

For Immediate Release

Gradual recovery at VivoCity since Phase Two re-opening Mapletree Business City provides stability

- 1Q FY20/21 gross revenue and net property income (“NPI”) down 10.5% and 10.7% respectively from 1Q FY19/20, mainly due to COVID-19 rental rebates disbursed during the quarter but mitigated by contribution from Mapletree Business City II (“MBC II”) acquired in November 2019
- New facilities in place and on track to refinance all borrowings due in FY20/21 and FY21/22
- VivoCity’s 1Q FY20/21 shopper traffic and tenant sales impacted by eight-week circuit breaker and other COVID-19 restrictions
- Gradual recovery at VivoCity since Phase Two of Singapore’s re-opening but pressure remains from prolonged COVID-19 measures and disruptions
- Mapletree Business City (“MBC”) continues to provide support and stability

Singapore, 23 July 2020 – Mapletree Commercial Trust Management Ltd. (“MCTM”), as manager of Mapletree Commercial Trust (“MCT” and as manager of MCT, the “Manager”), reported that 1Q FY20/21 NPI was S\$78.9 million, down 10.7% year-on-year. This was mainly due to COVID-19 rental rebates granted to eligible retail tenants during the quarter but mitigated by contribution from MBC II which was acquired in November 2019.

Summary of MCT’s Results

	1Q FY20/21	1Q FY19/20	Variance %
Gross revenue (S\$’000)	100,347	112,128	(10.5)
Property operating expenses (S\$’000)	(21,483)	(23,781)	9.7
Net property income (S\$’000)	78,864	88,347	(10.7)

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Ms Sharon Lim, Chief Executive Officer of the Manager, said, “1Q FY20/21 was impacted by the full force of the eight-week circuit breaker as well as the continued closure of most businesses during the first phase of Singapore’s re-opening from 2 to 18 June 2020. However, MBC, comprising both MBC I and MBC II, continues to provide sustained support and stability to MCT.”

“Phase Two lifting of the circuit breaker from 19 June 2020 has begun to take some weight off our retail tenants at VivoCity where we have observed encouraging recovery in shopper traffic and tenant sales. Although the majority of tenants have resumed operations, we believe it will take some time to get back to pre-COVID-19 levels due to continued work-from-home directives, border closures, social distancing measures, as well as disruptions in manpower and global supply chains.”

Ms Lim added, “Until there is full clarity on the COVID-19 situation, we will continue to exercise extra prudence in managing the balance sheet. With the additional facilities secured during the quarter, we now have more than S\$1 billion of cash and undrawn committed facilities on hand and are on track to refinance all borrowings due in FY20/21 and FY21/22. Furthermore, MCT is anchored to a well-diversified portfolio that will continue to derive stable cashflows from high-quality tenants to ride through this pandemic.”

OPERATIONAL PERFORMANCE

Portfolio NPI for 1Q FY20/21 dropped 10.7% year-on-year, with a 78.6% NPI margin. This was largely due to rental rebates granted to eligible retail tenants impacted by COVID-19, but mitigated by contribution from MBC II which was acquired on 1 November 2019. As at 30 June 2020, the committed occupancy of the portfolio was 98.2%.

Performance of VivoCity

1Q FY20/21 shopper traffic and tenant sales were down by 78.5% and 63.4% respectively on a year-on year basis. This was largely due to the mandated closure of a majority of retail outlets and restrictions in non-essential activities for a large part of the reporting quarter. Although Phase Two of Singapore’s re-opening from 19 June 2020 allowed most of our tenants to resume operations, some tenants such as those operating entertainment outlets remained closed until 13 July 2020.

Mainly due to rental rebates granted to eligible tenants impacted by COVID-19, 1Q FY20/21 gross revenue and NPI contracted 56.7% and 59.9% respectively from a year ago.

As at 30 June 2020, VivoCity was 98.4% committed.

Added Resilience from MBC II

1Q FY20/21 gross revenue and NPI from the office/business park assets were 31.4% and 31.5% higher respectively as compared to 1Q FY19/20. This was largely anchored by MBC II as well as higher contribution from Mapletree Anson due to higher occupancy and the effects of step-up rents in existing leases.

As at 30 June 2020, the committed occupancy for MCT's office/business park assets ranged from 90.4% at PSA Building to full commitment at MBC II. Mapletree Anson and Bank of America Merrill Lynch HarbourFront ("MLHF") reported full occupancy.

CAPITAL MANAGEMENT

In navigating the uncertain environment, our capital management approach continues to be proactive and prudent. New facilities were secured during the quarter to put MCT on track to refinance all borrowings due in FY20/21 and FY21/22. As a result, more than S\$1.0 billion of cash and undrawn committed facilities were available as at 30 June 2020, providing ample liquidity to meet working capital and financial obligations. MCT continued to maintain a well-distributed debt maturity profile with no more than 15% of debt due in any financial year.

As at 30 June 2020, the average term to maturity was 3.9 years and the aggregate leverage was 33.7%. Approximately 73.5% of the total debt has been fixed by way of fixed rate debt or interest rate swaps. As at 30 June 2020, the weighted average all-in cost of debt was 2.61% per annum and the interest coverage ratio on a 12-month trailing basis was approximately 4.1 times.

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About Mapletree Commercial Trust

Mapletree Commercial Trust is a Singapore-focused real estate investment trust (“REIT”) that invests on a long-term basis, directly or indirectly, 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. MCT’s portfolio comprises VivoCity, Mapletree Business City, PSA Building, Mapletree Anson and MLHF. These five assets have a total NLA of 5.0 million square feet with a total value of S\$8.9 billion. For more information, please visit www.mapletreecommercialtrust.com.

About the Manager – Mapletree Commercial Trust Management Ltd.

MCT is managed by Mapletree Commercial Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd.. The Manager’s main responsibility is to manage MCT’s assets and liabilities for the benefit of Unitholders. The Manager is also responsible for setting the strategic direction of MCT on the acquisition, divestment and/or enhancement of assets of MCT in accordance with its stated investment strategy. The Manager’s key objectives are to provide Unitholders of MCT with an attractive rate of return on their investment through regular and relatively stable distributions and to achieve long-term growth in DPU and net asset value per Unit, with an appropriate capital structure for MCT.

About the Sponsor – Mapletree Investments Pte Ltd

Mapletree Investments Pte Ltd (“Mapletree”) is a leading real estate development, investment, capital and property management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, the Group has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

Mapletree currently manages four Singapore-listed REITs and five private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom (UK) and the United States (US).

As at 31 March 2020, Mapletree owns and manages S\$60.5 billion of office, retail, logistics, industrial, data centre, residential and lodging properties.

The Group’s assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. To support its global operations, Mapletree has established an extensive network of offices in these countries

For more information, please visit www.mapletree.com.sg.

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The past performance of MCT and Mapletree Commercial Trust Management Ltd., in its capacity as manager of MCT (the “Manager”), is not indicative of the future performance of MCT and the Manager. The value of the 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 Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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