resolution is to enable the subscription by MIPL and/or the Relevant Entities of the MIPL Preferential Offering Units such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage, the receipt by the Manager (in its own capacity) of the Acquisition Fee Units, and the receipt by the Manager (in its own capacity) of the 2Q Management Fee Units.

The Manager is of the view that the Sponsor should not be treated differently from any other Unitholder and should be given the opportunity to apply for Excess Units. In addition, any application for the Sponsor Excess Units, if the Sponsor chooses to make such application, will further demonstrate the Sponsor's support for and confidence in the Preferential Offering and its long-term commitment to MCT, and will further enhance the chances of a successful Preferential Offering. In the allotment of Excess Units under the Preferential Offering, preference will be given to the rounding of odd lots, followed by allotment to the Unitholders who are neither Directors nor Substantial Unitholders who have control or influence over MCT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager. The Sponsor, its wholly-owned subsidiaries, Directors and other Substantial Unitholders who have control or influence over MCT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager will rank last in priority. Further, the number of New Units proposed to be subscribed by MIPL under the Preferential Offering shall be no more than such number as would be required to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising.

6.4 Advice of the Independent Financial Adviser

The Manager has appointed the IFA to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the proposed Whitewash Resolution. A copy of the IFA Letter, containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

After carefully considering the information available to it as at the Latest Practicable Date, and based on the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to the qualifications set out in the IFA Letter, the IFA has advised that the proposed Whitewash Resolution is fair and reasonable.

7. RECOMMENDATIONS

7.1 On the Acquisition

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular) and the rationale for and key benefits of the Acquisition as set out in paragraph 3 above, the Independent Directors and the Audit and Risk Committee believe that the Acquisition is based on normal commercial terms and would not be prejudicial to the interests of MCT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the resolution to approve the Acquisition.

7.2 On the Equity Fund Raising

Having regard to the rationale for the proposed Equity Fund Raising as set out in Paragraph 4.3 above, the Directors believe that the proposed Equity Fund Raising would be beneficial to, and is in the interests of, MCT and its Unitholders.

Accordingly, the Directors recommend that Unitholders vote at the EGM in favour of Resolution 2 relating to the Equity Fund Raising.

7.3 On the Whitewash Resolution in relation to the Concert Party Group

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular) and the rationale for the Whitewash Resolution as set out in paragraph 6.3 above, the Independent Directors and the Audit and Risk Committee believe that the Whitewash Resolution is fair and reasonable.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the resolution to approve the Whitewash Resolution.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 15 October 2019 (Tuesday) at 3.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages E-1 to E-3 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions. Approval by way of an Ordinary Resolution is required in respect of each of Resolution 1 relating to the Acquisition, Resolution 2 relating to the Equity Fund Raising and Resolution 3 relating to the Whitewash Resolution.

A Depositor (as defined herein) shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for the EGM.

9. ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, MIPL has a deemed interest in 992,114,110 Units, which comprises approximately 34.3% of the total number of Units in issue. Fullerton, through its interest in the Sponsor, has a deemed interest in 992,114,110 Units, which comprises approximately 34.3% of the total number of Units in issue. Temasek, through its interests in Fullerton and its other portfolio companies, is deemed to be interested in 1,013,781,354 Units, which comprises approximately 35.0% of the total number of Units in issue.

(i) Resolution 1: the Proposed Acquisition

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting, or accepting appointments as proxies, on a resolution in relation to a matter in respect of which such persons are interested in the EGM, unless specific instructions as to voting are given.

Given that the Property will be acquired from a wholly-owned subsidiary of MIPL, each of MIPL, Fullerton and Temasek (a) will abstain, and procure that their associates, including the Manager, will abstain from voting at the EGM on Resolution 1, and (b) will not, and will procure that their associates will not, accept appointments as proxies in relation to Resolution 1 unless specific instructions as to voting are given.

For the purposes of good corporate governance, as Mr. Tsang Yam Pui is a member of the Sponsor Board and is a member of the Audit and Risk Committee of the Sponsor, Mr. Hiew Yoon Khong is the Executive Director of the Sponsor Board and the Group Chief Executive Officer of the Sponsor, Mr. Wong Mun Hoong is the Regional Chief Executive Officer, Australia & North Asia of the Sponsor, Ms. Amy Ng Lee Hoon is the Regional Chief Executive Officer, South East Asia & Group Retail of the Sponsor and Ms. Lim Hwee Li Sharon is the Chief Executive Officer and Executive Director of the Manager, a wholly-owned subsidiary of the Sponsor, they will each abstain from voting on the Ordinary Resolution in relation to the Acquisition in respect of Units (if any) held by them and will not accept appointments as proxies in relation to the resolution on the Acquisition unless specific instructions as to voting are given.

(ii) Resolution 3: the Proposed Whitewash Resolution in relation to the Concert Party Group

Pursuant to the SIC Waiver granted in relation to Resolution 3, MIPL, parties acting in concert with it (which includes MIPL and its subsidiaries) and parties not independent of MIPL are required to abstain from voting on Resolution 3.

10. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach MCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 3.30 p.m. on 12 October 2019, being 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of the resolution must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolution. If a Unitholder (being an Independent Unitholder) wishes to appoint Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Mr. Wong Mun Hoong, Ms. Amy Ng Lee Hoon and/or Ms. Lim Hwee Li Sharon as his/her proxy/proxies for the EGM, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of the resolutions.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, the Equity Fund Raising and the Whitewash Resolution, MCT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. JOINT GLOBAL CO-ORDINATORS AND BOOKRUNNERS' RESPONSIBILITY STATEMENT

To the best of the Joint Global Co-ordinators and Bookrunners' knowledge and belief, the information about the Equity Fund Raising contained in the "Overview" section and paragraph 4 of the Letter to Unitholders in this Circular constitutes full and true disclosure of all material facts about the Equity Fund Raising, and the Joint Global Co-ordinators and Bookrunners are not aware of any facts the omission of which would make any statement about the Equity Fund Raising contained in the said paragraphs misleading.

13. CONSENTS

Each of the IFA (being ANZ), the Independent Market Research Consultant (being CBRE), and the Independent Valuers (being Savills and CBRE) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the Independent Market Research Report, the valuation certificates and all references thereto, in the form and context in which they are included in this Circular.

14. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager (by prior appointment) at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438 from the date of this Circular up to and including the date falling three months after the date of this Circular:

(i) the Share Purchase Agreement;

(ii) the IFA Letter;

(iii) the independent valuation report on the Property issued by CBRE;

(iv) the independent valuation report on the Property issued by Savills;

(v) the Independent Market Research Report;

(vi) the 2018/19 Audited Financial Statements; and

(vii) the written consents of each of the IFA, the Independent Market Research Consultant, and the Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MCT is in existence.

Yours faithfully

Mapletree Commercial Trust Management Ltd.
(Company Registration No. 200708826C)
(as Manager of MCT)

Tsang Yam Pui
Non-Executive Chairman and Director

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of MCT is not necessarily indicative of the future performance of MCT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular does not constitute an offer of securities in the United States or any other jurisdiction. Any proposed issue of New Units described in this Circular will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, and any such New Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Manager does not intend to conduct a public offering of any securities of MCT in the United States.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

“%”	:	Per centum or percentage
“2Q 2019/20”	:	The period from 1 July 2019 to 30 September 2019
“2Q Management Fee”	:	Management fees for 2Q 2019/20
“2Q Management Fee Units”	:	The Units payable to the Manager for the 2Q Management Fee
“2018/19 Audited Financial Statements”	:	Audited consolidated financial statements of MCT for the financial year ended 31 March 2019
“80 Alexandra”	:	80 Alexandra Pte. Ltd.
“Acquisition”	:	The proposed acquisition of the Property through the acquisition of the Sale Shares
“Acquisition Fee”	:	The acquisition fee payable in Units for the Acquisition which the Manager will be entitled to receive from MCT upon Completion
“Acquisition Fee Units”	:	The Units payable to the Manager as the Acquisition Fee
“Adjusted Net Asset Value”	:	The adjusted net asset value of MBCPL
“Agreed Property Value”	:	The agreed property value of the Property of S$1,550.0 million
“Alexandra Precinct”	:	Alexandra Precinct, which spans 13.5 hectares and comprises high quality developments catering to a wide range of office and business park uses, is located in the Queenstown Planning Area along Alexandra Road/Telok Blangah Road and is approximately a 10 minute-drive from the CBD
“ANZ”	:	Australia and New Zealand Banking Group Limited, Singapore Branch
“ARC”	:	Alexandra Retail Centre
“ARE”	:	The application for rights entitlement acceptance form for new Units provisionally allotted to entitled Unitholders under the Preferential Offering and application form for excess new Units
“Audit and Risk Committee”	:	The audit and risk committee of the Manager

"**BCA**"	:	Building and Construction Authority of Singapore
"**CAGR**"	:	Compound annual growth rate
"**CBD**"	:	Central business district of Singapore
"**CBRE**"	:	CBRE Pte. Ltd.
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Unitholders dated 27 September 2019
"**Citi**"	:	Citigroup Global Markets Singapore Pte. Ltd.
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Common Premises**"	:	The common carpark, multi-purpose hall, retail area and common property (including the landscape areas, driveways and walkways) located at 10, 20, 30 Pasir Panjang Road Singapore 117438/117439/117440
"**Completion**"	:	The completion of the Acquisition
"**Completion Date**"	:	The date of Completion
"**Concert Party Group**"	:	MIPL and parties acting in concert with it
"**Conversion**"	:	The conversion of MBCPL to MBC LLP pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore) as soon as practicable following Completion
"**DBS**"	:	DBS Bank Ltd.
"**Dextra**"	:	Mapletree Dextra Pte. Ltd.
"**Directors**"	:	The directors of the Manager
"**DPU**"	:	Distribution per Unit
"**EGM**"	:	The extraordinary general meeting of Unitholders to be held on 15 October 2019 (Tuesday) at 3.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, to approve the matters set out in the Notice of Extraordinary General Meeting on pages E-1 to E-3 of this Circular
"**Enlarged Portfolio**"	:	The enlarged portfolio of properties held by MCT, consisting of (i) the Existing Portfolio and (ii) the Property

"**Equity Fund Raising**"	:	A proposed equity fund raising to raise capital via the issue of New Units, subject to, among others, prevailing market conditions and mutual agreement between the Manager and the Joint Global Co-ordinators and Bookrunners on the terms of such equity fund raising
"**Existing Loan Facilities**"	:	The existing loan facilities granted to MCT
"**Existing Portfolio**"	:	The portfolio comprising VivoCity, Mapletree Business City (Phase 1), PSA Building, Mapletree Anson and MLHF
"**F&B**"	:	Food and beverage
"**Fullerton**"	:	Fullerton Management Pte Ltd
"**FY18/19**"	:	Financial year ended 31 March 2019
"**GFA**"	:	Gross floor area
"**Gross Rental Income**"	:	Consists of base rental income, service charges, advertising and promotion charges (after-rent rebates, refunds, credits, discounts and rebates for rent-free periods, where applicable), and turnover rent which is generally calculated as a percentage of the tenant's gross turnover
"**GSW**" or "**Greater Southern Waterfront**"	:	Singapore's Southern waterfront comprising 2,000 hectares of land with 30 kilometres of coastline which extends from Marina East to Pasir Panjang
"**HarbourFront Precinct**"	:	HarbourFront Precinct, which spans approximately 24 hectares along Singapore's southern waterfront, is a thriving business and lifestyle hub and a quality office location close to the CBD, and is located at the foothills of Mount Faber Park and extends to Singapore's southern coast overlooking Sentosa
"**HF Eight**"	:	HarbourFront Eight Pte Ltd
"**HF Place**"	:	HarbourFront Place Pte. Ltd.
"**HFPL**"	:	The HarbourFront Pte Ltd
"**IFA**"	:	Australia and New Zealand Banking Group Limited, Singapore Branch
"**IFA Letter**"	:	The letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee containing its advice as set out in **Appendix D** of this Circular
"**Illustrative Issue Price**"	:	The illustrative issue price of S$2.10 per New Unit issued under the Equity Fund Raising

"Independent Directors"	:	The independent directors of the Manager
"Independent Market Research Consultant"	:	CBRE Pte. Ltd., in its capacity as the independent market research consultant
"Independent Market Research Report"	:	The independent market research report issued by the Independent Market Research Consultant
"Independent Unitholders"	:	Unitholders other than MIPL, parties acting in concert with it and parties which are not independent of MIPL
"Independent Valuers"	:	CBRE and Savills
"Intercompany Loan"	:	The intercompany loans of approximately S$665.0 million owed by MBCPL to the Vendor and Mapletree Treasury Services Limited, a wholly-owned subsidiary of MIPL
"Interested Person Transaction"	:	An interested person transaction as defined in Chapter 9 of the Listing Manual
"IRAS"	:	Inland Revenue Authority of Singapore
"Issue Price"	:	The issue price of the New Units issued under the Equity Fund Raising
"Joint Global Co-ordinators and Bookrunners"	:	The joint global co-ordinators and bookrunners in relation to the Equity Fund Raising, being Citi, DBS and UBS
"Latest Practicable Date"	:	19 September 2019, being the latest practicable date prior to the printing of this Circular
"LEAF"	:	Landscape Excellence Assessment Framework
"LEED"	:	Leadership in Energy and Environmental Design
"Listing Manual"	:	The Listing Manual of the SGX-ST
"LLP Agreement"	:	The limited liability partnership agreement to be entered into between 80 Alexandra and the Trustee in respect of MBC LLP
"Loan Facilities"	:	The New Loan Facilities and the Existing Loan Facilities
"Manager"	:	Mapletree Commercial Trust Management Ltd., in its capacity as manager of MCT
"Mandatory Offer"	:	The mandatory offer for the remaining Units not owned or controlled by the Concert Party Group
"Mapletree Anson"	:	Mapletree Anson, located at 60 Anson Road Singapore 079914

"**Mapletree Business City (Phase 1)**" or "**MBC I**"	:	The office and business park complex located at 10, 20, 30 Pasir Panjang Road Singapore 117438/117439/117440
"**Mapletree Business City (Phase 2)**" or "**MBC II**"	:	The property known as Mapletree Business City (Phase 2) located at 40, 50, 60, 70 and 80 Pasir Panjang Road, Singapore 117383/117384/117385/117371/117372 including the common property (carpark, landscape areas, driveways and walkways)
"**Mapletree Business City Development**"	:	Mapletree Business City (Phase 1), Mapletree Business City (Phase 2) and the Common Premises
"**MAS**"	:	Monetary Authority of Singapore
"**MBC I Acquisition**"	:	The acquisition of the Strata Lease by MCT from MBCPL in 2016, which was approved at an extraordinary general meeting held on 25 July 2016
"**MBC LLP**"	:	The limited liability partnership to which MBCPL will be converted as soon as practicable following Completion
"**MBCPL**"	:	Mapletree Business City Pte. Ltd.
"**MCT**"	:	Mapletree Commercial Trust
"**MIPL**" or "**Sponsor**"	:	Mapletree Investments Pte Ltd
"**MIPL Preferential Offering Units**"	:	New Units to be subscribed by MIPL under the Preferential Offering
"**MLHF**"	:	Bank of America Merrill Lynch HarbourFront
"**MNC**"	:	Multinational corporation
"**MRT**"	:	Mass Rapid Transit
"**NAV**"	:	Net asset value
"**New Loan Facilities**"	:	The new loan facilities of up to an aggregate amount of S$800.0 million taken up to part-finance the Total Acquisition Cost, comprising (i) a five-year term loan facility, (ii) a six-year term loan facility, (iii) a seven-year term loan facility and (iv) a six-year revolving credit facility
"**New Units**"	:	The new Units to be issued under the Equity Fund Raising
"**NLA**"	:	Net lettable area
"**NPI**"	:	Net property income
"**NTA**"	:	Net tangible assets

"**Ordinary Resolution**"	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
"**Pre-Placement Percentage**"	:	MIPL's unitholding percentage of 34.3% immediately prior to the Private Placement
"**Preferential Offering**"	:	The preferential offering of the Preferential Offering Units to Unitholders
"**Preferential Offering Units**"	:	The New Units to be issued to Unitholders pursuant to the Preferential Offering
"**Private Placement**"	:	The private placement of the Private Placement Units
"**Private Placement Units**"	:	The New Units to be issued pursuant to the Private Placement
"**Property**"	:	Mapletree Business City (Phase 2) and the Common Premises, comprised in the leasehold interest in Lot 4968K Mukim 3 (excluding the Strata Lease in respect of Mapletree Business City (Phase 1))
"**Property Funds Appendix**"	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
"**Proposed Issuance of Units**"	:	The issuance of the Preferential Offering Units, the Acquisition Fee Units and the 2Q Management Fee Units
"**Proxy Form**"	:	The instrument appointing a proxy or proxies as set out in this Circular
"**psf pm**"	:	Per square foot per month
"**Purchasers**"	:	The Trustee and 80 Alexandra
"**REIT**"	:	Real estate investment trust
"**Relevant Entities**"	:	MIPL's subsidiaries
"**S$**" and "**cents**"	:	Singapore dollars and cents
"**Sale Shares**"	:	All of the ordinary shares in the issued share capital of MBCPL
"**Savills**"	:	Savills Valuation and Professional Services (S) Pte. Ltd.
"**Securities Act**"	:	U.S. Securities Act of 1933, as amended
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited

"Share Purchase Agreement"	:	The conditional share purchase agreement for the acquisition of the Sale Shares, entered into between the Purchasers, the Vendor and Dextra dated 26 September 2019
"SIC"	:	The Securities Industry Council
"SIC Waiver"	:	The waiver granted by the SIC on 20 September 2019
"Sienna"	:	Sienna Pte. Ltd.
"Sponsor"	:	MIPL
"Sponsor Board"	:	Board of directors of the Sponsor
"Sponsor Excess Units"	:	Excess Units under the Preferential Offering that the Sponsor will, subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders, undertake to apply for, and/or procure the application of
"State Lease"	:	State leases (as amended and supplemented) issued by the State Lessor in respect of Mapletree Business City Development
"State Lessor"	:	President of the Republic of Singapore and his successors-in-office
"Strata Lease"	:	The leasehold interest over the strata area comprising Mapletree Business City (Phase 1) for a term commencing from 25 August 2016 to 29 September 2096
"sq ft"	:	Square feet
"Substantial Unitholder"	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
"Temasek"	:	Temasek Holdings (Private) Limited
"Total Acquisition Cost"	:	The total cost of the Acquisition
"Total Consideration"	:	The total purchase consideration payable by the Purchasers in connection with the Acquisition. As at the date of this Circular, the Total Consideration is estimated to be S$884.9 million, subject to post-Completion adjustments to the Adjusted Net Asset Value of MBCPL

"**Trust Deed**"	The trust deed dated 25 August 2005 entered into between the Sponsor (in its former capacity as manager) and VivoCity Pte. Ltd. (in its former capacity as trustee) constituting a private trust known as Vivocity Trust, as amended by (i) a supplemental deed dated 25 April 2006, (ii) a supplemental deed of change of name of the trust dated 4 April 2011, (iii) a supplemental deed of appointment and retirement of manager dated 4 April 2011, (iv) a supplemental deed of appointment and retirement of trustee dated 4 April 2011, (v) an amending and restating deed dated 4 April 2011, (vi) a second amending and restating deed dated 28 June 2016 and (vii) a fifth supplemental deed stated 25 May 2018, and as may be further amended, varied or supplemented from time to time
"**Trustee**"	DBS Trustee Limited, in its capacity as trustee of MCT
"**UBS**"	UBS AG, Singapore Branch
"**Undertaking**"	The irrevocable undertaking dated 26 September 2019 given by MIPL to the Manager and the Joint Global Co-ordinators and Bookrunners
"**Underwriting Agreement**"	The underwriting agreement anticipated to be entered into between the Manager and the Joint Global Co-ordinators and Bookrunners, subject to, among others, prevailing market conditions and mutual agreement to the terms of the Equity Fund Raising, such as the issue price of the New Units
"**Unit**"	A unit representing an undivided interest in MCT
"**Unitholder**"	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose securities account with CDP is credited with Units
"**Vendor**"	Heliconia Realty Pte Ltd
"**VWAP**"	Volume weighted average price
"**WALE**"	Weighted average lease to expiry
"**Whitewash Resolution**"	A resolution approved by Unitholders, on a poll, to waive their rights to receive a general offer for their Units from the Concert Party Group

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

DETAILS OF THE PROPERTY, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

1. THE PROPERTY

1.1 Description of the Property

The Property comprises Mapletree Business City (Phase 2) and the Common Premises. The Property, together with Mapletree Business City (Phase 1), forms Mapletree Business City Development and is one of the largest integrated office and business park developments in Singapore with Grade A building specifications. Mapletree Business City Development, together with PSA Building (which is currently owned by MCT), forms the Alexandra Precinct.

Mapletree Business City Development has excellent transport connectivity and is approximately a 10-minute drive from the CBD. It is well-served by major roads and expressways such as the West Coast Highway, the Ayer Rajah Expressway and the Marina Coastal Expressway. Extensive bus services run through the surrounding area. All blocks in Mapletree Business City Development are linked by elevated covered walkways, which also provide connectivity to the adjacent PSA Building, as well as to Labrador Park MRT Station.

The Property has an NLA of 1,184,704 sq ft (as at 31 August 2019) and comprises four blocks of business park space (MBC 50, 60, 70 and 80 with a total NLA of 1,167,106 sq ft) and retail space with a total NLA of 17,598 sq ft. Mapletree Business City Development is zoned business park (with 15% white and gross plot ratio of 2.8) with a land tenure of 99 years leasehold commencing 1 October 1997. This is in line with the land tenures for commercial developments as opposed to the typical business park properties which have land tenures of 60 years leasehold.

Offering commanding views of the sea and surrounding parks, MBC II's 30-storey business park tower terraces down to eight, six and five-storey blocks and is set amidst 2.8 hectares of lush landscape. The carpark podium, which is linked to all blocks in Mapletree Business City Development, provides 2,001 carpark lots over two levels and serves both MBC I and MBC II. Amenities within Mapletree Business City Development include modern conference facilities, a 294-seat auditorium, an on-site gym with a 44 metre-long heated pool, sporting facilities such as an outdoor running track, tennis, futsal and basketball courts, a garden amphitheatre for arts events and performances, as well as a wide assortment of F&B options. Mapletree Business City Development is also directly linked via elevated covered walkways to ARC. ARC has a wide range of tenants, which include F&B establishments, retail outlets and service trades as well as a supermarket, providing amenities to the growing working population within the Alexandra Precinct.

Completed in 2016, MBC II has been designed with environmentally friendly features and has garnered numerous local and international awards including the prestigious BCA Green Mark Platinum Award, BCA Universal Design Mark (Platinum) Award and LEED Gold certification.

Since its completion in 2016, MBC II has attracted a strong and diverse tenant base comprising many well-known and reputable MNCs, and enjoys a committed occupancy rate of 99.4% (as at 31 August 2019).

The table below sets out a summary of selected information on the Property as at 31 August 2019 (unless otherwise indicated).

The Property	Four blocks of business park space at 50, 60, 70 and 80 Pasir Panjang Road, Singapore 117384/ 117385/117371/117372 and retail space at level 2 of 20 and 40 Pasir Panjang Road, Singapore 117439/117383 and the Common Premises
Building Completion	2016 (the Common Premises were completed in 2010)
Land Tenure	99 years leasehold commencing 1 October 1997
Master Plan Zoning	Business Park (with 15.0% White and Gross Plot Ratio of 2.8)(1)
GFA	1,429,384 sq ft
NLA	1,184,704 sq ft Business Park: 1,167,106 sq ft Retail: 17,598 sq ft
Building Efficiency	83.0%
Typical Floor Plate	Blk 50, 60 and 70: 26,000 – 29,000 sq ft Blk 80: 32,000 sq ft
Number of Storeys	Blk 50, 60 and 70: five to eight storeys Blk 80: 30 storeys
Car Park Lots	2001
Amenities	Multi-purpose hall, seminar rooms and assorted sports facilities
Average Passing Rent	S$6.15 psf pm
Committed Occupancy	99.4%
Number of tenants	32 (18 Business Park, 14 Retail)
Valuation (S$ million)	1,556.0(2)

Notes:

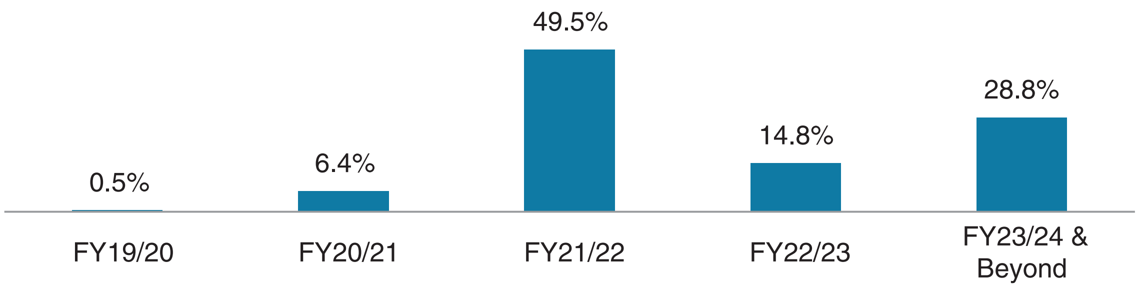
(1) For Mapletree Business City Development.

(2) Being the average of the appraised value of the Property by Savills and CBRE of S$1,552.0 million and S$1,560.0 million respectively as at 31 August 2019.

1.2 Lease Expiry Profile for the Property (as at 31 August 2019)

The chart below illustrates the committed lease expiry profile of the Property by Gross Rental Income as at 31 August 2019. The WALE by Gross Rental Income for the Property is approximately 2.9 years.

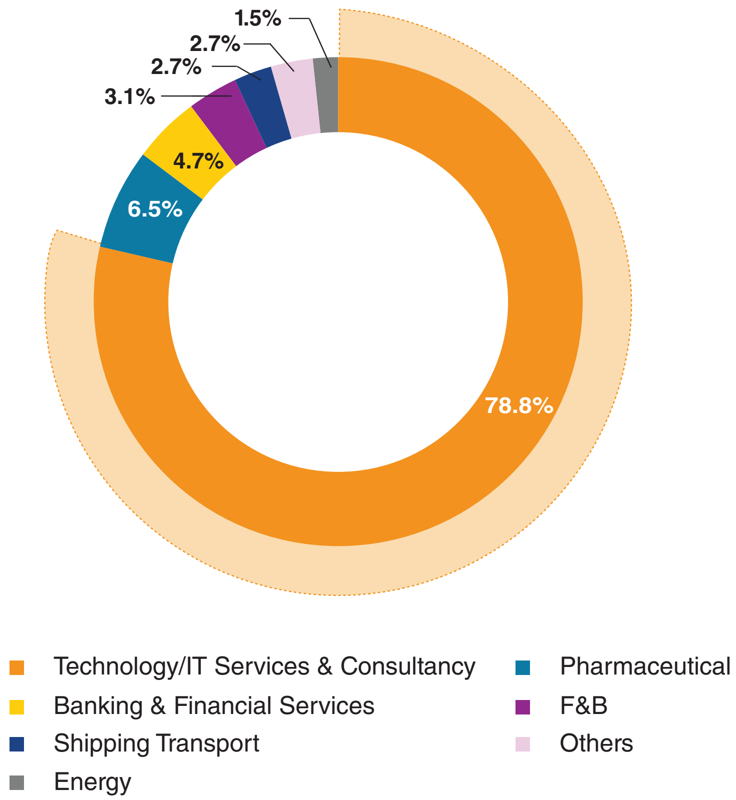
Lease Expiry Profile as a % of Gross Rental Income
(The Property)



1.3 Trade Sector Analysis for the Property (as at 31 August 2019)

The chart below provides a breakdown by Gross Rental Income of the different trade sectors represented in the Property.

Trade Sector as a % of Gross Rental Income (The Property)



1.4 Top 10 Tenants of the Property (as at 31 August 2019)

The table below shows the top 10 tenants of the Property by Gross Rental Income as at 31 August 2019.

Top 10 Tenants	Trade Sector	% of Gross Rental Income
Google Asia Pacific Pte. Ltd.	Technology/IT Services & Consultancy	58.1%
Cisco Systems (USA) Pte. Ltd.	Technology/IT Services & Consultancy	6.9%
Covidien Private Limited	Pharmaceutical	4.6%
Confidential Tenant	Technology/IT Services & Consultancy	3.5%
Credit Agricole Corporate and Investment Bank	Banking & Financial Services	2.8%
Top Five Tenants		**75.9%**
Remaining of the Top 10 Tenants		**11.2%**
Top 10 Tenants Total		**87.1%**

2 EXISTING PORTFOLIO

The Existing Portfolio has a total NLA of 3,847,922 sq ft comprising 1,161,957 sq ft of retail NLA and 2,685,965 sq ft of office and business park NLA. The table below sets out certain key information on the properties in the Existing Portfolio as at 31 August 2019.

	VivoCity	MBC I	PSA Building	Mapletree Anson	MLHF	Existing Portfolio
GFA (sq ft)	1,537,667	1,897,250	880,025	383,812	243,814	4,942,568
NLA (sq ft)	1,072,296	1,707,202	Office: 434,178[(1)] Retail: 89,662	328,852	215,734	3,847,922
Number of Tenants[(2)]	309	32	110	19	3	444
Carpark Lots	2,183	–	749	80	94	3,106
Title	99 years leasehold commencing 1 October 1997	Strata lease commencing from 25 August 2016 to 29 September 2096	99 years leasehold commencing 1 October 1997	99 years leasehold commencing 22 October 2007	99 years leasehold commencing 1 October 1997	–
Valuation[(3)] (S$ million)	3,262	2,193	786	762	347	7,350
Committed Occupancy (%)	99.9	99.7	93.1	99.0	100	98.8
Year of Completion	2006	2010	Office: 1985/2011[(4)] Retail: 2011[(5)]	2009	2008	–
Revenue[(6)] (S$ million)	212.9	127.1	50.5	33.6	19.7	443.9
NPI[(6)] (S$ million)	162.3	104.2	38.5	26.9	15.8	347.6

Notes:

(1) Excludes the seven floors of leases at PSA Building with a total leased area of 114,960 sq ft, which have been sub-leased on a long-term basis to The Minister for Finance and The Maritime and Port Authority of Singapore, in both cases for a period of 97 years and nine months less one day commencing from 1 January 1999.

(2) Total for the Existing Portfolio does not add up due to common tenants across properties.

(3) As at 31 August 2019.

(4) The office portion of PSA Building includes 15,425 sq ft of space added as part of asset enhancement works that were completed in November 2011.

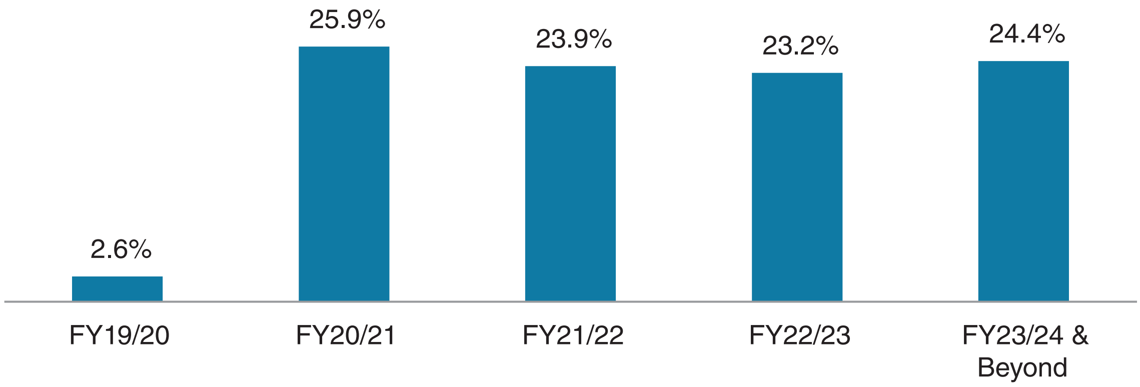
(5) The retail portion of PSA Building comprises the three-storey ARC which was completed in November 2011.

(6) For the financial year ended 31 March 2019.

2.1 Lease Expiry Profile for the Existing Portfolio (as at 31 August 2019)

The chart below illustrates the committed lease expiry profile of the Existing Portfolio by Gross Rental Income as at 31 August 2019. The WALE by Gross Rental Income for the Existing Portfolio is approximately 2.9 years.

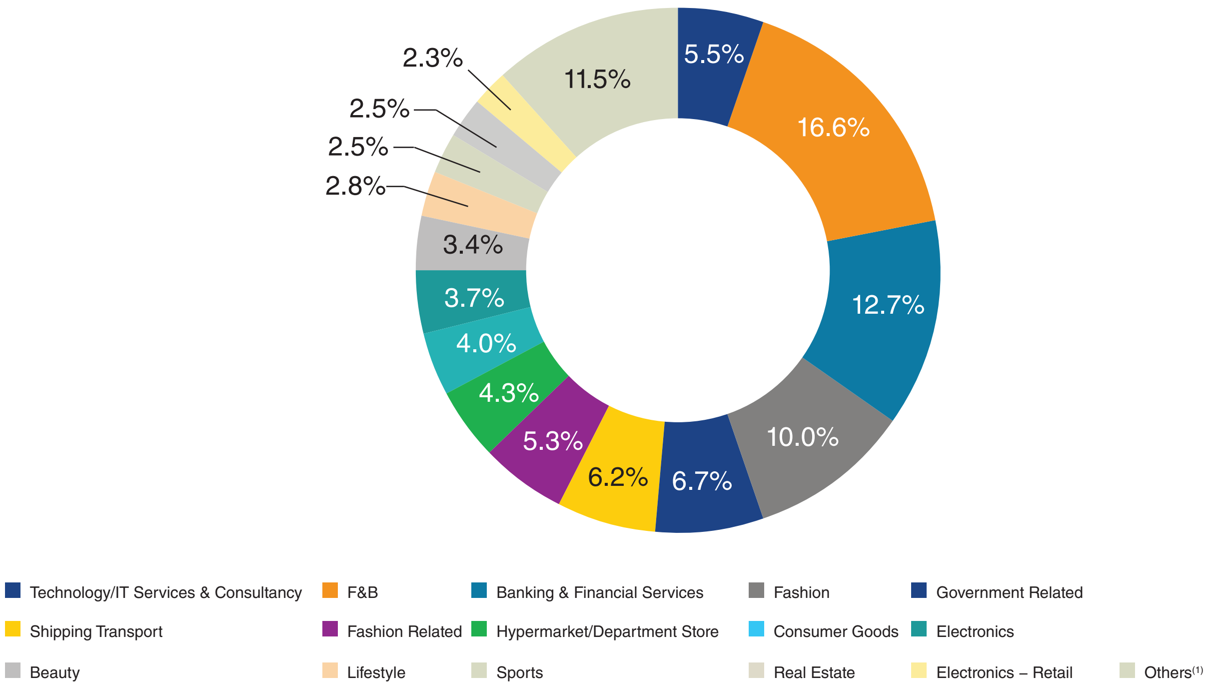
Lease Expiry Profile as a % of Gross Rental Income (Existing Portfolio)



2.2 Trade Sector Analysis for the Existing Portfolio (as at 31 August 2019)

The chart below provides a breakdown by Gross Rental Income of the different trade sectors represented in the Existing Portfolio.

Trade Sector as a % of Gross Rental Income (Existing Portfolio)



Note:

(1) Others include Trading, Pharmaceutical, Energy, Entertainment, Retail Bank, Insurance, Optical, Education, Consumer Services, Medical, Services and Convenience.

3. ENLARGED PORTFOLIO

The table below sets out selected information on the Enlarged Portfolio as at 31 August 2019 (unless otherwise indicated).

	Existing Portfolio	The Property	Enlarged Portfolio
GFA (sq ft)	4,942,568	1,429,384	6,371,952
NLA (sq ft)	3,847,922	1,184,704	5,032,627
Number of Tenants(1)	444	32	470
Valuation (S$ million)	7,350(2)	1,550(3)	8,900
Committed Occupancy (%)	98.8	99.4	98.9
Revenue (S$ million)	443.9(4)	94.9(5)	538.8
NPI (S$ million)	347.6(4)	77.0(5)	424.6

Notes:

(1) Total for the Enlarged Portfolio does not add up due to common tenants across properties.

(2) As at 31 August 2019.

(3) Refers to the Agreed Property Value.

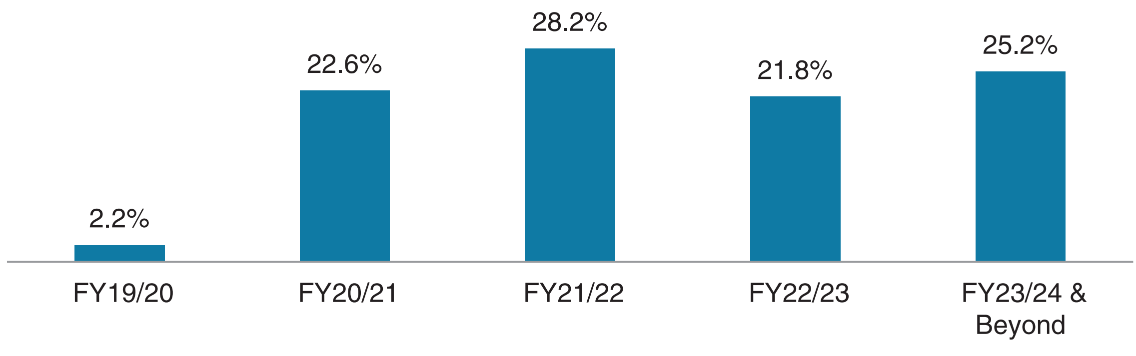
(4) For the financial year ended 31 March 2019.

(5) Assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018 without taking into effect the amortisation of rental income for fit-out periods.

3.1 Lease Expiry Profile for the Enlarged Portfolio (as at 31 August 2019)

The chart below illustrates the committed lease expiry profile of the Enlarged Portfolio by Gross Rental Income as at 31 August 2019. The WALE by Gross Rental Income for the Enlarged Portfolio is approximately 2.9 years.

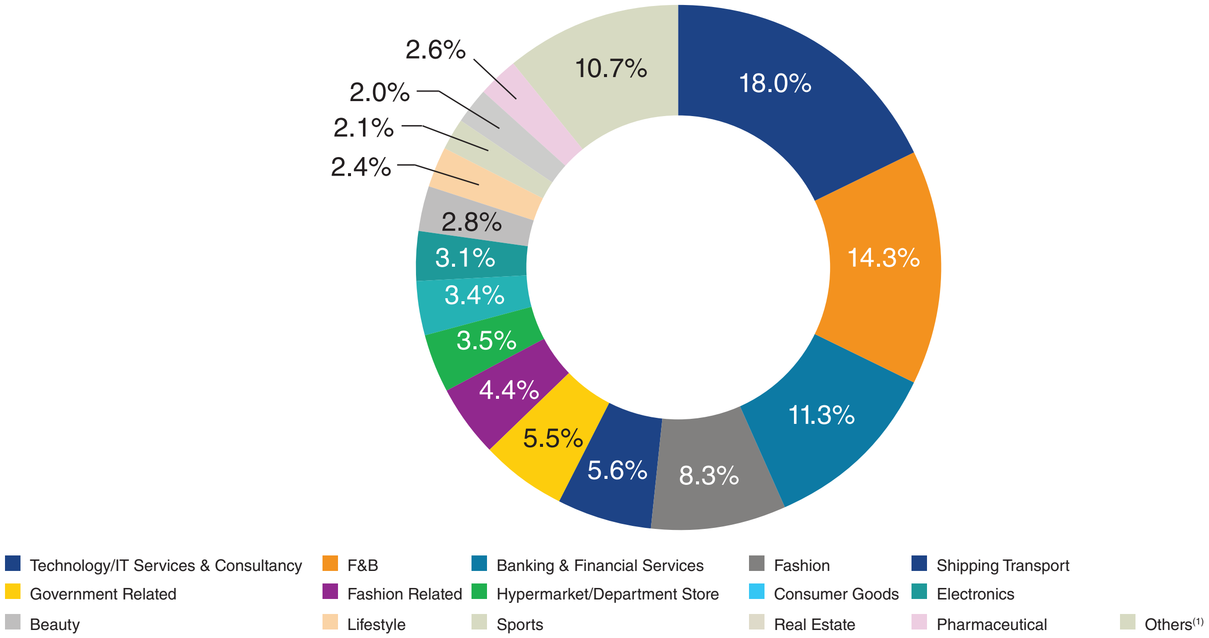
Lease Expiry Profile as a % of Gross Rental Income (Enlarged Portfolio)



3.2 Trade Sector Analysis for the Enlarged Portfolio (as at 31 August 2019)

The chart below provides a breakdown by Gross Rental Income of the different trade sectors represented in the Enlarged Portfolio.

Trade Sector as % of Gross Rental Income (Enlarged Portfolio)



Note:

(1) Others include Electronics - Retail, Energy, Trading, Entertainment, Retail Bank, Insurance, Optical, Education, Consumer Services, Medical, Services and Convenience.

3.3 Top Tenants of the Enlarged Portfolio (as at 31 August 2019)

The table below sets out the top tenants by Gross Rental Income of the Enlarged Portfolio as at 31 August 2019.

Top Tenants	Trade Sector	% of Gross Rental Income
Google Asia Pacific Pte. Ltd.	Technology/IT Services & Consultancy	10.2%
Merrill Lynch Global Services Pte. Ltd.	Banking & Financial Services	3.0%
The Hongkong and Shanghai Banking Corporation Limited	Banking & Financial Services	2.8%
PSA Corporation Limited	Shipping Transport	2.3%
Info-Communications Media Development Authority	Government Related	2.3%
SAP Asia Pte. Ltd.	Technology/IT Services & Consultancy	1.9%
Unilever Asia Private Limited	Consumer Goods	1.9%
Samsung Asia Pte. Ltd.	Electronics	1.7%
NTUC Fairprice Co-operative Ltd	Hypermarket/Beauty	1.7%
Total[1]		**27.9%**

Note:

(1) The table above excludes a classified tenant which would have been the fourth tenant by Gross Rental Income of the Enlarged Portfolio.

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VALUATION CERTIFICATES

CBRE Pte. Ltd.

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Agency License No.: L3002163I

31 August 2019

Mapletree Commercial Trust Management Ltd
(in its capacity as Manager of Mapletree Commercial Trust)
c/o 10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

Dear Sirs,

RE: VALUATION OF PART 20, 40, 50, 60, 70 & 80 PASIR PANJANG ROAD, MAPLETREE BUSINESS CITY II, SINGAPORE ("PROPERTY")

Instructions

We refer to instructions issued by Mapletree Commercial Trust Management Ltd (in its capacity as Manager of Mapletree Commercial Trust) being the instructing party to this valuation, requesting a Valuation Summary Letter for inclusion in the Circular, Valuation Certificate and full Valuation Report, in respect of the Property for acquisition purposes. Our opinion of Market Value has regard to the remaining leasehold interest in the Property as at 31 August 2019, and is subject to the existing tenancies and occupational arrangements as disclosed.

We have prepared a comprehensive formal Full Valuation Report ("Report") in accordance with the requirements of our instructions. In accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines and International Valuation Standards, the definition of Market Value is as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

For the specific purposes of this Circular, we provide a summary of the Report outlining key factors that have been considered in arriving at our opinions of value. The value conclusion reflects all information known by the valuers of CBRE Pte. Ltd. ("CBRE") who worked on the valuation in respect to the Property, market conditions and available data.

This summary of valuation and report is a condensed version of our more extensive Report dated 31 August 2019. We recommend that this Valuation Summary Letter is accordingly be read in conjunction with that aforementioned Report. Our instructions were to value the leasehold interest in the Property on the basis of Market Value as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee(s) dated 1 August 2019.

Reliance on This Letter

For the purposes of this Circular, we have prepared this Valuation Summary Letter which summarises our Report and outlines key factors which have been considered in arriving at our opinion of value. This letter alone does not contain the necessary data and support information included in our Report. For further information to that contained herein, reference should be made to the Report, copies of which are held by Mapletree Commercial Trust Management Ltd (in its capacity as Manager of Mapletree Commercial Trust) ("Manager").

CBRE has provided the Manager with a comprehensive Report for the Property. The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- The conclusions within the valuation report as to the estimated value are based upon the factual information set forth in that Report. Whilst CBRE has endeavored to assure the accuracy of the factual information, it has not independently verified all information provided by the Manager (primarily the leases and financial information with respect to the Property as well as reports by independent consultants engaged by the Manager, or the government of Singapore (primarily statistical information relating to market conditions). CBRE believes that every investor, before making an investment in Mapletree Commercial Trust, should review the Report to understand the complexity of the methodology and the many variables involved.

- The primary methodologies used by CBRE in valuing the Property – the Capitalisation Approach and Discounted Cash Flow Analysis – are based upon estimates of future results and are not predictions. These valuation methodologies are summarized in the Valuation Rationale section of this letter. Each methodology begins with a set of assumptions as to income and expenses of the Property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate, but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumption utilized for the Property is summarized in the Valuation Rationale section of this letter.

- The Report was undertaken based upon information available as at August 2019. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

The Report will be relied on by DBS Trustee Limited (in its capacity as Trustee of Mapletree Commercial Trust) and Mapletree Commercial Trust Management Ltd (in its capacity as Manager of Mapletree Commercial Trust) in regard to the proposed acquisition of the Property and such other party that should enter into a reliance letter with us.

No reliance may be placed upon the contents of this Valuation Summary Letter by any party for any purpose other than in connection with the Purpose of Valuation.

Property Description

Mapletree Business City II
Part 20, 40, 50, 60, 70 & 80 Pasir Panjang Road
Singapore 117439, 117383, 117384, 117385, 117371 & 117372

MBC II is an integrated business hub that features Grade-A business space as well as various amenities including an outdoor amphitheatre, a food court, retail units (primarily for food and beverage), a tennis court, a basketball court, two futsal courts and fitness corners located amongst the landscaped garden within the development.

Mapletree Business City (MBC) II comprises four seamlessly-connected blocks, namely Blocks 50, 60, 70 & 80, single-storey food and beverage block/cluster known as part 20 and Block 40 and a 2-storey Town Hall block. Block 50 is 5-storey, Block 60 is 6-storey, Block 70 is 8-storey and Block 80 is 30-storey high. With the exception of the F&B block/cluster and the food court located at Level 3 of Block 50, all of the floors are designated for business park usage. All blocks are built above a two-storey car park podium which provides a total of 2,001 car park lots (including car park lots that are located within MBC I). The car park floors also serve as a common link across the four business park blocks. The food and beverage units are located on the 2nd storey which is at grade with the landscape garden. The Town Hall block is located at the front of the MBC development, fronting Pasir Panjang Road, and accommodates an auditorium which can be converted into a multi-purpose hall; and 3 meeting/seminar rooms.

All buildings within MBC are linked by covered walkways and lush landscaped space. MBC II is seamlessly connected to MBC I, PSA Building and Alexandra Retail Centre.

MBC II is designed with a focus on sustainability and validated with the achievement of Building and Construction Authority (BCA) Green Mark Platinum and U.S. Green Building Council LEED Gold for core and shell development.

The Temporary Occupation Permit was issued in 3 phases; on 19 October 2015, 22 April 2016 and 25 August 2016. The Certificate of Statutory Completion was issued on 7 December 2018.

The property is in good condition and well maintained given its age and use.

The Property has a net lettable area (NLA) of approximately 110,061.7 square metres (business park NLA of 108,426.8 square metres and retail NLA of 1,634.9 square metres) and a gross floor area of 132,793 square metres as advised. As at 31 August 2019, the Property was 99.3% occupied. However, we have been advised that for the two unoccupied units, one lease has already been signed and the Letter of Offer for the other unit has been issued. The 3 major business park tenants are Google Asia Pacific Pte. Ltd., CISCO Systems (USA) Pte. Ltd. and Covidien Private Limited which together occupy a net lettable area of 76,081.30 square metres, representing 69.1% of the total net lettable area.

The Property together with MBC I are erected on the site legally known as Mukim 3 Lot 4968K with a land area of 108,537.9 square metres.

The tenure of the Property is leasehold for a period of 99 years, commencing from 1 October 1997. The remaining unexpired lease term is approximately 77.1 years.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the broader business park and retail property market. We have primarily utilised the Capitalisation Approach and Discounted Cash Flow analysis in undertaking our assessment for the Property.

Capitalisation Approach

We have utilised a capitalisation approach in which the sustainable net income on a fully leased basis has been estimated having regard to the current passing rental income and other income. From this figure, we have deducted applicable outgoings, including operating expenses, property management fees as well as property tax.

The resultant net income has been capitalised at a rate of 4.90% for the business park component and 4.75% for the retail component for the remaining tenure of the Property to produce a core capital value. The capitalisation rate adopted reflects the nature, location and tenancy profile of the Property together with current market investment criteria, as evidenced by the sales evidence considered. Thereafter, appropriate capital adjustments have been included which relate to provisions for existing vacancies, rental reversion adjustments and capital expenditure requirements.

Discounted Cash Flow Analysis

We have also carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, sale price of the property at the end of the investment horizon, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

We have investigated the current market requirements for an investment return over a 10-year period from business park and retail properties. We hold regular discussions with investors active in the market, both as purchasers and owners of business park and retail properties. From this evidence, we have adopted a rate of 7.0%. We note that the Singapore 10-year bond rate is trading in the order of 1.75% and 2.51% during the last year, indicating a risk premium of circa 4.87%.

Our selected terminal capitalisation rate, used to estimate the terminal sale price, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building in 10 years' time. The adopted terminal capitalisation rate additionally has regard to the duration of the remaining leasehold tenure of the Property at the end of the cash flow period.

Assessment of Value

We are of the opinion that the Market Value of the leasehold interest in the Property, subject to the existing tenancies and occupational arrangements, is as follows:

Market Value as at 31 August 2019 of Mapletree Business City II, Part 20, 40, 50, 60, 70 & 80 Pasir Panjang Road, Singapore 117439, 117383, 117384, 117385, 117371 & 117372 is as follows:

Business Park : S$1,530,000,000
Retail : S$30,000,000
Total : S$$1,560,000,000
(Singapore Dollars: One Billion Five Hundred and Sixty Million only)

Disclaimer

Ms Sim Hwee Yan, Mr Li Hiaw Ho and CBRE have prepared this Valuation Summary Letter which appears in this Circular and, to the extent permitted by law, specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within the aforementioned Report and this Valuation Summary Letter. Ms Sim Hwee Yan, Mr Li Hiaw Ho and CBRE do not make any warranty or representation as to the accuracy of the information in any other part of the prospectus other than as expressly made or given by CBRE in this Valuation Summary Letter.

CBRE has relied upon property data supplied by the Manager which we assume to be true and accurate. CBRE takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions. CBRE, Ms Sim Hwee Yan and Mr Li Hiaw Ho have no present or prospective interest in the Property and have no personal interest or bias with respect to the party(ies) involved.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorized to practice as valuers and have at least 15 years continuous experience in valuation.

None of the information in this Valuation Summary Letter or our Report constitutes advice as to the merits of entering into any form of transaction. Furthermore, none of the information in this Valuation Summary Letter or our Report constitutes financial product advice.

31 August 2019

This Valuation Summary Letter and the Report are strictly limited to the matters contained within those documents and are not to be read as extending, by implication or otherwise, to any other matter in the Circular. To the extent permitted by law, CBRE specifically disclaims any liability in respect of the use of or reliance on this Valuation Summary Letter to any person in the event of any omission or false or misleading statement other than to the Addressees or such other party that has entered into a reliance letter with us. CBRE does not give any warranty or representation as to the accuracy of the information in any other part of the Circular.

Yours sincerely
CBRE PTE. LTD.

LI HIAW HO
DipUrbVal (Auck) SNZPI FSISV
Appraiser's License No. AD041-2002445I
Advisor
Valuation & Advisory Services

SIM HWEE YAN
BSc (Est. Mgt) Hons FSISV
Appraiser's License No. AD041-2004155J
Executive Director
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Valuation Certificate

Property:	Mapletree Business City II Part 20, 40, 50, 60, 70 & 80 Pasir Panjang Road Singapore 117439, 117383, 117384, 117385, 117371 & 117372
Client:	Mapletree Commercial Trust Management Ltd (in its capacity as Manager of Mapletree Commercial Trust)
Trust:	Mapletree Commercial Trust (MCT)
Purpose:	Acquisition And Corporate Finance
Interest Valued:	Leasehold for a term of 99 years commencing from 1 October 1997. Balance term of about 77.1 years.
Basis of Valuation:	Market Value subject to existing tenancies and occupational arrangements.
Land Area:	Lot 4968K Mukim 3 has a land area of 108,537.9 square metres. MBC I and MBC II are built on Lot 4968K.
Town Planning:	"Business Park" with plot ratio of 2.8 (with 15% for "White" use)
Brief Description:	MBC II is an integrated business hub that features Grade-A business space as well as various amenities including an outdoor amphitheatre, a food court, retail units (primarily for food and beverage), a tennis court, a basketball court, two futsal courts and fitness corners located amongst the landscaped garden within the development. Mapletree Business City (MBC) II comprises four seamlessly-connected blocks, namely Blocks 50, 60, 70 & 80, single-storey food and beverage block/cluster known as part 20 and Block 40 and a 2-storey Town Hall block. Block 50 is 5-storey, Block 60 is 6-storey, Block 70 is 8-storey and Block 80 is 30-storey high. With the exception of the F&B block/cluster and the food court located at Level 3 of Block 50, all of the floors are designated for business park usage. All blocks are built above a two-storey car park podium which provides a total of 2,001 car park lots (including car park lots that are located within MBC I). The car park floors also serve as a common link across the four business park blocks. The food and beverage units are located on the 2nd storey which is at grade with the landscape garden. The Town Hall block is located at the front of the MBC development, fronting Pasir Panjang Road, and accommodates an auditorium which can be converted into a multi-purpose hall; and 3 meeting/seminar rooms. All buildings within MBC are linked by covered walkways and lush landscaped space. MBC II is seamlessly connected to MBC I, PSA Building and Alexandra Retail Centre. MBC II is designed with a focus on sustainability and validated with the achievement of Building and Construction Authority (BCA) Green Mark Platinum and U.S. Green Building Council LEED Gold for core and shell development. The Temporary Occupation Permit was issued in 3 phases; on 19 October 2015, 22 April 2016 and 25 August 2016. The Certificate of Statutory Completion was issued on 7 December 2018. The property is in good condition and well maintained given its age and use.
Tenancy Profile:	The major business park tenants are Google Asia Pacific Pte. Ltd. which occupies about 57.4% of the business park space; CISCO Systems (USA) Pte. Ltd. and Covidien Private Limited.
NLA (sqm):	Business Park : 108,426.8 & Retail : 1,634.9, totalling 110,061.7
GFA (sqm):	132,793.0
Valuation Approaches:	Capitalisation Approach & Discounted Cash Flow Analysis
Date of Valuation:	31 August 2019
Assessed Value:	Business Park: $1,530,000,000 Retail: $30,000,000 **Total Value of MBC II: $1,560,000,000** **(One Billion Five Hundred Sixty Million Dollars)** This valuation is exclusive of GST.
Assumptions, Disclaimers, Limitations & Qualifications	*This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout the valuation report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within the report. Reliance on the valuation report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
Prepared By:	**CBRE Pte. Ltd.**

Per: Li Hiaw Ho DipUrbVal (Auck) SNZPI FSISV
Appraiser's License No. AD041-2002445I
Advisor

Per: Sim Hwee Yan BSc (Est. Mgt) Hons FSISV
Appraiser's License No. AD041-2004155J
Executive Director - Valuation & Advisory Services

Our Ref: 2019/2186/CORP/CS

31 August 2019

savills

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DBS Trustee Limited (As Trustee of Mapletree Commercial Trust)
c/o 10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

Dear Sirs

Valuation of
Part 20, 40, 50, 60, 70 & 80 Pasir Panjang Road,
Mapletree Business City II, Singapore 117439/383/384/385/371/372 (the "Property")

Pursuant to the instructions of DBS Trustee Limited (As Trustee of Mapletree Commercial Trust) ["Client"] for us to value the Property, we have made relevant enquiries and obtained such information as we consider necessary for the purpose of providing you with our opinion of the Market Values as at 31 August 2019 of the un-expired leasehold interest in the Property, subject to existing tenancies made known to us.

This valuation has been prepared for acquisition and corporate financing purposes and can be relied upon by the Client and their Financier only. Use by, or reliance upon this report by anyone other than the Client and their Financier is not authorised by Savills and Savills is not liable for any unauthorised use or reliance. Our report should not be produced without our prior written consent.

The valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers Valuation Standards and Practice Guidelines.

Our valuation is on the basis of Market Value which is intended to mean "the estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

This definition of market value is also consistent with that as advocated by the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Our valuation has been made on the assumption that the Property is sold in the open market without the benefit of a deferred term contract or any similar arrangement which could serve to affect the value of the Property.

Savills Valuation and Professional Services (S) Pte Ltd has relied upon the property data supplied by the Client which we assume to be true and accurate. Savills Valuation and Professional Services (S) Pte Ltd takes no responsibility for inaccurate data supplied by the owner and subsequent conclusions related to such data.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Property is free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the Property and the valuers undertaking the valuation are authorised to practise as valuers and have the necessary expertise and experience in valuation of such type of Property.

In arriving at our opinion of Market Value, we have adopted the Income Capitalisation Method and Discounted Cash Flow Analysis.

Our opinion of value is summarised in the attached Valuation Certificate.

Yours faithfully,
For and on behalf of
Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Licensed Appraiser No. AD041-2003388A
Managing Director

Cynthia Soo
Licensed Appraiser No. AD041-2006556K
Executive Director

VALUATION CERTIFICATE

savills

Property Address	**20 (Part), 40, 50, 60, 70 And 80 Pasir Panjang Road, Mapletree Business City II Singapore 117439/383/384/385/371/372**
Client	DBS Trustee Limited (in its capacity as trustee of Mapletree Commercial Trust)
Purpose of Valuation	Acquisition and Corporate Financing
Tenure	Leasehold 99 years commencing from 1 October 1997(based on balance un-expired interest of about 77.07 years)
Registered Proprietor	Mapletree Business City Pte. Ltd.
Brief Description	Mapletree Business City is located along northern side of Pasir Panjang Road, at its junction with Alexandra Terrace. It is located within the Alexandra Precinct and is approximately 7.5 km from the City Centre. The property that forms this valuation comprises four business park blocks (ie MBC 80, MBC 70, MBC 60, MBC 50) which terraced down from 30-storey to 8-storey, 6-storey and 5-storey; and a single-storey retail podium at MBC 20 and MBC 40 within Mapletree Business City I and II respectively. A total of 2,001 carpark lots are provided within the compound. We understand that the development has been awarded the BCA's Green Mark Platinum Award and the LEED Gold level certification. We understand that the Temporary Occupation Permits were issued on 19 October 2015, 22 April 2016 and 25 August 2016 whilst Certificate of Statutory Completion was issued on 7 December 2018. The property was in good condition as at the date of our inspection.
Site Area	Lot 4968K of Mukim 3 has a land area of 108,537.9 sm or thereabouts (for MBC I & II)
Gross Floor Area (GFA)	Approximately 132,793.0 sm, as provided and subject to final survey
Lettable Floor Area	Approximately 110,061.7 sm (comprising 108,426.8 sm and 1,634.9 sm for the business park and retail components respectively), as provided and subject to final survey
Tenancy Brief	The property is multi-tenanted. Based on the tenancy information provided by the Client, the property is 99.3% let as at 31 August 2019. The overall weighted average lease expiry (by income) is about 2.96 years.
Annual Value	$74,472,800 (Aggregate). Property tax is payable at 10.00% per annum of the assessed AV.
Master Plan (2014)	Business Park with a plot ratio of 2.8. Based on the Supplemental Lease dated 24 March 2016 for whole of Lot 4968K Mukim 3, the total Business Park GFA shall not exceed 262,694.50 sm and the total Commercial GFA shall not exceed 46,357.30 sm (for MBC I & II).
Basis Of Valuation	As-Is Basis and subject to existing tenancies
Valuation Approaches	Income Capitalisation Method and Discounted Cash Flow Analysis
Date of Valuation	31 August 2019
Capitalisation Rate	5.00% (Business Park); 4.75% (Retail)
Terminal Capitalisation Rate	5.25% (Business Park); 5.00% (Retail)
Discount Rate	7.50%
Rate of Lettable Floor Area	$1,310 psf
Recommended Market Value	**$1,552,000,000** (Singapore Dollars One Billion Five Hundred And Fifty-Two Million Only) An apportionment of the recommended market value based on each component for internal reporting purpose is as follows:

Component	Apportioned Value	Rate of Lettable Floor Area
Business Park	$1,520,000,000	$1,302 psf
Retail	$32,000,000	$1,818 psf

Assumptions, Disclaimers, Limitations & Qualifications	This valuation is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout the valuation report and also the limiting conditions herein.
Prepared by	Cynthia Ng Licensed Appraiser No. AD041-2003388A Cynthia Soo Licensed Appraiser No. AD041-2006556K Savills Valuation And Professional Services (S) Pte Ltd

This valuation amount is exclusive of GST

To any party relying on this report we advise that this summary must be read in conjunction with the full valuation report. This valuation summary should not be relied upon in isolation for finance or any other purposes.

CS/CN/ds

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards: The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.

Valuation Basis: The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.

The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.

Currency of Valuation: Values are reported in Singapore currency unless otherwise stated.

Confidentiality: Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.

Copyright: Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.

Limitation of Liability: The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.

Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).

Validity Period: This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.

Titles: A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.

Planning Information: Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme (s), this report should then be referred back to Savills for review on possible amendment.

Other Statutory Regulations: Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.

Site Condition: We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.

Condition of Property: While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.

Source of Information: Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.

Floor Areas: We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.

Plans: Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.

Tenant: No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.

Reinstatement Cost: Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.

Attendance in Court: Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

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SINGAPORE BUSINESS PARK, OFFICE AND RETAIL INDEPENDENT MARKET OVERVIEW SEPTEMBER 2019

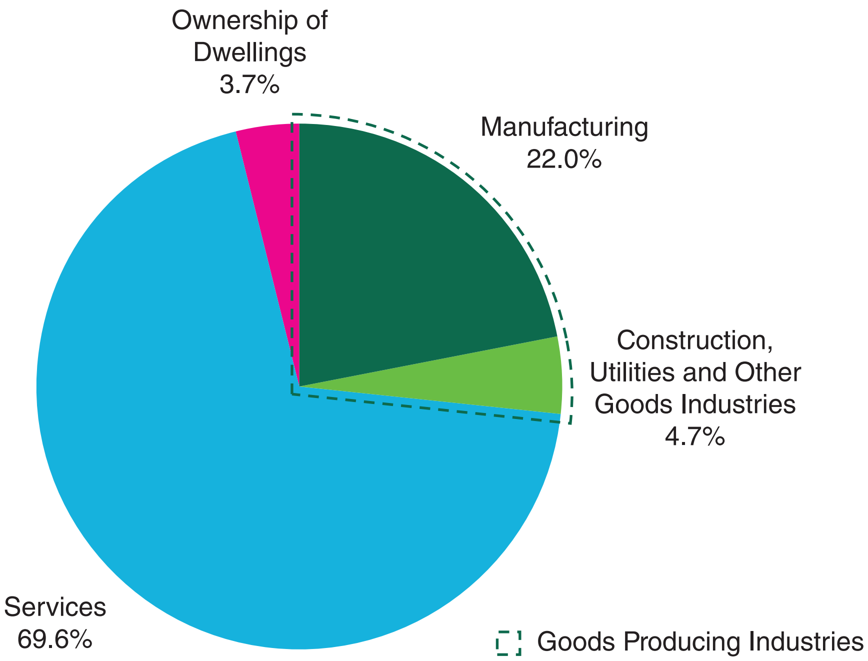
1. THE SINGAPORE ECONOMY

1.1 Structure of Singapore Economy

Singapore is an advanced economy that is mostly driven by the services sector. The services industry contributed 69.6% of GDP in 2018. The main contributors to GDP growth in 2018 were from finance & insurance, business services, wholesale & retail trade and information & communications industries.

By contrast, the goods producing industries contributed approximately 26.7% of the GDP in 2018. Specifically, the manufacturing industry is a key contributor to Singapore's GDP among other goods producing industries.

Figure 1: Various Industries & Contribution to GDP (2018)



Sources: Ministry of Trade & Industry (MTI), CBRE

Figure 2: Percentage-Point Contribution to Growth and Annual Growth by Industry (2018, 2Q 2019)

INDUSTRY	2018		2Q 2019	
	Contribution to Growth in Real GDP	Real Annual Growth	Contribution to Growth in Real GDP	Real Annual Growth
Goods Producing Industries	**1.2%**	**5.0%**	**-0.5%**	**-2.2%**
Manufacturing	1.3%	7.0%	-0.6%	-3.1%
Construction	-0.1%	-3.7%	0.1%	2.9%
Services Producing Industries	**1.9%**	**2.9%**	**0.7%**	**1.1%**
Finance & Insurance	0.7%	5.8%	0.6%	5.2%
Business Services	0.4%	2.8%	0.1%	0.5%
Wholesale & Retail Trade	0.3%	1.7%	-0.5%	-3.2%
Information & Communications	0.2%	5.4%	0.2%	4.1%
Other Services Industries	0.2%	1.6%	0.2%	2.1%
Accommodation & Food	0.1%	2.8%	0.0%	0.9%

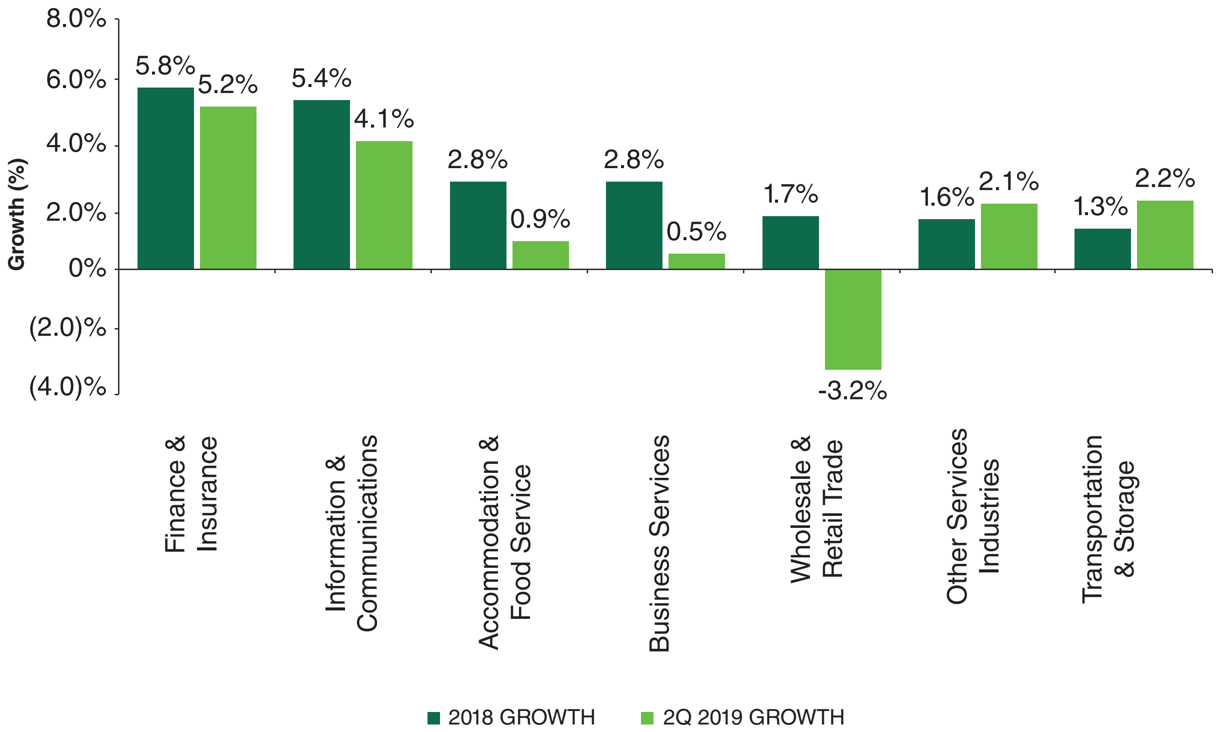
Sources: Ministry of Trade & Industry (MTI), CBRE

1.2 Economic Growth Drivers in 2018 & 2Q 2019

The Singapore economy expanded by 3.1% in 2018; slower than the 3.7% growth recorded in 2017. 2018 economic growth was largely supported by the manufacturing, finance & insurance as well as the information & communications sector. In 2Q 2019, the economy expanded marginally by 0.1% year-on-year, slowing down from the 1.1% year-on-year growth in the previous quarter. While the quarterly growth in 2Q 2019 was supported by growth in the finance & insurance and information & communications sectors, this was countered by the contraction in the wholesale & retail trade sector and the manufacturing industry.

The services industry expanded by 2.9% in 2018, slightly higher than the growth of 2.8% in 2017. Growth in the services sector was supported mainly by the finance & insurance (+5.8% year-on-year), information & communications (+5.4%), accommodation & food services (+2.8%) and business services (+2.8%).

Figure 3: Real Annual & Quarterly Growth in Services Industry Segments (2018, 2Q 2019)

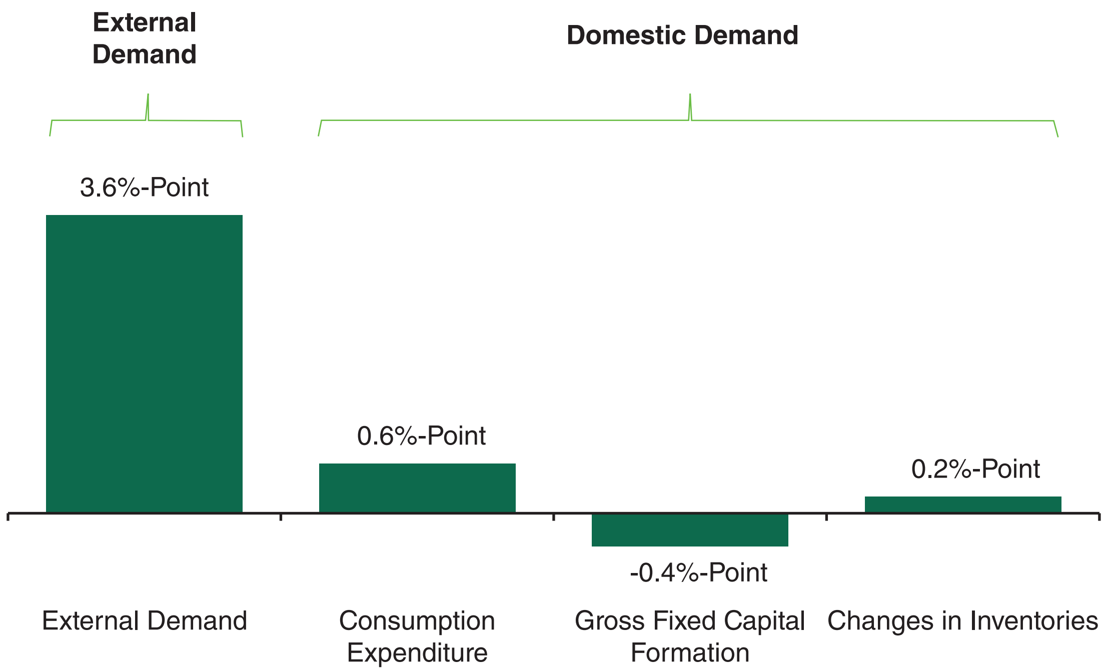


Sources: Ministry of Trade & Industry (MTI), CBRE

External demand accounted for most of the total demand in 2018. The increase in external demand was primarily derived from real merchandise exports such as machinery & transport equipment, miscellaneous transactions and chemicals & chemical products. Growth in external demand was further bolstered by service exports, particularly from the transport and financial services.

By contrast, domestic demand contributed only 0.4%-point to total demand growth in 2018. Contributions from consumption expenditure and inventories build-up more than offset the contraction in gross fixed capital formation (GFCF).

Figure 4: Sources of Growth (2018)



Sources: Ministry of Trade & Industry (MTI), CBRE

Growth in consumption expenditure moderated from 3.6% in 2017 to 3.0% in 2018. Consumption growth was mostly led by private consumption which rose 2.7% due to higher spending on miscellaneous goods & services, housing & utilities and health. On the other hand, public consumption expanded by 4.1% in 2018.

GFCF contracted by 4.0% in 2018 as private companies scaled down their investment spending on construction & works and intellectual property products amid uncertainties from the trade tension between the US and China.

Figure 5: 2018 Year-on-Year Change in Gross Fixed Capital Formation at 2015 Market Prices

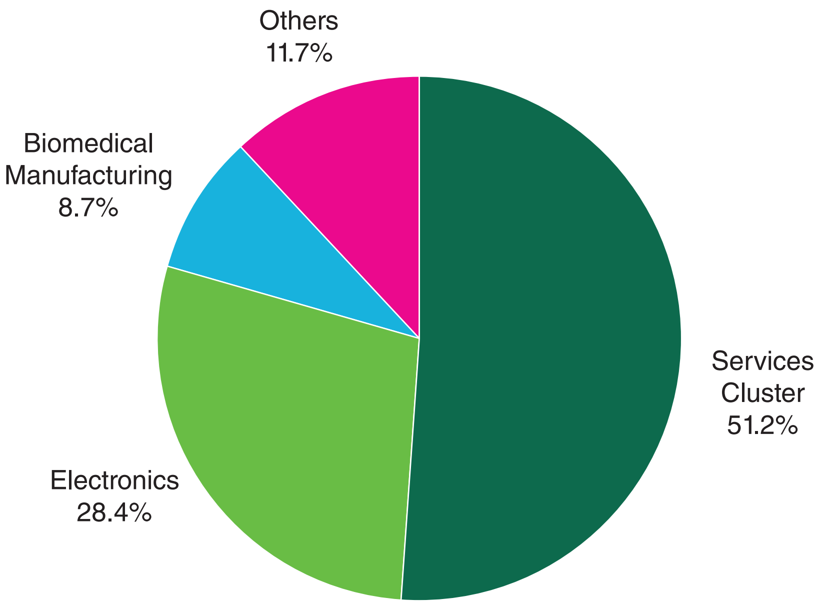
	TOTAL	PUBLIC	PRIVATE
Gross Fixed Capital Formation	**-4.0%**	**-6.6%**	**-3.4%**
Construction & Works	-4.7%	-6.6%	-3.6%
Transport Equipment	-2.9%	-66.5%	2.4%
Machinery & Equipment	6.4%	26.8%	4.9%
Intellectual Property Products	-9.6%	3.1%	-10.3%

Sources: Ministry of Trade & Industry (MTI), CBRE

Reflecting its strength as a preferred location in Asia for global companies, Singapore managed to secure healthy investment commitments in 2018 despite the near-term economic uncertainties. Singapore clinched investment commitments of $10.9 billion in fixed asset investments (FAI) and $6.2 billion in total business expenditures (TBE). Upon full implementation, the committed investments are expected to create around 17,400 new jobs and a projected contribution of $13.6 billion in value-added per annum.

The services cluster attracted the highest FAI in 2018, of which, the info-communications & media cluster accounted for the largest investment with $2.0 billion. Within manufacturing, the electronics and biomedical manufacturing clusters received investment commitments of $3.1 billion and $0.9 billion respectively. The largest source of FAI commitments was from the US investors (50% of total FAI), followed by the European investors (22.4% of total FAI).

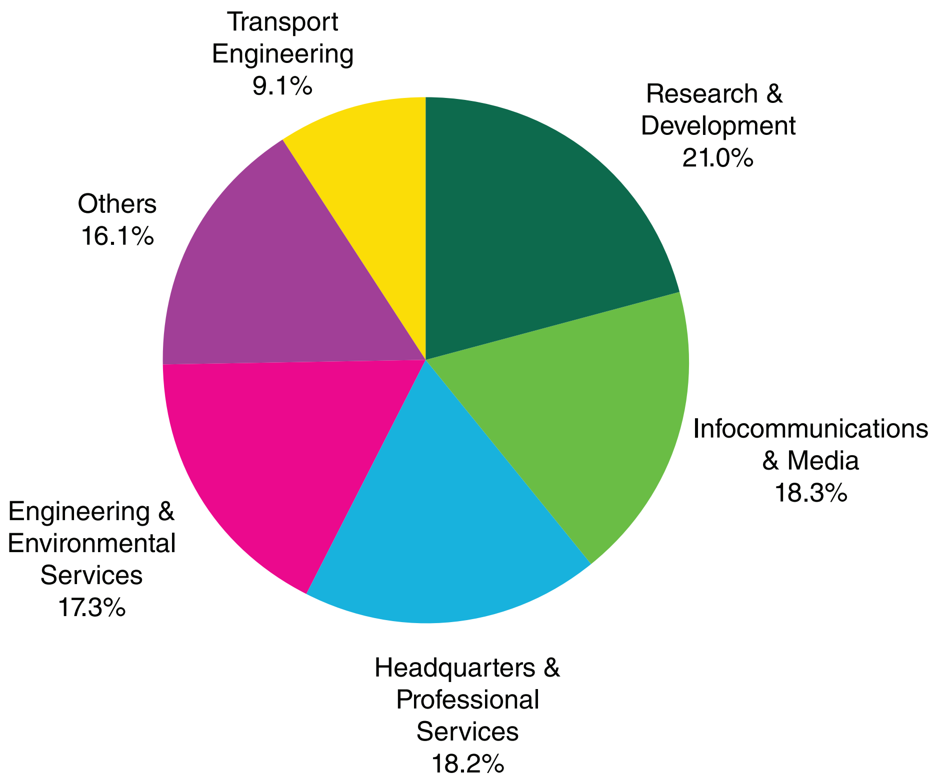
Figure 6: Fixed Asset Investment by Industry Clusters (2018)



Sources: Ministry of Trade & Industry (MTI), CBRE

Similarly, the services clusters secured the highest TBE with $4.9 billion of committed investments. This was mainly contributed by the research & developments cluster ($1.3 billion) and the info communication & media cluster ($1.1 billion). Transport engineering cluster ($0.6 billion) attracted the highest TBE among other manufacturing clusters in 2018. Most of the investment were from local investors (29.7% of total TBE), followed by European investors (20.7% of total TBE).

Figure 7: Total Business Expenditure by Industry Clusters (2018)



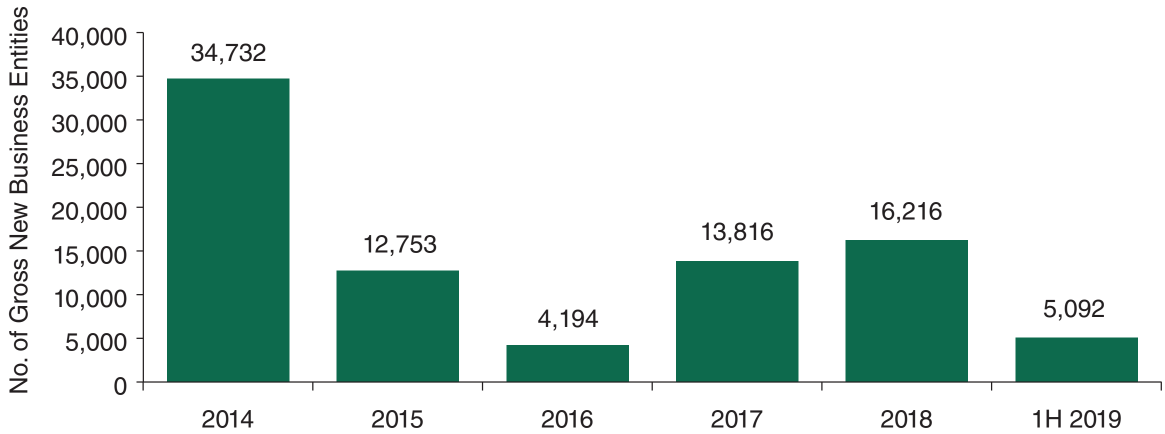
Sources: Ministry of Trade & Industry (MTI), CBRE.

Note: Percentage figures do not add up to 100% due to rounding

1.3 New Business Formations

Cumulatively, more than 300,000 new business entities were formed between 2014 to 2018. Conversely, close to 250,000 business entities[1] ceased operations during this period. The total net formation of new business entities in Singapore increased by 17.4% in 2017 to 16,216 in 2018. Approximately 5,092 net new business entities were formed in 1H 2019.

Figure 8: Net New Business Entities Formation (2014-1H 2019)

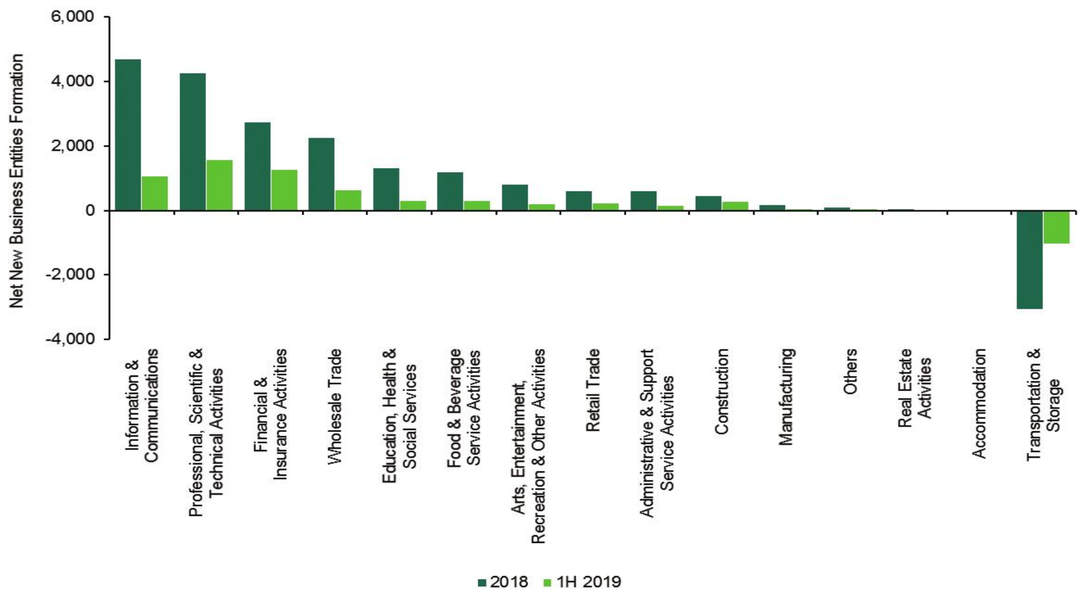


Sources: ACRA, Department of Statistics & CBRE

The information & communications industry witnessed robust growth with over 4,000 net new business entities formed in 2018. Growth continued into the new year as formation of IT businesses outpace the cessation by more than 1,000 entities. This could be attributable to ongoing demand for digital solutions amidst the implementation of the Smart Nation initiative. Most industries such as the professional, scientific & technical activities (including research and experimental development on biotechnology, life, medical science and medical technologies), financial & insurance, wholesale trade, education, health & social services and food & beverage sectors witnessed healthy new business formations as entrepreneurs and investors continued to find growth opportunities in these business segments.

[1] Business entities include companies, sole-proprietorships, partnerships, limited liability partnerships, limited partnerships and public accounting firms.

Figure 9: Net New Business Entities Formation by Industries (2018, 1H 2019)



Sources: ACRA, Department of Statistics, CBRE

While most industries continue to attract new businesses setups, the transportation & storage industry experienced notable decline as the total number of businesses that ceased operations exceeded the total number of new business formation for whole of 2018 and 1H 2019.

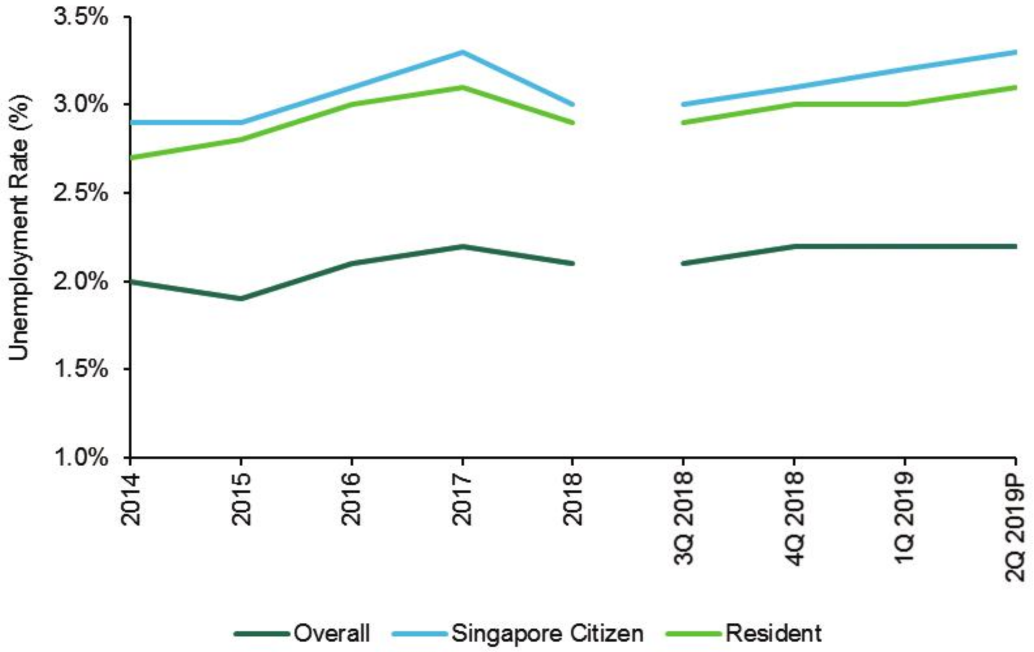
1.4 Singapore Labour Market

Singapore's labour market situation improved in 2018. The overall unemployment rate declined from 2.2% in 2017 to 2.1% in 2018. More specifically, the citizen and resident unemployment fell over the year by 0.3%-point and 0.2%-point to 3.0% and 2.9% respectively. Based on preliminary data, the seasonally adjusted overall unemployment rate remained steady over the quarter to 2Q 2019 at 2.2%. Partly due to the increase in persons entering the labour force, the citizen and resident unemployment rate rose by 0.1%-point each to 3.3% and 3.1% respectively in 2Q 2019.

Employment reversed from the contraction of 3,600 a year ago to an expansion of 45,300 in 2018. There were still weaknesses in the manufacturing and construction sector as total employment shrank by 2,400 and 7,100 respectively. On the other hand, the services sector added 54,900 workers in 2018; an improvement from the 46,000 workers added a year ago. According to preliminary estimates, employment growth in the services sector has slowed down in 2Q 2019.

The number of retrenchments in 2018 fell to a five-year low of 10,730. The decline in retrenchments was broad-based across all sectors compared with a year ago. Quarterly retrenchment figures trended lower from 3,230 in 1Q 2019 to 2,300 in 2Q 2019.

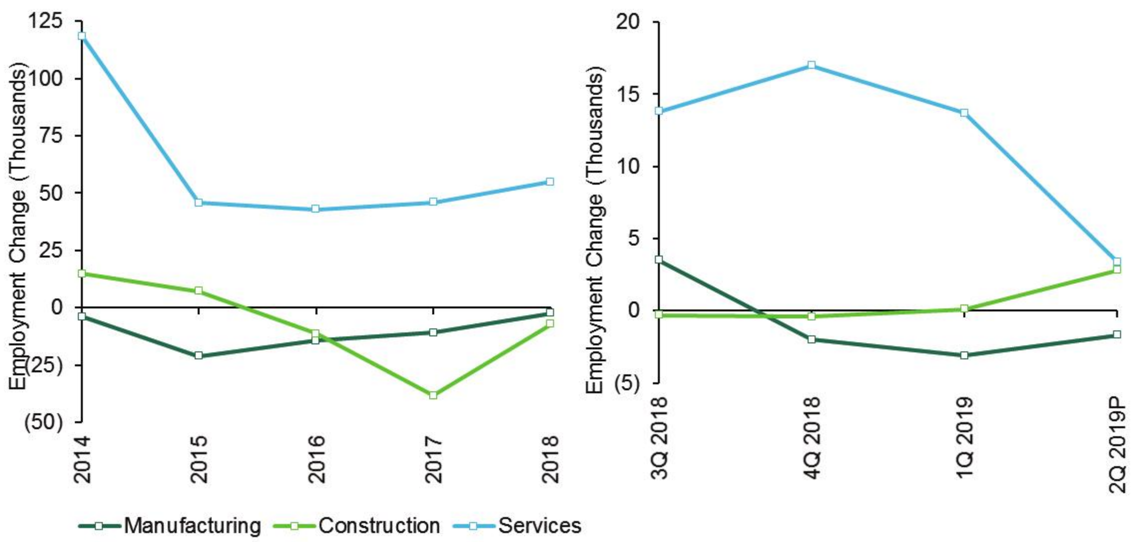
Figure 10: Unemployment Rate (2014-2018,3Q 2018-1H 2019)



Source: Ministry of Manpower (MOM).

Note: Preliminary data in 2Q 2019.

Figure 11: Employment by Services Producing Activities (2014-2018, 3Q 2018-1H 2019)

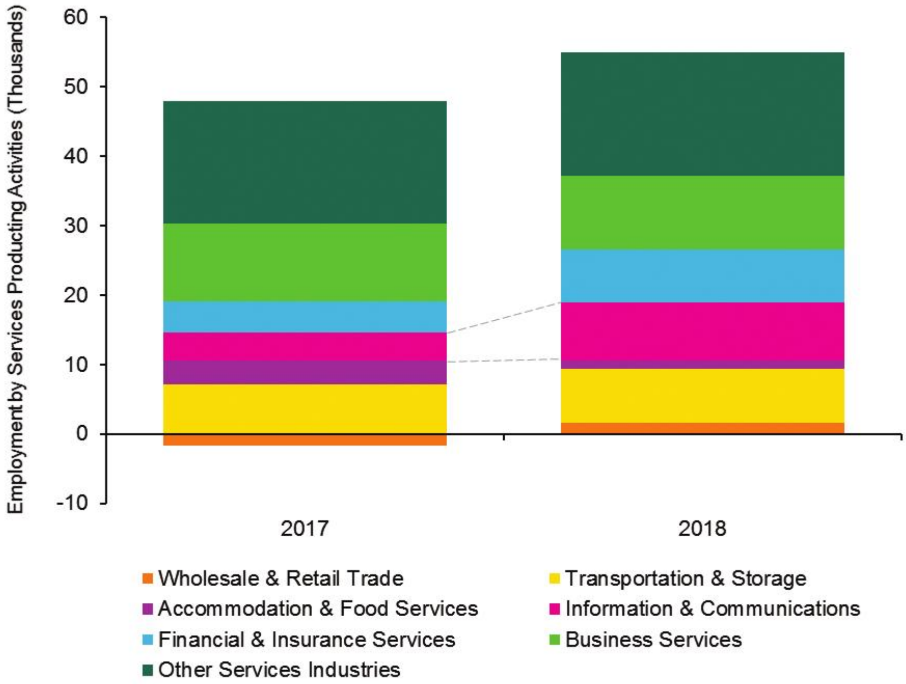


Source: Ministry of Manpower (MOM).

Note: Preliminary data in 2Q 2019.

The information & communications industry exhibited the highest change in employment among other services sector from a year ago as it added 8,400 workers. Preliminary data indicated that information & communications, social & personal services and financial services continued to exhibit employment growth in 2Q 2019.

Figure 12: Employment Change by Industry (2017-2018)



Source: Ministry of Manpower (MOM)

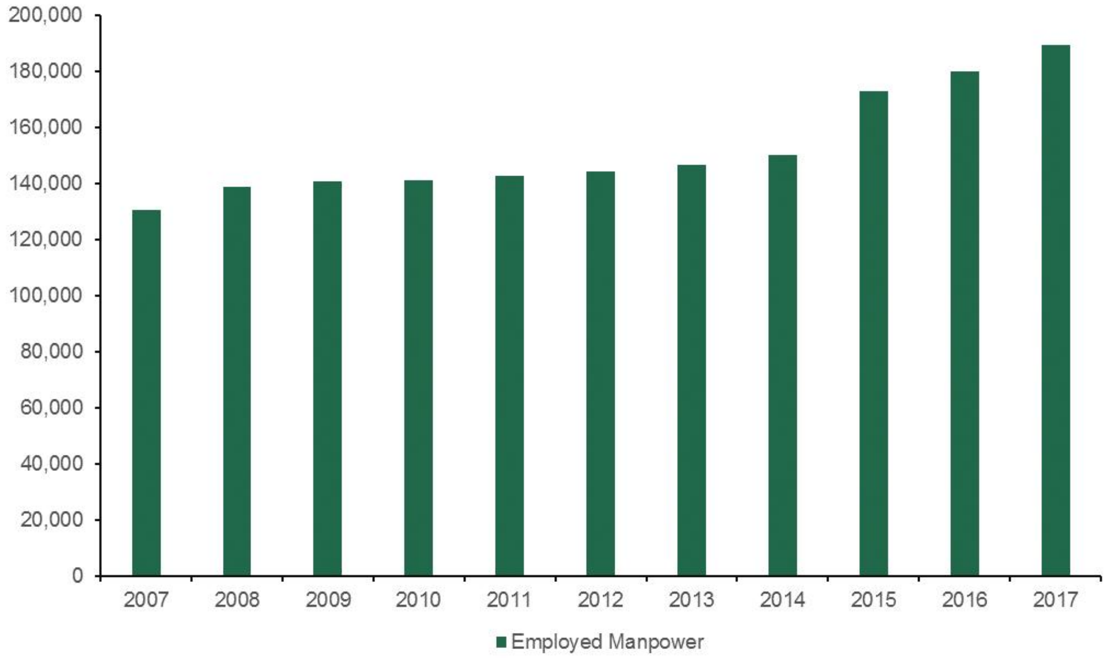
Based on latest statistics[2], employment[3] in the infocomm sector has been growing for 10 consecutive years between 2007 – 2017 (Annual Growth Rate of 4.3%) to reach 189,400 personnel in 2017. According to the 2018 Annual Survey on infocomm Media Manpower, enterprises have projected that the demand for infocomm professionals will grow by an additional 28,500 in the next three years (2018-2020).

In addition to the employment growth in the infocomm sector, the total employment by pharmaceutical companies increased healthily by over 40% between 2011 and 2017 according to Singapore Economic Development Board.

[2] Latest statistics for employed manpower in the infocomm sector covers till the year 2017.

[3] Infocomm professional is defined as a person who is engaged primarily in infocomm-related work, including infocomm data analytics, either in an IT or telecommunication equipment and/or services provider, or user organisation (such as in a bank). The scope of work may include development, distribution, implementation, support, operation, sales or marketing of telecommunication, computer hardware/software, IT services or multimedia contents.

Figure 13: Annual Employed Manpower in the Infocomm Sector



Source: Department of Statistics, Info-Media Development Agency

1.5 Monetary Policy & Core Inflation

The Monetary Authority of Singapore (MAS) announced a slight increase in the slope of the S$NEER policy band in its October 2018 Monetary Policy Statement. This was then assessed to be appropriate, with expectation that MAS Core Inflation would rise modestly in the near term before stabilising at just below 2%. Further, the economy was also projected to remain on a steady expansionary path.

Since then, the S$NEER has appreciated in the upper half of the policy band as a result of a weakening US dollar amidst a shift in the US Federal Reserve's monetary policy stance.

Core inflation, which excludes the costs of private road transport and accommodation, increased from 1.5% in 2017 to 1.7% in 2018. Conversely, headline inflation eased from 0.6% to 0.4% over this period.

The Singapore economy slowed as a result of global trade tensions in 2018. Weaker global oil prices and a stronger impact from the liberalisation of the local retail electricity market led to a lower core inflation figure than projected. Consequently, the authority has downgraded its 2019 MAS Core Inflation forecast range to the lower half of the forecast range of 1-2%.

1.6 Overall Economic Outlook

Globally, prospects for economic growth has weakened on the back of the escalating trade war between the United States and China. Additionally, the economic slowdown of key economies such as China and Germany are expected to pose headwinds for open economies such as Singapore.

The Singapore economy is expected to continue facing strong resistance for the remainder of 2019, with weaker performance of the electronics and precision engineering clusters as a result of a fading global electronics cycle and deteriorating outlook for global semiconductor demand. Consequently, the wholesale trade segment will encounter negative spill over effects. The chemical cluster is also expected to soften amidst weakening important demand from China. Growth in other trade-related services sectors such as the transportation & storage cluster is expected to ease as global trade volumes slow.

Notwithstanding the above, bright spots remain. The aerospace, food & beverage manufacturing segments of the market are expected to remain resilient given firm demand condition. The finance & insurance and information & communications sectors are projected to remain strong and continue their growth trajectory, supported by increased demand for payment processing services and enterprise IT solutions respectively. The ramp-up of operations in new healthcare facilities is expected to support growth in the education and health & social services clusters. Lastly, the recovery in the construction sector is expected to continue.

The Ministry of Trade and Industry has downgraded Singapore's growth for 2019 to come in around the mid-point of the forecast range of 0.0%-1.0%.

In the long-term, the continued transition towards the ASEAN Economic Community and participation in China's One Belt, One Road initiative are catalysts for Singapore's economic prospects. According to the World Bank 2019 "Ease of Doing Business Index", Singapore is the second easiest country to conduct businesses in the world. Coupled with the implementation of the 23 Industry Transformation Maps and upgrading of its workforce, Singapore is well-positioned to tap on opportunities offered by these trade agreements and initiatives.

In summary, while global economic uncertainties have affected the near-term outlook for Singapore, being a key gateway city in Southeast Asia, the long-term economic prospects of Singapore remain an attractive proposition for strategic businesses and investors globally.

Attractive Gateway for Technology Firms

Singapore is an attractive destination for tech companies and has emerged as a prosperous technology hub with over 80 of the world's top 100 tech firms having a presence in the country, Singapore is home to the Asia-Pacific Headquarters of Google, Facebook, Netflix, Microsoft and IBM, amongst others. Further, home-grown tech firms have also been successful in attracting capital investments. Singapore accounted for around a quarter of US$6.0 billion in South East Asia tech investments in 1H 2019, according to Cento Ventures. The active technology scene is a result of the confluence of several factors which include but are not limited to, a culture of innovation, highly skilled talent pool and a robust intellectual property (IP) framework.

Innovation is an integral part of Singapore's culture with the government playing a key role in developing an ecosystem that facilitates the development and incubation of talent and new technology. This includes the development of LaunchPad@one-north and LaunchPad@Jurong Innovation District by JTC Corporation, which offer conducive environments for start-ups to commence operations. Furthermore, the 2019 Global Innovation Index ranked Singapore as the most innovative economy in the South-East Asia, East Asia and Oceania region.

Singapore's highly skilled labour pool is critical part of its attractiveness to new economy firms as they continue their expansion into Asia. With a highly regarded and globally recognised education system and robust research environment, the local labour pool is highly qualified with the necessary skillsets providing Singapore with a significant competitive advantage. Based on the latest Global Talent Competitiveness Index, Singapore ranked 2nd globally, behind Switzerland and is the only Asia Pacific country within the Top 10 ranking. The index is a global benchmark for issues relating to the future of work and talent competitiveness. In addition, Singapore is also ranked as one of the most liveable cities for expatriates to live and work in by various surveys. This enables the curation of both local and global talent to meet the precise requirements of potential employers with the added benefit of creating a virtuous cycle that continues to deepen the overall talent pool.

Lastly, the country has a strong, globally recognised Intellectual Property (IP) regulatory framework. The government is committed to developing Singapore as a Global IP Hub in Asia through a comprehensive IP Dispute Resolution Services, Quality Patent Search & Examination Services and nurturing Skilled IP Manpower to support the IP Ecosystem. The strong IP regime provides companies with the confidence to invest and engage in capital-intensive research activities. Based on the 2018 Global Competitiveness Report, Singapore ranked 3rd globally.

Future Growth of the Local Tech Sector

The Info-communications Media Development Authority (IMDA) recently released its Services and Digital Economy Technology Roadmap (SDE TRM) in 2018 as emerging technologies are disrupting business models, jobs and industries. The roadmap will guide IMDA's regulatory approaches and industry development plans for the infocomm and Media sector. As part of its recommendations, the roadmap suggested that the country should be a 1.) launchpad for Services 4.0, 2.) develop a competitive workforce augmented with technology and 3.) nurturing a vibrant ICM ecosystem where emerging technologies are made easily available.

In June 2019, the Digital Industry Singapore (DISG) office was set up to capitalise and support the growth of the country technology sector. It will bring together expertise from IMDA, the Economic Development Board and Enterprise Singapore. Its mission would be to establish Singapore as a global-Asia technology hub with robust infrastructure, deep expertise and a vibrant ecosystem. The office will also drive both the enterprise technology and consumer technology segments of the digital ecosystem. It will also collaborate with relevant stakeholders to develop policies and guide investments in the areas of digital infrastructure, trade, talent and data.

As mentioned earlier, business owners and public agencies indicated in a survey that demand for infocomm professionals is projected to increase by 28,500 over the next three years (2018-2020). More specifically, demand (+13,100 between 2018-2020) is expected to be largely driven by IT development roles such as software developer and user interface user experience designer.

In all, the outlook for the local technology sector looks promising. Strong government support coupled with an increasingly matured ecosystem will strengthen Singapore's position as a key gateway for tech firms into the region.

2. THE BUSINESS PARK MARKET

2.1 Introduction

For this report, Mapletree Business City (Phase 1) will be defined as "MBC I" and Mapletree Business City (Phase 2) will be defined as "MBC II".

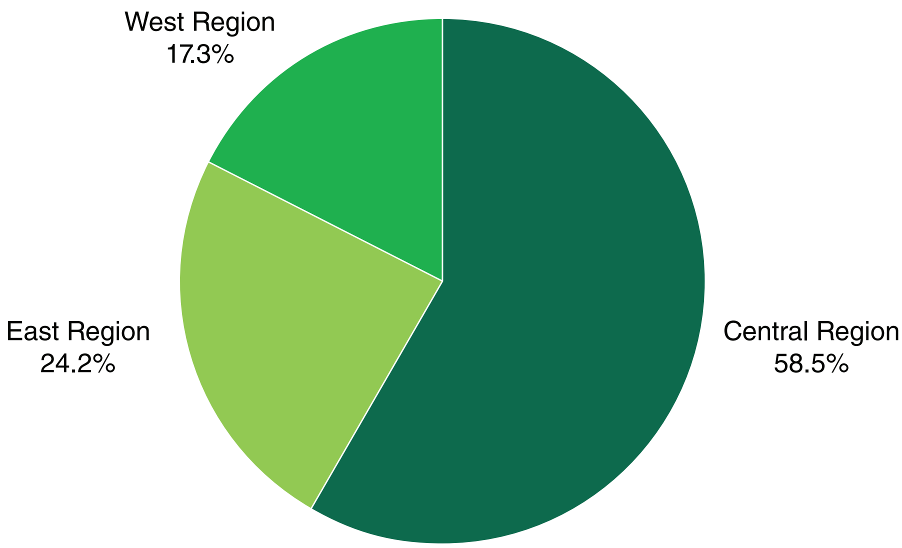
Business Parks typically occupy at least five hectares of land with office-like specifications. Tenants occupying business park spaces tend to be non-pollutive industries engaging in high technology, research and development, high value-added and knowledge intensive businesses that meet the permissible usage[4] requirement for business park space. MBC II is a mixed-use development with Business Park and Retail components within the broader MBC[5] business park development. Together with MBC I, it is currently the closest business park development to the country's Central Business District (CBD).

2.2 Existing Business Park Supply

Singapore islandwide business park stock increased by 2.4% year-on-year to 23.7 million sf in 2Q 2019. New business park completions in 2018 include Alice@Mediapolis and 22 Changi Business Park Central 2. More recently, 5 Science Park Drive is the only new completion in 2019.

According to JTC Corporation (JTC), the lead agency in Singapore that spearheads the planning, promotion and development of industrial space, most of the business park space (58.5%) is distributed in the Central Region of Singapore, which comprises of one-north, MBC and Singapore Science Park. 24.2% of total stock is in the Eastern region and is anchored by Changi Business Park. International Business Park, located in the Western region, has the smallest share of 17.3% of total stock.

Figure 14: Distribution of Business Park Space in Singapore (2Q 2019)

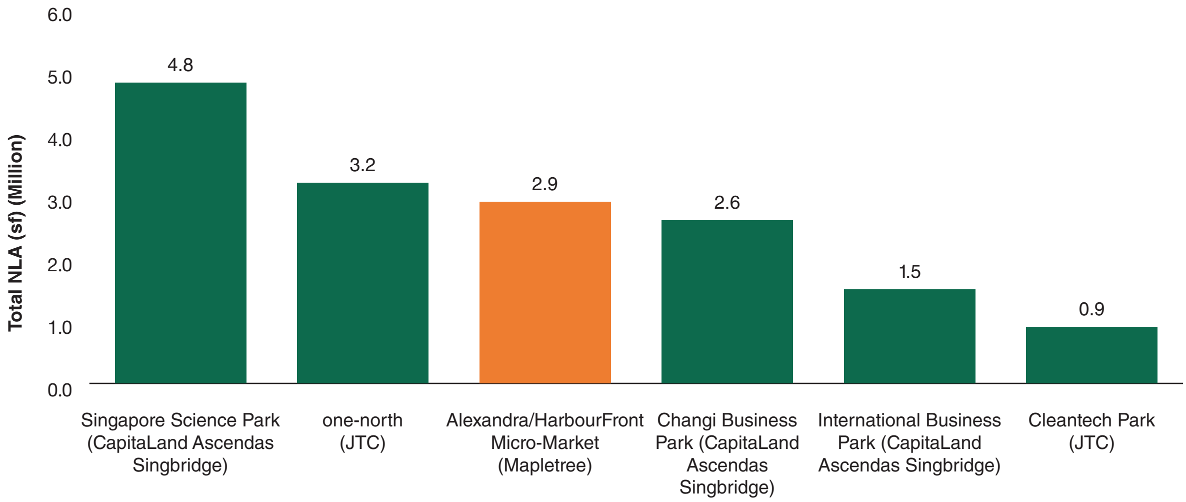


Source: JTC, CBRE

[4] Permissible use requirements can be found on https://www.ura.gov.sg/Corporate/Guidelines/Development-Control/Non-Residential/Business-Park/Advisory-Notes

[5] Collectively, MBC is made up of both MBC I & MBC II

Figure 15: Estimated Business Park Space Owned by the Largest Landlords in each Business Park



Source: CBRE

Note: Based on CBRE estimates.

Note: CapitaLand Ascendas Singbridge Group refer to assets held within the Group and its sponsored REITs (Ascendas-REIT). Mapletree include assets currently held within the Group and its sponsored REIT (Mapletree Commercial Trust).

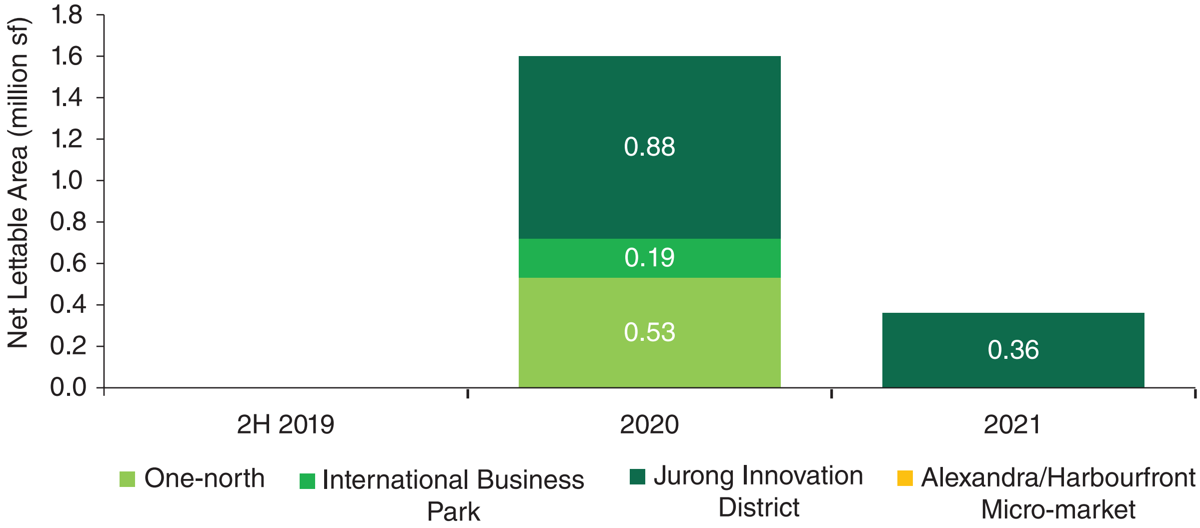
2.3 Future Business Park Supply

CBRE projects the islandwide business park supply over the next three years (2H 2019 – 2021) to increase by approximately 1.96 million sf of NLA. Almost half of new business park supply are built-to-suit in nature and will predominantly be for single occupier own use.

Future business park supply will be predominantly concentrated in Jurong Innovation District. Approximately 81.8% (or 1.6 million sf) of upcoming space is expected to enter the market in 2020. Key completions include Razer and Grab Headquarters, both built-to-suit facilities and located in one-north. The estimated new supply of around 356,000 sf in 2021 is mainly attributed to the completion of Surbana Jurong Campus (Business Park Component) by M&G Real Estate, another built-to-suit facility. It is located at Cleantech Loop within the upcoming Jurong Innovation District which is envisaged to be a campus for advanced manufacturing R&D and training.

According to the URA Draft Master Plan 2019, a statutory land use plan that guides the medium-term physical development of Singapore, there are plans to build new Business Parks in Woodlands North Coast and Punggol Digital District.

Figure 16: Future Business Park Supply (2H 2019 – 2021)



Source: CBRE

Figure 17: List of Known Future Business Park Developments

Year of Completion	Development Name	Micro-Market	Region	Estimated NLA (sf)
2020	Redevelopment of 13 International Business Park	International Business Park	West	190,844
2020	Razer Headquarters	one-north	Central	166,195
2020	Grab Headquarters	one-north	Central	364,336
2020	Business Park Development (PBA Group)	Jurong Innovation District	West	228,109
2020	JTC Cleantech Three	Jurong Innovation District	West	538,453
2020	Additions/Alterations to existing Business Park Component	Jurong Innovation District	West	111,342
2021	Surbana Jurong Campus (Business Park Component)	Jurong Innovation District	West	356,070

Source: CBRE, JTC

Alexandra/HarbourFront Micro-Market

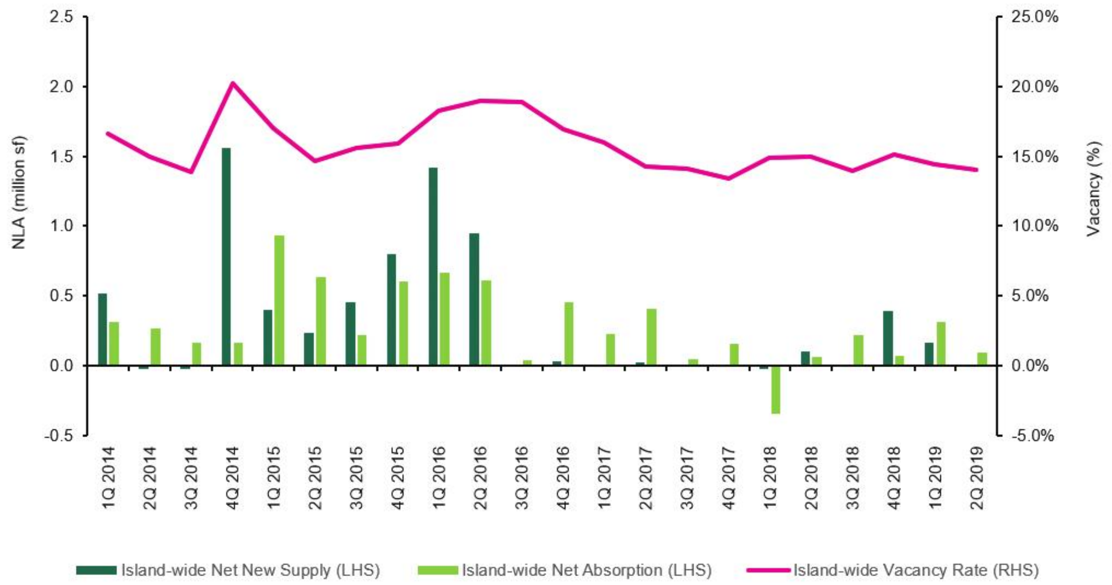
There is no known future supply of business park space within the Alexandra/HarbourFront micro-market, further highlighting the limited availability of quality space for occupiers seeking to locate within the area.

2.4 Demand and Vacancy

According to JTC, islandwide net absorption for the business park market came in at 4,112 sf in 2018. Net new supply for 2018 stood at 466,507 sf. Technology firms were the primary demand driver of business parks space as they embarked on expansionary activities while co-working operators are selectively seeking out opportunities. Vacancy rate for business park space declined by 6.4%-point year-on-year to 14.0% in 2Q 2019.

Due to limited supply of new multi-user stock and tight vacancies in higher quality buildings, the leasing market was muted in 2Q 2019. Firms are also more cautious in their space requirements amidst a backdrop of weaker and broader economic performances. Technology and media firms contributed to the bulk of leasing activities in the latest quarter, although this was offset by the right-sizing of a number of consumer product companies.

Figure 18: Islandwide Business Park Supply, Demand & Vacancy



Source: CBRE, JTC

In general, firms in the infocomm, technology, biomedical and finance sectors are presently among the most prevalent tenants in business parks. There exists a two-tier market in the business park sector, with better quality space in the City Fringe[6] submarket while older business parks such as the Singapore Science Park and International Business Park are in the Rest of Island submarket[7]. Both markets continue to diverge in performance with vacancy levels in the City Fringe submarket remaining low at 6.4% while the Rest of Island submarket came in at 17.2%. The rental premium for City-Fringe business park space has also been steadily widening to 52.6% in 2Q 2019.

Within the Central Region, net absorption for 2Q 2019 stood at 160,727 sf. Net new supply remained relatively stable at -3,918 sf. Vacancy levels declined by 12.1% quarter-on-quarter to 8.7% during this period.

[6] The City Fringe submarket basket covers one-north business park and the Alexandra/HarbourFront micro-market.

[7] The Rest of Island submarket basket covers business parks outside of the City Fringe submarket.

Figure 19: Central Region Business Park, Supply, Demand & Vacancy

Source: CBRE, JTC

Interest in business park space within the city fringe submarket remains robust, given generally higher specifications, better infrastructure, more comprehensive amenities, modern facilities, environmental attributes and improved accessibility. MBC II is in the City Fringe submarket.

Flight-to-Quality

The Flight-to-Quality trend can be seen in the business park market as tenants capitalised on market conditions and the availability of new developments to upgrade, consolidate their operations and achieve efficiency gains. Key factors driving this trend would be newer business park buildings with premium technical specifications such as large column-free floor plates, high floor-to-ceiling height as well as more centralised locations. Occupiers would be able to enjoy advantages such as better specification building infrastructure, amenities and accessibility through a moderate increase in rental.

The initial wave of Flight-to-Quality movements within the business park market occurred in 2009, with large multi-national financial institutions consolidating their operations across the island into new quality space at Changi Business Park. Key examples would include DBS Bank, Standard Chartered Bank, Credit Suisse and Citigroup.

This trend has since expanded beyond the financial services industry to encompass a wider myriad of trades.

Figure 20: Key Examples of Flight-to-Quality Movement in the Business Park Market

Year	Tenant	To	From	Estimated Space Taken (sf)
2016	Pfizer Private Limited	MBC II	The Capricorn	N.A.
2016	IGG Singapore Pte. Ltd.	MBC II	Sime Darby Centre	N.A.
2010	Standard Chartered Bank	Standard Chartered@Changi (7 Changi Business Park Crescent)	Multiple Locations	232,000
2009	Citigroup	3 Changi Business Park Crescent	Tampines Junction & Tampines Plaza	400,000

Source: CBRE

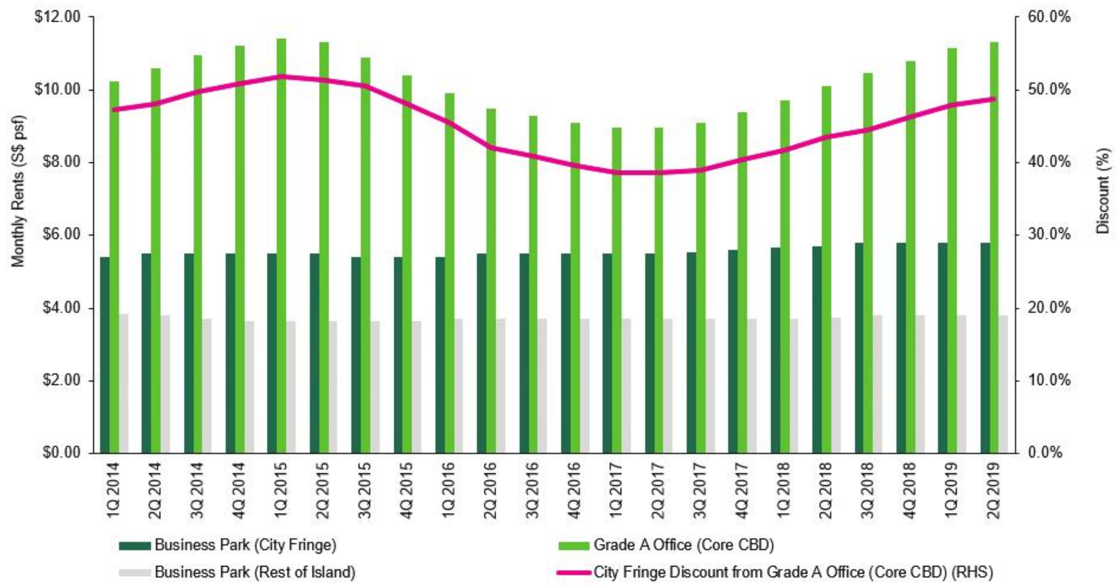
Decentralisation

The Urban Redevelopment Authority (URA) broad definition of the decentralised commercial market refers to the initiative to develop commercial hubs outside of the central area. Three main regional centres were identified under the 1991 Concept Plan. They were Tampines, Woodlands and Jurong. Key objectives of decentralisation would be to bring jobs closer to homes and provide lower cost alternatives for business activities that do not need central locations. The distribution of business and commercial activities across the country will reduce travelling time and relieve peak hour congestion.

Business parks in Singapore are located outside of the Central Business District (CBD), in key areas across the island. They are also part of the larger decentralisation efforts by the government to encourage businesses to consider operations that do not require the benefits and prestige of a CBD address to relocate to the suburbs. Additionally, the advent of new workplace strategy and increasing adoption of technology has made it possible for occupiers to be located away from the CBD with lesser emphasis on physical location.

The completion of new business parks with quality specifications in the business park City Fringe submarket has provided additional alternatives for businesses. Occupiers who are cost conscious could now save on their rental expenses and enjoy quality workspace within proximity to the CBD, leading to a flight-to-rental advantage move.

Figure 21: Business Park and Core CBD Grade A Office Rent



Source: CBRE

Between 1Q 2014 – 2Q 2019, the rental discount between locating in a City Fringe business park over Grade A core CBD office space averages around 45.2%, appealing to occupiers who value cost savings.

Prominent decentralised occupier movements in recent years would include Google and the International Air Travel Association (IATA) moves to MBC II from Asia Square Tower 1 and TripleOne Somerset respectively.

Going forward, the momentum for decentralisation is expected to continue with the emphasis and development of new quality spaces and innovative clusters by the government and private developers alike. The provision of future planned Business Park space in Woodlands North Coast, Punggol Digital District, Jurong Innovation District and the continued development of one-north will create additional workplace alternatives for occupiers.

Figure 22: Key Occupier Movements to Decentralised Business Parks

Year	Tenant	To	From	Estimated Space Taken (sf)
2018	Linde Gas Asia Pte. Ltd.	MBC II	Ngee Ann City	N.A.
2017	International Air Transport Association (IATA)	MBC II	TripleOne Somerset	32,000
2016	Google	MBC II	Asia Square Tower 1	680,000*
2015	Covidien	MBC II	Vision Crest	56,000
2013	British Telecom	UE Biz Hub	Gateway & Technopark @ Chai Chee	45,000
2013	BW Offshore	MBC I	AXA Tower	55,000
2011	Novartis	MBC I	Keppel Tower	52,000
2011	Nike	MBC I	Suntec City & Eightrium	100,000
2011	American Express	MBC I	The Concourse & Chevron House	100,000
2011	SingPower	MBC I	TripleOne Somerset	100,000
2011	HSBC	MBC I	Multiple Locations	190,000
2011	SAP IT Company	MBC I	Multiple Locations	120,000-130,000
2010	DBS Bank	DBS Asia Hub (2 Changi Business Park Crescent)	DBS Building (Shenton Way) & Technopark@Chai Chee	340,000
2010	Infocomm Development Authority Singapore	MBC I	Suntec City	160,000
2010	Unilever	MBC I	UE Square & Vision Crest	150,000

Source: CBRE.

Note: *Inclusive of Google's additional expansion of space in MBC II since the initial estimated take-up of 270,000 sf in 2016.

Campus-Style Environment

A campus-style environment is a workplace where the distinction between a campus and office building is blurred with a combination of both office and campus space. Campus-style workplaces is not a new concept, having been a feature in the United States since the late 1980s, where people are inspired by the idea that open spaces in workspaces filled with natural light would encourage collaboration and improve employee morale.

The future workforce, made up of millennials and current students, is accustomed to campus life. They live in a sharing economy where public amenities like canteens, dormitories and libraries, parks cater to their growth and personal development. Hence, companies are increasingly placing more emphasis on replicating a campus-like environment within their corporate workplace. This transformation not only shapes the physical landscape within the workplace, but also creates an environment that fosters collaboration between employees, development of an organic identify and more importantly, attracts and retains talent.

To achieve this, companies have expanded the amount of communal facilities available to employees. This includes facilities that meet leisure, recreational and collaborative needs of employees. Examples of collaborative amenities would include cafeterias, open discussion areas, ample meeting rooms and lounges. Leisure & recreational facilities could include gyms, open discussion areas & shower rooms, all of which promote the mental well-being of employees.

Technology firms are early adopters of this workplace philosophy, with current trends anecdotally indicating that other services sectors are also moving towards this direction. An example would be Google's Asia-Pacific headquarters office within MBC II. The space design is centred around the provision of a campus-like environment for employees, incorporating open spaces with various work desk options. Based on a survey conducted by CBRE in 2018, 78% of Asia Pacific corporates have plans to implement open-plan area with a variety of workspace choices by 2021[8]; an increase from 40% whom responded in the 2017 survey. Promotion of collaboration, better space utilisation and talent attraction and retention were selected as the main drivers of workplace strategy within the same poll. In addition to a variety of workspace options, a cafeteria serving free meals, nap rooms, pool tables and wellness facilities such as a gym promote wellness levels and are made available to employees. Apart from Google, Surbana Jurong (Urban & Infrastructure Solutions Company) will be moving its headquarters to a new facility in Cleantech Park, incorporating a campus-like environment within a business park cum office space. The campus will serve as the firm new centre for research and development of innovation for the built-environment through the provision of new workplace solutions.

2.5 Business Parks Rents

Business Park rents have generally been very resilient and stable. Historically, the City Fringe submarket has commanded average rental premiums of 49.4% over the Rest of Island submarket since 2014. As at 2Q 2019, the City-Fringe and Rest of Island submarket commanded rents of S$5.80 psf/month (+1.8% year-on-year) and S$3.80 psf/month (+1.3% year-on-year) respectively. MBC II is located within the City Fringe submarket.

Figure 23: Business Park Rents

Source: CBRE. The Alexandra/HarbourFront micro-market is located within the City Fringe submarket.

[8] The said question in CBRE APAC Occupier Survey 2018 distinguishes the expected workspace and not the expected real estate format by 2021.

This two-tier market continued to diverge with vacancy rates in the City Fringe remaining low at 6.4% while the Rest of Island market hit 17.2% at 2Q 2019. There are landlords who are beginning to relent on rental expectations for assets that have had issues with occupancy levels over an extended period.

The premium attributed to the City-Fringe submarket may be driven by the different profiles of tenants that typically occupy the City Fringe business parks, as well as the relative proximity of these business parks to the CBD. In addition, the buildings in City Fringe business parks are generally newer and of higher specifications than those in the east and west regions, with several developments featuring premium specifications.

Newer business parks with quality specifications and good locational attributes such as MBC are generally able to command higher rental rates.

2.6 Business Parks Investment Market and Capital Values

The Business Park investment market witnessed limited transaction volume over the past five years as assets are tightly held by landlords. Additionally, no transaction was recorded in 2018 and 1H 2019.

Figure 24: Selected Business Park Investment Transactions (2015-YTD 2019)

Quarter	Property Name	Price	Land Tenure	Remaining Lease Tenure at Point of Transaction*	Estimated Floor Area	Price (S$ psf)	Buyer	Seller
3Q 2017	13 International Business Park	S$24,800,000	60 Years	47 Years	108,888 sf of GFA	$228 per GFA	Pension Real Estate Singapore Pte. Ltd.	Ascendas REIT
4Q 2016	DSO National Laboratories Phase 1 & 2, DNV GL Technology Centre	S$420,000,000	99 Years	64 Years	848,959 sf of NLA	$495 per NLA	Ascendas REIT	Ascendas Land (Singapore) Pte. Ltd.
3Q 2016	MBC I	S$1,780,000,000^	99 Years	80 Years	1,708,218^ sf of NLA	$1,042^ per NLA	Mapletree Commercial Trust	Mapletree Investments Pte. Ltd.
Q4 2015	One@Changi City	S$420,000,000	60 Years	53 Years	679,267 sf of NLA	$618 per NLA	Ascendas REIT	Ascendas Frasers Pte. Ltd.
Q1 2015	The Kendall	S$112,000,000	Leasehold	64 Years	181,091 sf of NLA	$618 per NLA	Ascendas REIT	Singapore Science Park Ltd.

Source: CBRE.

Note: ^Inclusive of office and business park component. *Rounded down to the nearest year.

2.7 Business Parks Outlook

Business park space is expected to remain a favourable option for qualified tenants who are seeking long term stability. Thus, prospects for the sector look stable. However, there is a mismatch in the type of space that occupiers seek and what is currently available in the market, leading to a slowdown in leasing volume. Occupiers have consistently exhibited a preference for business parks with higher specifications and locational attributes, particularly those located in the City Fringe. These occupiers are selective and have not chosen to widen their space options to older and less well-located business parks despite tightening availability. A large proportion of vacant spaces are located in poorer and older assets which are unlikely to be filled easily. Henceforth, the two-tier business park market is likely to become more pronounced going forward with a widening in rental gap. Rentals and vacancy levels are expected to remain relatively unchanged over the moderate term.

Furthermore, given supply constraints, large corporates along the likes of Grab and Razer with sizeable leasing requirements prefer to adopt the direct land allocation approach from JTC rather than tapping the private market.

Tenants in business park space include incubators and firms from the fintech & technology sector. The government has adopted a targeted approach towards the introduction of new business park space with the majority being built-to-suit projects for single-owner occupier use.

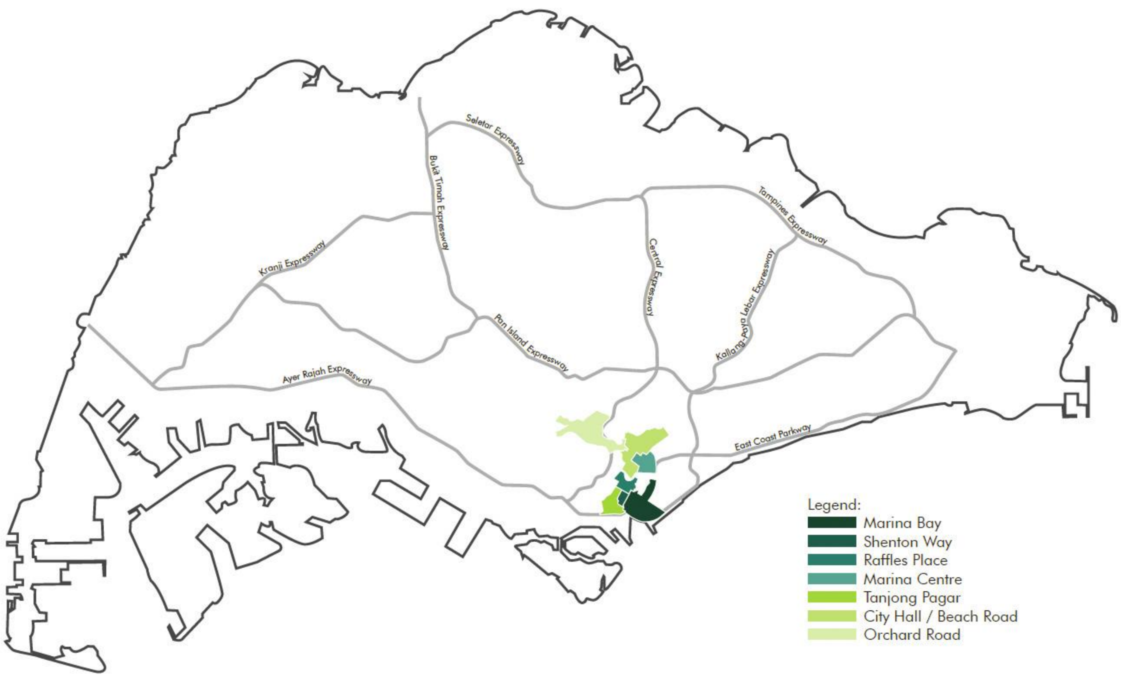
With the recent unveiling of plans for the Greater Southern Waterfront (Refer to Section 5.5.), the business park component of MBC stands to be a key beneficiary with a large business park presence and excellent connectivity as the precinct is redeveloped into a world-class urban gateway with work, live and play elements. The future development of new residential projects will appeal to eligible corporate occupiers who would like to be located within proximity to their workforce, henceforth improving the attractiveness of business park space within the precinct.

3. THE OFFICE MARKET

3.1 Introduction

The Singapore office market comprises of three submarkets: Core CBD, Fringe CBD and Decentralised submarkets. The Core CBD submarket is the most prominent choice location for office occupiers where their businesses' front office financial services and functions are concentrated. The Core CBD submarket consists of Marina Bay, Shenton Way, Raffles Place and Marina Centre micro-markets.

Figure 25: Singapore Office Submarkets



Source: CBRE

Grade A core CBD[9] offices are defined as new or redeveloped offices located in the core CBD area with high specifications and command top rents. Location is a key criterion for being classified as a Grade A core CBD Office Building.

Grade B[10] core CBD offices include buildings that generally do not meet one or more aspects of Grade A core CBD offices and are typically defined as offices with technical specifications that are one grade lower than that of Grade A core CBD. Grade B core CBD offices are located within the core CBD region as well.

3.2 Existing Office Supply

Singapore is a key gateway city in the South East Asia region with an existing office stock of 60.97 million sf as of Q2 2019. Most of the office space is concentrated in the Core CBD submarket. The Core CBD submarket forms a significant portion of the office market with 49.7% of the overall islandwide stock. Key occupants in the Core CBD area consist of firms in the Financial & Insurance, Information Technology, and other Business Services industries.

Selected notable office developments completed in 2018 include Paya Lebar Quarter (870,170 sf) and Frasers Tower (663,000 sf).

The Fringe CBD submarket, comprising Tanjong Pagar, Beach Road/City Hall as well as Orchard Road contribute 27.1% of the overall stock, with most occupants consisting of MNCs and SMEs in non-financial industries.

The decentralised submarkets are anchored mainly by clusters of offices in Alexandra/ HarbourFront, Western Suburban area and Eastern Suburban area, and account for 23.2% of the overall market.

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[9] A prestigious landmark building occupying a prime location in the Central Business District (Raffles Place, Shenton Way, Marina Centre and Marina Bay) with a modern flexible layout and column free floor plates in excess of 15,000 sf. The building will possess high quality furnishing [1], hi-tech facilities [2], and excellent accessibility from public transport. The building will also attract a tenant mix of premier office users [3].

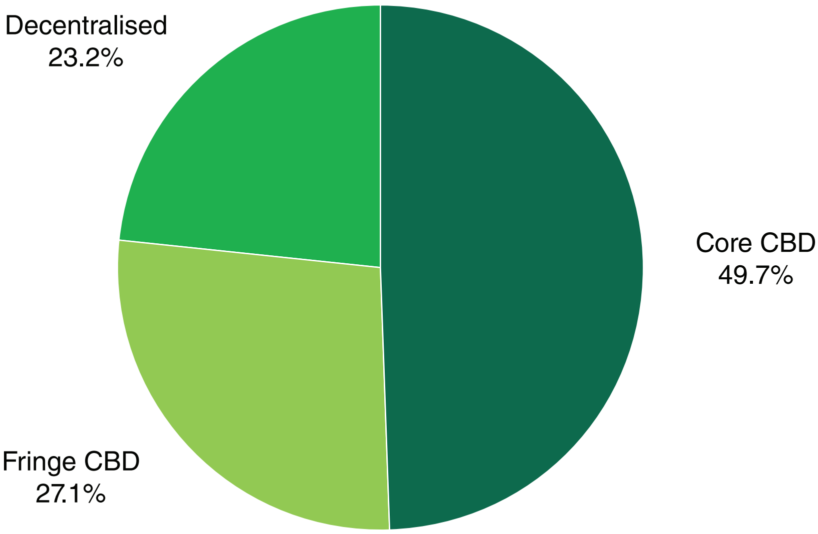
[1] Examples of high-quality furnishings will include, but are not limited to raised flooring in excess of 150mm, floor to ceiling height in excess of 2.75m, granite or marble lift lobbies on the ground and upper floors, granite or marble toilets, improved double volume entrance lobby, and adequate windows for natural lighting.

[2] Examples of hi-tech facilities will include, but are not limited to emergency power, building servers, tenant dedicated servers, dedicated data riser, broadband fibre optic cabling, professionally managed security such as CCTV, Patrol and Lift Access Card, 24-hr air-cooling with supplementary cooling for specialized areas, reasonable low noise, lift services internal of no more than 25 seconds with a handling capacity in excess of 15% and dedicated lifts for goods, car park and office tenants.

[3] Examples of premier office users will include but are not limited to long leasing credit worthy international and domestic high-profile companies.

[10] Grade B core CBD Office are defined as offices which have technical specifications that are one grade lower than Grade A core CBD specification, or when one or more aspects of Grade A core CBD definitions cannot be achieved.

Figure 26: Existing Office Supply (2Q 2019)



Source : CBRE

<u>Alexandra/HarbourFront Micro-Market</u>

Based on CBRE data, the Alexandra/HarbourFront micro-market is the single largest office micro-market in the decentralized market, comprising 6% of the total office market as at 2Q 2019. CBRE's basket of office buildings within the Alexandra/HarbourFront micro-market consists of 12 office buildings with varying quality, age and specifications.

The boundary of the Alexandra/HarbourFront micro-market runs along Keppel Viaduct from Telok Blangah Road to Pasir Panjang Road. The HarbourFront micro-market is bounded by HarbourFront Avenue, HarbourFront Place and Telok Blangah Road while the Alexandra micro-market is bounded by Pasir Panjang Road, Alexandra Road, and Telok Blangah Road. The HarbourFront micro-market is served by the HarbourFront MRT station while Labrador Park MRT station serves the Alexandra micro-market.

Figure 27: Boundary of Alexandra/HarbourFront Micro-Market

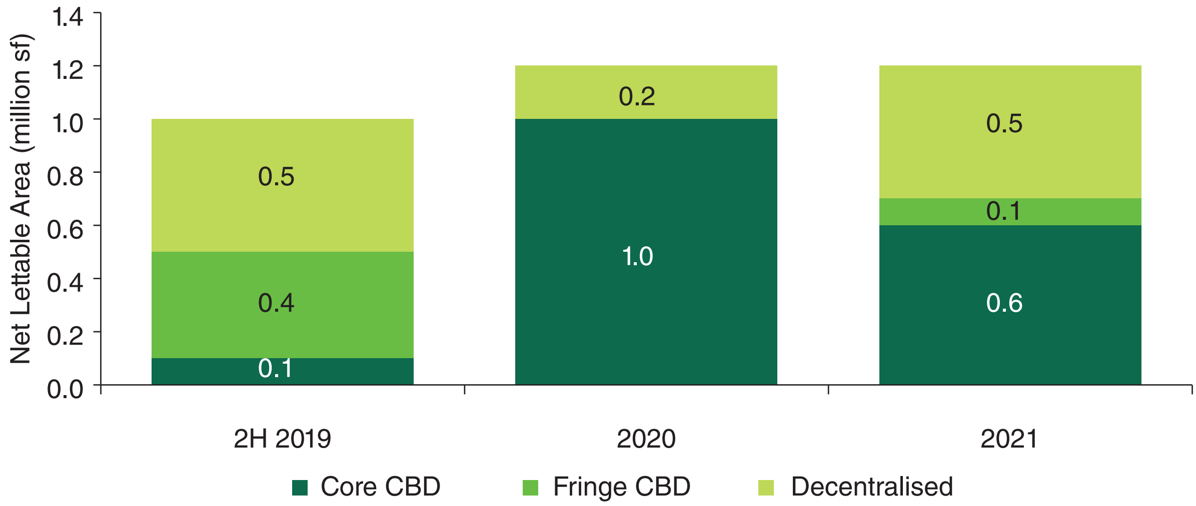
Source: OneMap, CBRE

New office developments completed over the last 10 years in the Alexandra/HarbourFront micro-market were limited to the office component of MBC I, which was built according to Grade A core CBD office specification.

3.3 Future Office Supply

The office pipeline supply for the next three years (2H 2019 to 2021 inclusive) is approximately 3.5 million sf. Around 48.5% of the future office supply is in the Core CBD submarket. By contrast, the Fringe CBD and Decentralised submarkets accounted for 14.5% and 36.9% of the pipeline supply.

Figure 28: Future Office Supply (2H 2019 – 2021)



Source: CBRE

An estimated 1.0 million sf of office space is scheduled to be completed for the remainder of 2019. HD 139 (83,958 sf) is the only notable new supply in the Core CBD submarket. On the other hand, 9 Penang Road will inject 381,000 sf of new office space to the Fringe CBD submarket. Woods Square will add approximately 534,400 sf of office space to the Decentralised stock in 2019.

The 2020 office pipeline is expected to increase slightly from the previous year. Majority (81.3%) of the 2020 office supply is in Core CBD submarket. This includes ASB Tower (514,000 sf), Oxley@Raffles (312,853 sf) and Afro-Asia I-Mark (153,526 sf). Other new office completions include Centrium Square (107,041 sf) and St James Power Station (118,392 sf) in the Decentralised submarket.

New office supply is projected to remain relatively flat at 1.3 million sf in 2021. This includes the expected completion of CapitaSpring (635,000 sf) in the Core CBD submarket and the Rochester Commons in the Decentralised submarket. Dubbed to be the first shared Executive Learning Centre in Singapore with a mix of office, F&B and hospitality components, Rochester Commons provides approximately 264,781 sf of new office space.

Figure 29: Future Office Supply (2H 2019 – 2021)

Year	Development	Location	Submarket	Estimated NLA (sf)
2019	HD 139	139 Cecil Street	Core CBD	83,958
2019	Woods Square	Woodlands	Decentralised	534,400
2019	9 Penang Road	Penang Road	Fringe CBD	381,000
2020	Centrium Square	Serangoon Road	Decentralised	107,041
2020	Oxley@Raffles	Raffles Place	Core CBD	312,853
2020	Afro-Asia I-Mark	Anson Road	Core CBD	153,526
2020	St James Power Station	Sentosa Gateway	Decentralised	118,392
2020	ASB Tower	Robinson Road	Core CBD	514,000
2021	CapitaSpring	Market Street	Core CBD	635,000
2021	Rochester Commons	Rochester Park	Decentralised	264,781
2021	Hub Synergy Point Redevelopment	Anson Road	Fringe CBD	128,456
2021	Surbana Jurong Campus (Office Component)	Cleantech Loop	Decentralised	268,258

Source: CBRE

Alexandra/HarbourFront Micro-Market

The scheduled completion of St James Power Station in 2020 will contribute 118,392 sf of office space in the HarbourFront/Alexandra micro-market. With no material addition to the Alexandra/HarbourFront micro-market, supply in the micro-market remains tight with no new competition arising from buildings of similar quality. As such, MBC II is well-positioned to continue to attract tenants looking for proximity to the CBD and relatively more affordable prime office space in the Alexandra/HarbourFront micro-market.

In summary, while there will be a stable amount of office supply over the next 3 years, limited new supply will be located in the Alexandra/HarbourFront micro-market. Furthermore, there are no plans for new Grade A specification office developments in the Alexandra/HarbourFront micro-market in the foreseeable future.

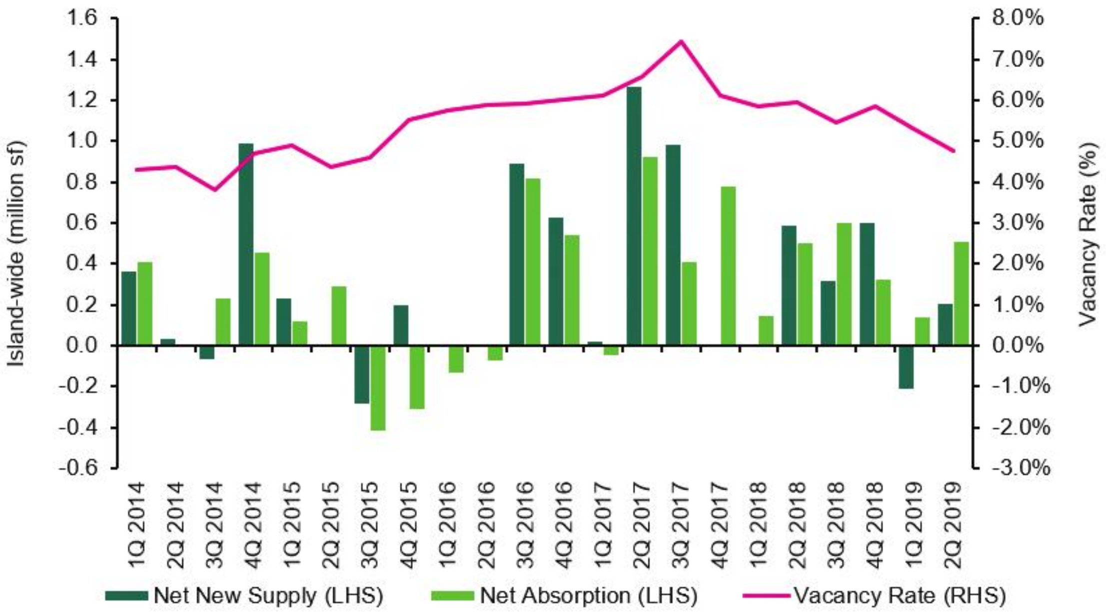
3.4 Demand & Occupancy

Total islandwide office net absorption continued to exhibit growth in 2018, coming in at 1.6 million sf. The islandwide office leasing activities were well supported by strong office demand from various sectors including financial and insurance, information and technology, shipping, as well as business services sectors. Demand for office space in 2018 has been largely spearheaded by firms in the finance, technology and co-working sectors.

The appetite for growth among agile space operators remained strong in 2018 and into 1Q 2019. WeWork announced its launch of three new offices in Suntec City Tower, City House and 8 Cross Street. This translates to approximately 2,500 desks in total for the three offices. Meanwhile, JustCo will open its latest space at China Square Central in 4Q 2019. Competition is set to intensify further with the entrance of Campfire Collective, a Hong Kong-based co-working firm. Based on CBRE estimates, the total amount of office space occupied by co-working operators has doubled over the year to 1.4 million sf in 2018.

More recently, the islandwide net absorption for 2Q 2019 stood at 0.5 million sf. This healthy take-up was contributed by prior commitments in the office component of Funan and higher occupancy in recently completed buildings. The technology and co-working sectors remained active with sporadic growth seen in other industries such as the life insurance sector.

Figure 30: Islandwide Office Demand and Vacancy



Source: CBRE

Flight-to-Quality

Similar to the business park market, the Flight-to-Quality trend has persisted in recent years as tenants capitalised on market conditions to upgrade, consolidate their operations and achieve efficiency gains. Key factors driving this trend would be newer buildings with premium technical specifications such as large column-free floor plates, high floor-to-ceiling height as well as more centralised locations. Examples would include The Straits Trading Company and Arup move to Guoco Tower and Frasers Tower respectively.

Decentralisation Trend

Today, the Novena Fringe Centre, Jurong & Tampines Regional Centre have been developed into well-supported office clusters with retail, food & beverage and entertainment amenities. On the contrary, Woodlands Regional Centre is still in the midst of actualisation with key future developments such as the upcoming completion of Woods Square and the sale of a white site via the Government Land Sales Programme along Woodlands Avenue 2.

Key tenants in the decentralised office cluster generally consist of manufacturing firms, professional services, government agencies and the back offices of insurance and financial services firms. The decentralised office cluster consist mostly of Grade B office buildings.

Figure 31: Key Tenant Movements to Decentralised Office Space

No.	Company	Industry	From	To	Year*	Estimated Space Taken Up (sf)
1	Bayer	Pharmaceutical	OCBC Centre	Paya Lebar Quarter	2019	31,000
2	SMRT	Transportation	North Bridge Road	Paya Lebar Quarter	2018	100,000
3	CBRE	Real Estate	Six Battery Road	Paya Lebar Quarter	2018	31,000
4	Great Eastern	Insurance	200 Changi	Paya Lebar Quarter	2018	125,000
5	Daimler Group	Transportation	Centennial Tower	Westgate Tower	2015	55,000
6	Central Provident Fund Board	Government	79 Robinson Road	Novena Square	2014	210,000
7	SGX (Central Depository)	Financial Services	1 SGX Centre	The Metropolis	2014	N.A.

Source: CBRE. * Recorded at point of announcement. The above list is non-exhaustive and is based on news publications and market knowledge. Tenant movement for expansion and relocation are both included.

Alexandra/HarbourFront Micro-Market

In the decentralised market, the Alexandra/HarbourFront micro-market is the single largest office micro-market and exists in a two-tier market with different value propositions for prospective office tenants.

Located just outside the Fringe CBD submarket with excellent amenities, the Alexandra/HarbourFront micro-market consists of newer good quality office buildings which are located within proximity to key public transport hubs, as well as older buildings which are further away from public transport modes.

The office component of MBC I, MLHF Building and the refurbished PSA building among others, are examples of newer developments that have significantly increased the quality of office buildings in the Alexandra/HarbourFront micro-market.

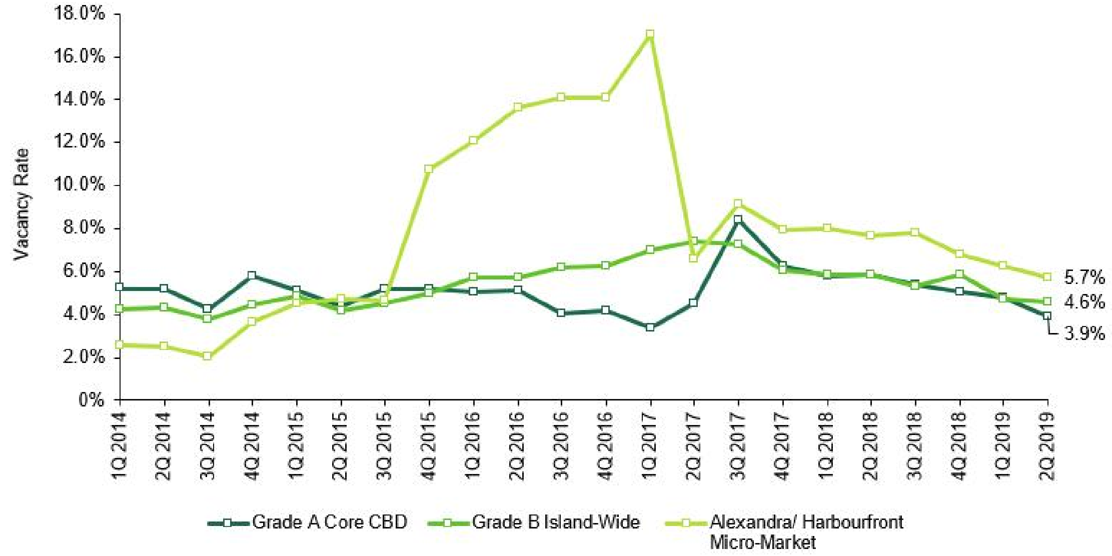
In general, the newer office developments have successfully managed to attract strong demand from large financial companies, technology companies and government agencies seeking sizeable office spaces at reasonable prices. The older buildings typically cater to smaller trading and manufacturing companies.

Given the relatively limited supply of good quality office buildings in the Alexandra/HarbourFront micro-market as well as the low vacancy rates in the existing good quality buildings, the basket of good quality buildings in the Alexandra/HarbourFront micro-market is generally expected to stay resilient during periods of downturn.

3.5 Office Vacancy Rates

In 2Q 2019, overall islandwide office vacancy rate continued to tighten at 4.77% amidst stable demand and a recovery in the broader office market. While still above the 5-year low of 3.81% observed in 3Q 2014, it has been steadily declining from a high of 7.43% in 3Q 2017.

Figure 32: Office Vacancy Rates



Source: CBRE

Despite the positive figures, the growing overcast of warning signs over the outlook of the office sector is growing. Firms are generally exhibiting more caution as they ascertain the full impact of the trade war, with an increasing number of firms opting to renew rather than commit additional capital expenditure to expand or relocate. Vacancy rates are expected to remain decline over the near term given stable demand and moderating supply.

Alexandra/HarbourFront Micro-Market

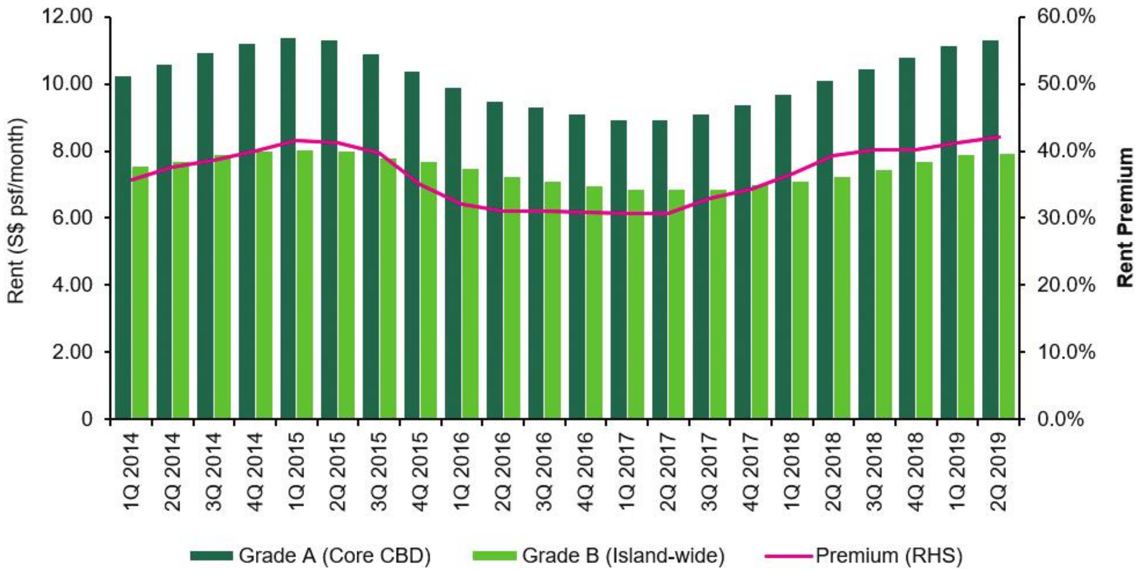
Despite boasting slightly higher rates (5.7%) than Grade A core CBD (3.9%) and Grade B Islandwide (4.6%) buildings, vacancy levels within the Alexandra/HarbourFront Micro-Market have been trending downwards over the preceding few quarters. This is in alignment with the recovery in the broader office market.

3.6 Office Rents

The Singapore office sector hit a 5-year peak in 1Q 2015 with Grade A (Core CBD) and Grade B (Islandwide) monthly rents hitting $11.40 psf and $8.05 psf respectively. By 1H 2017, the rental market has reversed course having hit a trough of $8.95 psf and $6.85 psf for Grade A (Core CBD) and Grade B (Islandwide) respectively.

However, positive business sentiments and economic conditions in 2018 has contributed to a recovery in the local office market with rentals for Grade A (Core CBD) and Grade B (Islandwide) monthly rents reaching $11.30 psf and $7.95 psf respectively as of 2Q 2019.

Figure 33: Office Rents



Source: CBRE

Despite being more commonly seen in a depressed rental market, there have been a few companies who are currently exploring consolidation options in the market. The flight-to-quality trend will continue to persist as upgrade, consolidate their operations and achieve efficiency gains. Key factors driving the relocation trend are newer buildings with premium technical specifications including larger column-free floor plates and higher floor-to-ceiling heights, as well as more central locations. Good quality office buildings that are reasonably priced will remain the main beneficiary. Landlords are expected to be more tenant selective due to the supply glut of upcoming quality office space.

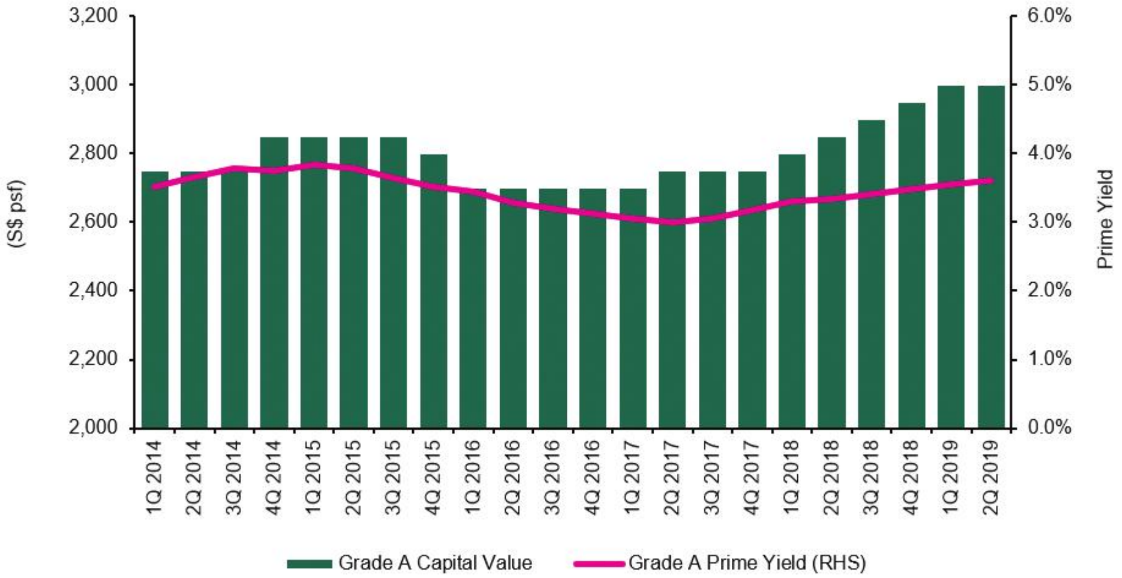
3.7 Office Investment Market and Capital Values

Office assets were sought after by investors in 2018. Office investment sales stood at S$5.9 billion for whole of 2018. Notable examples of enbloc office transactions in 2018 include the sale of the office component of OUE Downtown 1 and 2 (S$908.0 million), Robinson 77 (S$710.0 million), 78 Shenton Way (S$680.0 million) and Manulife Centre (S$555.5 million). The increasing number of new office investors in 2018 was a testament of investors' confidence in Singapore's market. These include Gaw Capital's purchase of Robinson 77, ARA-Chelsfield's joint purchase of Manulife Centre and Kenedix Inc's purchase of a 25.0% stake in Capital Square.

Following a quiet first quarter (S$258.5 million), office investment volume surged by 965% q-o-q to hit S$2.8 billion in 2Q 2019. The sale of Chevron House (S$1.03 billion) and a 50% stake in Frasers Tower (estimated S$982.5 million) to AEW Asia's and an unnamed strategic investor respectively constitutes the largest deals over the quarter.

Grade A office capital values increased by 5.3% year-on-year to reach S$3,000 psf in 2Q 2019. Yields rose by 0.05%-point to 3.60% in 2Q 2019.

Figure 34: Office Capital Values and Net Yield



Source: CBRE

A list of selected historical office investment transactions in the CBD is provided in the below figure.

Figure 35: Selected CBD Office Investment Transactions (2014 – YTD 2019)

Quarter	Property Name	Price (SGD)	NLA (sf)	Tenure	Unit Price (S$PSF/NLA)
3Q 2019	Anson House	$210,000,000	86,239	99 Years	$2,435
3Q 2019	71 Robinson Road	$655,000,000	237,644	85 Years 10 Months	$2,756
3Q 2019	Duo Tower & Duo Galleria^	$1,575,000	626,000	99 Years	$2,570
3Q 2019	Frasers Tower (50%)	$982,500,000	342,943	99 Years	$2,865
2Q 2019	Chevron House	$1,025,000,000	374,165*	99 Years	$2,739
4Q 2018	78 Shenton Way	$680,000,000	362,280	99 Years	$1,877
3Q 2019	OUE Downtown 1 & 2 (Office Component)	$908,000,000	530,064	99 Years	$1,713
2Q 2018	Twenty Anson	$516,000,000	206,153	99 Years	$2,503
2Q 2017	One George Street (50%)	$591,600,000	223,245	99 Years	$2,650
1Q 2017	PwC Building	$746,800,000	355,619	99 Years	$2,100
4Q 2016	77 Robinson Road	$530,800,000	293,260	99 Years	$1,810
2Q 2016	Asia Square Tower 1	$3,380,000,000	1,250,000	99 Years	$2,700
2Q 2016	Straits Trading Building	$560,000,000	158,897	999 Years	$3,524
4Q 2015	CPF Building	$550,000,000	324,082	99 Years	$1,697
1Q 2015	AXA Tower (50 Storeys)	$1,170,000,000	674,926	99 Years	$1,733
2Q 2014	Equity Plaza	$550,000,000	252,135	99 Years	$2,181
2Q 2014	Prudential Tower	$512,000,000	221,080	99 Years	$2,315

Source: CBRE.

Note: * Oxley corporate presentation in February 2019 showed that there is plan to increase the building NLA to approximately 374,165 sf. ^Inclusive of both office and retail component with figures based on publicly available media reports.

A list of selected historical office investment transactions in the decentralized market is provided in the below figure.

Figure 36: Selected Decentralised Market Office Investment Transactions (2014 – YTD 2019)

Quarter	Property Name	Price (SGD)	NLA (sf)	Tenure	Unit Price (S$PSF/NLA)
2Q 2019	7 & 9 Tampines Grande	$395,000,000	287,691	99 Years	$1,373
2Q 2018	Hersing Centre	$72,800,000	27,956	99 Years	$2,604
2Q 2017	Sime Darby Centre	$365,000,000	202,665	Freehold/999 Years	$1,801
4Q 2015	HarbourFront Tower One & Two (39% Share)	$288,500,000	208,276	Leasehold	$1,385
4Q 2015	Keppel Bay Tower (30% Share)	$83,200,000	116,489	Leasehold	$1,572
1Q 2014	Westgate Tower	$579,400,000	304,963	99 Years	$1,900

Source: CBRE.

Note: HarbourFront Tower One & Two and Keppel Bay Tower PSF is calculated based on the entire building.

The office investment market is expected to stable. With a healthy pipeline of commercial deals still under negotiations, several of these major deals could potentially materialise into actual investment volume in 2H 2019.

Alexandra/HarbourFront Micro-Market

No enbloc office transaction was recorded for the HarbourFront/Alexandra micro-market between 2016-1H 2019. The latest transaction in 2015 involved a swap in company shares between Keppel Land and Mapletree which saw the change in ownership for Keppel Bay Tower (S$1,572 psf) and HarbourFront Tower One and Two (S$1,385 psf). The transactions were non-Grade A specification office buildings as the current stock of Grade A specification buildings in the Alexandra/HarbourFront micro-market is limited and closely held.

3.8 Office Outlook

The outlook for the office sector looks increasingly clouded in the wake of heightened economic headwinds. Pre-commitments of pipeline projects have slowed considerably despite the moderation in future supply. Banking & finance, technology, co-working and shipping companies are expected to be the key leasing drivers of office space in 2019. In particular, co-working operators have been fervent in their pursuit of gaining more market share and are aggressive in taking up office spaces. The technology sector is expected to continue growing as domestic digitisation efforts gain increasing importance. However, there is some level of concern about the depth of office demand and its over-reliance on the co-working and technology sectors. Office vacancy is projected to continue declining in the near future with a thinning pipeline of supply. Rental prospects are expected to dampen over the medium term in light of increasing economic headwinds.

With the recent unveiling of plans for the Greater Southern Waterfront (Refer to Section 5.5.), MBC 10 (MBC I), PSA Building and Bank of America Merrill Lynch HarbourFront stand to be key beneficiaries with a large office presence and excellent connectivity as the precinct is redeveloped into a world-class urban gateway with work, live and play elements. The future development of new residential projects will appeal to corporate occupiers who would like to be located within proximity to their workforce, henceforth improving the attractiveness of office space within the precinct.

4. THE RETAIL MARKET

4.1 Existing Retail Supply

The total private retail space rose in 2Q 2019. Islandwide private retail stock increased by 1.7% year-on-year to 49.8 million sf in 2Q 2019. The Suburban Area (26.3%) and Fringe Area (26.2%) submarkets accounted for over half of the total retail stock. The remaining private retail space was distributed at the Rest of Central (18.3%), Orchard Road (14.8%) and Downtown Core (14.5%) submarkets.

New retail developments that opened its doors in 1H 2019 were mostly located in the Downtown Core submarket. Funan obtained its temporary occupation permit in 2Q 2019 as it injected approximately 325,000 sf of retail space to the Downtown Core submarket. Other notable retail space additions to this submarket include Raffles Hotel and Shopping Arcade Part 2 (133,526 sf) and 18 Robinson (59,820 sf). Remaining new retail completions in 1H 2019 were generally of smaller scale; additions and alterations to retail podium at Tripleone Somerset (71,800 sf); and Stadium Boulevard, Decathlon (37,135 sf).

Alexandra/HarbourFront Micro-market

The Alexandra/HarbourFront precinct is largely anchored by landmark retail developments which comprise of VivoCity, HarbourFront Centre and Resorts World Sentosa (“RWS”). They are further complemented by smaller developments such as Alexandra Retail Centre, the retail portion of Mapletree Business City (“MBC”), Anchorpoint and Alexandra Central, which cater to both the working and residential population in the vicinity.

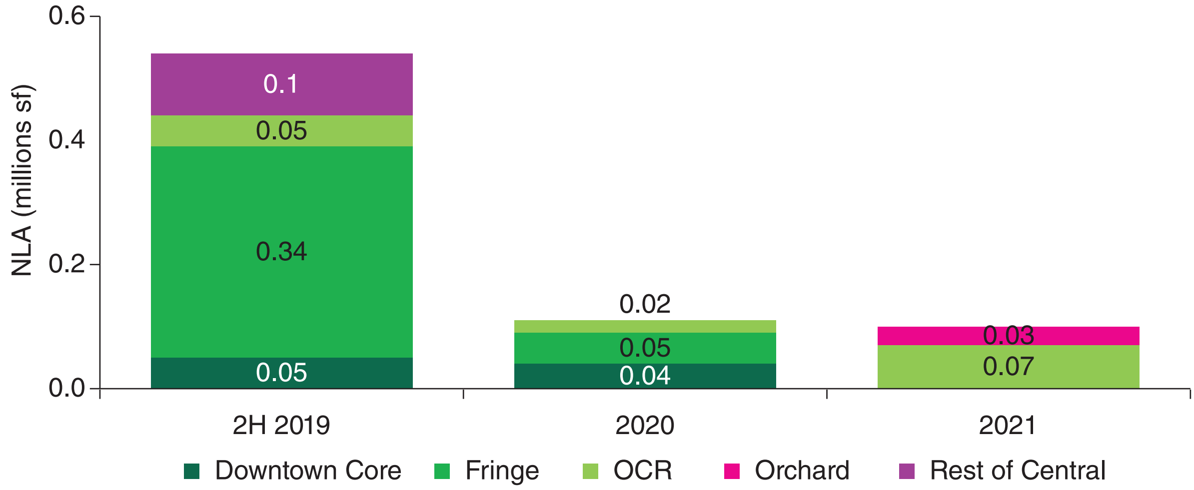
Complemented by VivoCity, HarbourFront Centre is a mixed-use development comprising of both office and retail offerings as well as an international cruise centre. Holistically, both developments are the only full-fledged retail development in the HarbourFront/Alexandra micro-market, enabling the area to establish a regional retail presence that attracts visitors and shoppers across Singapore.

Located on Sentosa Island, RWS comprises predominantly by Food & Beverage (“F&B”) outlets as well as luxury boutique outlets catering to tourists. The recently announced expansion plans of RWS is expected to yield a new waterfront promenade, lined with both retail and F&B outlets. The plans will be delivered in phases from 2020 to a projected completion 2025.

4.2 Future Retail Supply

Approximately 717,200 sf of private retail space is expected to be completed between 2H 2019 and 2021. A large portion (68.9% or 512,100 sf) of the upcoming retail supply is scheduled for completion for the remaining of this year. Future private retail supply should then ease to slightly over 200,000 sf in the following two years. The Fringe area submarket will account for the majority (44.5%) of the new retail pipeline supply.

Figure 37: Future Retail Supply



Source: CBRE

Over half a million sf of private retail space is slated for completion for the rest of 2019. The largest of which will be the PLQ Mall at 340,000 sf of retail space. The mall will house over 200 stores and contribute to Paya Lebar Central's vision as a bustling commercial hub at the fringe of the city. Tekka Place will add around 70,000 sf of retail space to the Rest of Central submarket. Close to 50% of its retail space was reported to have been taken up ahead of its scheduled opening in end-2019. Other notable retail developments include the asset enhancement initiative (AEI) at China Square Central (53,649 sf) and the retail component at Woods Square (48,438 sf)

In 2020, retail supply is projected to ease to around 107,200 sf. Just under half (45.5%) of the 2020 supply is in the Fringe area submarket; Centrium Square (27,180 sf) and Artra (21,528 sf). Primarily serving the CBD workers, Oxley @ Raffles will add around 38,266 sf of retail space to the Downtown Core area submarket.

Retail supply will taper further to under 100,000 sf in 2021. The retail component (31,969 sf) at the mixed-use Boulevard 88 (including residential and hotel use) will be the only injection of new retail supply to the Orchard Road shopping belt area submarket between 2H 2019 and 2021. Other retail developments scheduled to open in 2021 are situated in the Outside Central Region area submarket – Le Quest (41,333 sf) and Changi Garden Homes (24,703 sf).

Alexandra/HarbourFront Micro-market

There is no planned retail supply to the Alexandra/HarbourFront micro-market between 2H 2019 and 2021.

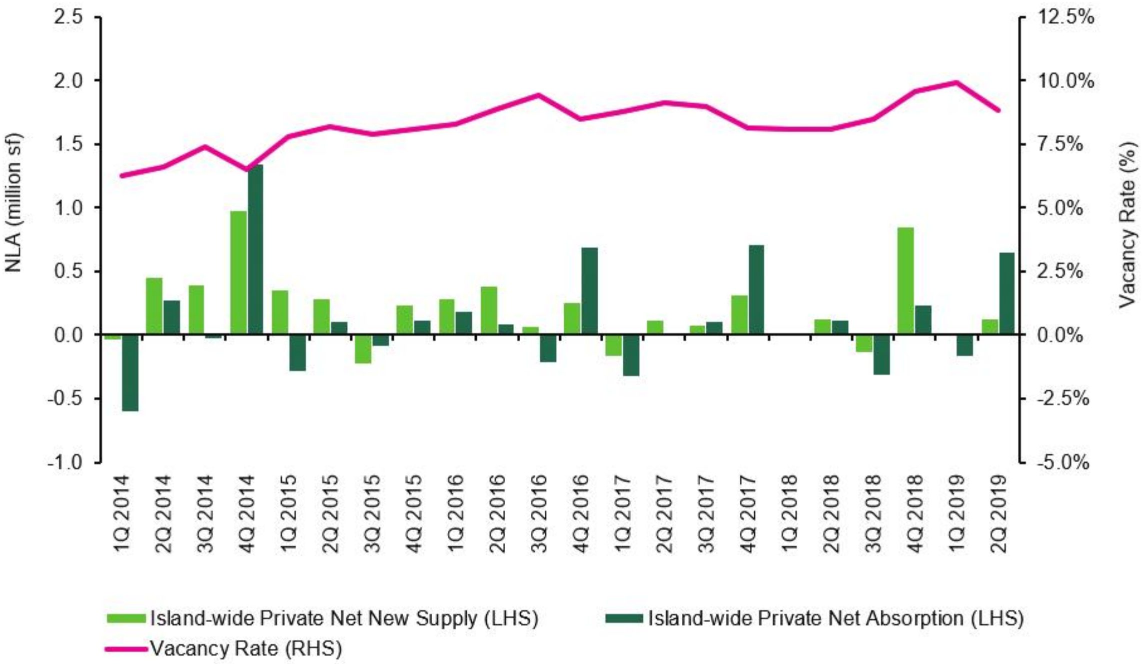
4.3 Demand and Occupancy

The 2Q 2019 islandwide net absorption of private retail space reversed from the contraction seen in the previous quarter. Net absorption of private retail space was a healthy 656,600 sf in 2Q 2019; a much-improved situation from the -172,200sf recorded in the last quarter. The high committed occupancy figures at Funan mall (95%) has contributed to the uptick of net absorption this quarter.

The islandwide private net absorption of retail space was 64,600 sf in 2018. Activity-based tenants such as cooking studios and arcades were active in the leasing scene with landlords attempting to create a more engaging experience to draw shoppers. The booming health and wellness industry have generated leasing demand from multi-brand sporting goods retailers. F&B operators continued to be a key source of retail leasing demand in 2018. It was reported that the asset enhancement at Great World City will raise its lettable space allocation for F&B from 20% to 30%. In addition, 30% of the retailers at Jewel Changi Airport are F&B operators. Sporting goods and gyms remained one of the key drivers of leasing demand in 1Q 2019.

Islandwide private retail vacancy rates hit a five-year peak of 9.9% in 1Q 2019 as the retail sector continue to face headwinds.

Figure 38: Islandwide Retail Demand and Vacancy



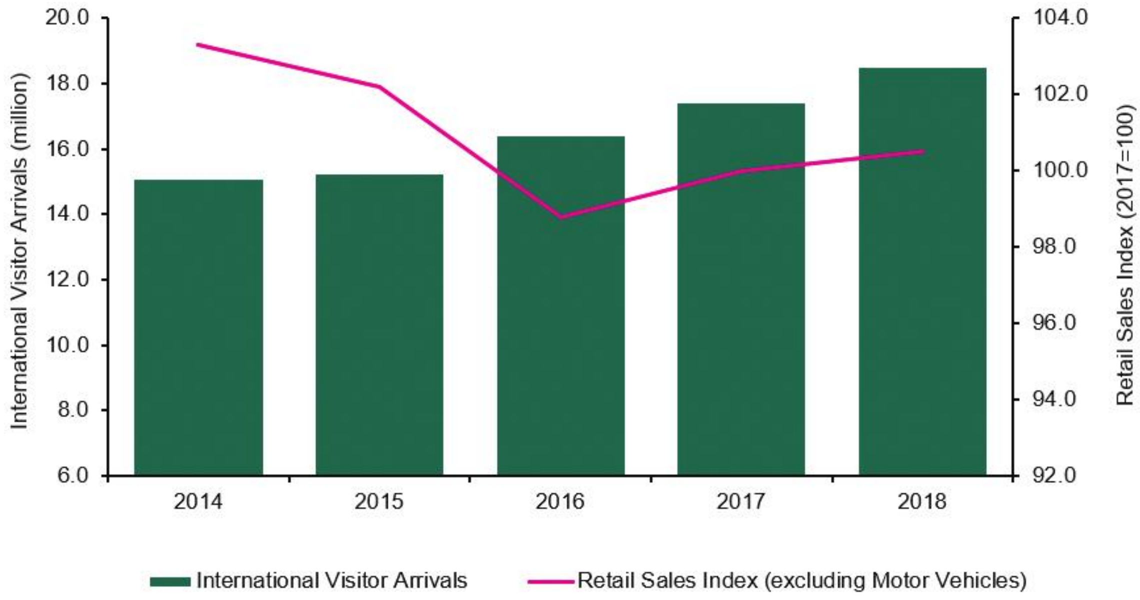
Sources: CBRE & URA

Retail sales performance moderated in 2018 with easing economic growth. The retail sales index (excluding motor vehicles) remained stable, having increased marginally by 0.5% year-on-year to 100.5 in 2018. Retail sales in 2018 were mainly driven by medical goods & toiletries, furniture & household equipment and wearing apparel & footwear. In June 2019, retail sales fell 2.8% year-on-year primarily due to weaker demand for furniture, household equipment, handphones and jewellery.

While tourist arrivals and receipts in Singapore posted record highs for the third consecutive year in 2018, the pace of increase has moderated in the initial months of 2019. International visitor arrivals grew by 6.2% year on year to 18.5 million in 2018 with Singapore's top source markets for tourist arrivals, China, Malaysia, India and Indonesia, all exhibited growth.

More recently in 1Q 2019, total international visitor arrivals reached 4.7 million, representing a 1.0% year-on-year growth. Visitors from China (960,000) forms the largest group of arrivals, followed by Indonesia (725,000) and India (300,00). Conversely, tourism receipts have failed to keep pace with the growth in visitor ship over the quarter with a -5.4% year-on-year decline.

Figure 39: Visitor Arrivals & Retail Sales Index (excluding Motor Vehicles)



Sources: Singapore Tourism Board, Department of Statistics & CBRE

Note: Retail sales index (excl. motor sales) at constant prices.

4.4 Retail Rents

Retail rents secured firmer footing in recent quarters. Since the recent low of S$31.30 psf/month recorded in Orchard Road in 4Q 2017, retail rents have recovered slightly by 1.3% to S$31.70 psf/month in 2Q 2019. Over the same period, retail rents in the Fringe Area submarket remained stable at S$17.10 psf/month in 2Q 2019. The retail rental index for the Central Region, tracked by the Urban Renewal Authority ("URA"), stood at 96.5 in 2Q 2019.

Figure 40: Retail Rents

Sources: CBRE, URA

4.5 Retail Transactions

Investment activity in the retail market declined in 2018. After a robust growth in the previous year, the total retail transaction volume almost halved by 45.9% in 2018 to S$1.4 billion. Notable retail transactions in 2018 include the sale of a 70% stake in Westgate to CapitaLand Mall Trust for S$789.6 million and the purchase of the remaining 50% stake in Capitol Singapore by Perennial for S$514.0 million. Retail investment sales got off to an encouraging start in the new year with two enbloc retail transactions in 1Q 2019 – sale of Liang Court at S$400.0 million and Rivervale Mall at S$230.0 million.

Retail S-REITS participated more actively in the investment market in 2018. Apart from the purchase of the 70% stake in Westgate, CapitaLand Mall Trust has divested Sembawang Shopping Centre for S$248.0 million earlier in 2Q 2018. In the same quarter, SPH REIT acquired The Rail Mall for S$63.2 million.

For the first half of 2019, retail investment volume stood at S$1.63 billion, more than the whole of 2018. This is primarily attributable to the sale of Chinatown Point and a 33.3% stake in Punggol Waterway Point to PAR Chinatown Point Pte. Ltd. (Joint venture between Mitsubishi Estate Co and CLSA) and Frasers Centrepoint Trust respectively.

No notable retail transactions were recorded in the Alexandra/HarbourFront micro-market for the whole of 2018 and 1H 2019.

Figure 41: Selected Retail Transactions in 2018 and YTD2019

Quarter	Property Name	Price (S$ million)	Price (S$ psf)	Land Tenure	Buyer	Seller
2Q 2019	Chinatown Point	$520.0	$2,453 on NLA	99 Years	PAR Chinatown Point Pte. Ltd.	Perennial Chinatown Point LLP
2Q 2019	Punggol Waterway Point (33.3%)	$433.3	$3,502 on NLA	99 Years	Frasers Centrepoint Trust	FCL Emerald (2) Pte. Ltd.
1Q 2019	Liang Court	400.0	$1,492 on NLA	99 Years	Reported to be CapitaLand - CDL	PGIM Real Estate Asia Retail Fund
1Q 2019	Rivervale Mall	230.0	$2,833 on NLA	99 Years	SC Capital Partners	AEW Asia
4Q 2018	I12 Katong Mall (77.6 % stake)	279.4	$1,739 on NLA	99 Years	DC REIT Holdings Pte Ltd	Divine (AMT) Limited
3Q 2018	Westgate (70% stake)	789.6	$2,746 on NLA	99 Years	CapitaLand Mall Trust	CMA Singapore Investments (4) Pte Ltd (50%), CLJM Pte Ltd
2Q 2018	Sembawang Shopping Centre	248.0	$1,727 on NLA	999 Years	Lian Beng-Apricot (Sembawang)	CapitaLand Mall Trust
2Q 2018	The Rail Mall	63.2	$1,268 on NLA	99 Years	SPH REIT	Pulau Properties Pte Ltd
1Q 2018	Capitol Singapore (50% stake)	514.0	N/A	99 Years	Perennial (Capitol) Pte Ltd and New Capitol Pte Ltd	Chesham Properties Pte Ltd

Note: NLA refers to Net Lettable Area. Transactions are recorded at the point of announcement.

Source: CBRE

4.6 Retail Outlook

The retail market showed signs of slowdown amidst dampened market optimism, business sentiments and weaker demand indicators. Consumer confidence has turned slightly more pessimistic as concerns persist over the economy and job prospects. These headwinds threaten to derail the positive momentum of the retail market which commenced from the start of 2018.

Going forward, the retail market could be further pressured as economic uncertainties takes a toll on retail spending and consumer sentiment. However, the substantial tightening of supply pipeline after 2019 will help to cushion the pace of rental decline.

Prime retail space will continue to remain resilient while secondary corridors and floors may struggle with occupancy pressures. Rental performance for prime retail space will continue to stay resilient with no expectations of any major movements in prime retail rents for the rest of 2019.

The introduction of the Strategic Development Incentive Scheme is expected to lead to the rejuvenation and the unlocking of greater value for older retail assets in the Orchard Area.

With the recent unveiling of plans for the Greater Southern Waterfront (Refer to Section 5.5.), VivoCity stands to be a key beneficiary with a sizeable retail footprint and excellent connectivity as the precinct is redeveloped into a world-class urban gateway with work, live and play elements. The future development of new residential projects within the precinct will increase the mall's primary catchment area while the redevelopment of Pulau Brani will enable it to capture a wider pool of secondary traffic.

5. SUBJECT PROPERTY & MARKET ANALYSIS

5.1 Property Description

The Alexandra Precinct[11] rejuvenation is driven by PSA Building, Alexandra Retail Centre (ARC), and MBC I & II, which offers a "work-and-play" environment comprising office and Business Park spaces fully integrated with supporting amenities and transport connectivity within the precinct.

MBC II is an integrated business park development comprising of 3 low-rise blocks (MBC 50, MBC 60, MBC 70), a 30-storey block (MBC 80) and ancillary retail amenities within the subject development.

Figure 42: Exterior of MBC II

Source: CBRE

[11] The Alexandra Precinct, which spans 13.5 hectares, comprises high quality developments catering to a wide range of office and Business Park uses. It offers existing and prospective tenants an alternative location to the CBD, complete with a comprehensive range of modern conveniences and amenities. It is located in the Queenstown Planning Area along Alexandra/Telok Blangah Road and is about a 10-minute drive from the CBD.

Strategically located within the Alexandra/HarbourFront micro-market, MBC II together with MBC I is the largest integrated business hub in the micro-market comprising premium specification business park spaces, with ancillary retail, business and recreational amenities. MBC I and MBC II's amenities are complemented by ARC, with sheltered walkways, lush landscaped podium spaces and well-connected seamless linkages between buildings in the precinct. The linkway extends to bus stops and Labrador Park MRT, separating pedestrian traffic from vehicular traffic.

MBC II was completed in 2016, yielding a combined net lettable area (NLA) of approximately 1.2 million sf. Together with MBC I, it is one of the largest integrated office and business park complexes in Singapore. The respective blocks sit on a site with a 99-year leasehold tenure effective from 1 October 1997 and boasts large and efficient column-free floor plates.

MBC II has garnered multiple accolades for its sustainable design and green features. This includes the following awards:

- BCA Universal Design Mark (Platinum) – 2018

- BCA Green Mark Platinum Award – 2018

- LEED Gold Precertification – 2018

- Award of Excellence by the International Federation of Landscape Architects: Asia-Pacific Landscape Architecture Awards in the Parks and Open Space Category – 2017

- LEAF-Certified Development by National Parks Board, Singapore – 2015

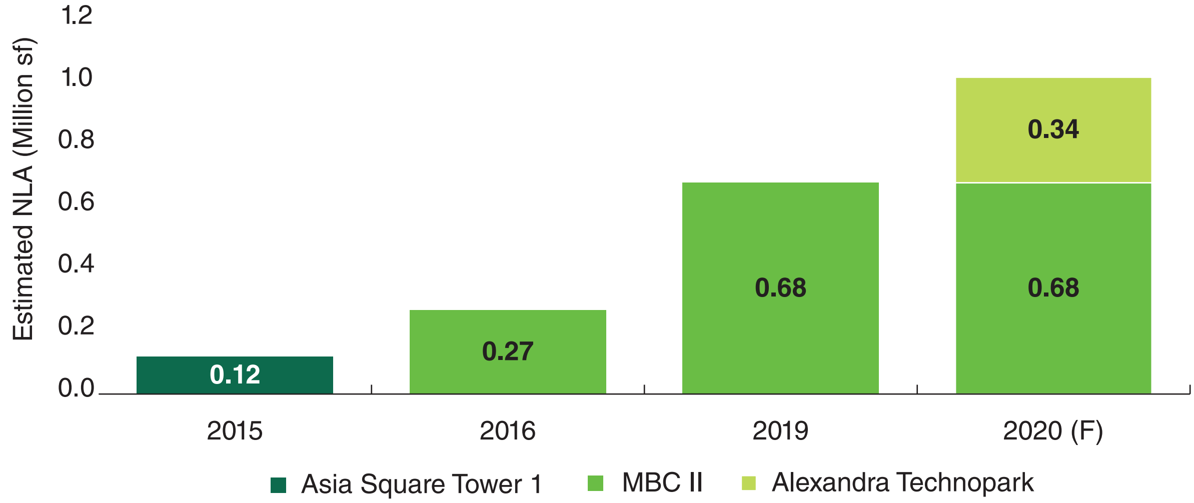
The current committed occupancy of the Property is 99.4% (as 31st August 2019), with its pool of tenants consisting of Google, Wirecard, Motorola Solutions and The Linde Group.

Anchor Tenant (Google)

Google is an American multinational technology company based in Mountain View, California. With its initial growth driven by its popular web search engine, the company now has expanded across a wide range of internet and technology related services, products and research and development. These include but are not limited to artificial intelligence, cloud computing, search engine, software development and hardware. Its parent company Alphabet Inc ranks 15 on the 2019 Fortune 500 list with revenue largely made up of advertising dollars. Total revenue for 2018 stood at an impressive US$136.8 billion.

As outlined in the preceding sections, MBC II houses the Asia-Pacific headquarters of Google. The company has been steadily increasing its presence since relocating from Asia Square Tower 1 in 2016, with an expanded headcount and heavy investments in the fit-out and interior design of the physical workplace.

Figure 43: Google's Real Estate Footprint in Singapore



Source: CBRE, Various Online Media Reports.

Note: Based on estimates.

In 2019, Google's CEO Sundar Pichai announced plans to spend US$13 billion on real estate in the United States over the course of the year. This involves the building of new data centres and offices which also entails the expansion of several key locations across the country. The firm is building new data centres to strengthen its cloud-computing division amidst competition from other technology providers. Beyond Singapore, the company has opened numerous corporate offices to house its growing presence in Asia, these includes gateway cities such as Tokyo (Est: 538,000 sf), Bangalore (Est: 100,000 sf), Gurgaon (Est: 160,000 sf) and Kuala Lumpur (Est: 10,000 sf). In the near future, the company is expected to open its largest campus outside of the United States in Hyderabad, housing an estimated 13,000 employees.

Being a technology company, the company is well known for their campus style workplace environments. Its headquarters in Mountain View, otherwise known as the Googleplex is a case study in the modern workplace. With learning and development being a core brand focus, Googleplex is designed to loosely follow the structured nature of a university campus. Workstations are open in nature, designed to facilitate cross-collaboration between individuals. To promote the well-being of its employees, amenities within the campus such as a gym, bowling alley, tennis courts, mobility devices and restaurants are made accessible to them. Similarly, Google's office in MBC II, which houses the Asia-Pacific headquarters is centred around this philosophy. The space design incorporates wide open spaces with various work desk options for employees. A cafeteria serving free meals, nap rooms, pool tables and wellness facilities such as a gym promote wellness levels.

5.2 Subject Site Location

MBC II is situated along Pasir Panjang Road, with direct access to Alexandra Road, West Coast Highway and is currently the closest completed business park space to the Core CBD. It is connected to Labrador Park MRT Station along the Circle Line. Getting around the MBC II premise is convenient with sheltered walkways that enhance the connectivity within the park and also provide a pedestrian experience with landscaping at the open spaces.

For the MBC II working crowd, VivoCity, one of Singapore's largest retail and lifestyle malls, is a 5-minute drive away. In addition, ARC, a redeveloped podium of PSA Building offering shopping and dining amenities is located right next to MBC II.

Public Transportation

MBC, ARC and PSA Building, are linked to Labrador Park MRT (approximately 650m away) via covered walkways. The MRT station is along the Circle Line, and connects the area to the city, up through to the east. Transfers at major nodes are available at Bishan, Dhoby Ghaut, Marina Bay, HarbourFront, Buona Vista and Paya Lebar.

In 2015, the Land Transport Authority (LTA) announced plans for station extensions on the Circle Line to create a full orbital line which will improve connectivity for commuters to travel on a direct route from Labrador Park to the CBD and Marina Bay area. The three stations that have been earmarked are Keppel Station, Cantonment Station and Prince Edward Station and are expected to be completed by 2025.

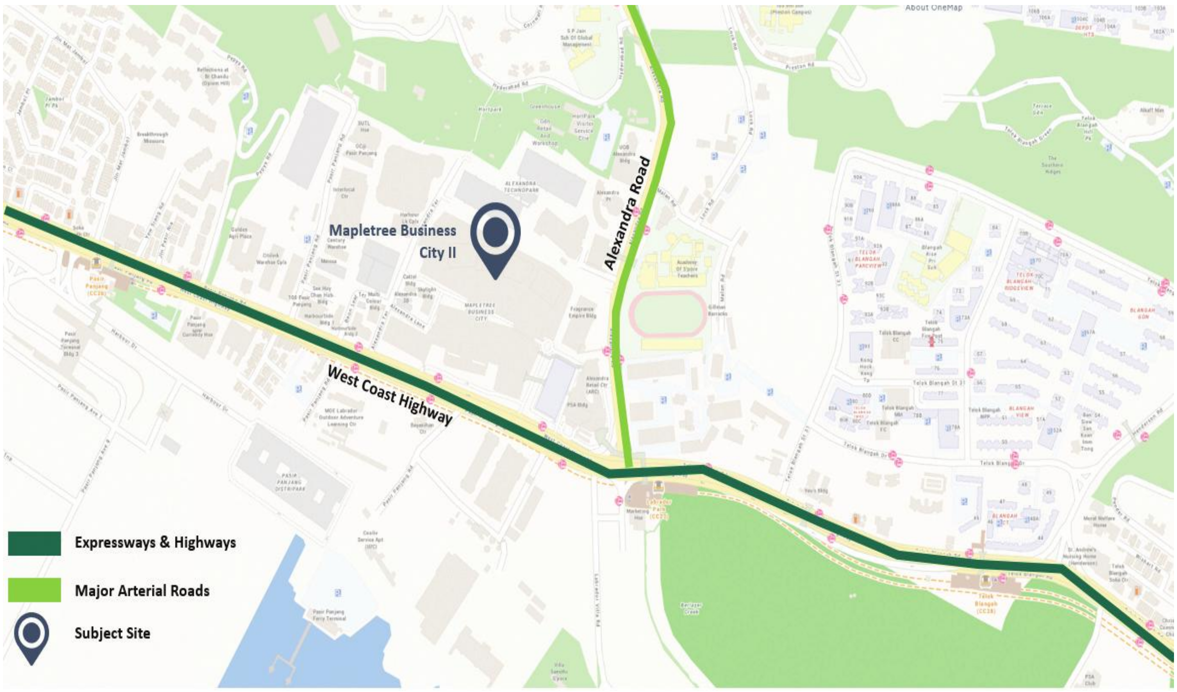
In addition, the Circle Line's Depot in Kim Chuan will be expanded by 2025 to cater for more trains in the future, improving train frequency for commuters. The integrated depot will accommodate 550 buses as well.

By bus, the site is conveniently accessible via bus services 10, 30, 30e, 51, 143, 175, 176, 188 and 188e.

Private Transportation

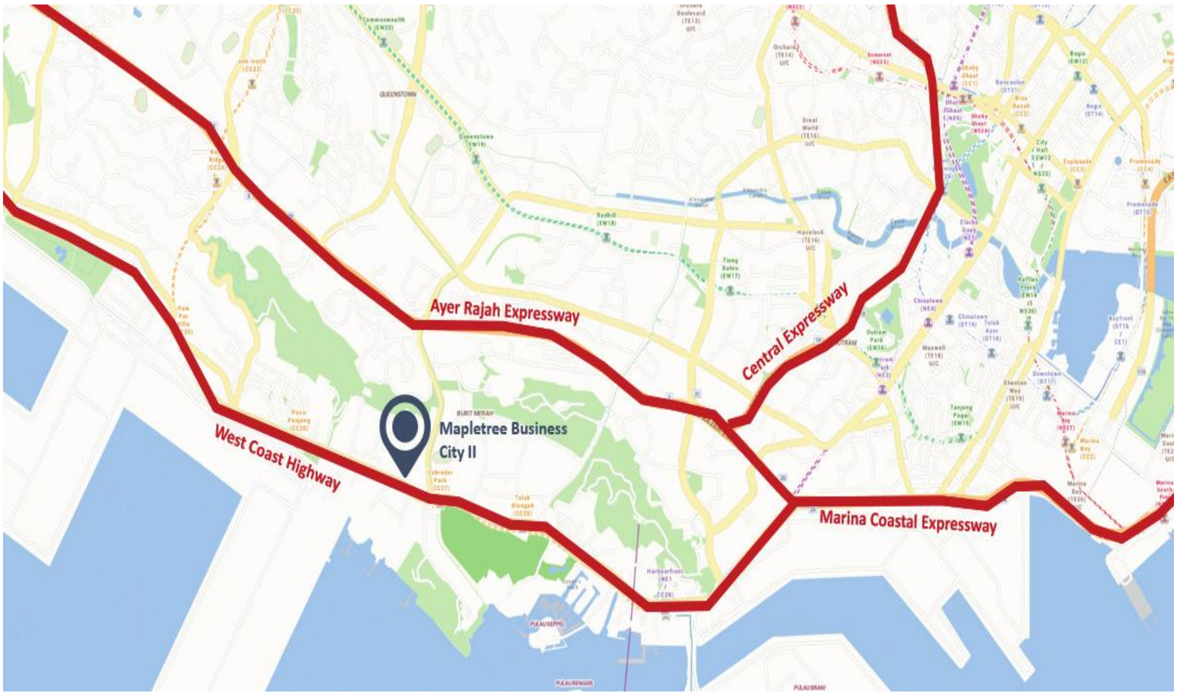
The site is accessible by Alexandra Road and Pasir Panjang Road and is well-connected by the West Coast Highway, Ayer Rajah Expressway and the Marina Coastal Expressway. The site enjoys easy access to the CBD by a 10-minute drive, and approximately 5-minute drive to VivoCity.

Figure 44: Major Expressways, Highways & Arterial Roads



Source: OneMap, CBRE

Figure 45: Aerial View of Major Expressways & Highways



Source: OneMap, CBRE

5.3 Subject Site SWOT Analysis

Strengths

Quality Building Specifications: MBC II was completed in 2016 and is one of the newest buildings in the Alexandra/HarbourFront micro-market. It is similar in specification to MBC I and compares favourably to neighbouring developments such as Keppel Bay Tower and HarbourFront Centre which are more than 10 years in age.

MBC II is designed and fitted with high quality finishes, boasting premium specifications for its Business Park component including signature curves on its building façade, large column-free floor plates, a luxurious floor-to-ceiling height of 7.7m for its mezzanine floor block, and modern building management systems which cater to the needs of global MNCs.

With its superior building specifications, the Property's business park space commands substantially higher rental rates than most other traditional business parks and has a different target tenant market. The tenant profile within the business park component of MBC II, resembles the typical office tenant profile in the CBD.

Seamless Connectivity and Accessibility: MBC II is strategically located in the southern region of Singapore in Pasir Panjang. It is a 10-minute drive away from Tanjong Pagar and Raffles Place, making it the closest Business Park to the CBD. Ayer Rajah Expressway, West Coast Highway and Marina Coastal Expressway are situated close by, facilitating easy access to most parts of the island. With the extension of the Circle Line, connectivity will be further enhanced as Labrador Park MRT will have direct access to Marina Bay and the city centre. The development has attracted occupiers who wish to locate some of their business functions in a single location, and occupiers who do not require a CBD location for their operations but would still like to enjoy proximity to the CBD.

Integrated Business Hub: Collectively, MBC (MBC I & MBC II) has established itself as an integrated hub complete with facilities and amenities. This includes food and beverage outlets, canteens, a multi-purpose auditorium, meeting facilities, a fitness club with lap pool, clinic, yoga garden, fitness stations, futsal courts and a generous roof top garden to cater to a "work-and-play" environment. This generous provision of various amenities will create an attractive environment for employees, serving to attract and retain talented individuals. Additionally, the collective ownership of both assets under the Mapletree umbrella will avoid issues generally associated with a fragmented ownership structure. This will further empower the landlord to easily enact initiatives and enjoy economies of scale.

BCA Green Mark Platinum Award & LEED Gold Level Precertification: MBC II has garnered several awards for its incorporation of eco-friendly features in the building's design. The Green Mark Platinum status is the highest accolade for environmentally sustainable developments in Singapore. The LEED scoring system is an internationally recognised building sustainability certification with the gold level being one of its higher tiers. Eco-friendly features such as the rainwater harvesting system translates to operational efficiency and cost savings for the development. Consequently, real estate space is highly sought after by blue-chip tenants with environment-sustainability responsibilities.

Scarcity of Prime Grade Building in the Alexandra/HarbourFront Micro-market: Due to the scarcity of other prime business park buildings in the Alexandra/HarbourFront micro-market, the subject development is likely to stay more resilient when compared to other neighbouring developments.

Weaknesses

Sector Concentration Risk: More than 70% of space in MBC II are leased by tenants from the info-communication sector. This high concentration of quality tenants from a single industry could pose a risk to the landlord in the event of any info-communication specific sectoral headwinds, which could potentially lead to a re-evaluation of their space requirements within the development. Notwithstanding the above and as highlighted in Chapter 1, the outlook for the info-communication sector in Singapore is promising, thereby mitigating such risks.

Opportunities

Greater Southern Waterfront: URA has announced plans to develop the Greater Southern Waterfront after 2030, with approximately 2,000 hectares of land within the precinct. The Greater Southern Waterfront precinct is situated next to MBC II. The future relocation of City Terminals and Pasir Panjang Terminal to Tuas will free up land, presenting a potential opportunity for redevelopment which may help to spruce up the entire precinct and complement the property, depending on the land use zoning.

Please refer to Section 5.5 for further elaboration of the Greater Southern Waterfront.

Prestige in Tenant Profile: The Alexandra/HarbourFront micro-market has traditionally been associated with the shipping and industrial sectors which may pose an initial challenge for the precinct to attract reputable tenants. However, since the completion of MBC I and MBC II, the micro-market witnessed an injection of good quality business park space with quality multi-national tenants, adding prestige and vibrancy to the area. This is evident in the reputable tenant profile of the property.

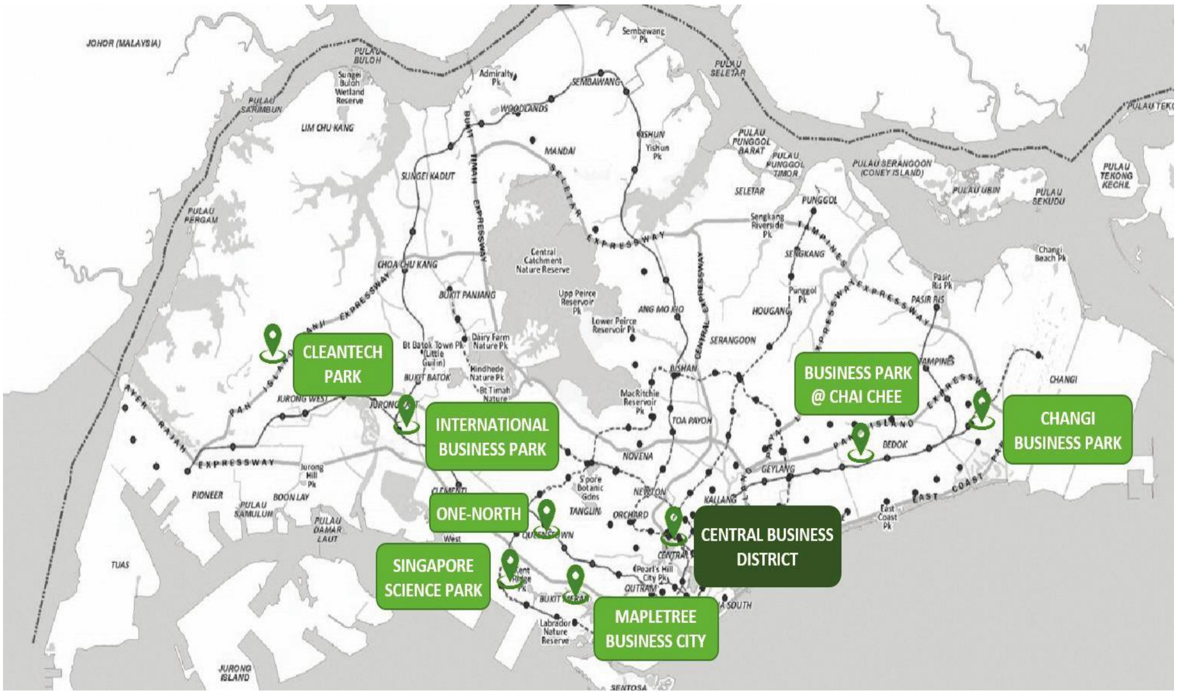
Threats

Potential Competition from Neighbouring Undeveloped Commercial Site: According to the Urban Redevelopment Authority (URA) 2014 Master Plan, there is an undeveloped commercial-zoned parcel across Pasir Panjang Road from MBC. This site is expected to house Singapore's largest underground substation with a commercial development sitting on it. Despite being zoned for office uses, this future development could pose as a threat in terms of increased competition for corporate tenants.

Notwithstanding the above, the competitive risks faced by MBC II are mitigated by its unique product offerings with quality tenant adjacencies and amenities.

5.4 Qualitative Commentary on Key Business Parks in Singapore

Figure 46: Business Park Clusters in Singapore



Source: OneMap, CBRE

Over time, some of the Business Parks have developed their own distinct identities. Changi Business Park is a reputed back-office hub for financial institutions such as Citibank, DBS and Standard Chartered. On the contrary, one-north is positioned as a biomedical Sciences, infocomm technology and media hub. International Business Park has been the base for knowledge-based activities with traditional technology and manufacturing tenants. Singapore Science Park is home to mostly research and technology. Cleantech Park, within the upcoming Jurong Innovation District is an R&D and test-bedding site for new technology and solutions.

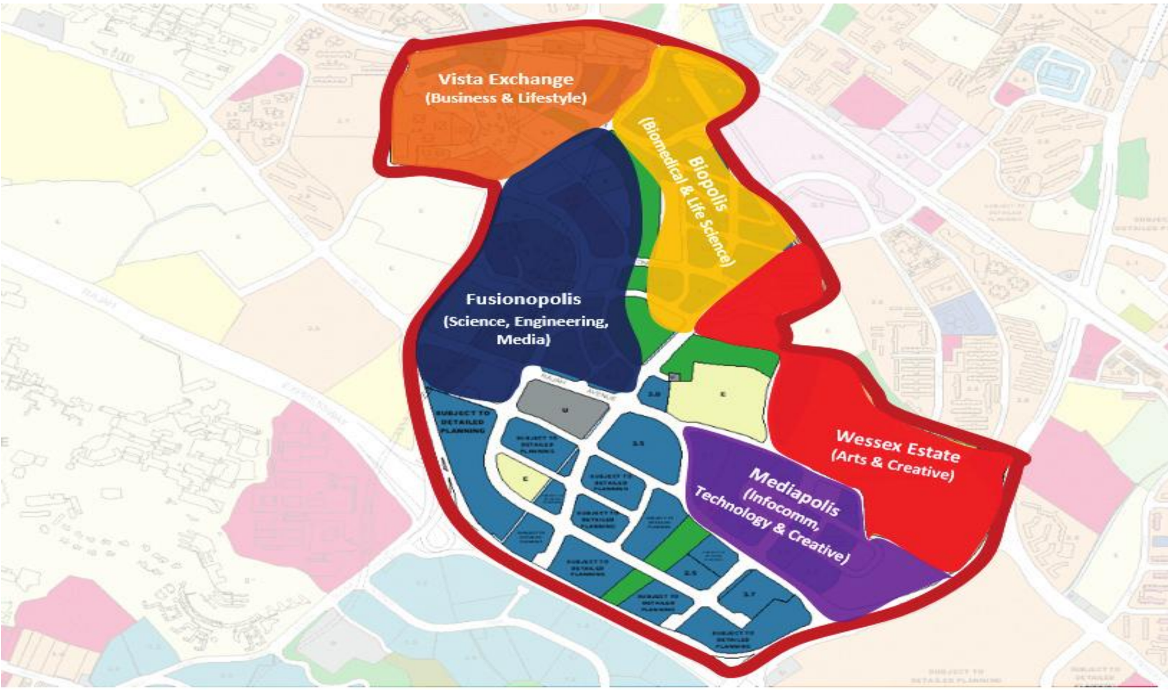
Changi Business Park

Changi Business Park (CBP) was a second-generation Business Park launched in 1997 in the east region. Since its launch, it has become home to leading technology companies, as well as IT services and financial services companies, such as IBM, Honeywell, Xilinx, Huawei, Ericsson, Citi Group, DBS Bank, Credit Suisse, JP Morgan, EMC Computer Systems, Johnson Controls, Infosys, Wipro, Cognizant, Tata Consultancy Services, Akzo Nobel, Rohde & Schwarz, etc. CBP also boasts of self-sufficient amenities such as hotels, supermarket, clinic, serviced suites, gymnasium and childcare centres. CBP is currently served by the East-West and Downtown MRT Line. CPB is located in the Rest-of-Island submarket.

one-north

one-north is a 200-ha development located in the central region and is served by the one-north and Buona Vista MRT Stations. It is located close to the National University of Singapore, Singapore Science Park and National University Hospital. one-north has positioned itself as a cluster for biomedical, infocomm technology & media companies, business schools, global leadership training campus and features a community of about 18,000 professionals, working in public research institutions such as the Agency for Science, Technology and Research; business schools like INSEAD, ESSEC Business School; government agencies like the Ministry of Education and companies like Autodesk, Fujitsu, Lucasfilm, Fox International Channels, Discovery Networks, Infinite Studios, Canon, Oracle, Novartis, MSD, GlaxoSmithKline, Takeda, Electrolux, Lloyd's Register, National Healthcare Group etc. one-north is located in the City Fringe submarket.

Figure 47: Major Clusters in one-north



Source: CBRE

Figure 48: Selected Major Business Park Developments in one-north

Building Name	Estimated Net Lettable Area (sf)	Completion Year
Biopolis Phase 1: Helios, Nanos, Chromos, Centros, Matrix, Proteos and Genome	1,399,866	2003
Biopolis Phase 2: Neuros and Immunos	280,238	2006
Biopolis Phase 3: Synapse and Amnios	613,000	2011
Biopolis Phase 5: Nucleos	417,855	2014
Four Acres Singapore	98,705	2013
Fusionopolis Phase 1: Connexis and Symbiosis	1,033,531	2008
Fusionopolis Phase 2A: Innovis, Synthesis and Kinesis	892,584	2015
Fusionopolis Phase 2B: Solaris	441,533	2011
Fusionopolis Phase 3: Nexus @one-north	227,839	2013
Fusionopolis Phase 4: Sandcrawler	236,800	2013
Fusionopolis Phase 5: Galaxis	630,269	2014
Seagate Singapore Design Center – The Shugart	361,000	2015
MediaCorp Campus	685,660	2015
STT Mediahub	111,691	2016
Alice@Mediapolis	239,400	2018
Infinite Studio	129,167	2012
Total Selected Major Business Park Developments NLA in one-north	**7,799,138**	–

Source: CBRE

Biopolis

Biopolis was the first cluster to be developed in one-north and is positioned as a hub for Singapore's biomedical industry. It is designed to be the leading research hub for biomedical sciences activities, bringing together public, private biomedical institutions and research institutes into one location. This amalgamation will encourage the cross fertilisation of ideas and create an eco-system. Key business park space within Biopolis includes the Helinos, Nanos, Chromos, Centros, Matrix, Proteos, Genome, Neuros, Immunos, Synapse and Amnios.

Fusionopolis

Fusionopolis spans 30 hectares and is envisaged to serve as a focal point for the ICT, media, engineering and physical sciences sector. The first phase entails the construction of Fusionopolis One, which comprises of two towers that yield approximately 1.3 million sf of space. It is the first mixed-use development within one-north, housing serviced apartments, business park space and commercial retail outlets within one area. Fusionopolis comprises a mix of private and public-led developments, which include Innovis (Public), Kinesis (Public), Synthesis (Public), Solaris (Private), Nexus@one-north (Private) and the Sandcrawler Building (Private).

Mediapolis

The development of Mediapolis first began in 2009 and is currently made up of the MediaCorp Campus, Infinite Studios and Alice@Mediapolis. The cluster is planned to bring the digital media industry into a high-tech area, filled with media production, research and development activities. JTC Corporation was involved in the basic provision of infrastructure in the area, which include chilled water, electricity and a fibre-optic network.

Wessex Estate

Wessex is a heritage area within one-north, comprising 58 colonial black-and-white semi-detached houses and 26 blocks of walk-up apartments. The area has since become a hub for artists which includes the Centre Stage School of the Arts and art galleries. Wessex Village Square is an amenity node within the estate and is meant to meet the lifestyle and dining needs of residents within the area.

Vista Exchange

Vista Exchange is predominantly zoned for office and white uses. It currently plays hosts to The Metropolis, The Star Vista, one-north Residences, Rochester Mall and Park Avenue Rochester.

Singapore Science Park

The Singapore Science Park is one of Singapore's oldest Business Parks and is situated along Singapore's Technology Corridor in the central region and focuses on attracting firms specializing in R&D and technology development. The Singapore Science Park is characterised by uniquely landscaped grounds, low rise buildings and its proximity to the National University of Singapore and the National University Hospital. Since 2014, major redevelopments have been made to Science Park 1 to meet the evolving needs of occupants from the technology sector. Firms such as Shopee Avaya, Thomson Reuters, DNV, Defence Science Organisation National Laboratories, Defence Science and Technology Agency, Quintiles, Shimadzu, TÜV SÜD PSB, AT&T are based in Science Park 1 while Singapore Science Park 2 is home to tenants including Applied Materials, Mitsui Chemicals, Syngenta, Institute of Microelectronics, Crimson Logic, and others. The Singapore Science Park is served by the Kent Ridge MRT Station along the Circle Line. The Singapore Science Park is located in the Rest-of-Island submarket.

International Business Park

Established in 1992 in the west region, International Business Park has since grown into a preferred site for companies that need to support their manufacturing operations in Jurong and Tuas industrial estates. The IBP is located next to the upcoming Jurong Lake District, a commercial hub with a vibrant mix of office, retail, residential, hotel, and entertainment uses. It is also located within proximity to the planned high-speed rail linking Singapore to Kuala Lumpur, Malaysia. Key companies that are in IBP include Acer, Sony, Menicon, JGC, Creative Technology, German Centre, Thyssen Krupp and McGraw-Hill. International Business Park is located in the Rest-of-Island submarket.

Cleantech Park

Located in the west region of Singapore, Cleantech Park is located within Jurong Innovation District, a next-generation industrial estate spearheaded by JTC Corporation. Cleantech Park is envisaged to be a campus for advanced manufacturing R&D and training. Upcoming tenants would include Surbana Jurong new campus headquarters. Cleantech Park is located in the Rest-of-Island submarket.

Mapletree Business City

One of the newest and well-performing business parks in Singapore in terms of occupancy is Mapletree Business City (MBC), comprising of MBC I and MBC II. MBC features a line-up of prominent tenants that value its proximity to the Core CBD, premium specification buildings, reasonable rents, and integrated business hub features. MBC benefits from its close proximity to the Core CBD and has captured a strong profile of tenants. For instance, the typical profile of tenants in MBC II is different from traditional Business Parks as they appear to bear closer resemblance to the tenant profile of office occupiers in the Core CBD, with tenants such as Google, Wirecard, Motorola Solutions, The Linde Group.

Premium specification business parks are rare in the market, with MBC I, MBC II and certain developments in one-north and Changi Business Park being among the mix. The unique quality of such business park space is thus expected to receive steady demand from occupiers. In particular, MBC is a choice location for companies looking to pay less, yet still able to enjoy premium specifications and good connectivity and proximity to the Core CBD.

MBC II builds on the current success of MBC I to offer premium specification business space in the Alexandra/HarbourFront micro-market. Towering 30 storeys high with extensive greenery such as an open space, it has attracted iconic tenants such as Google from the technology industry as well as global healthcare products manufacturer Covidien. Together with MBC I, there is a good range of amenities available in the business park including mid-range specialty restaurants, canteens, a multi-purpose auditorium, a carpark podium, meeting facilities, a fitness club with lap pool, clinic and roof top garden. MBC II constitutes approximately 5.7% by GFA of total islandwide business park stock.

Figure 49: Proximity of Selected Business Parks to the Central Business District

Source: OneMap, CBRE.

Note: Distances and drive time presented are estimates.

Overall, the existing tenant pool in the Alexandra/HarbourFront micro-market is made up of reputable companies, across a myriad of sectors including IT & technology, banking & finance and multinational consumer goods. MBC is located in the City Fringe submarket.

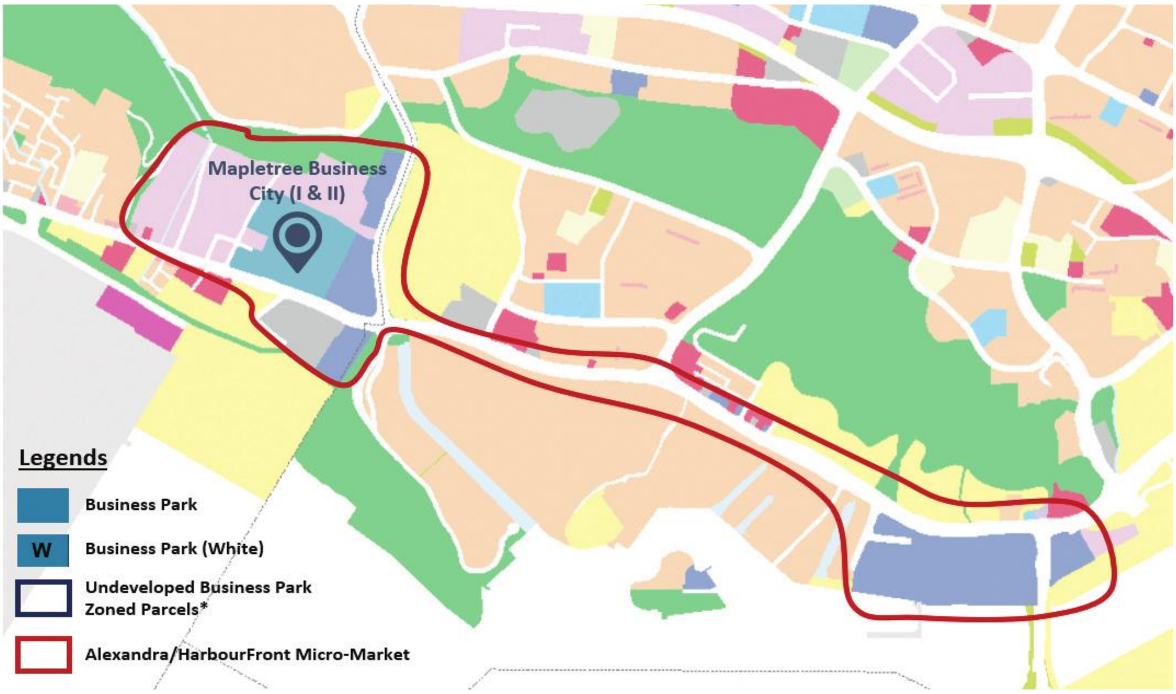
5.5 2014 URA Master Plan

Business Park Zoned Land (City Fringe)

Based on CBRE's definition, the business park City Fringe micro-market is made up of one-north and the Alexandra/HarbourFront precinct. Conversely, the Rest of Island micro-market is made up of Changi Business Park, Chai Chee, Cleantech Park, International Business Park and Singapore Science Park.

Within the Alexandra/HarbourFront micro-market, the only business park zoned land (Figure 49) would be the present site of Mapletree Business City (I & II). There is no future available business park land within the precinct, highlighting the scarcity of this asset class in the area.

Figure 50: URA 2014 Master Plan – Alexandra HarbourFront Micro-Market



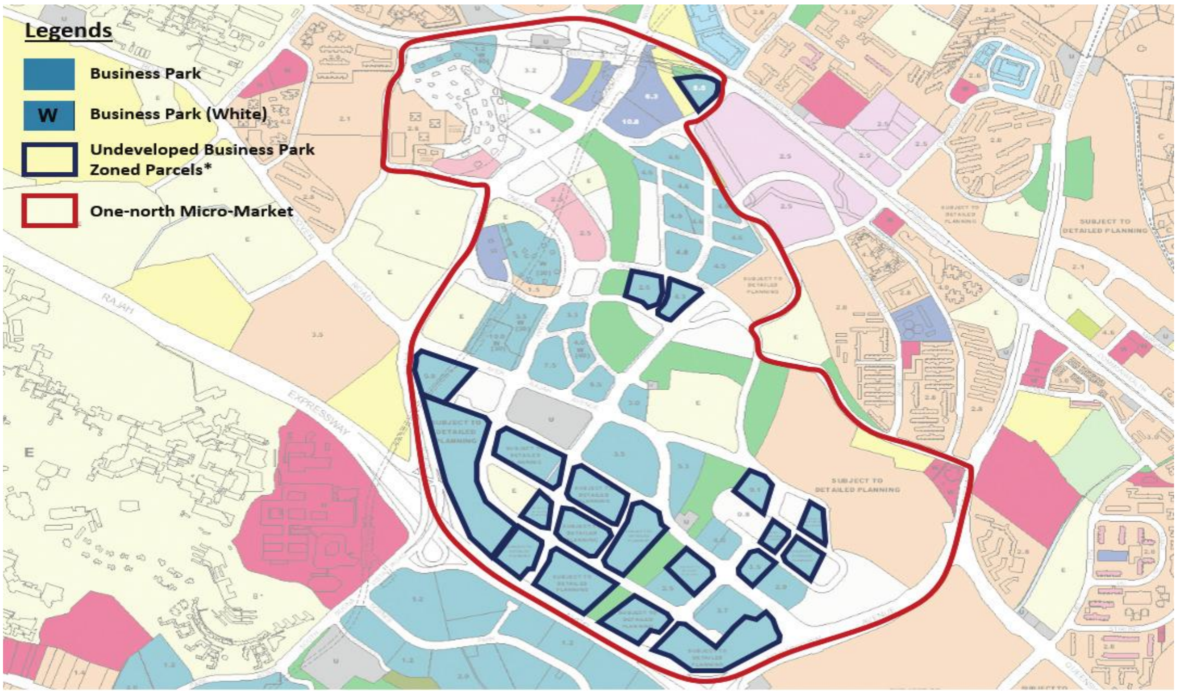
Source: CBRE, URA.

Note: Micro-market boundary is indicative in drawing and based on CBRE's estimates.

Additionally, according to the 2014 URA Master Plan, there are 45 land parcels which are zoned for Business Park or Business Park (White) uses within the one-north micro-market. Of this, 25 parcels have been developed/are under development as of 2Q 2019. Based on CBRE's estimates, the remaining[12] 20 land parcels will provide an estimated 293,000m^2 of land area for future business park developments.

[12] Inclusive of existing non-business park developments which are situated on business park zoned parcels

Figure 51: URA 2014 Master Plan – one-north Micro-Market



Source: CBRE, URA.

Note: Micro-market boundary is indicative in drawing and based on CBRE's estimates.

Sources of New Business Park Space

New business park space typically come from five main sources, 1.) Direct land allocation, 2.) Government Industrial Land Sales (IGLS), 3.) Concept & Price Tender (CPT), Redevelopment of existing business park space and 5.) Multi-Tenanted space developed by JTC Corporation. Direct land allocations are typically for built-to-suit single-user development while the rest are commonly multi-tenanted in nature.

In recent years, there has been a noticeable reduction of new business park sites put up for sale. This could be due to a more calibrated approach by the planning authorities towards a real estate sector whose tenants have traditionally been very varied. Furthermore, recent land sites that have been put up for tender had conditions attached that is targeted at occupiers from certain industries such as Info-communications, Engineering and R&D.

Figure 52: Key Government Land Sales-Business Park (2015-2019)

Tender Closing Year	Mode of Sale	Development Type	Location	Development	Developer	Micro-Market	Est. Maximum Permissible GFA (sf)
2016	CPT	Business Park - White (15%)	MP8, Media Circle	Alice@ Mediapolis	BP DOJO LLP	one-north	425,066 (NLA: 239,400 sf)
2018	CPT	Business Park - White (15%)	MP11, Media Circle	N.A.	No Award	one-north	799,600
2019	CPT	Business Park - White (15%)	TH2-1, one-north	Ongoing Tender		one-north	445,200

Source: CBRE, JTC.

Direct Land Allocation

The direct allocation of industrial land falls under the purview of JTC Corporation, Singapore Economic Development Board (EDB) and SPRING Singapore. Industrial Land is directly allocated for 30 years only. Due to land scarcity in Singapore, direct land allocation requires businesses to meet a set of stringent criteria set out by the local authorities. Businesses are typically required to submit their business plans and could be evaluated based on the following criteria:

- Provision of new technology into Singapore

- Provision of training for upskilling of workforce

- Economic benefits to Singapore (e.g. committed investment, number of expected hires etc.)

In 2018 alone, it was observed that prominent occupiers with substantial real estate requirements such as Razer, Grab and Surbana Jurong obtained their space through the direct land allocation model instead of leasing multi-tenanted facilities. This trend could possibly be due to the limited availability of sizeable space in the leasing market and their intent to develop a built-to-suit environment to fully curate their workspace.

Figure 53: Key Business Park Land Allocation (2015-2019)

No.	Est. Allocation Year	Development	Developer	Micro-market	Estimated NLA (sf)
1	2018	BP Development (Razer HQ)	Boustead Projects	one-north	166,195
2	2018	BP Development (Grab HQ)	Ascendas-REIT	one-north	364,366
3	N.A.	BP Development (PBA Group)	PBA Innovation Centre Pte. Ltd.	Jurong Innovation District	228,109
4	2018	Surbana Jurong Campus	M&G Real Estate	Jurong Innovation District	356,070
5	2015	The Kingsmen Experience	Kingsmen Creatives Ltd	Changi Business Park	139,715
6	2015	GSK Asia House	BP-Vista LLP	one-north	123,570

Source: CBRE

Notwithstanding the above, MBC II is well positioned to attract quality occupiers with smaller space requirements than the abovementioned examples. Additionally, the absence of any future business park supply in the Alexandra/HarbourFront micro-market will strengthen the subject property appeal.

Greater Southern Waterfront

First announced in 2013 and more recently brought up in the National Day Rally 2019, URA highlighted its vision to transform the country's southern waterfront (2,000 hectares of land with 30km of coastline) which extends from Marina East to Pasir Panjang. It is envisaged to become a new major gateway with a mix of urban living and commercial activities. This will involve the moving of the Republic's port terminals in stages (Starting from 2027) from Tanjong Pagar, Pulau Brani, Keppel and Pasir Panjang to a consolidated mega port in Tuas. The relocation will free up land for future redevelopment.

In the near term over the next few years, the existing Keppel Club site will be redeveloped into a new residential precinct with a mix of both public and private housing, potentially housing up to 9,000 new homes. The site development will take into consideration the existing topography and context, guided by a green and blue plan that will complement the nearby green areas such as Labrador Park.

Additionally, Pulau Brani is envisaged to become an island of recreation, complementing Sentosa. New entertainment offerings such as a proposed Downtown South resort will attract more families and tourists into the area.

Over the long run, the government has plans to create more offices spaces within the area, supplementing the growth of the local population catchment and bring more workers into the area. The redevelopment of the southern waterfront coupled with proximity to the local labour pool will over time further increase receptiveness amongst a wider pool of corporates to relocate there.

Based on current development controls under the 2014 URA Master Plan, CBRE estimates that Mapletree Commercial Trust currently owns 100%[13] and 31.8%[14] of business park and office net-lettable area respectively in the Alexandra/HarbourFront micro-market post-acquisition, providing it an early-mover advantage and making it a prime beneficiary of the greater southern waterfront project over the long-term.

[13] Inclusive of Mapletree Business City I & II
[14] Inclusive of MBC 10 (Mapletree Business City I), PSA Building and Bank of America Merrill Lynch HarbourFront

5.6 Business Park Benchmarking

Figure 54: Benchmarking against Similar Quality Business Park Developments

Specifications	MBC II	Solaris	One@Changi City	Alice@Mediapolis
Photo				
Owner	Mapletree Investments Pte. Ltd.	Soilbuild Business Space REIT	Ascendas REIT	BP-DOJO LLP
Location	40-80 Pasir Panjang Road	1 Fusionopolis Walk	1 Changi Business Park Central	29 Media Circle
Tenure	99 Years	60 Years	60 Years	30 Years
NLA	1,184,700	441,533 sf (85% Business Park, 15% Office)	661,400 sf	est.239,400 sf
Completion	2016	2010	2012	2018
Typical Floor Plate	26,000-32,000 sf	1,500-25,000 sf	86,000 sf	North Tower: 13,900 sf South Tower: 17,200 sf Amalgamated (Both Towers): Approx.32,200 sf
No. of Carpark Lots	2,001	292	N.A.	202
No. of Storeys	Tower: 30	North Tower: 9 South Tower: 15	9	11
BCA Green Mark	Platinum	Platinum	Gold Plus	Platinum
Occupancy	99.4% (31st August 2019)	97.1%	96.5% (31st March 2019)	N.A.
Major Tenants	Google, Cisco, Covidien	Spring Singapore, Autodesk Asia, Mediatek, John Wiley & Sons (Asia)	JP Morgan, Credit Suisse	Esri South Asia
Floor to Ceiling Height	Approx. 3.2m	Approx 3.1m (Typical Units) Approx 4.2m (North Tower)	2.8m (raised floor to false ceiling for 2nd-9th storey)	3.2m (Office 10th-11th storey) 3.0m (Business Park 6th–9th storey) 2.9-3.0m (Venture Suites 3rd–5th storey) 4.5m (Business Park/Venture Suites 2nd Storey)
Indicative Monthly Rental Range	S$6.50-S$6.80	S$5.50-S$6.00	S$5.30-S$5.80	S$5.00-S$5.50
Valuation	CBRE: S$1,560 million (31st August 2019)	S$382.0 million (31st December 2018)[1]	S$500.1 million (31st March 2019)[1]	N.A.
Valuation (psf of NLA)[2]	Savills: S$1,552 million (31st August 2019) S$1,316.8 psf[3] S$1,310.0psf[4]	S$865.2 psf	S$756.1 psf	N.A.
Balance Land Tenure[5]	77 Years	49 Years	49 Years	27 Years

Source: CBRE & various online sources.

Notes:

(1) Latest valuation numbers are extracted from the relevant annual reports.

(2) Derived through simple mathematical division of reported valuation numbers by the NLA.

(3) Derived based on CBRE's valuation numbers as of 31st August 2019.

(4) Derived based on Savills valuation numbers as of 31st August 2019.

(5) Rounded down to the nearest year.

BACKGROUND INFORMATION

Mapletree Commercial Trust Management Limited ("MCT") approached CBRE Pte Ltd (hereon "CBRE") to provide a write up of a section, encapsulating the Singapore Retail, Office and Business Park Real Estate Market for insertion into their acquisition circular for distribution to its unitholders. CBRE's role is to provide an independent market overview specifically on the retail, office and business park sectors. Furthermore, CBRE will also conduct an independent review of the subject property.

PUBLICATION

Neither the whole nor any part of our report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way nor disclosed orally or in communication to a third party, including the form and context in which it is to appear without CBRE's prior written consent, which shall not be unreasonably withheld.

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To the extent that this document includes any statement as to a future matter, projections, forecasts or price estimation, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. Such projections or forecasts are to be regarded as indicative of possibilities rather than absolute certainties. They involve assumptions about many variables and any variation due to changing conditions will have an impact on the final outcome. CBRE does not warrant that such projections or forecasts will be achieved.

INDEPENDENT FINANCIAL ADVISER'S LETTER

Australia and New Zealand Banking Group Limited, Singapore Branch
(Incorporated in Australia)
Australian Company Number: 005357522

27 September 2019

The Independent Directors and the Audit and Risk Committee of
Mapletree Commercial Trust Management Ltd.
(as Manager of Mapletree Commercial Trust)
10 Pasir Panjang Road,
#13-01 Mapletree Business City,
Singapore 117438

DBS Trustee Limited
(as Trustee of Mapletree Commercial Trust) (the "**Trustee**")
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3,
Singapore 018982

Dear Sir and Madam,

INDEPENDENT FINANCIAL ADVICE WITH RESPECT TO:

1. **THE PROPOSED ACQUISITION OF THE PROPERTY (COMPRISING MAPLETREE BUSINESS CITY (PHASE 2) AND THE COMMON PREMISES) THROUGH THE ACQUISITION OF THE SHARES OF MAPLETREE BUSINESS CITY PTE. LTD., AS AN INTERESTED PERSON TRANSACTION; AND**

2. **THE PROPOSED WHITEWASH RESOLUTION FOR THE RIGHT OF INDEPENDENT UNITHOLDERS TO RECEIVE A MANDATORY OFFER FROM THE CONCERT PARTY GROUP FOR ALL THE REMAINING UNITS NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP.**

   (TOGETHER, THE "PROPOSED TRANSACTION")

For the purpose of this letter ("Letter"), capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 27 September 2019 to the Unitholders of Mapletree Commercial Trust (the "Circular").

1. INTRODUCTION AND BACKGROUND

This Letter has been prepared for inclusion in the Circular to be issued by Mapletree Commercial Trust Management Ltd. in its capacity as the manager ("**Manager**") of MCT in connection with the Proposed Transaction.

This Letter sets out, *inter alia*, the opinion of Australia and New Zealand Banking Group Limited, Singapore Branch ("**ANZ**") from a financial point of view, on whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of MCT and its minority Unitholders and on whether the Whitewash Resolution is fair and reasonable and our recommendations to the Independent Directors and the Audit and Risk Committee of the Manager in this respect. This Letter sets forth factors considered in arriving at our view.

The Circular and Letter to Unitholders included therein will provide, *inter alia*, details of the Proposed Transaction, the opinion of the Audit and Risk Committee and the recommendations of the Independent Directors in relation to the Proposed Transaction, having considered ANZ's advice in this Letter.

1.1. Background

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 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.

Sponsored by Mapletree Investments Pte Ltd ("**MIPL**" or the "**Sponsor**"), a leading real estate development, investment, capital and property management company headquartered in Singapore, MCT was listed on the SGX-ST on 27 April 2011.

MCT's existing portfolio comprises five properties located in Singapore, namely:

(a) VivoCity, Singapore's largest mall located in the HarbourFront Precinct (as defined herein), comprising a three-storey shopping complex and two basement levels;

(b) Mapletree Business City I, a large-scale integrated office and business park complex located at 10, 20, 30 Pasir Panjang Road Singapore 117438/117439/117440 in the Alexandra Precinct (as defined herein) ("**Mapletree Business City (Phase 1)**" or "**MBC I**");

(c) PSA Building, an established integrated development with a 40-storey office block and a three-storey retail centre known as Alexandra Retail Centre ("**ARC**");

(d) Mapletree Anson, a 19-storey premium office building located in the Tanjong Pagar area of the Central Business District ("**CBD**"); and

(e) Bank of America Merrill Lynch HarbourFront ("**MLHF**"), a six-storey premium office building located in the HarbourFront Precinct,

(collectively, the "**Existing Portfolio**").

In connection with the listing of MCT on the SGX-ST in 2011, the Sponsor had granted to the Trustee a right of first refusal over several of its properties, one of which was Mapletree Business City, which comprises (i) Mapletree Business City (Phase 1) (acquired by the Trustee in 2016), (ii) the common carpark, multi-purpose hall, retail area and common property (including the landscape areas, driveways and walkways) located at 10, 20, 30 Pasir Panjang Road Singapore 117438/117439/117440 (the "**Common Premises**") and (iii) Mapletree Business City (Phase 2) located at 40, 50, 60, 70 and 80 Pasir Panjang Road, Singapore 117383/117384/117385/117371/117372 including the common property (carpark, landscape areas, driveways and walkways) ("**Mapletree Business City (Phase 2)**" or "**MBC II**", and together with Mapletree Business City (Phase 1) and the Common Premises, the "**Mapletree Business City Development**").

On 26 September 2019, the Trustee and 80 Alexandra Pte. Ltd. ("**80 Alexandra**", and together with the Trustee, the "**Purchasers**") entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Heliconia Realty Pte Ltd. (the "**Vendor**") and Mapletree Dextra Pte. Ltd. ("**Dextra**"), each a direct wholly-owned subsidiary of MIPL, to acquire Mapletree Business City (Phase 2) and the Common Premises (collectively, the "**Property**") through the acquisition of 100% of the ordinary shares (the "**Sale Shares**") in the issued share capital of Mapletree Business City Pte. Ltd. ("**MBCPL**", and the acquisition of the Sale Shares, the "**Acquisition**"). The Trustee, on behalf of MCT will acquire 99.9% of the Sale Shares, and 80 Alexandra, a wholly-owned subsidiary of MCT, will acquire 0.1% of the Sale Shares.

The leasehold interest over the strata area comprising Mapletree Business City (Phase 1) for a term commencing from 25 August 2016 to 29 September 2096 (the "**Strata Lease**")[1], was previously acquired from MBCPL (as vendor) in 2016 (which was approved at an extraordinary general meeting held on 25 July 2016) (the "**MBC I Acquisition**"), with MBCPL retaining ownership of the Property, comprising of Mapletree Business City (Phase 2) and the Common Premises. Concurrent with the MBC I Acquisition, the Trustee entered into a licence agreement and a shared services agreement to provide MCT with the right to use the Common Premises. Post-Acquisition, MCT will indirectly own the entire leasehold interest in Mapletree Business City Development.

As soon as practicable following the completion of the Acquisition (the "**Completion**"), MBCPL will be converted to a limited liability partnership ("**MBC LLP**") pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore) (the "**Conversion**"). 80 Alexandra and the Trustee, as shareholders of MBCPL, will enter into a limited liability partnership agreement (the "**LLP Agreement**") to regulate the relationship between them inter se as partners of the limited liability partnership. Following the Conversion, the Trustee and 80 Alexandra will continue to hold 99.9% and 0.1% interest respectively in MBC LLP as partners of MBC LLP. The Conversion allows unitholders of MCT (the "**Unitholders**") to enjoy tax transparency treatment on MCT's 99.9% share of income from the Property. The income generated from the Property will not be subject to corporate income tax at the MBC LLP level as a limited liability partnership is tax transparent for Singapore tax purposes.

For the purposes of this Letter, the "**Enlarged Portfolio**" comprises (i) the Existing Portfolio and (ii) the Property.

Unless otherwise stated, the property information contained in this Letter on the Existing Portfolio and the Enlarged Portfolio is as at 31 August 2019.

1.2. Summary of Approvals Sought

The Manager seeks approval from Unitholders for the resolutions stated below:

(a) **Resolution 1**: the proposed Acquisition of the Property (through the acquisition of the Sale Shares), as an Interested Person Transaction (Ordinary Resolution);

[1] The Strata Lease terminates one day prior to the expiry of the State Lease (as defined herein).

(b) **Resolution 2**: proposed issue of up to 500.0 million New Units under the Equity Fund Raising (the "**New Units**") (Ordinary Resolution); and

(c) **Resolution 3**: the proposed Whitewash Resolution in relation to the Concert Party Group (Ordinary Resolution).

Unitholders should note that Resolution 1 (the Acquisition) and Resolution 2 (the Equity Fund Raising) are inter-conditional. Resolution 1 and Resolution 2 are not subject to and not contingent upon the passing of Resolution 3 (the Whitewash Resolution). In the event Resolution 3 is not passed, the Manager will still proceed with the Acquisition and the Equity Fund Raising.

2. TERMS OF REFERENCE

ANZ has been appointed as IFA to the Independent Directors and the Audit and Risk Committee of the Manager as well as the Trustee to advise them, from a financial point of view, in compliance with the provisions of the Code, as to whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of MCT and its minority Unitholders; and as to whether the Whitewash Resolution is fair and reasonable.

We make no representations or warranties in relation to the merits of the Proposed Transaction other than to form an opinion for the purposes of Rules 7.1 and 24.1(b) of the Code. We have confined our evaluation to the financial terms and have not taken into account the commercial risks and/or merits of the Proposed Transaction. Evaluations or comments on the commercial risks and merits remain the responsibility of the Directors and the management of the Manager.

We were neither a party to the negotiations entered into by the Manager in relation to the Proposed Transaction nor were we involved in the discussions leading up to any decisions on the part of the Directors regarding the Proposed Transaction.

Our terms of reference do not require us to evaluate or comment on the rationale for, or the strategic or long-term merits of the Proposed Transaction or on the future prospects of MCT, or any of its respective related companies (as defined in the Companies Act) (the "**MCT Group**"), or the method and terms by which the Proposed Transaction is carried out or any other alternative methods by which the Proposed Transaction may be carried out. Such evaluations and comments remain the sole responsibility of the Directors and the management of the Manager. We are not addressing the relative merits of the Proposed Transaction as compared to any alternative transaction previously considered by the Manager (or the Unitholders), or that otherwise may become available to the Manager (or the Unitholders) in the future, or as compared to any alternative proposals that might otherwise be available.

We have held discussions with the management of the Manager and have examined information provided by the management of the Manager and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and used our judgement as we deemed necessary or appropriate in assessing the reasonable use of such information and are not aware of any reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated detailed supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Circular (except our letter as set out in the Circular) are true, complete, fair and accurate in all material aspects and that, to the best of their knowledge and belief, no material facts have been omitted from the Circular, such omission of which would make any statement in the Circular misleading.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, investments) of MCT or the Proposed Transaction. We have only relied on the independent valuation reports ("**Valuation Reports**") prepared by CBRE Pte Ltd. ("**CBRE**") and Savills Valuation And Professional Services (S) Pte Ltd. ("**Savills**") (together, the "**Independent Valuers**"), in relation to the valuations of the Property, dated 31 August 2019.

Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us as described above.

Our opinion, as set out in this Letter, is based upon the financial, market, economic, industry, monetary, regulatory and other prevailing conditions on, and the information made available to us, as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may in any way affect our opinion contained herein. Unitholders of the MCT should take note of any announcement relevant to the Proposed Transaction which may be released by or on behalf of the Manager after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Unitholder. **As different Unitholders would have different investment objectives and profiles, we would advise that any individual Unitholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.**

This Letter and our opinion are solely for the use and benefit of the Independent Directors and the Audit and Risk Committee of the Manager as well as the Trustee in connection with and for the purpose of their consideration of the Proposed Transaction, and the recommendation made by the Independent Directors to the Unitholders shall remain the responsibility of the Independent Directors.

The Manager has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for, and express no views, expressed or implied, on the contents of the Circular (other than this Letter).

A copy of this Letter will be reproduced in the Circular. However, neither the Manager nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than the intended purpose in relation to the Proposed Transaction, at any time or in any manner without the prior written consent of ANZ.

Our opinion in relation to the Proposed Transaction should be considered in the context of the entirety of this Letter and the Circular.

3. THE PROPOSED ACQUISITION OF THE PROPERTY THROUGH THE ACQUISITION OF THE SALE SHARES AS AN INTERESTED PERSON TRANSACTION

3.1. Description of the Property

The Property comprises Mapletree Business City (Phase 2) and the Common Premises. The Property, together with Mapletree Business City (Phase 1), forms Mapletree Business City Development and is one of the largest integrated office and business park developments in Singapore with Grade A building specifications. Mapletree Business City Development, together with PSA Building (which is currently owned by MCT), forms the Alexandra Precinct.

Mapletree Business City Development has excellent transport connectivity and is approximately a 10-minute drive from the CBD. It is well-served by major roads and expressways such as the West Coast Highway, the Ayer Rajah Expressway and the Marina Coastal Expressway. Extensive bus services run through the surrounding area. All blocks in Mapletree Business City Development are linked by elevated covered walkways, which also provide connectivity to the adjacent PSA Building, as well as to Labrador Park MRT Station.

The Property has a net lettable area ("**NLA**") of 1,184,704 square feet ("**sq ft**") (as at 31 August 2019) and comprises four blocks of business park space (MBC 50, 60, 70 and 80, with a total NLA of 1,167,106 sq ft) and retail space with a total NLA of 17,598 sq ft. Mapletree Business City Development is zoned business park (with 15% white and gross plot ratio of 2.8) with a land tenure of 99 years leasehold commencing 1 October 1997. This is in line with the land tenures for commercial developments as opposed to the typical business park properties which have land tenures of 60 years leasehold.

Offering commanding views of the sea and surrounding parks, MBC II's 30-storey business park tower terraces down to eight, six and five-storey blocks and is set amidst 2.8 hectares of lush landscape. The carpark podium, which is linked to all blocks in Mapletree Business City Development, provides 2,001 carpark lots over two levels and serves both MBC I and MBC II. Amenities within Mapletree Business City Development include modern conference facilities, a 294-seat auditorium, an on-site gym with a 44 metre-long heated pool, sporting facilities such as an outdoor running track, tennis, futsal and basketball courts, a garden amphitheatre for arts events and performances, as well as a wide assortment of food and beverage ("**F&B**") options. Mapletree Business City Development is also directly linked via elevated covered walkways to ARC. ARC has a wide range of tenants, which include F&B establishments, retail outlets and service trades as well as a supermarket, providing amenities to the growing working population within the Alexandra Precinct.

Completed in 2016, MBC II has been designed with environmentally friendly features and has garnered numerous local and international awards including the prestigious Building and Construction Authority of Singapore ("**BCA**") Green Mark Platinum Award, BCA Universal Design Mark (Platinum) Award and Leadership in Energy and Environmental Design ("**LEED**") Gold certification.

Since its completion in 2016, MBC II has attracted a strong and diverse tenant base comprising many well-known and reputable multinational corporations ("**MNCs**"), and enjoys a committed occupancy rate of 99.4% (as at 31 August 2019).

The table below sets out a summary of selected information on the Property as at 31 August 2019 (unless otherwise indicated).

The Property	Four blocks of business park space at 50, 60, 70 and 80 Pasir Panjang Road, Singapore 117384/117385/117371/117372 and retail space at level 2 of 20 and 40 Pasir Panjang Road, Singapore 117439/117383 and the Common Premises
Building Completion	2016 (the Common Premises was completed in 2010)
Land Tenure	99 years leasehold commencing 1 October 1997
Master Plan Zoning	Business Park (with 15.0% White and Gross Plot Ratio of 2.8)(1)
GFA	1,429,384 sq ft
NLA	1,184,704 sq ft Business Park: 1,167,106 sq ft Retail: 17,598 sq ft
Building Efficiency	83.0%
Typical Floor Plate	Blk 50, 60 and 70: 26,000 – 29,000 sq ft Blk 80: 32,000 sq ft
Number of Storeys	Blk 50, 60 and 70: five to eight storeys Blk 80: 30 storeys
Car Park Lots	2001
Amenities	Multi-purpose hall, seminar rooms and assorted sports facilities
Average Passing Rent	S$6.15 psf pm
Committed Occupancy	99.4%
Number of tenants	32 (18 Business Park, 14 Retail)
Valuation (S$ million)	1,556.0(2)

Sources: Manager.

Notes:

(1) For Mapletree Business City Development.

(2) Being the average of the appraised value of the Property by Savills and CBRE of S$1,552.0 million and S$1,560.0 million respectively as at 31 August 2019.

(See **Appendix A** of the Circular for further details.)

3.2. Structure of the Acquisition

Pursuant to the Share Purchase Agreement dated 26 September 2019, the Purchasers will acquire the Property through the acquisition of the Sale Shares.

The total purchase consideration payable by the Purchasers in connection with the Acquisition is S$884.9 million (the "**Total Consideration**"). The Trustee and 80 Alexandra shall each be responsible for 99.9% and 0.1% of the Total Consideration respectively. The Total Consideration is derived from the adjusted net asset value (the "**Adjusted Net Asset Value**") of MBCPL (based on the *pro forma* completion balance sheet of MBCPL as at 31 July 2019 and subject to completion adjustments up to the day preceding the date of Completion (the "**Completion Date**")) after taking into account, among others, the agreed value of the Property of S$1,550.0 million (the "**Agreed Property Value**"), less the intercompany loans of approximately S$665.0 million[1] owed by MBCPL to the Vendor and to Mapletree Treasury Services Limited, a wholly-owned subsidiary of MIPL (collectively, "**Intercompany Loan**") which shall be fully repaid on the Completion Date upon the drawdown of the new loan facilities of up to an aggregate amount of S$800.0 million, comprising (i) a five-year term loan facility, (ii) a six-year term loan facility, (iii) a seven-year term loan facility and (iv) a six-year revolving credit facility, (collectively, the "**New Loan Facilities**") taken up to part-finance the Total Acquisition Cost (as defined herein).

The Strata Lease[2] of Mapletree Business City (Phase 1) was previously acquired from MBCPL (as vendor) through the MBC I Acquisition, with MBCPL retaining ownership of the Property, comprising Mapletree Business City (Phase 2) and the Common Premises. Concurrent with the MBC I Acquisition, the Trustee entered into a license agreement and shared services agreement to provide MCT with the right to use the Common Premises in respect of Mapletree Business City (Phase 1).

Post-Acquisition, MCT will indirectly own the entire leasehold interest in Mapletree Business City Development.

As soon as practicable following Completion, MBCPL will be converted to a limited liability partnership pursuant to Section 21 of the Limited Liability Partnerships Act (Chapter 163A of Singapore). 80 Alexandra and the Trustee, as shareholders of MBCPL, will enter into the LLP Agreement to regulate the relationship between them *inter se* as partners of the limited liability partnership. Following the Conversion, the Trustee and 80 Alexandra will continue to hold 99.9% and 0.1% interest respectively in MBC LLP as partners of MBC LLP. The Conversion allows Unitholders of MCT to enjoy tax transparency treatment on MCT's 99.9% share of income from the Property. The income generated from the Property will not be subject to corporate income tax at the MBC LLP level as a limited liability partnership is tax transparent for Singapore tax purposes.

3.3. Valuation

The Agreed Property Value of S$1,550.0 million was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property.

In this respect, the Trustee has commissioned an independent property valuer, Savills, and the Manager has commissioned another independent property valuer, CBRE, to value the Property. According to the independent valuation reports[3] issued by Savills and CBRE, the market value of the Property as at 31 August 2019 is S$1,552.0 million and S$1,560.0 million, respectively. In arriving at the market value, the Independent Valuers relied on the income capitalisation method and the discounted cash flow analysis. The average appraised value of the Property by Savills and CBRE is S$1,556.0 million as at 31 August 2019.

The Agreed Property Value of S$1,550.0 million is in line with the appraised values of the two Independent Valuers.

1 Based on the amount expected to be outstanding on the Completion Date.

2 The Strata Lease terminates one day prior to the expiry of the State Lease (as defined herein).

3 The independent valuation reports issued by Savills and CBRE are dated 31 August 2019.

3.4. Certain Terms and Conditions of the Share Purchase Agreement

The principal terms of the Share Purchase Agreement include, among others, the following conditions precedent:

(i) in respect of the State Lease, the approval of the President of the Republic of Singapore and his successors-in-office (the "**State Lessor**") for the assignment of the Property to MBC LLP and if such approval is given subject to conditions, such conditions being acceptable to the Vendor and Purchasers acting reasonably;

(ii) the approval of Unitholders at the EGM in connection with the Acquisition;

(iii) the receipt of an in-principle approval from Inland Revenue Authority of Singapore ("**IRAS**") to grant relief from stamp duties for the transfer of assets under section 15(1A) of the Stamp Duties Act arising from the Conversion and there not having occurred any withdrawal of such in-principle approval and, if applicable, the conditions to such in-principle approval having been fulfilled;

(iv) the receipt of approval in-principle of the SGX-ST for the listing and quotation of the New Units to be issued pursuant to the Equity Fund Raising, and there not having occurred any revocation or withdrawal of such approval;

(v) the listing and commencement of trading of the new Units to be issued pursuant to the Private Placement;

(vi) the receipt by the Purchasers of the proceeds of the Private Placement and/or external borrowings to fully fund the Acquisition;

(vii) there being no compulsory acquisition of the whole or any part of the Property which, in the reasonable opinion of the Purchasers, acting on the recommendation of the Manager, will have an adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of MCT or on the Property, in each case, taken as a whole, and no notice of such intended compulsory acquisition has been given, by the government or other competent authority; and

(viii) there being no material damage to the Property and/or the plant and equipment in the Property on or before Completion and no material breach of the warranties which, in the reasonable opinion of the Purchasers acting on the recommendation of the Manager, will have a material adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of MCT or on the Property, in each case, taken as a whole.

3.5. Total Acquisition Cost

The Total Acquisition Cost is estimated to be approximately S$1,575.8 million, comprising:

(i) the Total Consideration which is estimated to be S$884.9 million, subject to post-Completion adjustments to the Adjusted Net Asset Value of MBCPL;

(ii) the repayment of the entire Intercompany Loan on the Completion Date;

(iii) the Acquisition Fee payable in Units[1] to the Manager for the Acquisition (the "**Acquisition Fee**") of approximately S$7.8 million (representing 0.5% of the Agreed Property Value); and

(iv) the estimated stamp duty, professional and other fees and expenses of approximately S$18.1 million incurred or to be incurred by MCT in connection with the Acquisition, the Equity Fund Raising and the New Loan Facilities,

(collectively, the "**Total Acquisition Cost**").

3.6. Payment of Acquisition Fee in Units

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee at the rate of 1% of the Agreed Property Value, which is taken into account when computing the Total Consideration (or such lower percentage as may be determined by the Manager in its absolute discretion). The Manager has, at its discretion, elected to receive an acquisition fee of 0.5% of the Agreed Property Value.

Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the issue price of Units equal to the 10-day volume weighted average price ("**VWAP**") prior to the issuance date of the Acquisition Fee Units.

Based on an illustrative issue price of S$2.10 per Acquisition Fee Unit, the number of Acquisition Fee Units issued shall be approximately 3.7 million Units.

Pursuant to Rule 805(1) of the listing manual of the SGX-ST (the "**Listing Manual**"), the Manager is seeking approval of the Unitholders for the issue of the Acquisition Fee Units to the Manager, outside its general mandate. By approving the Acquisition, Unitholders will be deemed to have also approved the issue of the Acquisition Fee Units to the Manager.

3.7. Method of Financing for the Acquisition

The Manager intends to finance the Total Acquisition Cost through the Equity Fund Raising and a drawdown of the Loan Facilities.

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions to provide overall DPU and NAV accretion to Unitholders while maintaining an optimum level of leverage.

Assuming that the Acquisition is partially funded by the drawdown of S$697.5 million from the New Loan Facilities, MCT's aggregate leverage immediately following Completion would increase from 31.7%[2] to 33.8%.

1 As the Acquisition will constitute an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS", and Appendix 6, the "Property Funds Appendix"), the Acquisition Fee will be in the form of Units (the "Acquisition Fee Units"), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

2 Based on MCT's aggregate leverage as at 31 March 2019 and adjusted for the valuation of the Existing Portfolio which was valued as at 31 August 2019.

4. EQUITY FUND RAISING

4.1. Structure of the Equity Fund Raising

The structure and timing of the Equity Fund Raising have not been determined by the Manager. If and when the Manager decides to undertake the Equity Fund Raising, the Equity Fund Raising may, at the Manager's absolute discretion and subject to the then prevailing market conditions, comprise:

(i) a private placement of New Units to institutional and other investors (the "**Private Placement**"); and/or

(ii) a non-renounceable preferential offering of New Units to the existing Unitholders on a pro rata basis (the "**Preferential Offering**" and the New Units to be issued pursuant to the Preferential Offering, the "**Preferential Offering Units**").

The structure and timing of the Equity Fund Raising and the issue price of the New Units (the "**Issue Price**") will be determined in accordance with, among others, Chapter 8 of the Listing Manual. The Issue Price will comply with Rules 811(1) and 811(5) of the Listing Manual, and will not be at more than a 10.0% discount to the VWAP for trades done on the SGX-ST for the full market day on which the underwriting agreement between the Manager and the Joint Global Co-ordinators and Bookrunners (the "**Underwriting Agreement**") is signed, or (if trading in the Units is not available for a full market day) for the preceding market day up to the time the Underwriting Agreement is signed, excluding (where applicable) declared distributions, provided that the holders of the New Units are not entitled to the declared distributions. The Underwriting Agreement is anticipated to be signed upon the terms of the Equity Fund Raising being agreed upon, which will be after the approval of the relevant resolutions by the Unitholders at the EGM is received.

On 26 September 2019, the SGX-ST granted its approval in-principle for the listing and quotation of the New Units on the Main Board of the SGX-ST, subject to certain conditions which are further set out in paragraph 4 of the Letter to Unitholders.

The Issue Price of the New Units issued under the Private Placement may differ from the Issue Price of the New Units issued under the Preferential Offering.

The Manager will announce the details of the Equity Fund Raising on the SGXNET at the appropriate time when it launches the Equity Fund Raising in such structure and at such time as may be agreed with the Joint Global Co-ordinators and Bookrunners.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

Further details pertaining to the use of proceeds of the Equity Fund Raising (including details on the percentage allocation for each use) will be announced at the appropriate time.

(See paragraph 4.1 of the Letter to Unitholders for further details.)

4.2. Use of Proceeds

The Manager intends to utilise the net proceeds of the Equity Fund Raising to finance part of the Total Acquisition Cost of approximately S$1,575.8 million, with the balance thereof to be funded by a drawdown of the Loan Facilities.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in MCT's announcements on the use of proceeds and in MCT's annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

4.3. Requirement for Unitholders' Approval

The Manager is seeking Unitholders' approval for the proposed issue of up to 500.0 million New Units (representing approximately 17.3% of the existing number of issued Units as at the Latest Practicable Date), pursuant to the Equity Fund Raising as required by Rule 805(1) of the Listing Manual.

4.4. Rationale for the Equity Fund Raising

Given the size of the Total Acquisition Cost, and the Manager's aim to maintain a well-balanced capital structure, and the borrowing limit imposed by the MAS on property funds such as MCT, the Manager believes that the Equity Fund Raising is an efficient and overall beneficial method of raising funds to finance the Total Acquisition Cost.

4.5. Undertaking by the Sponsor

To demonstrate its support for MCT and the Equity Fund Raising, the Sponsor, which owns an aggregate interest of approximately 34.3% of the total number of Units in issue through its wholly-owned subsidiaries as at 19 September 2019, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"), has irrevocably undertaken to the Manager and the Joint Global Co-ordinators and Bookrunners on 26 September 2019 (the "**Undertaking**") that, among other things, in the event that the Equity Fund Raising includes a Preferential Offering:

(i) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), and in accordance with the terms and conditions of the Preferential Offering, it will accept, or procure that its subsidiaries (the "**Relevant Entities**") accept, subscribe and pay in full for its and the Relevant Entities' total provisional allotment of the Preferential Offering Units; and

(ii) (subject to and conditional upon the approval of the Whitewash Resolution by Unitholders other than MIPL and parties acting in concert with it (the "**Concert Party Group**") or parties not independent of them (the "**Independent Unitholders**")), in the event that the Equity Fund Raising includes a Private Placement in addition to the Preferential Offering, it will, in addition to paragraph (i) above, apply for, and/or procure the application of such number of excess Units under the Preferential Offering (the "**Sponsor Excess Units**") in accordance with the terms and conditions of the Preferential Offering, so that if it and/or the Relevant Entities are fully allotted the Sponsor Excess Units, MIPL would maintain its percentage unitholding at the level immediately prior to the Private Placement (the "**Pre-Placement Percentage**")[1]. For the avoidance of doubt, MIPL, among others, will rank last in the allocation of excess Unit applications. If the Whitewash Resolution is not approved, the Sponsor's undertaking shall apply only to MIPL's and the Relevant Entities' total provisional allotment of the Preferential Offering Units.

It is intended that in the event the number of excess New Units under the Preferential Offering, even if fully allotted to MIPL and/or its Relevant Entities, would not be sufficient for MIPL to maintain its Pre-Placement Percentage, MIPL would apply for, and/or procure the application by the Relevant Entities of, the maximum number of excess New units under the Preferential Offering.

4.6. Consequential Adjustment to Distribution Period and Status of New Units

MCT's policy is to distribute its distributable income on a quarterly basis to Unitholders.

However, pursuant to the Equity Fund Raising, the Manager may decide to make adjustments to the distribution period which may include, among others, a cumulative distribution, an advanced distribution or such other plans to ensure fairness to existing Unitholders holding Units on the day immediately prior to the date on which the New Units are issued under the Private Placement.

In the event that the Manager undertakes a Preferential Offering, the New Units issued in connection with the Preferential Offering will, upon issue and allotment, rank pari passu in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued under the Preferential Offering, including the right to any distributions which may accrue prior to the issuance of the New Units under the Preferential Offering.

Further details pertaining to any adjustments to the distribution period, if any, and the status of the New Units issued pursuant to the Equity Fund Raising will be announced at the appropriate time.

4.7. Requirement of Unitholders' Approval

4.7.1. Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by MCT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

1 In the event that the Equity Fund Raising comprises a Private Placement and a Preferential Offering and the Preferential Offering follows after the Private Placement, the Sponsor's percentage unitholding will decrease immediately after the Private Placement as the Sponsor will not be participating in the Private Placement.

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by MCT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with MCT's NAV;

(ii) the net profits attributable to the assets acquired, compared with MCT's net profits;

(iii) the aggregate value of the consideration given, compared with MCT's market capitalisation; and

(iv) the number of Units issued by MCT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction. The Listing Manual requires that a major transaction involving MCT be made conditional upon approval by Unitholders in a general meeting. However, the approval of Unitholders is not required in the case of an acquisition of profitable assets if only sub-paragraph 4.7.1(ii) exceeds the relevant 20.0% threshold.

4.7.2. Relative Figures computed on the Bases set out in Rule 1006

The relative figures for the Property using the applicable bases of comparison described in sub-section 4.7.1 (ii) and 4.7.1 (iii) above are set out in the table below.

Comparison of	The Property (S$ million)	MCT (S$ million)	Relative figure (%)
NPI	77.0(1)	347.6	22.2
Consideration against market capitalisation	1,550.0(2)	6,746.8(3)	23.0

Sources: Circular.

Notes:

(1) Assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018 without taking into effect the amortisation of rental income for fit-out periods.

(2) The figure represents the Agreed Property Value. For the avoidance of doubt, the amount to be received by the Vendors in connection with the Acquisition shall be the aggregate of the Total Consideration and the Intercompany Loan.

(3) The figure is based on the closing price of S$2.33 per Unit on SGX-ST as at 25 September 2019, being the market day immediately prior to the entry of the Share Purchase Agreement.

The Manager is of the view that the Acquisition is in the ordinary course of MCT's business as the Property being acquired is within the investment policy of MCT and does not change the risk profile of MCT. As such, the Acquisition should therefore not be subject to Chapter 10 of the Listing Manual notwithstanding that the relative figure exceeds 20.0%. However, as the Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix, the Acquisition will still be subject to the specific approval of Unitholders.

4.7.3. Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where MCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MCT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

Based on the 2018/19 Audited Financial Statements, the NTA of MCT was S$4,616.0 million as at 31 March 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by MCT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$230.7 million, such a transaction would be subject to Unitholders' approval. Given the Agreed Property Value is S$1,550.0 million (which is 33.6% of the NTA of MCT as at 31 March 2019), the value of the Acquisition exceeds the said threshold.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by MCT whose value exceeds 5.0% of MCT's latest audited NAV. Based on the 2018/19 Audited Financial Statements, the NAV of MCT was S$4,616.0 million as at 31 March 2019. Accordingly, if the value of a transaction which is proposed to be entered into by MCT with an interested party is equal to or greater than S$230.7 million, such a transaction would be subject to Unitholders' approval. Given the Agreed Property Value is S$1,550.0 million (which is 33.6% of the NAV of MCT as at 31 March 2019), the value of the Acquisition exceeds the said threshold.

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 992,114,110 Units, which is equivalent to approximately 34.3% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MCT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendor is a direct wholly-owned subsidiary of MIPL, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Vendor (being a wholly-owned subsidiary of both a "controlling unitholder" and a "controlling shareholder" of the Manager) is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MCT.

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

In approving the Acquisition, Unitholders will be deemed to have approved all documents required to be executed or assigned by the parties in order to give effect to the Acquisition.

5. THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP

5.1. Rule 14 of the Code

The Securities Industry Council ("SIC") has on 20 September 2019 granted a waiver (the "**SIC Waiver**") of the requirement for the Concert Party Group to make a mandatory offer ("**Mandatory Offer**") for the remaining Units not owned or controlled by the Concert Party Group, in the event that they incur an obligation to make a Mandatory Offer pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") as a result of:

(i) the issuance of New Units under the Private Placement (the "**Private Placement Units**") such that MIPL's percentage unitholding would decrease, as MIPL will not be participating in the Private Placement;

(ii) the subscription by MIPL and/or the Relevant Entities of the New Units to be subscribed by it and/or the Relevant Entities under the Preferential Offering undertaken following a Private Placement (the "**MIPL Preferential Offering Units**") in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage (see paragraph 6 of the Letter to Unitholders for details);

(iii) the receipt by the Manager in its personal capacity of approximately 3.7 million Acquisition Fee Units[1]; and

(iv) the receipt by the Manager in its personal capacity of approximately 1.1 million Units (the "**2Q Management Fee Units**") as payment for the management fees for the period from 1 July 2019 to 30 September 2019 ("**2Q 2019/20**" and the management fees for 2Q 2019/20, "**2Q Management Fee**") that the Manager in its personal capacity is entitled to for 2Q 2019/20[2].

In addition to taking up its pro rata entitlement to the Preferential Offering, MIPL has, subject to and conditional upon the approval of the Whitewash Resolution by the Independent Unitholders, irrevocably undertaken to apply for, and/or procure the application of, such number of Sponsor Excess Units such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage of 34.3%. The exact percentage increase in unitholding will depend on the overall level of acceptances and excess applications by Unitholders for the Preferential Offering as according to Rule 877(10) of the Listing Manual, MIPL, among others, will rank last in the allocation of excess Unit applications. In the event that MIPL is allocated in full its application for the Sponsor Excess Units, MIPL's percentage unitholding will increase to its Pre-Placement Percentage. MIPL's percentage unitholding after the Preferential Offering will therefore vary depending on zero allocation and full allocation of the Sponsor Excess Units applied, respectively.

1 This is based on an illustrative issue price of S$2.10 per Acquisition Fee Unit.

2 This is based on an illustrative issue price of S$2.04 per 2Q Management Fee Unit.

It should be noted that, in view of the Equity Fund Raising being structured as a Private Placement followed by a Preferential Offering, MIPL's percentage unitholding will decrease immediately upon the completion of the Private Placement as MIPL will not be participating in the Private Placement. Assuming that MIPL and its Relevant Entities are allocated in full their application for the Sponsor Excess Units under the Preferential Offering, MIPL's percentage unitholding will increase after completion of the Preferential Offering to its Pre-Placement Percentage. Accordingly, if the Equity Fund Raising is structured in such manner, MIPL's percentage unitholding immediately after the Preferential Offering will actually be equal to or lower than its Pre-Placement Percentage.

Upon the occurrence of the events set out in sub-sections 5.1 (i) to (iv) above, the Concert Party Group may possibly end up acquiring additional Units which exceed the threshold pursuant to Rule 14.1(b) of the Code.

Rule 14.1(b) of the Code states that the Concert Party Group would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MCT and the Concert Party Group, acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of MCT.

Unless waived by the SIC, pursuant to Rule 14.1(b) of the Code, the Concert Party Group would then be required to make a Mandatory Offer. The SIC has granted this waiver on 20 September 2019 subject to, *inter alia*, Resolution 3 (the Whitewash Resolution) being approved by Independent Unitholders at the EGM.

To the best of the knowledge of the Manager and MIPL, the Concert Party Group holds, in aggregate, 1,002,315,034 Units representing 34.61% of the voting rights of MCT as at the Latest Practicable Date.

For illustrative purposes, the following example shows an illustrative scenario where (i) 417.1 million New Units are issued pursuant to the Equity Fund Raising (comprising 236.9 million New Units issued under the Private Placement and 180.2 million New Units issued under the Preferential Offering), (ii) approximately 3.7 million Acquisition Fee Units are issued to the Manager in its personal capacity as payment for the Acquisition Fee, and (iii) approximately 1.1 million new Units are issued to the Manager in its personal capacity as payment for the 2Q Management Fee.

Based on an Illustrative Issue Price of (i) S$2.10 per New Unit, (ii) S$2.10 per Acquisition Fee Unit; and (iii) S$2.04 per 2Q Management Fee Unit, the aggregated unitholding of the Concert Party Group immediately after the issue of all the above-mentioned new Units will be 34.66%.

The following table sets out the respective maximum unitholdings of the Concert Party Group if the Manager receives approximately 3.7 million Acquisition Fee Units (based on an illustrative issue price of S$2.10 per Acquisition Fee Unit) and approximately 1.1 million 2Q Management Fee Units (based on an illustrative issue price of S$2.04 per 2Q Management Fee Unit).

	As at the Latest Practicable Date	**After the Private Placement**	**Pre-Preferential Offering(1)**	**Post-Preferential Offering(2)**	**Post-Preferential Offering(2) and Issuance of the Acquisition Fee Units**
Issued Units	2,895,631,555	3,132,598,555	3,133,683,335	3,313,851,604	3,317,547,285
Number of Units held by MIPL and parties acting in concert with it	1,002,315,034	1,002,315,034	1,003,399,814	1,146,242,147	1,149,937,828
Number of Units held by Unitholders, other than MIPL and parties acting in concert with it	1,893,316,521	2,130,283,521	2,130,283,521	2,167,609,457	2,167,609,457
% of issued Units held by MIPL and parties acting in concert with it	34.61%	32.00%	32.02%	34.59%	34.66%
% of issued Units held by Unitholders, other than MIPL and parties acting in concert with it	65.39%	68.00%	67.98%	65.41%	65.34%

Notes:

(1) In the table above, the 2Q Management Fee Units is assumed to be issued after the Private Placement and before the Preferential Offering. The actual sequence of the events as set out in the table above may differ depending on the timing of the Private Placement, the Preferential Offering, the issuance of the 2Q Management Fee Units and the issuance of the Acquisition Fee Units.

(2) Assuming the Concert Party Group accepts its *pro rata* provisional allotment of the Preferential Offering Units in full and is allocated in full its application for the Sponsor Excess Units.

5.2. Application for Waiver from Rule 14 of the Code

An application was made to the SIC on 21 August 2019 for the waiver of the obligation of Concert Party Group make a Mandatory Offer under Rule 14 of the Code should the obligation to do so arise as a result of:

(a) the issuance of the Private Placement Units such that MIPL's percentage unitholding would decrease, as MIPL will not be participating in the Private Placement;

(b) the subscription by MIPL and/or the Relevant Entities of the MIPL Preferential Offering Units in accordance with the terms of the Undertaking, such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage[1];

1 See the table in paragraph 6.1 to the Letter to Unitholders and the assumptions stated therein.

(c) the receipt by the Manager in its personal capacity of the Acquisition Fee Units; and

(d) the receipt by the Manager in its personal capacity of the 2Q Management Fee Units.

The SIC granted the SIC Waiver on 20 September 2019, subject to, *inter alia*, the satisfaction of the following conditions:

(a) a majority of Unitholders approve at a general meeting, before the issuance of the Preferential Offering Units, the Acquisition Fee Units, or the 2Q Management Fee Units (collectively, the "**Proposed Issuance of Units**"), the Whitewash Resolution by way of a poll to waive their rights to receive a Mandatory Offer from the Concert Party Group;

(b) the Whitewash Resolution is separate from other resolutions;

(c) the Concert Party Group and parties not independent of them abstain from voting on the Whitewash Resolution;

(d) the Concert Party Group did not acquire or are not to acquire any units or instruments convertible into and options in respect of Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Units which have been disclosed in the circular):

  (i) during the period between the first announcement of the Acquisition and the date Unitholders' approval is obtained for the Whitewash Resolution; and

  (ii) in the six months prior to the announcement of the Acquisition but subsequent to negotiations, discussion or the reaching of understandings or agreements with the directors of the Manager in relation to such proposal;

(e) MCT appoints an independent financial adviser to advise the Independent Unitholders on the Whitewash Resolution;

(f) MCT sets out clearly in the Circular:

  (i) details of the Proposed Issuance of Units;

  (ii) the dilution effect of the Proposed Issuance of Units to existing holders of voting rights;

  (iii) the number and percentage of voting rights in MCT as well as the number of instruments convertible into, rights to subscribe for and options in respect of Units held by the Concert Party Group at the Latest Practicable Date;

  (iv) the number and percentage of voting rights in MCT to be acquired by the Concert Party Group as a result of their acquisition of the Preferential Offering Units, the Acquisition Fee Units, and the 2Q Management Fee Units; and

  (v) specific and prominent reference to the fact that Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a Mandatory Offer from the Concert Party Group at the highest price paid by the Concert Party Group for the Units in the past 6 months preceding the commencement of the offer;

(g) the Circular state that the waiver granted by SIC to the Concert Party Group from the requirement to make a Mandatory Offer under Rule 14 is subject to the conditions set out in sub-paragraphs (a) to (f) above;

(h) MCT obtains SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and

(i) to rely on the Whitewash Resolution, the acquisition of the Preferential Offering Units, the Acquisition Fee Units, and the 2Q Management Fee Units by the Concert Party Group must be completed within three months of the approval of the Whitewash Resolution.

Independent Unitholders should note that by voting for the Whitewash Resolution, they are waiving their rights to receive a Mandatory Offer from the Concert Party Group at the highest price paid or agreed to be paid by the Concert Party Group for Units in the six months preceding the announcement of the Equity Fund Raising.

5.3. Rationale for the Whitewash Resolution

The Whitewash Resolution is to enable the subscription by MIPL and/or the Relevant Entities of the MIPL Preferential Offering Units such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage, the receipt by the Manager (in its own capacity) of the Acquisition Fee Units, and the receipt by the Manager (in its own capacity) of the 2Q Management Fee Units.

The Manager is of the view that the Sponsor should not be treated differently from any other Unitholder and should be given the opportunity to apply for Excess Units. In addition, any application for the Sponsor Excess Units, if the Sponsor chooses to make such application, will further demonstrate the Sponsor's support for and confidence in the Preferential Offering and its long-term commitment to MCT, and will further enhance the chances of a successful Preferential Offering. In the allotment of Excess Units under the Preferential Offering, preference will be given to the rounding of odd lots, followed by allotment to the Unitholders who are neither Directors nor Substantial Unitholders who have control or influence over MCT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager. The Sponsor, its wholly-owned subsidiaries, Directors and other Substantial Unitholders who have control or influence over MCT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager will rank last in priority. Further, the number of New Units proposed to be subscribed by MIPL under the Preferential Offering shall be no more than such number as would be required to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising.

6. ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, MIPL has a deemed interest in 992,114,110 Units, which comprises approximately 34.3% of the total number of Units in issue. Fullerton Management Pte Ltd. ("**Fullerton**"), through its interest in the Sponsor, has a deemed interest in 992,114,110 Units, which comprises approximately 34.3% of the total number of Units in issue. Temasek, through its interests in Fullerton and its other portfolio companies, is deemed to be interested in 1,013,781,354 Units, which comprises approximately 35.0% of the total number of Units in issue.

(i) Resolution 1: the Proposed Acquisition

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting, or accepting appointments as proxies, on a resolution in relation to a matter in respect of which such persons are interested in the EGM, unless specific instructions as to voting are given.

Given that the Property will be acquired from a wholly-owned subsidiary of MIPL, each of MIPL, Fullerton and Temasek (a) will abstain, and procure that their associates, including the Manager, will abstain from voting at the EGM on Resolution 1; and (b) will not, and will procure that their associates will not, accept appointments as proxies in relation to Resolution 1 unless specific instructions as to voting are given.

For the purposes of good corporate governance, as Mr. Tsang Yam Pui is a member of the board of directors of the Sponsor (the "**Sponsor Board**") and is a member of the Audit and Risk Committee of the Sponsor, Mr. Hiew Yoon Khong is the Executive Director of the Sponsor Board and the Group Chief Executive Officer of the Sponsor, Mr. Wong Mun Hoong is the Regional Chief Executive Officer, Australia & North Asia of the Sponsor, Ms. Amy Ng Lee Hoon is the Regional Chief Executive Officer, South East Asia & Group Retail of the Sponsor and Ms. Lim Hwee Li Sharon is the Chief Executive Officer and Executive Director of the Manager, a wholly-owned subsidiary of the Sponsor, they will each abstain from voting on the Ordinary Resolution in relation to the Acquisition in respect of Units (if any) held by them and will not accept appointments as proxies in relation to the resolution on the Acquisition unless specific instructions as to voting are given.

(ii) Resolution 3: the Proposed Whitewash Resolution in relation to the Concert Party Group

Pursuant to the SIC Waiver granted in relation to Resolution 3, MIPL, parties acting in concert with it (which includes MIPL and its subsidiaries) and parties not independent of MIPL are required to abstain from voting on Resolution 3.

7. EVALUATION OF THE ACQUISITION

For the purpose of arriving at our opinion in respect of the Acquisition, we have, as the IFA, taken into account the following:

(i) Rationale for and key benefits of the Acquisition;

(ii) Valuation of the Property by the Independent Valuers (the "**Independent Valuations**");

(iii) Comparison with selected business park properties and science park clusters and the closest comparable office properties located within the Central Business District ("**CBD**") fringe submarket owned by Singapore-listed REITs (the "**Selected Properties**");

(iv) Comparison with selected completed transactions involving purchases of business parks and comparable office properties locate in Singapore in the five years up to the Latest Practicable Date that are publicly available (the "**Selected Transactions**");

(v) Pro forma financial effects of the Acquisition; and

(vi) Other relevant considerations which have a significant bearing on our assessment.

7.1. Rationale for and Key Benefits of the Acquisition

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

(i) Owning the workplace of the future;

(ii) Asset class provides steady rental growth at low volatility;

(iii) Stable cashflows with embedded rental growth from high quality tenants;

(iv) Further enhances MCT's portfolio; and

(v) Attractive valuation and NPI, DPU and NAV accretive.

Please refer to paragraph 3 of the Letter to Unitholders for full details on the rationale for and key benefits of the Acquisition.

7.2. Valuation of the Property by the Independent Valuers

7.2.1. The Independent Valuations of the Property

The Trustee has commissioned Savills, and the Manager has commissioned CBRE to value the Property. Based on the Valuation Reports, the appraised values of the Property by the Independent Valuers as compared to the Purchase Consideration are as follows:

Property	Appraised Value[1]		Purchase Consideration
	Savills	CBRE	
Mapletree Business City II	S$1,552.0 million	S$1,560.0 million	S$1,550.0 million
Premium/(discount) of Purchase Price to Independent Valuers	(0.13%)	(0.64%)	n.a.

Sources: The independent valuation reports issued by Savills and CBRE.

Note:

(1) Valuation as at 31 August 2019.

The key points to be highlighted in respect of the Independent Valuations are as follows:

(i) The Purchase Consideration of S$1,550.0 million represents a discount of approximately 0.13% to Savills's valuation and approximately 0.64% to CBRE's valuation of the Property;

(ii) The basis of valuation used is "Market Value", the definitions of which are broadly consistent between the Independent Valuers;

(iii) The relevant date for the Independent Valuations undertaken is 31 August 2019;

(iv) Both Savills and CBRE used the capitalisation approach and the discounted cash flow analysis methods in arriving at the market value of the Property; and

(v) The methods used by the Independent Valuers are widely accepted methods for the purpose of valuing income-producing properties.

Please refer to Appendix B of the Circular for the respective valuation certificates.

7.2.2. Comparison of Capitalisation Rates, Discount Rates and Terminal Yields

The capitalisation rates, discount rates and terminal yields used by the Independent Valuers in valuing the business park component (the "**Business Park Component**") and the retail component (the "**Retail Component**") as well as those used in the latest independent valuations of MBC I, PSA Building, Mapletree Anson and MLHF (the "**Existing Office Portfolio**"):

Valuation		**Capitalisation Approach**	**DCF Analysis Method**	
		Capitalisation Rate	**Discount Rate**	**Terminal Yield**
Savills[(1)]	Business Park Component	5.00%	7.50%	5.25%
	Retail Component	4.75%		5.00%
CBRE[(1)]	Business Park Component	4.90%	7.00%	5.15%
	Retail Component	4.75%		
Existing Office Portfolio (31 August 2019)		3.50% – 4.62%	6.50% – 6.86%	3.75% – 4.87%

Sources: The independent valuation reports, the Manager.

Note:

(1) Rates used by Savills and CBRE are disclosed in the Valuation Reports as at 31 August 2019.

Based on the table above we highlight the following:

(i) The capitalisation rates used by the Independent Valuers in their valuations of the Business Park Component are approximately consistent with one another and are above the range of capitalisation rates used in the latest independent valuations of the Existing Office Portfolio;

(ii) The discount rates used by the Independent Valuers in their valuations of the Business Park Component are approximately consistent with one another and are above the range of the discount rate used in the latest independent valuations of the Existing Office Portfolio;

(iii) The terminal yields used by the Independent Valuers in their valuations of the Business Park Component are approximately consistent with one another and are above the range of terminal yields used in the latest independent valuations of the Existing Office Portfolio;

(iv) The capitalisation rates used by the Independent Valuers in their valuations of the Retail Component are consistent with one another;

(v) The discount rates used by the Independent Valuers in their valuations of the Retail Component are approximately consistent with one another; and

(vi) The terminal yields used by the Independent Valuers in their valuations of the Retail Component are consistent with one another.

The above analysis serves as one factor considered by us in our evaluation and may not on its own be meaningful to a satisfactory extent as the Business Park Component differs from the MCT's Existing Office Portfolio in many aspects (such as location, accessibility, profile and composition of tenants, proximity to major venues and/or attractions, outstanding lease tenure and other relevant factors). We recommend that the Independent Directors and the Audit and Risk Committee advise the minority Unitholders to read the summary valuation certificates attached as Appendix B of the Circular very carefully.

7.2.3. Comparison with Selected Properties

We have extracted information in respect of valuations of the selected business park properties and science park clusters (the "**Business Parks**") and the closest comparable office properties located within the CBD fringe submarket (the "**Comparable Office Properties**") in order to benchmark the gross income yield[1] (the "**Gross Yield**") and the Valuation per sq ft of net lettable area (the "**Valuation per NLA**") implied by the Acquisition with those of the Business Parks and Comparable Office Properties (the "**Business Parks and Comparable Office Properties**"). We note that the Retail Component accounts for approximately 1.5% of the NLA of the Property and is excluded from the analysis.

While there are no perfect comparables, we believe that the Property being located within the CBD fringe submarket may be closely comparable to the Comparable Office Properties in terms of location, building specifications, tenant quality and the remaining land tenure.

Property Name	Remaining Land Tenure (years)	Valuation Date	Valuation (S$m)	NLA (sq ft)	Gross Property Income (S$m)	Gross Yield (%)	Valuation per NLA (S$)
Business Parks							
MBC I(1)	77.1	31-Aug-19	2,193.0	1,707,202	130.7	6.0%	1,285
Solaris	48.7	31-Dec-18	382.1	442,755	23.3	6.1%	863
Neuros & Immunos(2)	45.4	31-Mar-19	139.0	215,655	19.9	n.m.	n.m.
Nexus @one-north	51.8	31-Mar-19	192.0	222,479	15.8	8.2%	863
Changi Business Park Collection(3)	46.5	31-Mar-19	1,278.5	2,258,840	99.1	7.8%	566
Science Park I Collection(3)	49.8	31-Mar-19	701.7	1,259,592	51.3	7.3%	557
Science Park II Collection(3)	52.8	31-Mar-19	877.5	1,678,436	61.1	7.0%	523
				Business Parks	**High**	**8.2%**	**1,285**
					Mean	**7.1%**	**776**
					Median	**7.1%**	**715**
					Low	**6.0%**	**523**
Comparable Office Properties (CBD Fringe/Outer)							
PSA Building(1)	77.3	31-Aug-19	786.0	523,835	46.1	5.9%	1,500
Mapletree Anson(1)	87.3	31-Aug-19	762.0	328,912	32.6	4.3%	2,317
MLHF(1)	77.3	31-Aug-19	347.0	215,734	19.2	5.5%	1,608
China Square Central(4)	77.3	30-Jun-19	601.2	306,768	24.6	4.1%	1,960
Bugis Junction Towers	70.0	31-Dec-18	515.0	248,853	20.3	3.9%	2,069
				Comparable Office Properties	**High**	**5.9%**	**2,317**
					Mean	**4.7%**	**1,891**
					Median	**4.3%**	**1,960**
					Low	**3.9%**	**1,500**
				Entire Set	**High**	**8.2%**	**2,317**
					Mean	**6.0%**	**1,283**
					Median	**6.0%**	**1,285**
					Low	**3.9%**	**523**
Proposed Acquisition	**77.1**	**31-Aug-19**	**1,550.0**	**1,184,704**	**94.9**	**6.1%**	**1,308**

Sources: REIT or company filings, company websites, media releases, the Manager.

Notes:

(1) Existing MCT portfolio property.

(2) The Neuros and Immunos property is a customised building for research laboratory and biomedical uses and the Gross Yield for this property is considered an outlier and excluded in the calculations.

(3) Based on the collection of assets and remaining land tenure is based on simple average.

(4) Valuation excludes 18 Cross Street retail podium (NLA c. 64,000 sq ft) which is currently closed for asset enhancement.

1 Gross Yield is calculated as total gross income divided by the valuation of the respective property.

Based on the table above, we note the following:

(i) The Gross Yield implied by the Acquisition of 6.1% is within the range of the Gross Yields of the Business Parks and Comparable Office Properties of 3.9% to 8.2% and is in line with the mean and median of 6.0%;

(ii) The Valuation per NLA implied by the Acquisition of S$1,308 per sq ft is within the range of the Valuation per NLA of the Business Parks and Comparable Office Properties of S$523 to S$2,317 per sq ft and is in line with the mean and median of S$1,283 and S$1,285 per sq ft, respectively;

(iii) The Gross Yield implied by the Acquisition of 6.1% is above the range of the Gross Yields of the Comparable Office Properties of 3.9% to 5.9% and is above the mean and median of 4.7% and 4.3%, respectively; and

(iv) The Valuation per NLA implied by the Acquisition of S$1,308 per sq ft is below the range of the Valuation per NLA of the Comparable Office Properties of S$1,500 to S$2,317 per sq ft and is below the mean and median of S$1,891 and S$1,960 per sq ft, respectively;

We acknowledge that the Valuation per NLA implied by the Acquisition is above the range of valuation of the Business Parks. We further note that the Gross Yield implied by the Acquisition of 6.1% is at the bottom of the range of Gross Yields of the Business Parks, which is potentially driven by the following factors:

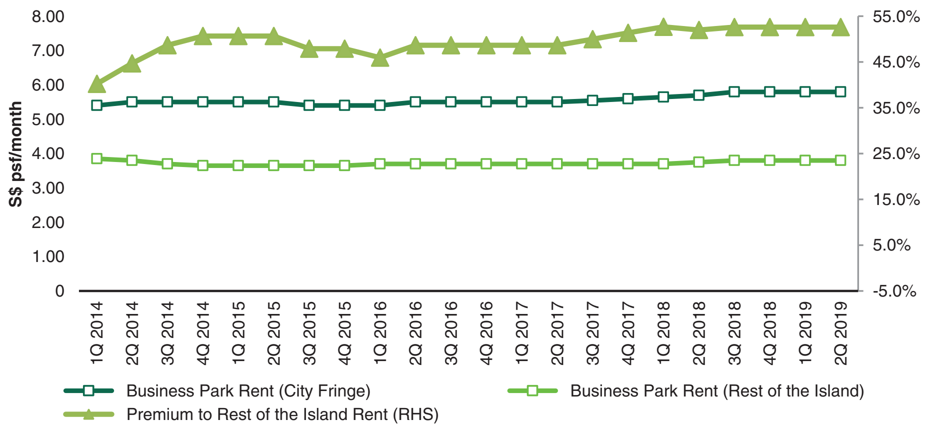
(i) The Property has a longer leasehold interest in land tenure (a 99-year leasehold tenure for the Property as compared to traditional business parks with a 60-year leasehold tenure);

The Valuation per NLA of the Business Parks range from S$523 to S$1,285 per sq ft with a mean and a median of S$776 and S$715 per sq ft, respectively. We note that the Valuation per NLA implied by the Acquisition of S$1,308 per sq ft is 1.7x higher than the mean Valuation per NLA of the Business Parks. The above should also be considered in the context of the Property having a remaining land tenure of 77.1 years compared to the average of the Business Parks of 53.2 years;

(ii) Among all existing business parks in Singapore, the Property is located within the closest proximity to the CBD (within city fringe submarket) and has building specifications that are comparable to Grade A offices in the CBD;

(iii) According to CBRE, business park properties located in the city fringe submarket have historically commanded rental premiums over the rest of the island-wide business park market, averaging approximately 49.4% over the period between Q1 2014 to Q2 2019. Furthermore, as of Q2 2019, the vacancy rates in the city fringe are approximately 6.4% while the rest of the island market vacancy rates are approximately 17.2%. This difference may be attributed to the profile of tenants who are attracted by the Grade A building specifications, proximity to the CBD and relatively new buildings; and

(iv) The diagram below shows that as at Q2 2019, the business parks located in the city fringe commanded rents of approximately S$5.80 per sq ft, which represents a premium of approximately 52.6% compared to island-wide business park rents of approximately S$3.80 per sq ft.



Sources: CBRE, the Circular.

The Business Parks and Comparable Office Properties may differ from the Property in terms of title, building specifications, NLA, location, accessibility, composition of tenants, market risks, track record, future prospects and other relevant criteria. In addition, the list of Business Parks and Comparable Office Properties is by no means exhaustive and has been compiled from relevant public sources where available, and we note that the valuations of the Business Parks and Comparable Office Properties were undertaken at different points in time under different market and economic conditions. Consequently, the Independent Directors and the Audit and Risk Committee and the Trustee should note that the above comparison serves as a general guide only.

7.2.4. Comparison with Selected Transactions

Given that the Property is located within the CBD fringe submarket, and as outlined in section 7.2.3 of the Letter, we have also extracted information for the transactions involving a broadly comparable business parks and comparable office properties located within the CBD fringe submarket (the "**Selected Transactions**") that took place in Singapore in the five years up to the Last Practicable Date, for which information is publically available. We have extracted information in respect of valuations of the Selected Transactions in order to compare the Gross Yield, net property income yield[1] (the "**NPI Yield**") and the Valuation per NLA implied by the Acquisition with those of the Selected Transactions.

1 NPI Yield is calculated as net property income divided by the implied transaction value valuation of the respective acquisition.

Property Name	Transaction Date	Buyer	Transaction Value (S$m)[1]	NLA (sq ft)[1]	Remaining Land Tenure (years – as at Transaction Date)	Valuation per NLA (S$)	Transaction Gross Yield (%)	Transaction NPI Yield (%)
Business Parks								
13 International Business Park	Aug-2017	Pension Real Estate Singapore	25	75,197	47	n.m.[2]	5.2%	n.a.
DSO National Laboratories Phase 1 & 2, DNV GL Technology	Dec-2016	Ascendas REIT	420	848,960	64	n.m.[3]	n.m.[3]	n.m.[3]
MBC I[4]	June-2016	MCT	1,780	1,707,202	80	1,043	6.9%	5.6%
ONE@Changi City[5]	Dec-2015	Ascendas REIT	420	659,138	53	637	8.2%	5.9%
The Kendall	Mar-2015	Ascendas REIT	114	181,587	60	626	n.m.[6]	n.m.[6]
CBD Fringe/Outer (Closest Comparable Office Transactions)								
7 & 9 Tampines Grande	Apr-2019	Evia & Metro Holdings	395	287,691	87	1,373	n.a.	n.a.
Twenty Anson[7]	Jun-2018	AEW	516	206,000	88	2,503	3.8%	2.7%
AXA Tower	Jan-2015	Perrennial Real Estate	1,170	673,899	65	1,736	n.a.	4.0%
Keppel Bay Tower (30%)[8]	Dec-2015	Keppel Land	183	116,490	80	1,572	n.a.	n.a.
HarbourFront Tower 1 (39%)[8]	Dec-2015	Mapletree Investments	217	144,534	80	1,501	n.a.	n.a.
HarbourFront Tower 2 (39%)[8]	Dec-2015	Mapletree Investments	72	59,787	80	1,196	n.a.	n.a.
					High	**2,503**	**8.2%**	**5.9%**
					Mean	**1,354**	**6.0%**	**4.5%**
					Median	**1,373**	**6.1%**	**4.8%**
					Low	**626**	**3.8%**	**2.7%**
Proposed Acquisition						**1,308**	**6.1%**	**5.0%**

Sources: Valuation Reports, REIT and company filings, company websites, media releases.

Notes:

(1) Valuation and NLA figures are presented based on corresponding percentage stakes acquired.

(2) Given the relatively small transaction value of S$25 million, the Valuation per NLA is considered an outlier and excluded in the calculations.

(3) DSO National Laboratories Phase 1 & 2, DNV GL Technology Centre is a customised building designed for medical and environmental research, micro-electronics technologies R&D and engineering services and is not directly comparable to MBC II. The Valuations per NLA, Transaction Gross Yield and Transaction NPI Yield are considered outliers and excluded in the calculations.

(4) The Transaction Gross Yield and Transaction NPI Yield are based on the annualised gross revenue and net property income.

(5) The Transaction Gross Yield and Transaction NPI Yield are based on gross income and net property income of S$34.4 million and S$24.8 million, respectively, for the 12 months preceding 30 June 2017.

(6) The Kendall property is specially designed for chemicals and life sciences and is not directly comparable to MBC II and as such, is excluded in the calculations.

(7) The Transaction Gross Yield and Transaction NPI Yield are based on gross income and net property income of S$19.8 million and S$13.8 million for the 12 months preceding 31 March 2018. NLA includes approximately 5,500 sq ft of meeting and collaborative spaces.

(8) Based on share swap between Keppel Land and Mapletree Investments.

From the table above, we note the following:

(i) The Gross Yield implied by the Acquisition of 6.1% is within the range of the Gross Yields of the Selected Transactions of 3.8% to 8.2% and is in line with the mean and median of 6.0% and 6.1%, respectively;

(ii) The NPI Yield implied by the Acquisition of 5.0% is within the range of the NPI Yields of the Selected Transactions of 2.7% to 5.9% and is above the mean and median of 4.5% and 4.8%, respectively; and

(iii) The Valuation per NLA implied by the Acquisition of S$1,308 per sq ft is within the range of the Valuation per NLA of the Selected Transactions of S$626 to S$2,503 per sq ft and is below the mean and median of S$1,354 and S$1,373 per sq ft, respectively.

The target properties relating to the Selected Transactions may differ from the Property in terms of title, building specifications, NLA, location, accessibility, composition of tenants, market risks, track record, future prospects and other relevant criteria. In addition, the list of Selected Transactions is by no means exhaustive, and we note that certain circumstances and terms relating to the Selected Transactions are unique and might not be identical to the Proposed Acquisition and are largely dependent on the market sentiments prevailing at the time of such Selected Transactions. Consequently, the Independent Directors, the Audit and Risk Committee and the Trustee should note that the above comparison serves as a general guide only.

7.2.5. Pro Forma Financial Effects of the Acquisition

The full text of the financial effects of the Acquisition is set out in Paragraph 5 of the Circular and has been reproduced in italics below. Unitholders should note that the financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of MCT post-Acquisition. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined.

*"**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and have been prepared based on the audited consolidated financial statements of MCT for the financial year ended 31 March 2019 (the "**2018/19 Audited Financial Statements**") as well as the following assumptions that:*

(i) the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018[1]*;*

(ii) approximately 417.1 million New Units are issued at the Illustrative Issue Price of S$2.10 per New Unit pursuant to the Equity Fund Raising;

(iii) the Manager's Acquisition Fee is paid in the form of approximately 3.7 million Acquisition Fee Units at the illustrative issue price of S$2.10 per Acquisition Fee Unit;

(iv) the Manager's management fee in relation to the Acquisition is paid entirely in the form of cash; and

(v) S$697.5 million is drawn down by MCT and/or MBCPL from the New Loan Facilities with an average interest cost of 2.9% per annum to repay, among other things, the Intercompany Loan."

1 The Property was completed in April 2016 and for FY18/19, the average occupancy rate of the Property was approximately 76.3%. As at 31 August 2019, the committed occupancy rate of the Property is 99.4%.

7.2.6. Pro Forma DPU

*"**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on MCT's DPU for the 2018/19 Audited Financial Statements, as if the Acquisition, the issuance of New Units, the issuance of Acquisition Fee Units, and the drawdown of the New Loan Facilities were completed on 1 April 2018, and MCT had held and operated the Property through to 31 March 2019 are as follows:*

	Effects of the Acquisition	
	Before the Acquisition	After the Acquisition(1)
Profit before tax and fair value change in investment properties (S$'000)	245,684	288,392(2)
Distributable income (S$'000)	264,027	314,624(3)
Units in issue (million)	2,889.7(4)	3,310.5(5)
DPU (Singapore cents)	9.14(6)	9.51(7)
DPU accretion (%)	–	4.0

Notes:

(1) Based on the drawdown of S$697.5 million from the New Loan Facilities and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit.

(2) Assuming that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018. The profit before tax and fair value change in investment properties were after deducting the borrowing costs associated with the New Loan Facilities, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the Acquisition.

(3) After adjustment for non-tax deductible item arising from the amortisation of rental income for fit-out periods.

(4) Number of Units in issue as at 31 March 2019.

(5) Includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative issue price of S$2.10 per Acquisition Fee Unit.

(6) For the financial year ended 31 March 2019.

(7) Comprises taxable distribution and capital distribution arising from the amortisation of rental income for fit-out periods."

7.2.7. Pro Forma NAV

*"**FOR ILLUSTRATIVE PURPOSES ONLY:** The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 March 2019, as if the Acquisition, the issuance of New Units and the issuance of Acquisition Fee Units were completed on 31 March 2019, are as follows:*

	Effects of the Acquisition	
	Before the Acquisition	***After the Acquisition***(1)
NAV (S$ million)	*4,616.0*	*5,460.1*
Units in issue (million)	*2,889.7*(2)	*3,310.5*(3)
NAV per Unit (S$)(4)	*1.60*	*1.65*

Notes:

(1) Based on the drawdown of S$697.5 million from the New Loan Facilities and the gross proceeds raised from the Equity Fund Raising of S$874.8 million with the New Units issued at an Illustrative Issue Price of S$2.10 per New Unit.

(2) Number of Units in issue as at 31 March 2019.

(3) Includes (a) approximately 417.1 million New Units issued at an Illustrative Issue Price of S$2.10 per New Unit and (b) approximately 3.7 million Acquisition Fee Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative issue price of S$2.10 per Acquisition Fee Unit.

(4) The pro forma NAV per unit adjusted for the changes in valuation of the Existing Portfolio from 31 March 2019 to 31 August 2019 before and after the Acquisition will be S$1.71 and S$1.74 respectively."

Based on the above assumptions and figures in relation to the financial effects of the Acquisition, we note the following:

(i) The pro forma DPU increases by S$0.37 cents (or approximately 4.0%) following the Acquisition; and

(ii) The pro forma NAV per Unit (excluding distributable income) increases by S$0.05 (or approximately 3.1%) following the Acquisition.

7.3. Other Relevant Considerations

7.3.1. Impact of the Acquisition on the gearing ratio

We note that the Acquisition will be funded through a combination of equity and debt funding. Assuming that the Acquisition is partially funded by the drawdown of S$697.5 million of the Loan Facilities, MCT's aggregate leverage immediately following the completion of the Acquisition would increase from 31.7%[1] to 33.8%.

We note that the aforementioned gearing ratios are within the aggregate leverage limit of 45% as stipulated in Appendix 6 of the Code of Collective Investment Schemes issued by the MAS.

1 Based on MCT's aggregate leverage as at 31 March 2019 and adjusted for the valuation of the Existing Portfolio which was valued at 31 August 2019.

7.3.2. Tenants Concentration

We note that as at 31 August 2019, the top five tenants account for 75.9% of the gross rental income ("**GRI**") and top 10 tenants account for 87.1% of GRI of the Property. We further note that close to 90% of tenants (by NLA) enter into long leases of between four to seven years.

The Property also houses Google Asia Pacific Pte. Ltd., the Asia Pacific headquarters of Google, which accounts for 58.1% of the GRI and has steadily increased its leased area in the Property, expanded its headcount, and invested in the fit-out and interior design of the space.

8. EVALUATION OF THE WHITEWASH RESOLUTION

In our evaluation of the Whitewash Resolution, we have taken into account the following key factors:

(i) The rationale for the Whitewash Resolution;

(ii) The Sponsor's percentage unitholding before and after the Equity Fund Raising; and

(iii) The Sponsor's control over MCT.

These factors are discussed in greater detail in the ensuing paragraphs.

8.1. The Rationale for the Whitewash Resolution

The Whitewash Resolution is to enable the subscription by MIPL and/or the Relevant Entities of the MIPL Preferential Offering Units such that MIPL's percentage unitholding after the completion of the Preferential Offering will not exceed its Pre-Placement Percentage, the receipt by the Manager (in its own capacity) of the Acquisition Fee Units, and the receipt by the Manager (in its own capacity) of the 2Q Management Fee Units.

The Manager is of the view that the Sponsor should not be treated differently from any other Unitholder and should be given the opportunity to apply for Excess Units. In addition, any application for the Sponsor Excess Units, if the Sponsor chooses to make such application, will further demonstrate the Sponsor's support for and confidence in the Preferential Offering and its long-term commitment to MCT, and will further enhance the chances of a successful Preferential Offering. In the allotment of Excess Units under the Preferential Offering, preference will be given to the rounding of odd lots, followed by allotment to the Unitholders who are neither Directors nor Substantial Unitholders who have control or influence over MCT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager. The Sponsor, its wholly-owned subsidiaries, Directors and other Substantial Unitholders who have control or influence over MCT in connection with its day-to-day affairs or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager will rank last in priority. Further, the number of New Units proposed to be subscribed by MIPL under the Preferential Offering shall be no more than such number as would be required to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising.

8.2. The Sponsor's Percentage Unitholding Before and After the Equity Fund Raising

As at the Latest Practicable Date, Sponsor has a deemed interest in 992,114,110 Units, which comprises approximately 34.3% of the total number of Units in issue. It should be noted that, in view of the Equity Fund Raising being structured as a Private Placement followed by a Preferential Offering, MIPL's percentage unitholding will decrease immediately upon the completion of the Private Placement as MIPL will not be participating in the Private Placement. Assuming that MIPL is allocated in full its application for the Sponsor Excess Units under the Preferential Offering, MIPL's percentage unitholding will increase after completion of the Preferential Offering to its Pre-Placement Percentage. Accordingly, if the Equity Fund Raising is structured in such manner, MIPL's percentage unitholding immediately after the Preferential Offering will actually be equal to or lower than its Pre-Placement Percentage.

The exact percentage increase in MIPL's percentage unitholding will depend on the overall level of acceptances and excess applications by Unitholders for the Preferential Offering as according to the rules of the Listing Manual, MIPL, among others, will rank last in the allocation of excess Unit applications.

8.3. The Sponsor's Statutory Ownership Status on MCT

The number of New Units proposed to be subscribed by the Sponsor under the Preferential Offering shall be no more than such number as would be required to maintain its proportionate unitholding, in percentage terms, at the level immediately prior to the issue of New Units under the Equity Fund Raising. As the aggregate interest of the Sponsor in the Units in issue will be less than 50.0% throughout, the Sponsor will not secure majority control in MCT.

9. RECOMMENDATION

Based on the considerations set forth in this Letter, we are of the opinion that, as at the Latest Practicable Date, 19 September 2019, from a financial point of view, the Acquisition, is on normal commercial terms and is not prejudicial to the interests of MCT and its minority Unitholders; and the Whitewash Resolution is fair and reasonable, having taken into consideration, *inter alia*, the following:

The Acquisition

(i) The rationale for the Acquisition;

(ii) The Purchase Consideration of S$1,550.0 million represents a discount of approximately 0.13% to Savills's valuation and approximately 0.64% to CBRE's valuation of the Property;

(iii) Comparison with Selected Properties:

a. The Gross Yield implied by the Acquisition is within the range of the Gross Yields of the Business Parks and Comparable Office Properties and is in line with the mean and median;

b. The Valuation per NLA implied by the Acquisition is within the range of the Valuation per NLA of the Business Parks and Comparable Office Properties and is in line with the mean and median;

c. The Gross Yield implied by the Acquisition is above the range of the Gross Yields of the Comparable Office Properties and is above the mean and median;

d. The Valuation per NLA implied by the Acquisition of is below the range of the Valuation per NLA of the Comparable Office Properties and is below the mean and median;

e. We acknowledge that the Valuation per NLA implied by the Proposed Acquisition is above the range of valuation of the Business Parks. We further note that the Gross Yield implied by the Acquisition of 6.1% is at the bottom of the range of Gross Yields of the Business Parks, which is potentially driven by the following factors:

– The Property has a longer leasehold interest in land tenure (a 99-year leasehold tenure for the Property as compared to traditional business parks with a 60-year leasehold tenure);

– The Valuation per NLA of the Business Parks range from S$523 to S$1,285 per sq ft with a mean and a median of S$776 and S$715 per sq ft, respectively. We note that the Valuation per NLA implied by the Acquisition of S$1,308 per sq ft is 1.7x higher than the mean Valuation per NLA of the Business Parks. The above should also be considered in the context of the Property having a remaining land tenure of 77.1 years compared to the average of the Business Parks of 53.2 years;

– Among all existing business parks in Singapore, the Property is located within the closest proximity to the CBD (within city fringe submarket) and has building specifications that are comparable to Grade A offices in the CBD;

– According to CBRE, business park properties located in the city fringe submarket have historically commanded rental premiums over the rest of the island-wide business park market, averaging approximately 49.4% over the period between Q1 2014 to Q2 2019. Furthermore, as of Q2 2019, the vacancy rates in the city fringe are approximately 6.4% while the rest of the island market vacancy rates are approximately 17.2%. This difference may be attributed to the profile of tenants who are attracted by the Grade A building specifications, proximity to the CBD and relatively new buildings;

– As at Q2 2019, the business parks located in the city fringe commanded rents of approximately S$5.80 per sq ft, which represents a premium of approximately 52.6% compared to island-wide business park rents of approximately S$3.80 per sq ft;

(iv) Comparison with Selected Transactions:

a. The Gross Yield implied by the Acquisition is within the range of the Gross Yields of the Selected Transactions and is in line with the mean and median;

b. The NPI Yield implied by the Acquisition is within the range of the NPI Yields of the Selected Transactions and is above the mean and median; and

c. The Valuation per NLA implied by the Acquisition is within the range of the Valuation per NLA of the Selected Transactions and is below the mean and median;

(v) Based on the pro forma financial effects of the Acquisition as at 31 March 2019, the Acquisition is NAV accretive by S$0.05 (or approximately 3.1%) and DPU accretive by S$0.37 cents (or approximately 4.0%); and

(vi) Assuming that the Acquisition is partially funded by the drawdown of S$697.5 million of the New Loan Facilities, MCT's aggregate leverage immediately following the completion of the Acquisition would increase from 31.7%[1] to 33.8%. While the Acquisition increases the aggregate leverage, it remains within the applicable limit under the Property Funds Appendix.

The below table summarises the abovementioned key financial analyses performed:

Summary of Key Analyses(1)						Agreed Property Value Relative to:	
Related to Proposed Acquisition	Min.(2)	Mean(2)	Median(2)	Max.(2)	Implied by the Proposed Acquisition(3)	Min.-Max. Range(4)	Mean-Median Range(4)
Independent Valuations of the Property – Sub-section 7.2.1							
Savills & CBRE (S$ millions)	1,552	1,556	1,556	1,560	1,550	Below	Below
Comparison with Business Parks – Sub-section 7.2.3							
Gross Yield (%)	6.0%	7.1%	7.1%	8.2%	6.1%	Within	Below
Valuation per NLA (S$ per sq ft)	523	776	715	1,285	1,308	Above	Above
Comparison with Comparable Office Properties – Sub-section 7.2.3							
Gross Yield (%)	3.9%	4.7%	4.3%	5.9%	6.1%	Above	Above
Valuation per NLA (S$ per sq ft)	1,500	1,891	1,960	2,317	1,308	Below	Below
Comparison with Business Parks and Comparable Office Properties – Sub-section 7.2.3							
Gross Yield (%)	3.9%	6.0%	6.0%	8.2%	6.1%	Within	In Line
Valuation per NLA (S$ per sq ft)	523	1,283	1,285	2,317	1,308	Within	In Line
Comparison with Selected Transactions – Sub-section 7.2.4							
Gross Yield (%)	3.8%	6.0%	6.1%	8.2%	6.1%	Within	In Line
NPI Yield (%)	2.7%	4.5%	4.8%	5.9%	5.0%	Within	Above
Valuation per NLA (S$ per sq ft)	626	1,354	1,373	2,503	1,308	Within	Below

Legend:

Green	*Favorable*
Red	*Less Favorable*

Notes:

(1) Summary of key analyses set out in sub-sections 7.2.1 to 7.2.4.

(2) Minimum, mean, median and maximum of the respective benchmarks.

(3) Implied by the Agreed Property Value.

(4) Parameters implied by the Agreed Property Value relative to the minimum and maximum, and mean and median range of the respective benchmarks.

The Proposed Whitewash Resolution

(i) The rationale for the Whitewash Resolution;

(ii) The Sponsor's percentage unitholding before and after the Equity Fund Raising; and

(iii) The Sponsor's control over MCT.

Having carefully considered the information available as at the Latest Practicable Date as well as the various factors above, from a financial point of view, ANZ is of the opinion that the Independent Directors and the Audit and Risk Committee can recommend that Unitholders **VOTE IN FAVOUR** of the Acquisition and the Whitewash Resolution at the EGM.

1 Based on MCT's aggregate leverage as at 31 March 2019 and adjusted for the valuation of the Existing Portfolio which was valued at 31 August 2019.

Our opinion as disclosed in this Letter is based upon the market, economic, industry, monetary and other applicable conditions subsisting on, and the information made available to us as at the Latest Practicable Date.

This opinion is for the benefit of the Independent Directors and the Audit and Risk Committee of the Manager as well as the Trustee, in connection with, and for the purpose of, their consideration of the Proposed Transaction, that a copy of this opinion may be included in its entirety in the circular to the Unitholders on the Proposed Transaction. This opinion does not constitute, and should not be relied on as a recommendation to, or confer any rights upon, any Unitholder of MCT as to how to vote in relation to the Proposed Transaction or any matter related thereto.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
Australia and New Zealand Banking Group Limited, Singapore Branch

Ilhem Dib
Head of Corporate Advisory, Asia

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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** ("**EGM**") of the holders of units of Mapletree Commercial Trust ("**MCT**", and the holders of units of MCT, "**Unitholders**") will be held on 15 October 2019 (Tuesday) at 3.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

THE PROPOSED ACQUISITION OF THE PROPERTY (COMPRISING MAPLETREE BUSINESS CITY (PHASE 2) AND THE COMMON PREMISES) THROUGH THE ACQUISITION OF THE SHARES OF MAPLETREE BUSINESS CITY PTE. LTD., AS AN INTERESTED PERSON TRANSACTION

That subject to and contingent upon the passing of Resolution 2:

(i) approval be and is hereby given for the acquisition of Mapletree Business City (Phase 2) located at 40, 50, 60, 70 and 80 Pasir Panjang Road, Singapore 117383/117384/117385/117371/117372 including the common property (carpark, landscape areas, driveways and walkways) ("**Mapletree Business City (Phase 2)**") and the common carpark, multi-purpose hall, retail area and common property (including the landscape areas, driveways and walkways) located at 10, 20, 30 Pasir Panjang Road Singapore 117438/117439/117440 (the "**Common Premises**", and together with Mapletree Business City (Phase 2), the "**Property**"), through the acquisition of 100.0% of the ordinary shares in the issued share capital of Mapletree Business City Pte. Ltd. (the "**Acquisition**"), on the terms and conditions set out in the conditional share purchase agreement (the "**Share Purchase Agreement**") dated 26 September 2019 made between Heliconia Realty Pte Ltd (as vendor), DBS Trustee Limited, as trustee of MCT (the "**Trustee**"), 80 Alexandra Pte. Ltd. and Mapletree Dextra Pte. Ltd., and that the entry into the Share Purchase Agreement be and is hereby approved and ratified;

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Acquisition; and

(iii) Mapletree Commercial Trust Management Ltd., as the manager of MCT (the "**Manager**"), any director of the Manager ("**Director**"), and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of MCT to give effect to the Acquisition and all transactions contemplated under the Share Purchase Agreement.

ORDINARY RESOLUTION 2

THE PROPOSED ISSUE OF UP TO 500.0 MILLION NEW UNITS UNDER THE EQUITY FUND RAISING

That subject to and contingent upon the passing of Resolution 1:

(i) approval be and is hereby given for the issue of up to 500.0 million new units in MCT ("**New Units**") under an equity fund raising (the "**Equity Fund Raising**") in the manner described in the circular to Unitholders dated 27 September 2019 (the "**Circular**"); and

(ii) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of MCT to give effect to this resolution.

ORDINARY RESOLUTION 3

THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP

That subject to the conditions in the letter from the Securities Industry Council dated 20 September 2019 being fulfilled, Unitholders, other than Mapletree Investments Pte Ltd ("**MIPL**"), parties acting in concert with it and parties which are not independent of MIPL, hereby (on a poll taken) waive their rights to receive a mandatory offer from MIPL and parties acting in concert with it for all the remaining issued units in MCT ("**Units**") not owned or controlled by MIPL and parties acting in concert with it, in the event that they incur a mandatory bid obligation pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers as a result of:

(i) the issuance of New Units following a private placement to institutional and other investors (the "**Private Placement**") such that MIPL's percentage unitholding would decrease, as MIPL will not be participating in the Private Placement;

(ii) the subscription by MIPL and/or the Relevant Entities (as defined in the Circular) of New Units in connection with a preferential offering (the "**Preferential Offering**") to be conducted by MCT in accordance with their respective *pro rata* entitlements and the subscription of excess New Units in the Preferential Offering so that if MIPL and/or the Relevant Entities are fully allotted the excess New Units, MIPL will maintain its percentage unitholding at the level immediately prior to the Private Placement, pursuant to the Undertaking (as defined in the Circular)[1];

(iii) the receipt by the Manager in its personal capacity of Units as payment for the acquisition fee in relation to the Acquisition; and

(iv) the receipt by the Manager in its personal capacity of Units as payment for the management fees for the period from 1 July 2019 to 30 September 2019.

BY ORDER OF THE BOARD

Mapletree Commercial Trust Management Ltd.
(Company Registration No. 200708826C)
As Manager of Mapletree Commercial Trust

Wan Kwong Weng
Joint Company Secretary

Singapore
27 September 2019

1 In the event that the Equity Fund Raising comprises a Private Placement and a Preferential Offering and the Preferential Offering follows after the Private Placement, the percentage unitholding of MIPL will decrease immediately after the Private Placement as MIPL will not be participating in the Private Placement.

Notes:

1. A Unitholder who is not a Relevant Intermediary (as defined herein) entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 3.30 p.m. on 12 October 2019 being 72 hours before the time fixed for the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A unitholder of MCT ("**Unitholder**") who is not a Relevant Intermediary (as defined herein) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, it should annex to the Proxy Form (defined below) the proxy, or the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of unitholding (number of units and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation

3. A Unitholder should insert the total number of Units held in the Proxy Form (defined below). If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, the proxy form will be deemed to relate to all the Units held by the Unitholder.

4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 3.30 p.m. on 12 October 2019, being 72 hours before the time set for the Extraordinary General Meeting.

5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Extraordinary General Meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the Extraordinary General Meeting.

6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

8. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.

9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.

10. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the Extraordinary General Meeting and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

PROXY FORM

mapletree commercial

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 25 August 2005 (as amended))

EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. A Relevant Intermediary may appoint more than one proxy to attend and vote at the Extraordinary General Meeting (please see Note 2 for the definition of "Relevant Intermediary").
2. For CPF/SRS investors who have used their CPF monies to buy Units of Mapletree Commercial Trust, this Circular is forwarded to them at the request of their CPF Agent Banks/SRS Operators and is sent solely FOR INFORMATION only.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
4. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), a unitholder of Mapletree Commercial Trust accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 27 September 2019.

I/We ____

______________________ (Name(s) and NRIC/Passport/Company Registration Number(s))

of ____ (Address)

being a Unitholder/Unitholders of Mapletree Commercial Trust ("**MCT**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Lead Independent Non-Executive Director of Mapletree Commercial Trust Management Ltd. (as manager of MCT) as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of MCT to be held on 15 October 2019 (Tuesday) at 3.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439 and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Extraordinary General Meeting.

	Resolutions	For*	Against*
ORDINARY RESOLUTIONS			
1	To approve the Acquisition		
2	To approve the Equity Fund Raising		
3	To approve the Whitewash Resolution		

* *If you wish to exercise all your votes "For" or "Against", please mark with an "√" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this __________ day of ______________ 2019

Total number of Units held

____

Signature(s) of Unitholder(s) or
Common Seal of Corporate Unitholder

1st fold here

2nd fold here

commercial

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MAPLETREE COMMERCIAL TRUST MANAGEMENT LTD.
(as Manager of Mapletree Commercial Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

3rd fold here

Mapletree Commercial Trust Management Ltd.

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

www.mapletreecommercialtrust.com