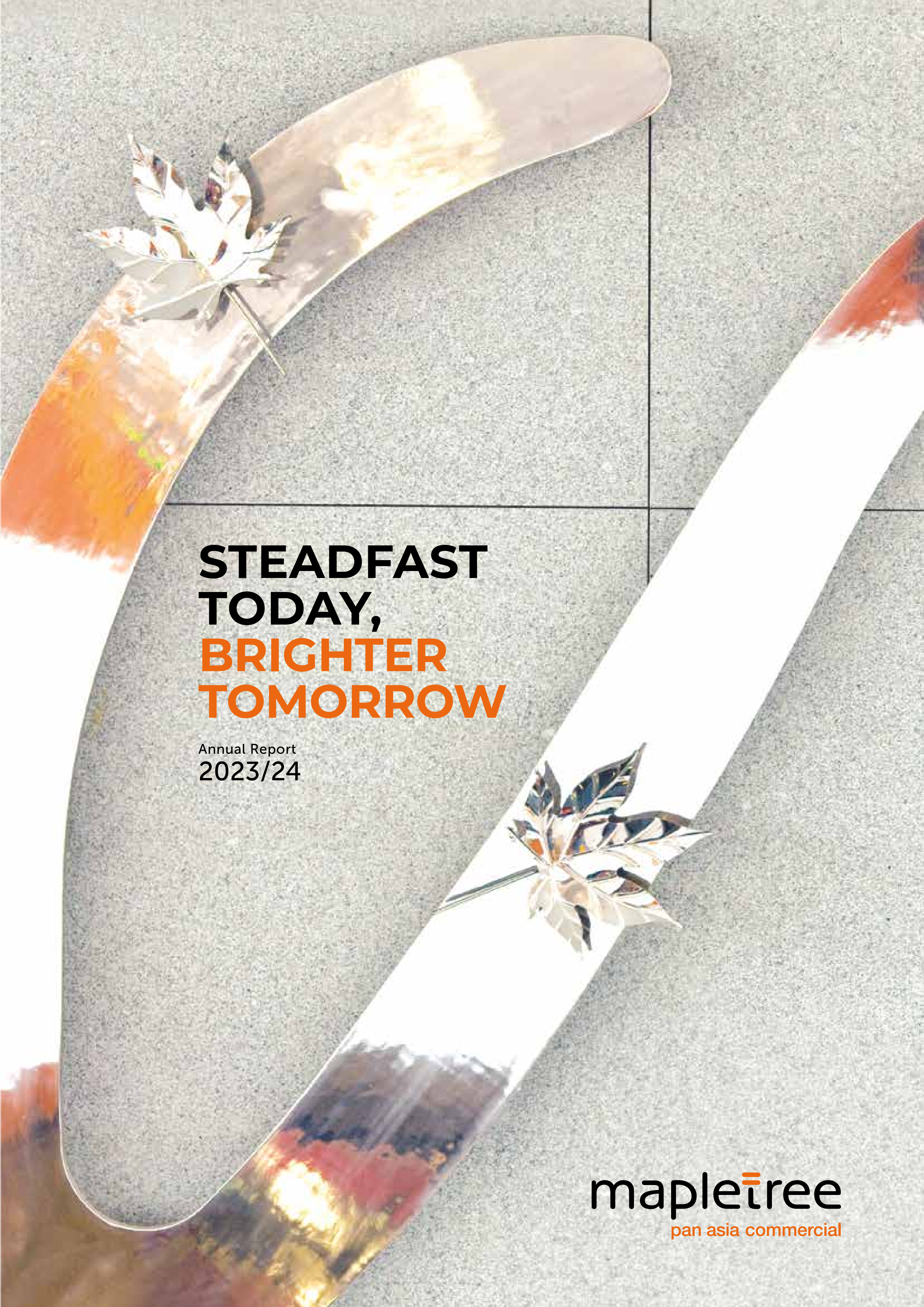


STEADFAST TODAY, BRIGHTER TOMORROW

Annual Report
2023/24

mapletree
pan asia commercial

STEADFAST TODAY, BRIGHTER TOMORROW

Mapletree Pan Asia Commercial Trust has demonstrated unwavering resilience throughout FY23/24, firmly anchored by the strength of our Singapore portfolio. As the cornerstone of MPACT's stability, the Singapore assets provide a robust foundation to navigate today's challenges and seize tomorrow's opportunities.

As a responsible landlord, we conduct our business with the utmost integrity, always striving to do what is right for the long-term benefit of all our stakeholders while creating a positive impact on the society and the environment.

Our theme "***Steadfast Today, Brighter Tomorrow***" emphasises our unwavering commitment to overcoming adversities, strengthening our fundamentals, and generating lasting value for our stakeholders. By focusing on our "4R" Asset & Capital Management Strategy and reinforcing Singapore as the bedrock of our portfolio, we aim to deftly navigate market cycles and drive sustainable long-term growth.

As we look to the future, we remain inspired by the opportunities that lie ahead. With Singapore at the heart of our success, we are well-positioned to leverage its resilience while capitalising on the long-term growth potential across Asia's key gateway markets. Guided by the principles of integrity, responsibility and sustainability, we are confident in our ability to build a brighter tomorrow for all our stakeholders.

Featured art piece on cover and content page:
From Little Things, Big Things Grow by B. Jane Cowie

CORPORATE OVERVIEW

Mapletree Pan Asia Commercial Trust ("MPACT") is a real estate investment trust ("REIT") positioned to be the proxy to key gateway markets of Asia. Listed on the Singapore Exchange Securities Limited ("SGX-ST") on 27 April 2011, it made its public market debut as Mapletree Commercial Trust ("MCT") and was subsequently renamed MPACT on 3 August 2022 following the merger with Mapletree North Asia Commercial Trust ("MNACT").

Its principal investment objective is to invest 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, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong, Japan and South Korea).

As at 31 March 2024, MPACT's portfolio comprises 18 commercial properties across five key gateway markets of Asia – five in Singapore, one in Hong Kong, two in China, nine in Japan and one in South Korea. They have a total lettable area of 11.2 million square feet valued at S$16.5 billion.[1,2]

MPACT is one of the three REITs sponsored by Mapletree Investments Pte Ltd ("MIPL" or the "Sponsor"), a global real estate development, investment, capital and property management company headquartered in Singapore. MPACT is managed by MPACT Management Ltd. ("MPACTM" or the "Manager"), a wholly-owned subsidiary of MIPL.

- All information contained in this Annual Report is as at 31 March 2024 unless otherwise stated.
- Where "Hong Kong" is mentioned, it refers to the Hong Kong Special Administrative Region.
- Due to rounding differences, figures throughout this Annual Report may not add up to the totals shown, and percentages may not total 100%.

CONTENTS

[1] Includes MPACT's 50% effective interest in The Pinnacle Gangnam.
[2] On 30 May 2024, MPACTM announced the divestment of Mapletree Anson, a non-core office asset in Singapore. The divestment is expected to be completed in July 2024.

OUR **STRATEGY**

The Manager aims to provide unitholders of MPACT ("Unitholders") with a relatively attractive rate of return on their investment through regular and steady distributions, and to achieve long-term stability in Distribution per Unit ("DPU") and Net Asset Value ("NAV") per Unit, while maintaining an appropriate capital structure.

We are driven by

Vision

Our vision is to be a leading real estate investment trust recognised as the proxy to key gateway markets of Asia.

Mission

Our mission is to provide quality commercial spaces to businesses and organisations, while delivering value and sustainable returns to our investors. We strive to be a trusted partner to our stakeholders by setting high standards in professionalism and integrity, and acting responsibly to make a positive impact within the communities we serve.

Our competitive advantages are

01 Anchored by high-quality and diversified portfolio

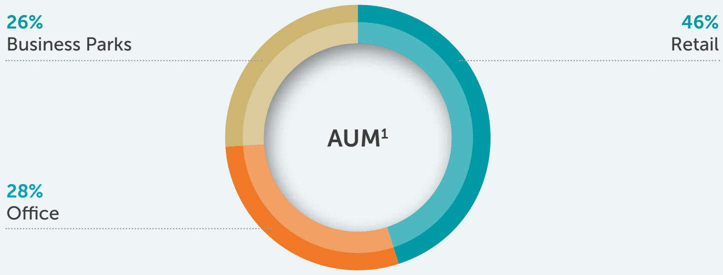
02 Ready footholds in 5 key markets

Assets under management ("AUM") by market (%)

Singapore	Hong Kong	China	Japan	South Korea
55%	26%	10%	8%	2%
23% MBC 20% VivoCity 12% 3 Other Singapore Properties	Festival Walk, Hong Kong	2 China Properties	9 Japan Properties	The Pinnacle Gangnam, South Korea

Core assets, VivoCity and Mapletree Business City ("MBC"), constitute **43%** of portfolio

03 Balanced across sub asset classes



04 Seasoned management team with proven track record and capabilities

05 Strong commitment and vast network of the Sponsor

06 Alignment with investors' interest through fee structure pegged to distribution growth

07 Launchpad to capture long-term growth opportunities in Pan Asia

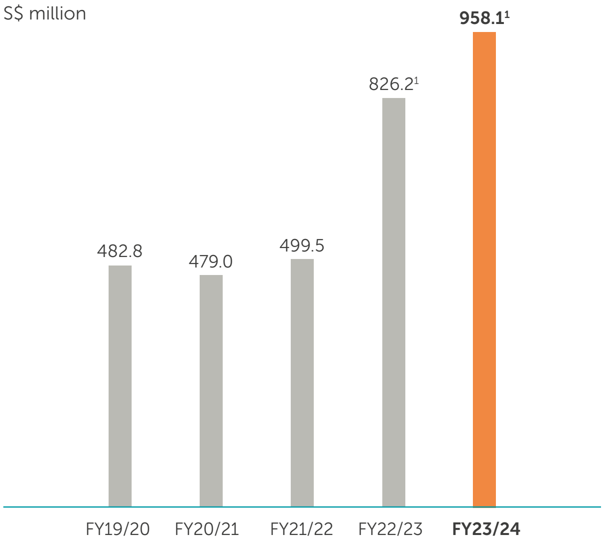
[1] AUM is based on the valuation of the MPACT portfolio, including MPACT's 50% effective interest in The Pinnacle Gangnam.

We are committed to creating value through our "4R" Asset & Capital Management Strategy

FINANCIAL **HIGHLIGHTS**

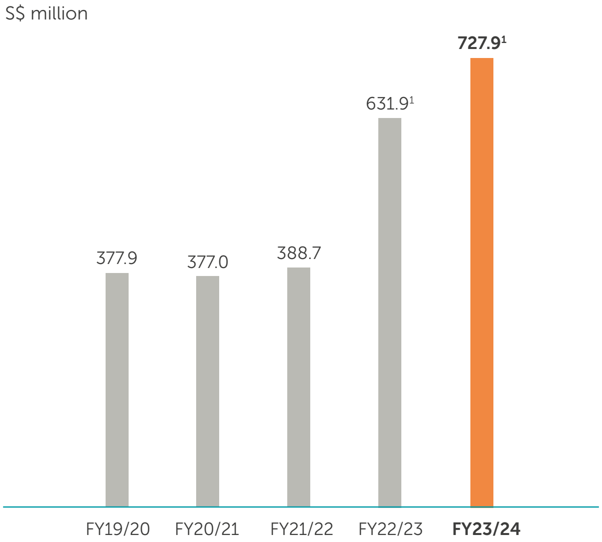
Gross Revenue

S$**958.1**M[1] ▲ **16.0%** year-on-year



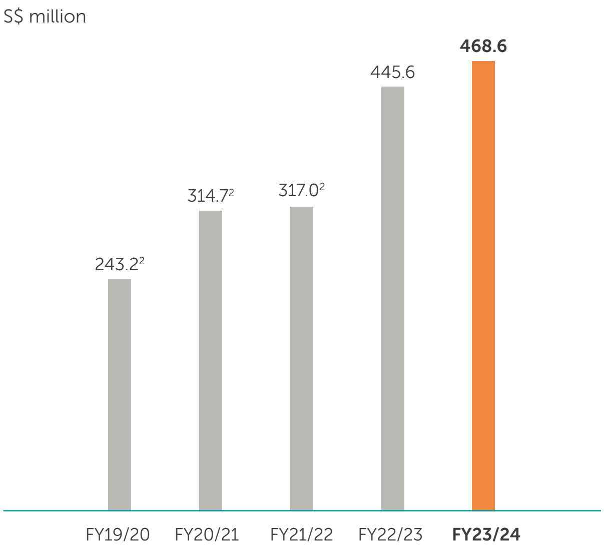
Net Property Income

S$**727.9**M[1] ▲ **15.2%** year-on-year



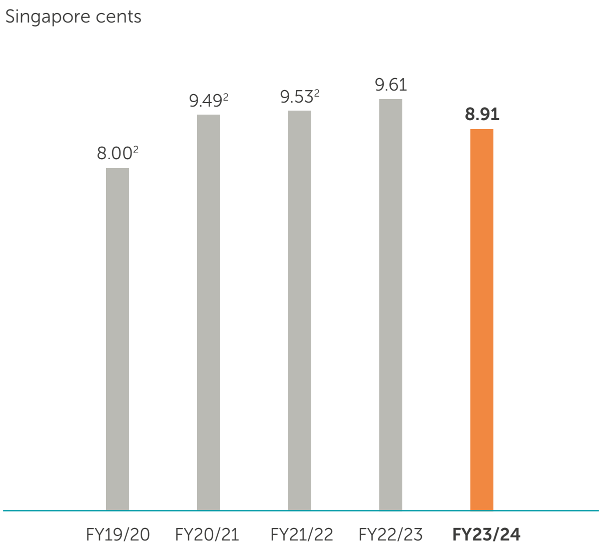
Amount Available for Distribution to Unitholders

S$**468.6**M ▲ **5.2%** year-on-year



Distribution Per Unit

8.91 cents ▼ **7.3%** year-on-year



[1] Gross revenue and Net Property Income ("NPI") do not include contribution from The Pinnacle Gangnam. MPACT shares profit after tax of The Pinnacle Gangnam based on its 50% effective interest.

[2] In view of the COVID-19 uncertainty, the Manager made capital allowance claims and retained capital distribution totalling S$43.7 million in 4Q FY19/20. S$28.0 million of this retained cash was released as distribution to Unitholders in FY20/21. The remaining S$15.7 million of retained cash was released as distribution to Unitholders in FY21/22.

Delivering Long-Term Sustainable Returns

Capital Appreciation	Total Distribution	Total Return[1]
45.5%	122.3%	167.7%

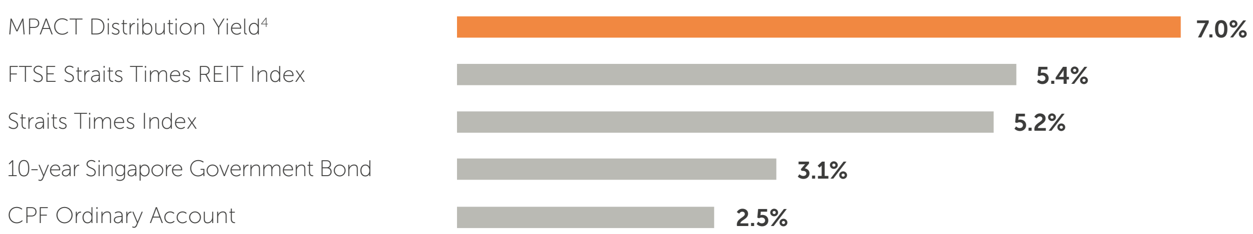
Selected Balance Sheet Details

As at 31 March	2020	2021	2022	2023	2024
Total Assets (S$ million)	9,007.1	8,950.6	8,984.5	16,828.8	**16,662.3**
Portfolio Property Value (S$ million)	8,920.0	8,737.0	8,821.0	16,575.7	**16,499.5**
Total Debt Outstanding (S$ million)	3,003.2	3,032.9	3,014.0	6,940.8[2]	**6,803.0[2]**
Unitholders' Funds (S$ million)	5,786.9	5,709.0	5,793.5	9,220.3	**9,209.2**
NAV per Unit (S$)	1.75	1.72	1.74	1.76	**1.75**
Market Capitalisation (S$ million)	6,052.7	7,030.4	6,281.4	9,430.8	**6,723.8**

Key Financial Indicators

As at 31 March	2020	2021	2022	2023	2024
Proportion of Fixed Rate Debt (%)	78.9	70.7	80.3	75.5	**77.1**
Aggregate Leverage Ratio (%)	33.3	33.9	33.5	40.9	**40.5**
Adjusted Interest Coverage Ratio ("ICR") (times)	4.3	4.4	4.8	3.5	**2.9**
Average Term to Maturity of Debt (years)	4.2	4.2	3.3	3.0	**3.0**
Weighted Average All-in Cost of Debt (per annum) (%)	2.94	2.48	2.40	2.68	**3.35**

Yield Comparisons[3]



1 This is the sum of distributions and capital appreciation for the period since listing on 27 April 2011 to 31 March 2024, and is based on unit issue price at IPO of S$0.88 and closing unit price of S$1.28 as at 31 March 2024, as well as total DPU of 107.60 Singapore cents since IPO.

2 Includes share attributable to non-controlling interest and MPACT's proportionate share of joint venture's gross debt.

3 As at 31 March 2024. Sources: Bloomberg, Central Provident Fund ("CPF") Board (for the Ordinary Account's yield) and the Monetary Authority of Singapore ("MAS") (for the 10-year Singapore Government Bond Yield).

4 Based on closing unit price of S$1.28 as at 31 March 2024 and DPU of 8.91 Singapore cents for FY23/24.

PERFORMANCE **HIGHLIGHTS**

Resilient Results Anchored by Enduring Strength of the Singapore Portfolio

16.0% year-on-year ("yoy") growth in gross revenue

15.2% yoy growth in NPI

- Singapore portfolio's strong performance more than covered higher utility expenses
- Merger gains moderated by stronger SGD
- DPU tempered by higher interest rates

Agile Management Drives Operational Resilience

- Improved portfolio committed occupancy with positive full-year rental reversion
- Stable portfolio valuation buoyed by Singapore properties uplift, overseas valuations impacted by stronger SGD
- Singapore portfolio continues to anchor MPACT's stability

VivoCity: Achieving Continued Excellence

- **100%** committed occupancy with **14.0%** rental reversion
- Full-year tenant sales hit new high at nearly **S$1.1 billion**
- Completed Level 1 asset enhancement initiative ("AEI") and food and beverage ("F&B") cluster rejuvenation
- Ongoing initiatives to refresh offerings and enhance shoppers' experience

Festival Walk: Adapting Swiftly to Market Shifts

- Stable yoy shopper traffic and tenant sales
- Ongoing progress towards rental stability
- Actively reshaping tenant mix and intensifying marketing efforts, focusing on local preferences

Fortifying Balance Sheet Resilience

- Issued S$200 million 10-year fixed rate senior green notes to boost long-term stability
- Optimised HKD-CNH swapping for enhanced risk and interest rate benefits

Proactive Stakeholder Engagement

Engaged over **300** fund managers, institutional investors and analysts

Over **300** Unitholders participated in the FY23/24 Annual General Meeting ("AGM")

More than **48,000** followers on VivoCity and Festival Walk Instagram accounts

Progressing Towards Net Zero by 2050

- Attained **Five-Star** rating in 2023 GRESB Real Estate Assessment
- Maintained **"A" rating** for GRESB Public Disclosure
- Expanded solar capacity by over **50%** to **3,729 kWp** with new installations at MBC and VivoCity
- Obtained **LEED® certifications** for Gateway Plaza, Sandhill Plaza and The Pinnacle Gangnam
- Achieved **100%** green-certified portfolio

Positioning MPACT for the Future

- Strengthening our capital structure and refining our portfolio mix
- Continued proactive asset management efforts
- Singapore remains a major component of the portfolio; central to MPACT's long-term objectives

DRIVING RESILIENCE THROUGH PROACTIVE MANAGEMENT

Our proactive management approach has been the driving force behind our long-standing resilience. Rooted in prudence and discipline, our capital management strategy has steered us through market cycles. As we push the boundaries of our potential, our proactiveness and prudence will continue to guide us through the everchanging environment, enabling us to deliver sustainable growth for our unitholders.

VivoCity, Singapore


PUMA
ROLEX

LETTER TO **UNITHOLDERS**

Left
SAMUEL TSIEN
Non-Executive Chairman and Director

Right
SHARON LIM
Executive Director and Chief Executive Officer

> **Our FY23/24 gross revenue and NPI rose 16.0% and 15.2% yoy respectively, reaching S$958.1 million and S$727.9 million. This performance was driven by the strong showing of our Singapore assets and the full-year contribution from the merger with MNACT, completed on 21 July 2022.**

Dear Unitholders,

MPACT's operational fundamentals, anchored by the enduring strength of our Singapore portfolio, has remained resilient despite challenges faced by the broader REIT industry.

Throughout FY23/24, the operating landscape was marred by geopolitical tensions, high energy costs, and unrelenting inflationary pressures, compounded by global economic instability. The US Federal Reserve's aggressive monetary tightening, with 11 consecutive rate hikes since 2022, has pushed interest rates to their highest levels in over two decades, ushering REITs into an era of elevated financing costs. Moreover, the appreciating SGD adversely affected REITs with overseas investments, impacting their earnings and asset values when translated back to SGD.

Steadfast Today

Our FY23/24 gross revenue and NPI rose 16.0% and 15.2% yoy respectively, reaching S$958.1 million and S$727.9 million. This performance was driven by the strong showing of our Singapore assets and the full-year contribution from the merger with MNACT, completed on 21 July 2022.

Our Singapore portfolio continued to deliver growth, contributing S$18.7 million higher NPI after fully weathering increased utility expenses. The merger with MNACT also added to the higher gross revenue and NPI. However, the strengthening SGD against HKD, RMB and JPY partially offset these gains. On a constant currency basis, the growth in gross revenue and NPI would have been more pronounced at 17.5% and 16.6%, respectively.

For FY23/24, the amount available for distribution to Unitholders reached S$468.6 million, up 5.2% yoy. While NPI growth contributed positively, it was eroded by higher finance costs, resulting in a DPU of 8.91 Singapore cents for the year.

Our unit price was disproportionately impacted by higher interest rates and the market's risk aversion to certain geographies, closing at S$1.28 on 31 March 2024. Nevertheless, our long-term journey towards growth remains resolute – since listing at S$0.88 and including the total distributions of 107.60 Singapore cents per unit to date, our total return to Unitholders stands at 167.7%.

Singapore, the Cornerstone of MPACT

At the heart of MPACT lies our Singapore portfolio, anchored by flagship assets, VivoCity and MBC.

VivoCity's performance has surpassed expectations in its post-COVID recovery. FY23/24 tenant sales reached new heights, exceeding the previous year's record at close to S$1.1 billion. Our commitment to VivoCity's excellence has driven a series of value-adding AEI and thoughtful reconfigurations over the years.

One success was the transformation of a portion of the Level 1 space previously occupied by TANGS into a vibrant retail zone. This capitalised on an escalator node introduced in 2018, creating a seamless shopper journey from the basement levels upwards. The enhanced flow of shoppers allowed us to repurpose part of the department store area into a higher-yielding retail space, now featuring a curated mix of F&B

LETTER TO **UNITHOLDERS**

options and an elevated beauty and fragrance cluster. The rejuvenation of TANGS, following an optimisation of its footprint, complemented this transformation. Since its phased opening in May 2023, this AEI has infused VivoCity with renewed vitality and generated over 20% of return on investment.[1]

Our renewal efforts extended further as we reimagined a Level 1 F&B cluster, expanding VivoCity's culinary offerings, adding a cosy indoor seating area and improving shopfront visibility. This initiative, completed in 3Q FY23/24, has a return on investment exceeding 20%.[2]

In parallel, VivoCity welcomed new retailers and expansions by existing tenants. Notably, Tim Hortons, the celebrated Canadian coffee house, chose VivoCity for its Singapore debut. Existing tenants, including Aesop and Aureus Academy, also expanded their footprints. These additions and expansions not only enrich VivoCity's retail tapestry but also underscore its allure as a destination mall. By the end of FY23/24, VivoCity was fully committed and achieved a 14.0% rental uplift.

MBC likewise achieved positive results. Despite shifts in workspace requirements, Google reaffirmed its commitment to MBC, having renewed a majority of its lease space over the past two financial years, with only one-fifth up for expiry in FY24/25. During this financial year, Google optimised its space and renewed half of its remaining leased area ahead of schedule. This renewal cemented Google's position as MPACT's top tenant, contributing 6.0% to our portfolio gross rental income. MBC concluded the year with 96.0% committed occupancy and a 6.7% rental uplift.

Our other Singapore properties also accomplished commendable achievements. mTower's committed occupancy climbed from 88.0% two years ago to 91.6% last financial year, reaching 96.6% by the close of FY23/24. Meanwhile, Bank of America HarbourFront ("BOAHF") maintained full occupancy, and Mapletree Anson extended its streak of full commitment. Collectively, these three Singapore assets recorded an impressive rental uplift of 7.1%.

Overseas Assets Navigated Headwinds with Resilience

Our overseas assets have navigated market headwinds with resilience. Making their inaugural full-year contribution post-merger, these assets however encountered negative currency translation impact from a stronger SGD. For our assets in Greater China, this was set against a backdrop of slower-than-anticipated economic recovery despite the vast lifting of COVID-19 restrictions early in 2023.

Festival Walk in Hong Kong adapted to market shifts. However, its full recovery was affected by a surge in cross-border consumption following the reopening of the territory's border with mainland China. Despite this challenge, the mall achieved stable yoy shopper traffic and tenant sales. By the end of FY23/24, Festival Walk recorded close-to-full committed occupancy and continued to see improvements in rental reversion from the previous years.

To enhance Festival Walk's appeal to locals, we are actively reshaping its tenant mix and intensifying marketing efforts, creatively utilising its ice rink and cinema to host unique events and celebrity appearances to draw a strong footfall. While the resurgence of outbound travel in Hong Kong has dampened a stronger recovery, this effect may lessen over time as the novelty wears off and cross-border consumption becomes less attractive from a foreign exchange perspective. Drawing insights from VivoCity's successes, we aim to replicate similar achievements at Festival Walk, with a keen focus on local preferences. With these strategies, we strive to reinforce the mall's position as a premier destination in Kowloon Tong in the long run.

Our China assets navigated a demanding landscape characterised by soft leasing demand and increased supply post-COVID. To tackle this, leasing efforts were directed at preserving occupancy to safeguard rental income. Resulting from these efforts, both Gateway Plaza in Beijing and Sandhill Plaza in Shanghai overcame heightened competition and outperformed the market. By the end of FY23/24, the China properties achieved a combined 87.5% committed occupancy. While market conditions in China, particularly Shanghai, remain dynamic in the near term, we are cautiously confident that our proactive management approach will enable us to overcome the bumps ahead.

1 Based on revenue on a stabilised basis and capital expenditure of approximately S$10 million.
2 Based on revenue on a stabilised basis and capital expenditure of approximately S$0.9 million.

Our Japan portfolio of nine properties posted 97.9% committed occupancy as at 31 March 2024. Within this portfolio, three properties are located in Makuhari, Chiba, and they contribute approximately 6% of the portfolio's gross rental income. In view of the market softness in Makuhari, we will step up leasing efforts and implement targeted strategies to mitigate occupancy impact and minimise downtime arising from lease expirations at mBAY POINT Makuhari ("MBP") and SII Makuhari Building ("SMB").[1]

In South Korea, The Pinnacle Gangnam continued to thrive, benefiting from favourable market dynamics marked by limited supply. This advantage enabled it to close the year with an impressive 99.1% committed occupancy and 39.0% rental uplift. We will continue to capitalise on this market advantage to drive the property's performance.

Safeguarding Our Financial Foundations

MPACT's approach to capital management is diligently anchored in prudence, designed to enhance financial flexibility and mitigate the effects of interest rate and foreign exchange fluctuations, all while keeping costs at reasonable levels.

Throughout FY23/24, we executed targeted swaps of HKD loans into CNH, significantly reducing the HKD component of MPACT's debt from 30% to 23%, while raising the CNH component from 0.3% to 7%. This adjustment better synchronised our debt mix against the composition of our AUM, mitigating risk and extracting interest rate advantages.

In March 2024, we issued S$200 million of 10-year fixed rate senior green notes under the Euro Medium Term Securities Programme. This issuance was primarily aimed at boosting long-term stability through its extended maturity. By the close of FY23/24, our debt maturity profile remained well-staggered, with no single financial year facing more than 21% of debt refinancing. The average term to maturity of debt was 3.0 years.

To help insulate us from interest rate and foreign exchange volatilities, 77.1% of the total gross debt of S$6.8 billion was in fixed rate debt or fixed through interest rate swaps, and about 93% of MPACT's distributable income (based on rolling four quarters) was derived from or hedged into SGD as at 31 March 2024. We also had approximately S$1.5 billion of cash and undrawn committed facilities, ensuring sufficient liquidity for working capital and financial obligations.

MPACT's portfolio property valuation as at 31 March 2024 was S$16.5 billion, reflecting yoy stability. Central to this steadiness was our Singapore portfolio, which posted a valuation increase of S$239.0 million or 2.7% over the last year. This was largely fuelled by VivoCity which has continued to perform well.

Although our overseas portfolio recorded a valuation decline, this was largely resulted from the strengthening SGD. The operational impact on the valuation decline of the overseas assets was S$40.3 million, representing only a minor portion of the total variance. This was mostly due to revised market expectations for China and specific adjustments for SMB, Japan, which is being converted into a multi-tenanted building. Consequently, net asset value per Unit was S$1.75.

At FY23/24 end, MPACT's aggregate leverage was 40.5%, lower than a year ago. The weighted average all-in cost of debt for the year was 3.35% per annum, alongside an adjusted ICR of approximately 2.9 times on a 12-month trailing basis.

Looking ahead, the trajectory of our financing costs hinges on the broader interest rate environment. Even with potential rate cuts by the Fed, there will be some inherent delay before we can observe an inflection point for financing costs. Swift and more significant rate cuts would be necessary to counter the higher costs of replacing the older fixed-rate debts and interest rate swaps.

MPACT's approach to capital management is diligently anchored in prudence, designed to enhance financial flexibility and mitigate the effects of interest rate and foreign exchange fluctuations, all while keeping costs at reasonable levels.

[1] Refers to the lease expirations of NTT Urban Development at MBP on 31 March 2024 and Seiko Instrument Inc. at SMB on 30 June 2024.

LETTER TO **UNITHOLDERS**

Strategic Divestment for Greater Resilience and Agility

In light of today's market dynamics, one priority is to bolster MPACT's financial resilience and agility. As such, after the close of FY23/24, we initiated the divestment of Mapletree Anson, one of our non-core office assets in Singapore.

Finalised at a divestment consideration of S$775.0 million, this divestment secures a gain of S$10.0 million over Mapletree Anson's latest independent valuation[1] and a premium of S$95.0 million to its acquisition price.[2] Far from deviating from our expressed emphasis on Singapore, this divestment is a calculated move aimed at optimising financial returns for Unitholders while recalibrating our financial structure for future manoeuvres.

Our portfolio management strategy continues to be dynamic and adaptable, with Singapore at the forefront of our investment initiatives as we endeavour to deepen our footprint across Asia's key gateway markets in the long run.

Slated for completion in July 2024, the net divestment proceeds of approximately S$762 million[3] will be allocated towards debt reduction. This is expected to lower our aggregate leverage to 37.6%[4] and improve our ICR to 3.3 times on a pro forma basis. Crucially, this transaction is expected to deliver approximately 1.5% accretion to DPU (for FY23/24 on a pro forma basis).[5]

With the expansion of debt headroom from S$3.2 billion (as at 31 March 2024) to approximately S$3.9 billion on a pro forma basis,[6] MPACT will be favourably positioned to safeguard and potentially enhance unitholder value in the future. It strengthens our fundamentals to pursue an overarching strategy to optimise our portfolio mix and fortify our financial base.

Following this divestment, our Singapore assets will remain the bedrock of our portfolio, contributing a substantial 58% and 53% to MPACT's NPI[7] and AUM,[8] respectively. Notwithstanding marginal adjustments in the proportion of Singapore assets, Singapore's role remains unaltered. Our portfolio management strategy continues to be dynamic and adaptable, with Singapore at the forefront of our investment initiatives as we endeavour to deepen our footprint across Asia's key gateway markets in the long run.

Advancing Towards a Sustainable Future

We have continued to make strides in our journey towards achieving net zero by 2050. This year, our efforts were recognised with a five-star rating in the 2023 GRESB Real Estate Assessment.[9] Achieving this highest possible rating, alongside our consistent "A" rating in the GRESB Public Disclosure, exemplifies our dedication to environmental stewardship and corporate transparency.

Another notable achievement was the substantial enhancement of our solar generation capacity. With additional solar panels installed at MBC and VivoCity, we increased our total solar generation capability by over 50% to 3,729 kWp. This initiative enabled us to produce 4,111 MWh of solar energy during FY23/24, equivalent to powering Mapletree Anson for an entire year.

Our efforts in greening our properties have gained international recognition, with three of our properties receiving prestigious LEED® certifications during the year.[10] These achievements mark a significant milestone as MPACT's entire portfolio is now fully green-certified. This status not only underscores our environmental commitment but also enhances our ability to tap on sustainability-related financing for future projects.

1 Conducted by CBRE Pte. Ltd. in connection with the annual independent valuation of all properties owned by MPACT and its subsidiaries as at 31 March 2024.
2 Based on the original purchase price of S$680.0 million when the property was acquired on 4 February 2013.
3 After accounting for transaction costs and the transfer of tenants' security deposits.
4 Assumes that the divestment was completed on 31 March 2024, and approximately S$762 million of net proceeds were used to repay loans.
5 Assumes that the divestment was completed on 1 April 2023 and approximately S$762 million of net proceeds were used to repay loans.
6 Based on an aggregate leverage limit of 50% as permitted under Appendix 6 of the Code on Collective Investment Schemes ("Property Funds Appendix") issued by the MAS.
7 Based on FY23/24 NPI (including contribution from The Pinnacle Gangnam).
8 Based on the independent valuations of the properties as at 31 March 2024 (including MPACT's 50% effective interest in The Pinnacle Gangnam).
9 GRESB is an independent organisation that validates ESG performances and benchmarks for real estate companies globally.
10 Gateway Plaza and Sandhill Plaza in China both secured Platinum LEED® v4.1 Building Operations and Maintenance ("O+M") certifications, while The Pinnacle Gangnam in South Korea earned a Gold certification for LEED® v4 Building O+M.

As we press forward, we remain unwavering in our dedication to navigating the challenges of today while positioning MPACT for a brighter tomorrow. With your continued trust and support, we are confident of our ability to weather the uncertainties and emerge stronger.

We encourage all stakeholders to review our Sustainability Report FY23/24 to gain insights on our concerted efforts towards ESG excellence. As we continue this journey, we look forward to collaborating with all our stakeholders to forge a sustainable future.

Brighter Tomorrow

Looking at the path ahead, it is apparent that the key themes shaping the current landscape are likely to persist in the near term, although some respite may come from potential rate cuts.

We are acutely aware of the tasks that lay before us. While China faces near-term headwinds, our assets have outperformed the market, and we maintain our belief in the country's long-term potential as a key economic force in Asia. In Hong Kong, we will evolve with the market and ride on clearer recovery when the trend of cross-border travelling stabilises. Our Makuhari assets are undergoing tenancy shifts, which we will address with dexterity. Amidst these challenges, our Singapore portfolio has shown remarkable resilience and we will continue to reinforce it as the cornerstone of MPACT's stability.

Beyond our ongoing asset management efforts, we are committed to seizing suitable opportunities as they emerge. The divestment of Mapletree Anson represents a strategic first step in this direction.

At this year's upcoming AGM, we will be seeking Unitholders' approval for a unit buyback mandate. This proposal reflects our belief in the intrinsic value of our portfolio and our dedication to safeguarding Unitholders' interests and delivering value.

As we press forward, we remain unwavering in our dedication to navigating the challenges of today while positioning MPACT for a brighter tomorrow. With your continued trust and support, we are confident of our ability to weather the uncertainties and emerge stronger.

Acknowledgements

MPACT's journey thus far has been the result of teamwork and dedication. We would like to express our gratitude to our fellow Directors for their valuable insights and guidance. Our deepest appreciation goes to Mr Premod Thomas for his devoted service as he stepped down from the Board after fully serving nine years as an Independent Director.

Finally, we are immensely grateful to our Unitholders, tenants, shoppers and partners, as well as our colleagues. Your support and hard work have been instrumental in making our achievements possible.

SAMUEL TSIEN
Non-Executive Chairman and Director

SHARON LIM
Executive Director and
Chief Executive Officer

YEAR IN **REVIEW**

April 2023

- VivoCity was voted the "Best Shopping Mall (Bronze)" at the Expat Living Readers' Choice Awards 2023.

May 2023

- Participated in the annual REITs Symposium 2023, reaching out to over 1,000 retail investors.
- VivoCity completed an 80,000 square feet AEI, unveiling a new retail zone and TANGS' rejuvenated store on Level 1.

July 2023

- Unitholders approved all resolutions at MPACT's 12^{th} AGM.
- Declared 1Q FY23/24 DPU of 2.18 Singapore cents.

August 2023

- Enhanced MBC's green spaces by planting over 60 trees and shrubs at Mapletree's 2^{nd} tree planting initiative in Singapore.
- VivoCity was the gold winner for "Best Retail Mall in Singapore" and "Best Kids' Mall Experience" at the Honeycombers' Readers' Choice Awards 2023.

October 2023

- Declared 2Q FY23/24 DPU of 2.24 Singapore cents.
- Attained Five-Star rating in the 2023 GRESB Real Estate Assessment and maintained Grade A rating for the 2023 GRESB Public Disclosure.
- VivoCity and MBC installed additional solar panels, increasing the portfolio's solar generation capacity by more than 50%.

1

2

1 The Mid-Autumn Festival "Garden of Lights with Sanrio" event held at VivoCity's Sky Park is just one of the many memorable moments awaiting shoppers at VivoCity, voted one of Singapore's best shopping malls.

2 MPACT's portfolio is fully green-certified with the achievement of LEED® certifications by Gateway Plaza, The Pinnacle Gangnam and Sandhill Plaza (as pictured from left to right).

3 Commitment to environmental stewardship by planting over 60 trees and shrubs at MBC.
4 Exciting options await at VivoCity's newly enhanced beauty and fragrance cluster on Level 1 after the mall's recent AEI, much to the delight of shoppers.
5 VivoCity unveils revitalised F&B cluster on Level 1's eastern corner.
6 MPACT collaborates with IMDA to pioneer the large-scale deployment of advanced Robotics Middleware Framework at MBC.
7 MPACT's 12th AGM fosters robust unitholder engagement, with investors actively participating in meaningful discussions with the board and management.

November 2023

- Collaborated with Singapore's Infocomm Media Development Authority ("IMDA") to spearhead large-scale deployment of advanced Robotics Middleware Framework within MBC, marking a significant milestone in the integration of advanced robotics technology into commercial spaces.
- VivoCity revitalised an F&B cluster at the eastern corner of Level 1 by reconfiguring its layout, adding a new indoor seating area and improving shopfront visibility.

December 2023

- Gateway Plaza attained Platinum certification for LEED® v4.1 Building O+M: Existing Buildings.

January 2024

- Declared 3Q FY23/24 DPU of 2.20 Singapore cents.
- The Pinnacle Gangnam attained Gold certification for LEED® v4 Building O+M: Existing Buildings, contributing to MPACT's achievement of 100% green-certified portfolio.

March 2024 and after

- Issued S$200 million 10-year fixed rate senior green notes.
- Sandhill Plaza attained Platinum certification for LEED® v4.1 Building O+M: Existing Buildings.
- MPACT's total portfolio was valued at S$16.5 billion, reflecting yoy stability. Consequently, NAV per Unit was S$1.75 by the close of FY23/24.
- Declared 4Q FY23/24 DPU of 2.29 Singapore cents, up 1.8% yoy. Full year DPU totalled 8.91 Singapore cents.
- Announced the divestment of Mapletree Anson, a non-core office asset in Singapore, for S$775.0 million.

UNIT PRICE **PERFORMANCE**

The market performance in FY23/24 was impacted by various challenges, including rising interest rates, geopolitical tensions, and an uncertain global economic outlook.

For the period from 1 April 2023 to 31 March 2024, the FTSE Straits Times Index and the FTSE Straits Times REIT Index declined by 1.1% and 10.2%, respectively. MPACT's unit price was disproportionately affected by interest rate hikes and the market's risk aversion to certain geographies, closing at S$1.28 on 31 March 2024. Factoring in the total DPU of 8.91 Singapore cents paid out for FY23/24, MPACT posted negative total return of 23.9% to Unitholders during the financial year.

Since its listing at S$0.88, MPACT's unit price has gained 45.5%, outperforming benchmark indices such as the FTSE Straits Times Index and the FTSE Straits Times REIT Index, which increased by 1.3% and decreased by 0.7%, respectively, over the same period. Taking into account the total DPU of 107.60 Singapore cents paid since IPO, MPACT has provided a total return of 167.7% to Unitholders. This showcases MPACT's resilience through market cycles and its commitment to long-term growth.

Unit Price and Trading Volume

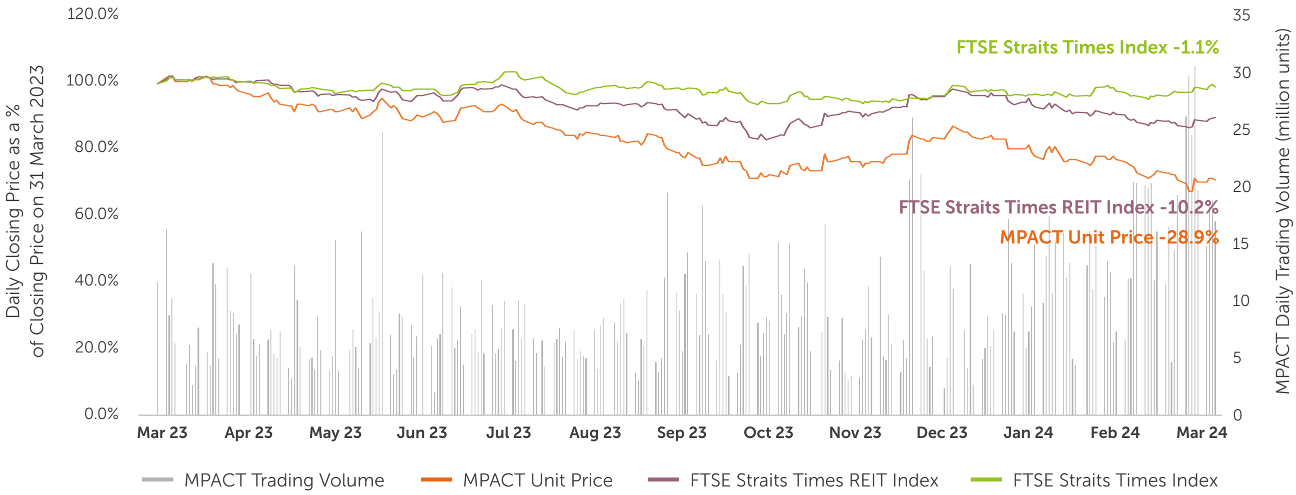
	FY23/24	FY22/23
Closing price on the last trading day prior to the period (S$)	**1.800**	1.890
Highest closing price (S$)	**1.840**	1.940
Lowest closing price (S$)	**1.220**	1.550
Volume weighted average price (S$)	**1.481**	1.779
Closing price for the period (S$)	**1.280**	1.800
Average trading volume (million units)	**9.51**	11.40
Total trading volume (million units)	**2,367**	2,839

Return on Investment

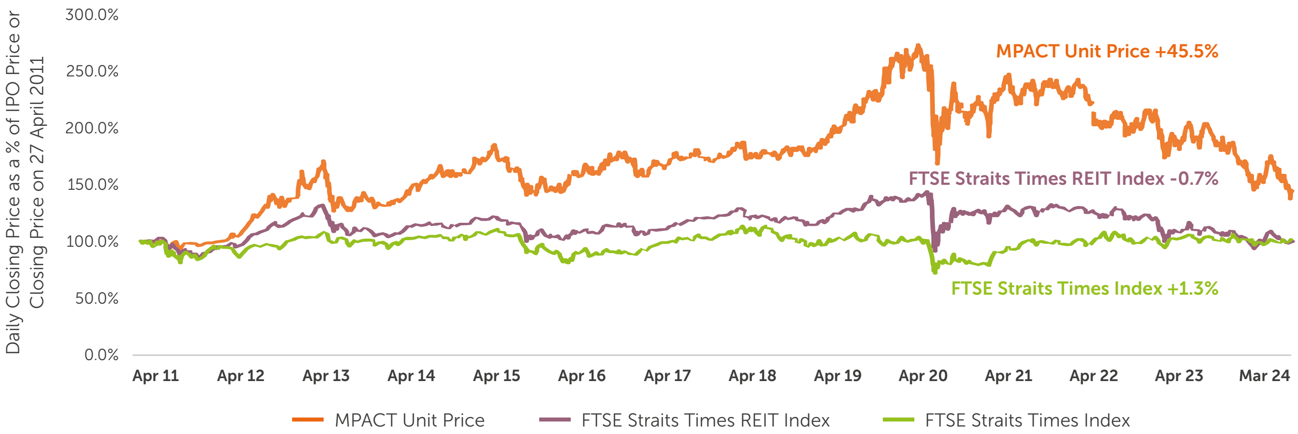
	1-year from 1 April 2023	3-year from 1 April 2021	5-year from 1 April 2019	Since Listing on 27 April 2011
Total return as at 31 March 2024 (%)	-23.9%[1]	-26.4%[1]	-8.2%[1]	167.7%[2]
Capital appreciation (%)	-28.9%	-39.6%	-32.3%	45.5%
Distribution yield (%)	5.0%	13.2%	24.1%	122.3%
Closing price on the last trading day prior to the period/Unit issue price at listing (S$)	1.800	2.120	1.890	0.880

1 Sum of distributions and capital appreciation for the period over the closing unit price on the last trading day prior to the commencement of the period.
2 Sum of distributions and capital appreciation for the period over the unit issue price at listing.
Source: Bloomberg

Trading Volume of MPACT and Comparative Trading in FY23/24



Comparative Trading Performance Since Listing



Note: Break in the chart for MPACT was due to a trading halt on 23 May 2022.

MPACT is a Constituent of These Key Indices[1]

Bloomberg Asia REIT Index	FTSE ST All World Share Index	iEdge S-REIT Leaders Index
Bloomberg World Financial Index	FTSE ASEAN All-Share Index	Morningstar Developed Markets REIT Index
Bloomberg World REIT Index	GPR General (World) Index	Morningstar Global Markets REIT Index
Dow Jones Global Select REIT Index	GPR General Asia Index	S&P Developed REIT Index
FTSE ASEAN All-Share Index	GPR General Singapore Index	S&P Global BMI
FTSE Developed Asia Pacific All Cap Index	iEdge SG ESG Leaders Index	S&P Global REIT USD Index
FTSE EPRA Nareit Asia REITs Index	iEdge SG ESG Transparency Index	S&P World Index
FTSE EPRA Nareit Global Real Estate Index	iEdge Singapore Low Carbon Index	Straits Times Index
FTSE EPRA Nareit Global REITs Index	iEdge S-REIT Index	

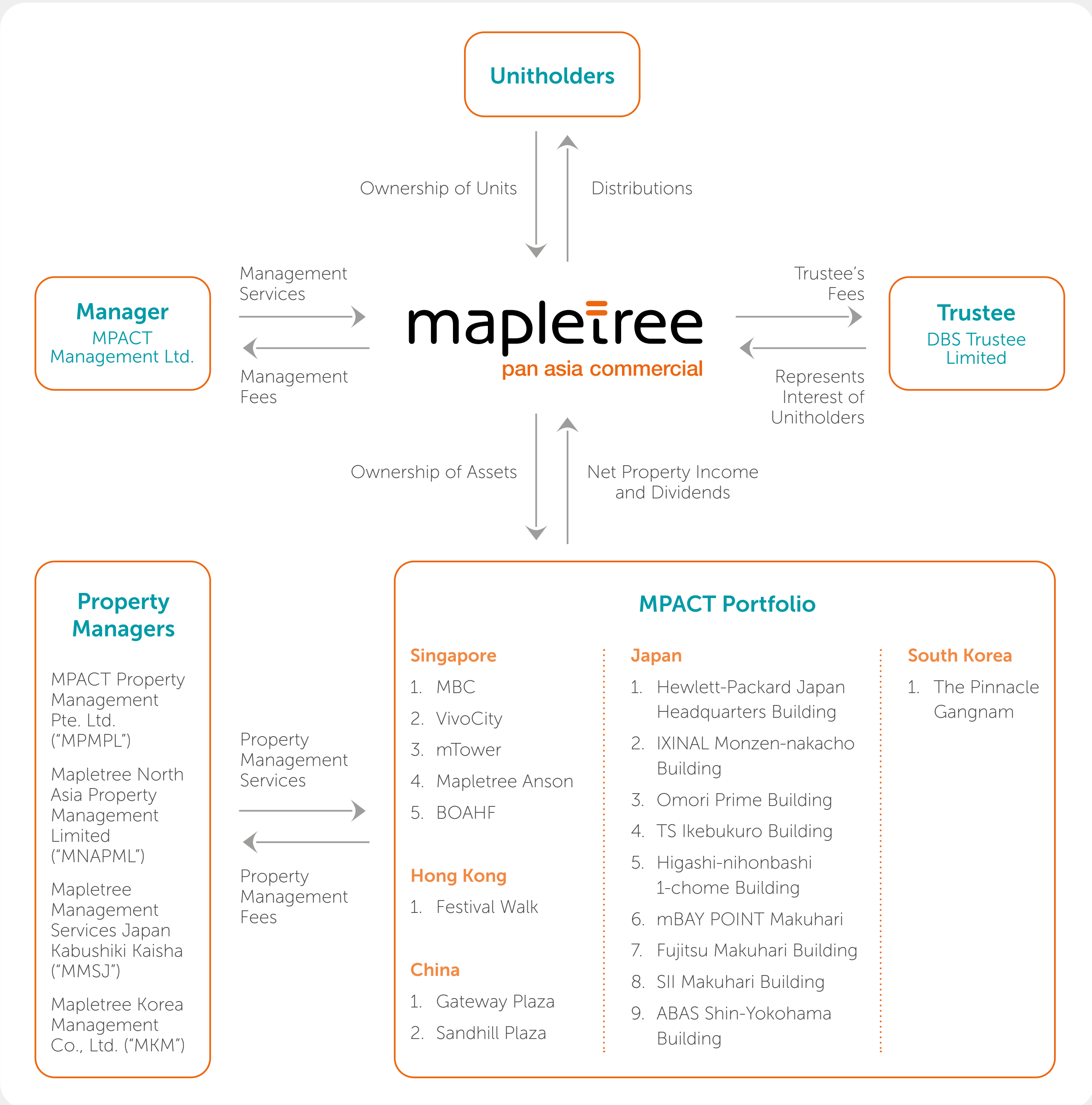
[1] The list of key indices is as at 31 March 2024 and is not exhaustive.
Source: Bloomberg

TRUST **STRUCTURE**

The below simplified diagram illustrates the relationship between MPACT, the Manager, the Property Managers, the Trustee and the Unitholders.

MPACT Management Ltd. is the Manager of MPACT. The Manager has general powers of management over the assets of MPACT. The Manager's main responsibility is to manage MPACT's assets and liabilities for the benefit of Unitholders. The Manager sets the strategic direction of MPACT and gives recommendations to the Trustee on acquisition, divestment, development and/or enhancement of the assets of MPACT in accordance with its stated investment strategy. The Manager is a wholly-owned subsidiary of the Sponsor. As shown on the following page, the Manager has a board of directors ("Board") separate from the Sponsor.

The Property Managers comprise MPMPL, MNAPML, MMSJ and MKM, and they provide property management, lease management, project management, marketing, administration of property tax services and property accounting services for the properties in MPACT's portfolio. MPMPL is the property manager in relation to the Singapore properties, MNAPML is the property manager in relation to the China and Hong Kong properties, MMSJ is the property manager in relation to the Japan properties, and MKM is the property manager in relation to the Korea property. MPMPL, MNAPML, MMSJ and MKM are wholly-owned subsidiaries of the Sponsor.



ORGANISATION **STRUCTURE**

The Manager
MPACT Management Ltd.

Board of Directors

Mr Samuel Tsien
Non-Executive Chairman and Director

Ms Tan Su Shan
Lead Independent Non-Executive Director

Mr Premod Thomas[1]
Independent Non-Executive Director

Ms Lilian Chiang
Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director

Mr Chua Kim Chiu
Independent Non-Executive Director

Mr Lawrence Wong
Independent Non-Executive Director

Mr Wu Long Peng[2]
Independent Non-Executive Director

Mr Pascal Lambert
Independent Non-Executive Director

Mr Mak Keat Meng[3]
Independent Non-Executive Director

Mr Alvin Tay
Independent Non-Executive Director

Mr Chua Tiow Chye
Non-Executive Director

Ms Wendy Koh
Non-Executive Director

Ms Sharon Lim
Executive Director and Chief Executive Officer

Nominating and Remuneration Committee

Ms Tan Su Shan
Chairperson

Ms Lilian Chiang

Mr Kan Shik Lum

Mr Chua Tiow Chye

Audit and Risk Committee

Mr Premod Thomas[1]
Chairman

Mr Chua Kim Chiu

Mr Lawrence Wong

Mr Wu Long Peng[2]

Chief Executive Officer

Ms Sharon Lim

Joint Company Secretaries

Mr Wan Kwong Weng

Ms See Hui Hui

Chief Financial Officer

Ms Janica Tan

Co-Heads, Investments & Asset Management

Mr Chow Mun Leong

Mr Koh Wee Leong

Director, Investor Relations

Ms Teng Li Yeng

1 Mr Thomas retired as an Independent Non-Executive Director and Chairman of the Audit and Risk Committee with effect on 14 June 2024 after fully serving a nine-year term as an Independent Director of the Company.
2 Mr Wu was appointed as the Chairman of the Audit and Risk Committee effective on 15 June 2024.
3 Mr Mak was appointed as a Member of the Audit and Risk Committee effective on 15 June 2024.

BOARD OF **DIRECTORS**

Left to Right
Samuel Tsien
Tan Su Shan
Premod Thomas

Left to Right
Lilian Chiang
Kan Shik Lum
Chua Kim Chiu

Left to Right
Lawrence Wong
Wu Long Peng
Pascal Lambert

Left to Right
Mak Keat Meng
Alvin Tay
Chua Tiow Chye

Left to Right
Wendy Koh
Sharon Lim

SAMUEL TSIEN

Non-Executive Chairman and Director

Mr Samuel Tsien is the Non-Executive Chairman and a Director of the Manager.

Mr Tsien is a member of the Sponsor's Board and its Investment Committee. He is concurrently a Non-Executive Independent Director and Audit Committee Member of Jardine Cycle & Carriage Limited, and a Non-Executive Independent Director and Risk Management, Audit and Nominating & Governance Committee Member of Singapore Exchange Limited.

Mr Tsien has over 40 years of experience in the banking, finance and capital markets sectors. He was the Group Chief Executive Officer and Executive Director of Oversea-Chinese Banking Corporation Limited ("OCBC") from 2012 to 2021 and served as the Adviser to the Board of OCBC upon his retirement until 2022. He was also a Non-Executive Director of OCBC (Hong Kong) Limited in Hong Kong SAR until 31 July 2023.

Prior to these appointments, he served as the Senior Executive Vice President and Global Head, Global Corporate Bank of OCBC when he joined OCBC in July 2007. Before joining OCBC, Mr Tsien was the President and Chief Executive Officer of Bank of America (Asia) from 1995 to 2006, and the President and Chief Executive Officer of China Construction Bank (Asia) Corporation Ltd in 2007.

He had concurrently served as Executive Vice President and Asia Commercial and Consumer Banking Group Executive of Bank of America from 1996 to 2006. Mr Tsien had held other senior management positions in corporate banking, retail banking and risk management at Bank of America in Hong Kong SAR and the United States.

Past directorships in listed entities over the last three years:

- Great Eastern Holdings Ltd
- Oversea-Chinese Banking Corporation Limited
- PT Bank OCBC NISP Tbk

TAN SU SHAN

Lead Independent Non-Executive Director and Chairperson of Nominating and Remuneration Committee

Ms Tan Su Shan is the Lead Independent Non-Executive Director and Chairperson of the Nominating and Remuneration Committee of the Manager.

With over 30 years of banking and finance, wealth management and capital markets experience, Ms Tan is currently the Group Head of Institutional Banking of DBS Bank Ltd. ("DBS"). In addition, she is currently a Board Member of Central Provident Fund Board and Chairman of its Audit Committee.

Prior to joining DBS in June 2010, Ms Tan was Morgan Stanley's Head of Private Wealth Management for Southeast Asia. Before re-joining Morgan Stanley in May 2008, she was a Region Head for Singapore, Malaysia and Brunei for Citi Private Bank. She was also the Singapore Investment Centre Head for Citibank.

Ms Tan was the founder and past president of the Financial Women's Association in Singapore, and was also a Nominated Member of Parliament from 2012 to 2014.

Ms Tan graduated with a Master of Arts from Oxford University in the United Kingdom, where she studied Politics, Philosophy and Economics. In May 2012, she was awarded the Distinguished Financial Industry Competent Professional title, which is the highest certification mark for a financial practitioner in Singapore, by the Institute of Banking and Finance.

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

PREMOD THOMAS[1]

Chairman of Audit and Risk Committee and Independent Non-Executive Director

Mr Premod Thomas is the Chairman of the Audit and Risk Committee and an Independent Non-Executive Director of the Manager.

Mr Thomas has over 35 years of experience in banking and finance, private credit, capital markets and governance. He is the Founder, Chief Executive Officer and Executive Director of Capital Insights Pte. Ltd., an investment holding company which focuses on private investments and strategy consulting. Before this, he held various appointments in Bank of America, Standard Chartered Bank, Temasek Holdings (Private) Limited and the Hong Leong Group of Malaysia. He was, till his recent retirement, the Chief Executive Officer of Bayfront Infrastructure Management Pte Ltd, a part of the Clifford Capital Group, Singapore.

He is also an Independent Director of Gemstone Asset Holdings Pte. Ltd. and the Independent Chairman of the Investment Committee of Mapletree Global Student Accommodation Private Trust, a private trust constituted in Singapore, to invest in student accommodation in the United States of America and United Kingdom.

[1] Mr Thomas retired as an Independent Non-Executive Director and Chairman of the Audit and Risk Committee with effect on 14 June 2024 after fully serving a nine-year term as an Independent Director of the Company.

BOARD OF DIRECTORS

Mr Thomas holds a Master's in Business Administration degree from the Indian Institute of Management, Ahmedabad and a Bachelor of Commerce degree from Loyola College, Chennai.

Past directorships in listed entities over the last three years:

Nil

LILIAN CHIANG

Independent Non-Executive Director and Member of Nominating and Remuneration Committee

Ms Lilian Chiang is an Independent Non-Executive Director and a Member of the Nominating and Remuneration Committee of the Manager.

Ms Chiang is the Senior Partner of Deacons and the Head of its Property Department. Ms Chiang has over 45 years of extensive experience in all types of real estate related transactions. Ms Chiang is also the Chairperson of the Property Committee of The Law Society of Hong Kong as well as the Deputy Chairperson of the Council of the City University of Hong Kong and a member of the Nomination Committee of the City University of Hong Kong. She is also a member of (i) the Land Titles Ordinance Steering Committee of the Land Registry, Hong Kong Special Administration Region ("HKSAR"), and (ii) Title Registration Education Committee of the Land Registry, HKSAR. Until the end of March 2023, Ms Chiang was also a member of the Committee on Real Estate Investments Trusts at the Securities and Future Commission, HKSAR.

Ms Chiang holds both a Bachelor of Laws and Postgraduate Certificate in Laws from the University of Hong Kong. She is also a China-Appointed Attesting Officer, a Notary Public as well as a Solicitor of Hong Kong (practising) and a Solicitor of Singapore, New South Wales and Victoria, Australia, England and Wales (non-practising).

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

KAN SHIK LUM

Independent Non-Executive Director and Member of Nominating and Remuneration Committee

Mr Kan Shik Lum is an Independent Non-Executive Director and a Member of the Nominating and Remuneration Committee of the Manager.

Mr Kan has over 33 years of experience in the banking and finance and capital markets sectors.

He was the Managing Director, Capital Markets where he oversaw the equity fund raising in primary and secondary markets. He also helped to augment the DBS Bank Ltd's capital markets franchise in Singapore and Hong Kong. Mr Kan retired from DBS Bank Ltd in 2015 after working with them for over 33 years.

Mr Kan is currently an Independent Director of Astrea V Pte. Ltd. and Astrea 7 Pte. Ltd., all of which are involved in the investment into non-commercial real estate private equity funds.

Mr Kan holds a Master of Arts degree in Economics from the Queen's University at Kingston, Canada and a Bachelor of Arts Honours (Magna Cum Laude) degree in Economics from McMaster University, Canada.

Past directorships in listed entities over the last three years:

Nil

CHUA KIM CHIU

Independent Non-Executive Director and Member of Audit and Risk Committee

Mr Chua Kim Chiu is an Independent Non-Executive Director and a Member of the Audit and Risk Committee of the Manager.

Mr Chua is a Professor (Practice) in Accounting at National University of Singapore Business School since July 2016.

Mr Chua has over 40 years of experience in audit, financial accounting, risk management and capital markets. He is a Chartered Accountant who had a long and distinguished career in PricewaterhouseCoopers ("PwC") Singapore where he was a partner from 1990, headed the banking and capital markets group as well as the China desk. He was a member of the firm's leadership team from 2005 until his retirement in June 2012, but was retained as senior advisor at PwC Hong Kong until June 2016.

Mr Chua is also an Independent Non-Executive Director of Oversea-Chinese Banking Corporation Limited where he is the Chairman of its Audit Committee and a Member of its Risk Management Committee.

Mr Chua holds a Bachelor of Commerce in Accountancy and a Bachelor of Commerce and

Administration with Honours in Accountancy from Nanyang Technological University and Victoria University of Wellington, respectively. He is a Fellow Chartered Accountant, Singapore, Australia and New Zealand as well as a Fellow of the Association of Chartered Certified Accountants, United Kingdom.

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

LAWRENCE WONG

Independent Non-Executive Director and Member of Audit and Risk Committee

Mr Lawrence Wong is an Independent Non-Executive Director and a Member of the Audit and Risk Committee of the Manager.

Mr Wong has over 35 years of experience in the fields of banking and finance, capital markets and real estate. He is currently a Non-Executive Independent Director, and a Member of the Audit, Nominating and Remuneration Committees of Hotel Properties Limited. He is also the Independent Chairman of Altax Pte. Ltd. (previously HGX Pte. Ltd.). Previously, Mr Wong was with the Singapore Exchange Limited ("SGX") first as Head of Listings and then Head of China until his retirement in March 2018. In his role with SGX, Mr Wong was also a member of various collaboration councils set up by Singapore with various provinces in China to promote economic trade and investment activities.

Prior to joining SGX in April 2006, Mr Wong was part of the senior management team at OCBC Bank. Before OCBC Bank, Mr Wong held several senior positions in the Schroders Group ("Schroders"), including Head of Corporate Finance for South East Asia and Head of Financial Institutions Group, Asia Pacific. His assignments also included an overseas posting to Shanghai, as General Manager of Schroders' joint venture and Head of Corporate Finance for Greater China.

Mr Wong holds a Bachelor's degree in Business Administration from the University of Singapore.

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

WU LONG PENG[1]

Independent Non-Executive Director and Member of Audit and Risk Committee

Mr Wu Long Peng is an Independent Non-Executive Director and a Member of the Audit and Risk Committee of the Manager.

Mr Wu was previously the Executive Director of Kuok (Singapore) Limited until 2017 and has more than 35 years of experience in risk management, finance and corporate affairs over various industries, including organised retailing.

Mr Wu is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom, and a Member of the Institute of Singapore Chartered Accountants.

Past directorships in listed entities over the last three years:

- Gamma Communications PLC (listed in the United Kingdom)

PASCAL LAMBERT

Independent Non-Executive Director

Mr Pascal Lambert is an Independent Non-Executive Director of the Manager.

Mr Lambert has more than 40 years of experience in various financial sectors, including banking and finance, capital markets and private equity. He was Group Country Head, Singapore, and Head of South East Asia and India for Societe Generale since 2012 until he left in September 2021. He joined Societe Generale in 2009 in Hong Kong where he acted as Chief Operating Officer for Asia from January 2010.

Before a short period with JP Morgan, Mr Lambert was a Senior Managing Director at Bear Stearns where he worked for 15 years, in Hong Kong, Dublin and London. Mr Lambert started his career at Banque Indosuez, and was posted to Djibouti, Mumbai and Tokyo. Mr Lambert was the President of the French Chamber of Commerce in Singapore from 2017 to 2021.

Mr Lambert holds a Bachelor of Business Administration from Ecole Superieure des Sciences Economiques et Commerciales ("ESSEC").

Past directorships in listed entities over the last three years:

- Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust) (delisted on 3 August 2022)

[1] Mr Wu was appointed as the Chairman of the Audit and Risk Committee effective on 15 June 2024.

BOARD OF DIRECTORS

MAK KEAT MENG[1]

Independent Non-Executive Director

Mr Mak Keat Meng is an Independent Non-Executive Director of the Manager.

Mr Mak retired from Ernst & Young LLP in 2019, with over 35 years of experience in the field of audit and risk management and financial reporting. He was the Head of Audit where he oversaw the audit practice in Singapore and ASEAN. He is the Non-Executive Director and Chairman of the Audit Committee and a member of the Risk Management Committee of Income Insurance Limited. He is also a Director of Paloe Private Limited, a company providing accounting cum CFO advisory services.

Mr Mak holds a Master of Business Administration degree from the International Management Centre (UK) and a Bachelor of Commerce (Accounting) degree from the University of Auckland, New Zealand. He is a Fellow Member of Chartered Accountants, Australia and New Zealand, Fellow Member of Association of Chartered Accountants and Member of the Institute of Singapore Accountants.

Past directorships in listed entities over the last three years:

Nil

ALVIN TAY

Independent Non-Executive Director

Mr Alvin Tay is an Independent Non-Executive Director of the Manager.

Mr Tay has over 20 years of experience in business and financial writing. He was previously the Managing Editor, English/Malay/Tamil Media Group at Singapore Press Holdings Limited before his retirement in February 2018. Prior to that, he was the Editor of The Business Times, a newspaper publication of Singapore Press Holdings Limited from 2002 to 2016.

Mr Tay is also a Non-Executive Director of The RICE Company Limited, a not-for-profit organisation involved in the promotion of arts and cultural activities in Singapore. Mr Tay holds a Bachelor of Social Science (Honours) from the University of Singapore.

Past directorships in listed entitles over the last three years:

Nil

CHUA TIOW CHYE

Non-Executive Director and Member of Nominating and Remuneration Committee

Mr Chua Tiow Chye is a Non-Executive Director and a Member of the Nominating and Remuneration Committee of the Manager.

Mr Chua has over 40 years of experience in various sectors, including in the finance, private equity, capital markets, urban planning and real estate sectors. He is the Deputy Group Chief Executive Officer of the Sponsor. He focuses on driving the Sponsor's strategic initiatives including expanding and directing the Sponsor's international real estate investments and developments.

Mr Chua is a member of the Ngee Ann Polytechnic Council and Chairman of its Design & Environment Advisory Committee. Mr Chua is also a member of its Investment Committee.

Previously, Mr Chua was the Group Chief Investment Officer and Regional Chief Executive Officer of North Asia & New Markets of the Sponsor. Mr Chua concurrently serves as Non-Executive Director of Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust) and Mr Chua remains a Director of Mapletree North Asia Commercial Trust Management Ltd. (previously the Manager of Mapletree North Asia Commercial Trust until it was delisted). He was also previously the Chief Executive Officer of Mapletree Logistics Trust Management Ltd..

Prior to joining the Sponsor in 2002, Mr Chua held senior positions with various companies including Vision Century Corporation Ltd, Ascendas Pte Ltd, Singapore Food Industries Pte Ltd and United Overseas Bank Ltd..

Mr Chua holds a Master of Business Administration from the University of Strathclyde and graduated with a Bachelor of Regional and Town Planning (1st Class Honours) from the University of Queensland in 1982.

Past directorships in listed entities over the last three years:

Nil

WENDY KOH

Non-Executive Director

Ms Wendy Koh is a Non-Executive Director of the Manager.

Ms Koh is concurrently the Group Chief Financial Officer of the Sponsor. She oversees the Finance, Tax, Treasury and Information Technology functions of the Sponsor.

She holds various appointments within the Sponsor group including as the Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the Manager of Mapletree Logistics Trust), Mapletree Industrial Trust Management Ltd. (the Manager of Mapletree Industrial Trust), and she remains a Director of Mapletree North Asia Commercial Trust Management Ltd. (previously the Manager of Mapletree North Asia Commercial Trust until it was delisted).

[1] Mr Mak was appointed as a Member of the Audit & Risk Committee effective on 15 June 2024.

Prior to her current role, she was the Regional Chief Executive Officer, South East Asia of the Sponsor from August 2014 to July 2019, heading the Sponsor's business in South East Asia and Head, Strategy and Research in 2014. She was also previously engaged by the Sponsor as an advisor to review the Sponsor's strategy implementation from FY09/10 to FY13/14, and was involved in the formulation of the Sponsor's second Five-Year Plan.

Before joining the Sponsor, Ms Koh was Co-head, Asia-Pacific Property Research at Citi Investment Research. With over 30 years of experience in private equity, capital markets and real estate as a real estate equities analyst, she was involved in many initial public offerings and capital raising deals including for Mapletree Logistics Trust, Mapletree Industrial Trust and Mapletree Commercial Trust (now known as Mapletree Pan Asia Commercial Trust).

Ms Koh holds a Bachelor of Business (Honours) degree specialising in Financial Analysis from the Nanyang Technological University of Singapore and the professional designation of Chartered Financial Analyst from the CFA Institute.

Past directorships in listed entities over the last three years:

Nil

SHARON LIM
Executive Director and Chief Executive Officer

Ms Sharon Lim is the Executive Director and Chief Executive Officer of the Manager.

Ms Lim has over 25 years of experience in the capital markets and real estate sectors. Ms Lim joined the Manager as the Chief Operating Officer in 2015.

Prior to joining the Manager, Ms Lim held various appointments, including senior management roles, in the CapitaLand group. Ms Lim was the Executive Director and Chief Executive Officer of CapitaMalls Malaysia REIT Management Sdn Bhd, the manager of CapitaMalls Malaysia Trust, which is listed on Bursa Malaysia. Prior to that, she was responsible for CapitaMall Asia's retail platform in Malaysia as Country Head, Malaysia of CapitaMall Trust Management Limited.

Ms Lim holds a Master of Business Administration degree from Murdoch University, Australia, and a Bachelor of Business degree from the RMIT University, Australia.

Past directorships in listed entitles over the last three years:

Nil

JOINT COMPANY SECRETARIES

WAN KWONG WENG
Joint Company Secretary

Mr Wan Kwong Weng is the Joint Company Secretary of the Manager as well as the other two Mapletree REIT Managers. He is concurrently the Group Chief Corporate Officer of the Sponsor, where he is responsible for all legal, compliance and corporate secretarial matters, human resource as well as corporate communications and administration matters across all business units and countries.

Prior to joining the Sponsor, Mr Wan was Group General Counsel – Asia at Infineon Technologies for seven years. He started his career with one of the oldest law firms in Singapore, Wee Swee Teow & Co., and was subsequently with the Corporate & Commercial/Private Equity practice group of Baker & McKenzie in Singapore and Sydney.

Mr Wan has an LL.B. (Honours) (Newcastle upon Tyne), where he was conferred the Wise Speke Prize, as well as an LL.M. (Merit) (London). He also attended London Business School Senior Executive Programme. He is called to the Singapore Bar, where he was awarded the Justice FA Chua Memorial Prize, and is also on the Rolls of Solicitors (England & Wales). Mr Wan was conferred the Public Service Medal (PBM) in 2012 and Public Service Star (BBM) in 2017.

Mr Wan is appointed as a Member of the Valuation Review Board since 2019. In addition, he is Secretary cum Member of the SMU Advisory Board for the Real Estate Programme.

SEE HUI HUI
Joint Company Secretary

Ms See Hui Hui is the Joint Company Secretary of the Manager, as well as the Deputy Group General Counsel of the Sponsor.

Prior to joining the Sponsor in 2010, Ms See was in the Corporate/Mergers & Acquisitions practice group of Wong Partnership LLP, one of the leading law firms in Singapore. She started her career as a litigation lawyer with Tan Kok Quan Partnership.

Ms See holds an LL.B. (Honours) from the National University of Singapore and is admitted to the Singapore Bar.

MANAGEMENT **TEAM**

SHARON LIM
Executive Director and Chief Executive Officer

Please refer to Ms Sharon Lim's profile under the Board of Directors section at Page 27 of this Annual Report.

JANICA TAN
Chief Financial Officer

Ms Janica Tan is responsible for the overall financial and capital management functions of MPACT.

Ms Tan has over 20 years of financial reporting and capital management experience. Prior to joining the Manager in 2016, she was the Chief Financial Officer of OUE Commercial REIT Management Pte. Ltd., the manager of OUE Commercial REIT.

Ms Tan holds an ACCA professional qualification. She is also a non-practising member of the Institute of Singapore Chartered Accountants.

CHOW MUN LEONG
Co-Head, Investments & Asset Management

Mr Chow Mun Leong co-heads the investment and asset management function of the Manager.

Mr Chow joined Mapletree North Asia Commercial Trust Management Ltd. in December 2021 and moved to the Manager after the merger of MCT and MNACT.

Mr Chow has close to 20 years of real estate investment and asset management experience in major firms including Temasek International, CapitaMalls Asia Limited and GIC Real Estate. Prior to joining Mapletree, he was Director in Temasek International since 2013, covering real estate investment and renewal projects in Real Estate Group and Enterprise Development Group respectively.

Mr Chow holds a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore.

KOH WEE LEONG
Co-Head, Investments & Asset Management

Mr Koh Wee Leong co-heads the investment and asset management function of the Manager.

Prior to his current appointment, Mr Koh was Director, Investor Relations of the Manager.

Mr Koh has more than 17 years of experience in real estate investment, asset management and private equity. Before joining the Manager in 2011, he held various positions in the CapitaLand Group from 2007 to 2011. His responsibilities included evaluating and executing investments in real estate and financial products in various countries as well as structuring, marketing and managing private equity real estate funds. From 2005 to 2007, he was with KPMG where he carried out projects in business advisory and corporate finance. He started his career in the Singapore Economic Development Board in 2002.

Mr Koh has a Master of Science degree from the Nanyang Technological University and a Bachelor of Engineering degree from the National University of Singapore.

TENG LI YENG
Director, Investor Relations

Ms Teng Li Yeng is responsible for MPACT's investor relations function. Ms Teng has more than 10 years of investor relations and communications experience.

Prior to joining the Manager in 2015, she was with the CapitaLand Group where her responsibilities included strategic planning and investor relations with public and private equity partners. She headed up the investor relations function for dual-listed CapitaMalls Asia Limited from 2013 to 2014 before it was privatised. She started her career with Singapore's Ministry of Trade & Industry where she was involved in FTA negotiations and formulating bilateral trade and economic policies with China.

Ms Teng holds a Bachelor of Science degree in Economics from the University College London, United Kingdom, and the International Certificate of Investor Relations.

CHARISSA WONG
Head, Retail Management

Ms Charissa Wong is responsible for the general management of VivoCity.

Ms Wong has close to 20 years of retail management experience in property management firms including CPL Management Services Pte Ltd, Knight Frank Pte Ltd and CapitaLand Retail Management Pte Ltd. Prior to joining the Manager in 2018, she was the Centre Director of APM Property Management Pte Ltd where she managed the retail operations of a major mixed-use development in Singapore.

Ms Wong holds a Diploma of Business Management (Marketing) from the Nanyang Polytechnic, Singapore.

GEORGINA GOH
Head, Leasing, Office

Ms Georgina Goh is responsible for the marketing of the Singapore office and business park properties.

Ms Goh has more than 25 years of marketing and leasing experience for commercial buildings with various leading real estate companies including the CapitaLand Group and City Development Limited. Prior to joining the Manager in 2019, she was Director, Asset Management in Raffles Quay Asset Management Pte Ltd from 2010 to 2018, responsible for the leasing and tenant management of landmark mixed-use and office buildings in Singapore.

Ms Goh holds a Bachelor of Science degree in Estate Management (with Honours) from the National University of Singapore.

WENDY LEE
General Manager, Festival Walk, Hong Kong

Ms Wendy Lee is based in Hong Kong and is responsible for the general management of Festival Walk.

Ms Lee has more than 20 years of mall management experience including leasing and property management. She joined Mapletree North Asia Commercial Trust Management Ltd. in 2018 and moved to the Manager after the merger of MCT and MNACT. Prior to this, she held various positions at Swire Properties, Hang Lung Properties Ltd and Sun Hung Kai Real Estate Agency Ltd.

Ms Lee holds a Bachelor of Public & Social Administration degree and a Bachelor of Housing Studies degree from the City University of Hong Kong.

FRANK ZHOU
General Manager, Investment & Asset Management, China

Mr Frank Zhou is based in Shanghai and is responsible for investment and asset management activities in China.

Mr Zhou has more than 20 years of real estate investment experience with developers, foreign real estate funds and asset management companies. He joined Mapletree North Asia Commercial Trust Management Ltd. in 2018 and moved to the Manager after the merger of MCT and MNACT. Prior to this, he held various positions at Taiping Asset Management, Shanghai Forte Land and Pacific Star Group.

Mr Zhou holds a Master of Business Administration degree from the University of Hong Kong and a Bachelor in Economics degree from the Fudan University, China.

KIYOSHI TSUCHIYA
Director, Investments & Asset Management, Commercial, Japan

Mr Kiyoshi Tsuchiya is based in Tokyo and is responsible for investment and asset management activities in Japan.

Mr Tsuchiya has over 30 years of real estate investment, asset management, development, transaction and valuation experience in firms including Morgan Stanley Capital K.K., CBRE K.K., Mori Building Real Estate Investment Advisory, Pacific Star Japan K.K. and Taisei Corporation. Prior to joining the Manager in 2022, he was Director at CBRE K.K., leading the Asset Management and Hotels team.

Mr Tsuchiya holds a Bachelor of Business Administration degree from the Yokohama City University, Japan. He is also a Licensed Real Estate Appraiser (Japan) and Real Estate Transaction Manager (Japan).

JACOB CHUNG
General Manager, Korea

Mr Jacob Chung is based in Seoul and is responsible for investment and asset management activities in South Korea. Prior to this, Mr Chung was with Mapletree Logistics Trust Management Ltd. as the General Manager, South Korea, and was responsible for the market's investment and asset management activities.

Mr Chung has over 30 years of professional real estate experience with various companies including SK Networks, PS Asset Management, CBRE Korea, Samsung C&T and Saman Engineering. Prior to joining Mapletree in 2013, he was Vice President of SK Networks where his key responsibilities were to review development opportunities and implement real estate liquidation plans in South Korea.

Mr Chung holds a Master of Environmental Planning degree from the Arizona State University, United States, and a Bachelor of Urban Engineering degree from the Hanyang University, South Korea.

UNWAVERING COMMITMENT TO EXCELLENCE

Our relentless pursuit of better performance at our assets is a testament to our unwavering commitment to excellence. Through proactive and agile asset management, we continuously strive to enhance our portfolio fundamentals and drive value creation. Our dedication to forging a resilient and future-proof business guides our active pursuit of opportunities to optimise our assets, delivering value for our stakeholders.

Festival Walk, Hong Kong

FINANCIAL & CAPITAL MANAGEMENT REVIEW

	FY23/24 (S$'000)	FY22/23[1] (S$'000)	Variance (%)
Gross revenue	958,088	826,185	16.0
Property operating expenses	(230,159)	(194,243)	(18.5)
Net property income	**727,929**	**631,942**	**15.2**
Finance income	2,512	1,603	56.7
Finance expenses	(227,994)	(163,762)	(39.2)
Manager's management fees	(49,848)	(48,633)	(2.5)
Trustee's fees	(1,819)	(1,652)	(10.1)
Other trust expenses	(3,933)	(2,823)	(39.3)
Foreign exchange gain/(loss)	4,923	(3,746)	N.M.
Net change in fair value of financial derivatives	2,598	19,159	(86.4)
Profit before tax and fair value change in investment properties and share of profit of a joint venture	**454,368**	**432,088**	**5.2**
Net change in fair value of investment properties	141,804	43,511	N.M.
Share of profit of a joint venture	6,380	9,425	(32.3)
Profit before tax	**602,552**	**485,024**	**24.2**
Income tax (expense)/credit	(19,482)	1,725	N.M.
Profit after tax	**583,070**	**486,749**	**19.8**
Amount available for distribution to Unitholders	**468,569**	**445,598**	**5.2**
DPU (Singapore cents)			
– Taxable distribution	6.09	7.15	(14.8)
– Capital distribution	1.15	0.64	79.7
– Tax-exempt income distribution	1.67	1.82	(8.2)
Total DPU	**8.91**	**9.61**	**(7.3)**

N.M.: Not meaningful.

Gross Revenue

Gross revenue was 16.0% higher at S$958.1 million for FY23/24 as compared to FY22/23. This was largely due to the full-year contribution from the overseas properties acquired through the merger[1] and higher contribution from the Singapore properties.

Excluding the contribution from the overseas properties, gross revenue was 5.4% higher yoy. Positive contributions across all major revenue categories including fixed rent, carpark income and advertising and promotion income, were observed for the Singapore properties. The increase was partially offset by lower compensation sum received from the pre-termination of leases in FY23/24 compared to FY22/23.

Property Operating Expenses

Property operating expenses were 18.5% higher at S$230.2 million for FY23/24 as compared to FY22/23. This was mainly due to the property operating expenses incurred by the overseas properties for the full year in FY23/24.

Property operating expenses for the Singapore properties were 8.7% higher yoy mainly due to the full-year impact from higher utility expenses as a result of the higher contracted rates, partially offset by a refund of prior year's property tax.

Net Property Income

NPI was S$727.9 million, 15.2% higher as compared to FY22/23. Excluding the contribution from the overseas properties, NPI was S$440.4 million in FY23/24, 4.4% higher as compared to FY22/23.

Finance Expenses

Finance expenses were 39.2% higher at S$228.0 million for FY23/24 as compared to FY22/23 mainly due to the full-year interest expenses incurred by the overseas properties and the acquisition debt, as well as higher interest rates on the existing SGD and HKD borrowings.

Amount Available for Distribution and Distribution Per Unit

The amount available for distribution was S$468.6 million for FY23/24. This was 5.2% higher compared to the S$445.6 million for FY22/23.

FY23/24 DPU of 8.91 Singapore cents was 7.3% lower than the DPU of 9.61 Singapore cents in FY22/23.

[1] On 21 July 2022, the merger with MNACT was completed by way of a trust scheme of arrangement. Following this, MNACT Group's financials were consolidated into MPACT Group from 21 July 2022.

The breakdown of DPU in Singapore cents for FY23/24 as compared to FY22/23 is as follows:

FY23/24	1 April 2023 to 30 June 2023	1 July 2023 to 30 September 2023	1 October 2023 to 31 December 2023	1 January 2024 to 31 March 2024	Total
DPU (Singapore cents)	2.18	2.24	2.20	2.29	**8.91**
FY22/23	**1 April 2022 to 20 July 2022**	**21 July 2022 to 30 September 2022**	**1 October 2022 to 31 December 2022**	**1 January 2023 to 31 March 2023**	**Total**
DPU (Singapore cents)	3.04 (clean-up distribution)	1.90	2.42	2.25	**9.61**

Note: DPU from 21 July 2022 onwards was based on an enlarged number of Units mostly resulting from the issuance of 1,018,382,531 preferential offering units to fund the cash component of the scheme consideration, and 885,734,587 consideration units issued to MNACT unitholders in relation to the merger.

Project Management Fees

MPMPL was contracted to carry out project management for the AEI at VivoCity and Mapletree Anson.

The AEI at VivoCity relates to the reconfiguration of a portion of the Level 1 space previously occupied by TANGS into a new cluster of F&B and specialty shops, and the upgrading of common area and toilets. The AEI at Mapletree Anson relates to the upgrading of toilets. The project management fees payable represents 3% of the total construction costs of the AEIs. The quantum of the project management fees are within market norms and reasonable range as assessed by WT Partnership (S) Pte Ltd in its opinions issued on 19 December 2023.

The total project management fees paid/payable to MPMPL in relation to the AEIs at VivoCity and Mapletree Anson were S$1.2 million, and were capitalised in investment properties.

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

Net Assets Attributable to Unitholders

	As at 31 March 2024	As at 31 March 2023	Change (%)
Total Assets (S$ million)	**16,662.3**	16,828.8	(1.0)
Total Liabilities (S$ million)	**7,191.1**	7,346.4	(2.1)
Net Assets (S$ million)	**9,471.2**	9,482.4	(0.1)
Net Assets Attributable to:			
- Unitholders (S$ million)	**9,209.2**	9,220.3	(0.1)
- Perpetual Securities Holders (S$ million)	**249.3**	249.4	(0.1)
- Non-controlling Interest (S$ million)	**12.8**	12.7	0.6
Number of Units in Issue (million)	**5,253.0**	5,239.3	0.3
NAV per Unit (S$)	**1.75**	1.76	(0.6)
Adjusted NAV per Unit (S$)	**1.73**	1.74	(0.6)

Total assets decreased by 1.0% to S$16,662.3 million as at 31 March 2024 largely due to the decrease in investment properties as a result of the strengthening of SGD against HKD, RMB and JPY. This decrease was mitigated by the increase in valuation of the Singapore properties.

Total liabilities decreased by 2.1% to S$7,191.1 million as at 31 March 2024 largely due to lower borrowings as a result of the strengthening of SGD against HKD, RMB and JPY and net loan repayment during the year.

Correspondingly, net assets attributable to Unitholders was marginally down by 0.1% to S$9,209.2 million as compared to the previous financial year, resulting to a lower NAV per Unit of S$1.75 as at 31 March 2024.

The adjusted NAV per Unit (excluding the distributable amount payable for 4Q FY23/24) was S$1.73.

FINANCIAL & CAPITAL MANAGEMENT REVIEW

Valuation of Assets

In compliance with the Property Funds Appendix, which states that a valuer should not value the same property for more than two consecutive financial years, new valuers were appointed for the independent valuations of all properties as at 31 March 2024.

As at 31 March 2024, MPACT's total portfolio (including MPACT's 50% effective interest in The Pinnacle Gangnam) was valued S$16,499.5 million. This comprised the Singapore properties valued at S$9,118.0 million, and the overseas properties (including MPACT's 50% effective interest in The Pinnacle Gangnam) valued at S$7,381.5 million.

The total portfolio valuation was marginally lower by 0.5% than a year ago primarily due to the decrease in valuation of the overseas properties as a result of the strengthening of the SGD against HKD, RMB and JPY. This decrease was mitigated by the increase in valuation of the Singapore properties, largely driven by VivoCity's improved operational performance.

Comparing the total portfolio valuation at the end of FY23/24 to that at the end of FY22/23, the majority of the properties maintained stable valuations in their respective local currencies. The operational valuation impact of S$40.3 million for the overseas assets represents a small portion of the total valuation variance for the

	As at 31 March 2024[1]		As at 31 March 2023[2]	Variance		
	(million)	Capitalisation Rate[3]	(million)	Total (million)	Valuation Impact (million)	Foreign Exchange Impact (million)
VivoCity	S$3,358.0	4.50%	S$3,232.0	S$126.0	S$126.0	–
MBC I	S$2,287.0	Office: 3.75% Business Park: 4.85%	S$2,250.0	S$37.0	S$37.0	–
MBC II	S$1,568.0	Retail: 4.75% Business Park: 4.80%	S$1,552.0	S$16.0	S$16.0	–
mTower	S$790.0	Office: 4.00% Retail: 4.75%	S$753.0	S$37.0	S$37.0	–
Mapletree Anson	S$765.0	3.35%	S$752.0	S$13.0	S$13.0	–
BOAHF	S$350.0	3.75%	S$340.0	S$10.0	S$10.0	–
Singapore Properties	**S$9,118.0**		**S$8,879.0**	**S$239.0**	**S$239.0**	**–**
Festival Walk	HKD25,080.0 / S$4,270.6[4]	4.20% (Gross)	HKD25,060.0 / S$4,299.0[5]	HKD20.0 / (S$28.4)	HKD20.0 / S$3.4	(S$31.8)
Gateway Plaza	RMB6,157.0 / S$1,140.5[4]	4.50%	RMB6,236.0 / S$1,220.6[5]	(RMB79.0) / (S$80.1)	(RMB79.0) / (S$14.6)	(S$65.5)
Sandhill Plaza	RMB2,350.0 / S$435.3[4]	4.75%	RMB2,420.0 / S$473.7[5]	(RMB70.0) / (S$38.4)	(RMB70.0) / (S$13.0)	(S$25.4)
Japan Properties	JPY142,470.0 / S$1,284.4[4]	3.40% - 4.30%	JPY144,300.0 / S$1,449.1[5]	(JPY1,830.0) / (S$164.7)	(JPY1,830.0) / (S$16.5)	(S$148.2)
The Pinnacle Gangnam (50% interest)	KRW247,800.0 / S$250.6[4]	4.30%	KRW247,450.0 / S$254.3[5]	KRW350.0 / (S$3.6)	KRW350.0 / S$0.4	(S$4.0)
Overseas Properties	**S$7,381.5**		**S$7,696.7**	**(S$315.2)**	**(S$40.3)**	**(S$274.9)**
Total Portfolio	**S$16,499.5**		**S$16,575.7**	**(S$76.2)**	**S$198.7**	**(S$274.9)**

1 The valuation of VivoCity was conducted by Savills Valuation and Professional Services (S) Pte Ltd, the valuations of MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by CBRE Pte. Ltd., the valuation of Festival Walk was conducted by CBRE Limited, the valuations of Gateway Plaza and Sandhill Plaza were conducted by CBRE (Shanghai) Management Limited, the valuations of Japan properties were conducted by Savills Japan Valuation G.K. and the valuation of TPG was conducted by Savills Korea Co., Ltd.

2 The valuation of VivoCity was conducted by CBRE Pte. Ltd., the valuations of MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by Jones Lang LaSalle Property Consultants Pte Ltd, the valuations of Festival Walk, Gateway Plaza and Sandhill Plaza were conducted by Knight Frank Petty Limited, the valuations of Japan properties were conducted by Colliers International Japan KK and the valuation of TPG was conducted by Colliers International (Hong Kong) Limited.

3 The capitalisation rates are reported on a net basis unless otherwise stated.

4 Based on 31 March 2024 exchange rates S$1 = HKD5.8727, S$1 = RMB5.3984, S$1 = JPY110.9238 and S$1 = KRW988.7285.

5 Based on 31 March 2023 exchange rates S$1 = HKD5.8292, S$1 = RMB5.1088, S$1 = JPY99.5808 and S$1 = KRW973.2360.

overseas assets. Excluding the effect of foreign exchange movement, the portfolio recorded a positive valuation impact of S$198.7 million.

The stronger SGD led to the decrease in the value of the overseas properties when the valuations in their respective local currencies were converted into SGD, which resulted in a total negative valuation variance of S$76.2 million. The effect of foreign exchange movement on the value of the overseas properties in SGD is included in the net currency translation differences in other comprehensive income in accordance with the relevant accounting standards.

Capital Management

We continue to proactively manage MPACT's capital structure by adopting a disciplined approach in addressing funding requirements and managing refinancing, interest rate risks and foreign exchange rate risks.

As at 31 March 2024, MPACT's total gross debt outstanding and gross perpetual securities outstanding were S$6.8 billion and S$250.0 million, respectively. The total gross debt outstanding comprised S$5.7 billion in bank borrowings and S$1.1 billion of bonds and notes. Green borrowings accounted for more than one-third of the total gross debt outstanding as at 31 March 2024.

In FY23/24, MPACT secured approximately S$1.4 billion of new bank facilities and S$200.0 million of green notes for refinancing, as well as for financial flexibility. Throughout the financial year, MPACT remained well-capitalised with sufficient financial flexibility.

As at 31 March 2024, approximately S$1.5 billion of cash and undrawn facilities were available to meet working capital and financial obligations. The aggregate leverage ratio decreased marginally from 40.9% as at 31 March 2023 to 40.5% as at 31 March 2024, due to lower gross borrowings as a result of the depreciating JPY, RMB and HKD against SGD. Taking reference from the 50% aggregate leverage limit set by MAS,[1] the debt headroom was approximately S$3.2 billion. The total gross debt outstanding including perpetual securities to net asset value ratio was 76.5% as at 31 March 2024.

As at 31 March 2024, MPACT was assigned a Baa1 credit rating with negative outlook by Moody's.

Key Financial Metrics and Indicators

	As at 31 March 2024	As at 31 March 2023
Total Gross Debt Outstanding[2] (S$ million)	6,803.0	6,940.8
Aggregated Leverage Ratio[3]	40.5%	40.9%
Adjusted ICR	2.9 times	3.5 times
% of Fixed Rate Debt	77.1%	75.5%
Weighted Average All-In Cost of Debt (per annum)[4]	3.35%	2.68%
Average Term to Maturity of Debt	3.0 years	3.0 years
Unencumbered Assets as % of Total Assets	90.7%	89.8%
MPACT Issuer Rating (by Moody's)	Baa1 (negative)	Baa1 (stable)

1 With effect from 1 January 2022, MAS allowed a REIT's aggregate leverage limit to exceed 45% (up to a maximum of 50%) if its adjusted ICR is at least 2.5 times.
2 Includes share attributable to non-controlling interest and MPACT's proportionate share of joint venture's gross debt.
3 Based on total gross debt divided by total deposited property (excludes share attributable to non-controlling interests and includes MPACT's proportionate share of joint venture's gross debt and deposited property value).
4 Include amortised transaction costs.

FINANCIAL & CAPITAL MANAGEMENT REVIEW

Healthy Capital Structure & Liquidity

Total Gross Debt

S$**6.8**B[1]

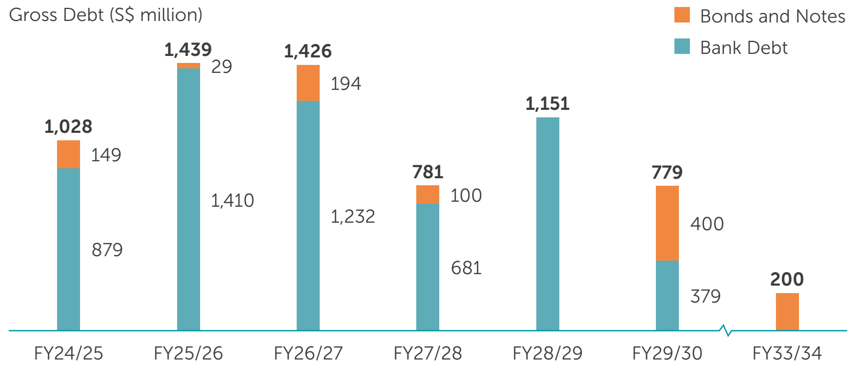
Available Liquidity

~S$**1.5**B

of cash and undrawn committed facilities

Well-Distributed Debt Maturity Profile

(As at 31 March 2024)



% of Total Debt

FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY33/34
15%	21%	21%	12%	17%	11%	3%

Diversified Sources of Funding

In March 2024, MPACT tapped on its Euro Medium Term Securities Programme and issued its second series S$200 million fixed rate senior green notes. The proceeds from the green notes were used to refinance eligible green projects in accordance with the Green Finance Framework.

Prudent Hedging Strategies

MPACT's diversified geographic presence across the five key gateway markets of Asia subjects the Group to various market risks, including interest rate and foreign exchange rate risks, amongst others. Derivative financial instruments were used to hedge against these risks.

Interest Rate Risk Management

We manage MPACT's interest rate risk by maintaining a mix of fixed and floating rate debt. As at 31 March 2024, 77.1% of the gross debt was in fixed rate debt, or fixed through interest rate swaps and cross-currency interest rate swaps.

Based on unhedged debt as at 31 March 2024, if benchmark rates were to increase/decrease by 50 basis points, with all other variables being held constant, DPU on a full-year basis would be approximately 0.13 Singapore cents lower/higher.

~77% of Total Debt Hedged or Fixed

[1] Includes share attributable to non-controlling interest and MPACT's proportionate share of joint venture's gross debt.

Foreign Exchange Risk Management

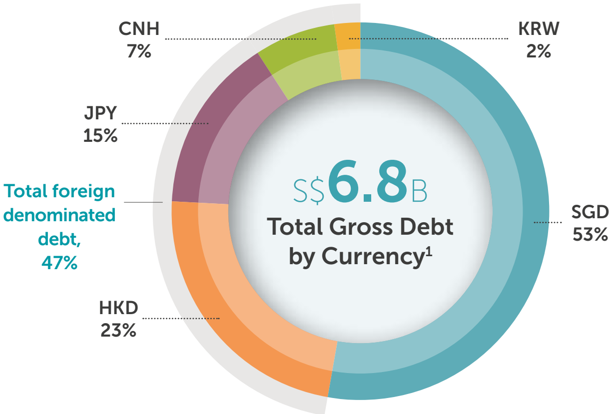
We manage MPACT's foreign exchange risk through natural and derivative hedging.

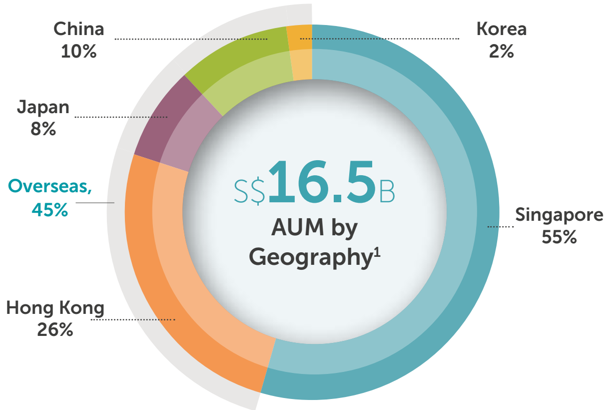
Where practicable, the Manager maintains a natural hedge by matching MPACT's debt mix with the geographical composition of the AUM. During the financial year, a portion of HKD loans was swapped into CNH, reducing the HKD component from 30% to 23% and increasing the CNH component from 0.3% to 7% of the total debt. This adjustment resulted in a closer alignment of MPACT's debt mix with the AUM composition, delivering risk management and interest rate benefits.

As at 31 March 2024, about 47% of the total gross debt was denominated in foreign currencies, with 23% in HKD, 15% in JPY, 7% in CNH, and the balance of 2% in KRW.

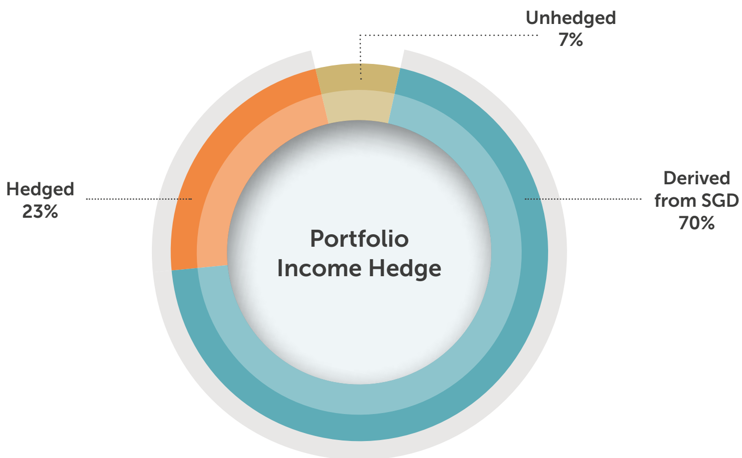
At the end of FY23/24, about 93% of the expected distributable income (based on rolling four quarters) was derived from or hedged into SGD.

Maintains Natural Hedge by Matching Debt Mix with AUM Composition





~93% of Expected Distributable Income[2] Derived from or Hedged into SGD



[1] Include MPACT's 50% effective interest in The Pinnacle Gangnam's investment property and gross debt.
[2] Based on rolling four quarters of distributable income.

OPERATIONS **REVIEW**

Singapore Remains a Core Market for MPACT

Singapore remains a core market for MPACT, anchored by our flagship assets, VivoCity and MBC. Delivering another year of robust performance, the Singapore properties contributed a total of S$574.7 million of gross revenue, up 5.4% yoy. NPI contribution from the Singapore properties grew S$18.7 million or 4.4% yoy to S$440.4 million, after fully offsetting the increased utility expenses.

VivoCity and MBC continued to lead the way, generating a combined S$467.9 million in gross revenue and S$358.9 million in NPI in FY23/24, up 5.0% and 3.8% yoy, respectively. The other Singapore properties also delivered strong results, with gross revenue and NPI growing 7.4% and 7.5% yoy to S$106.8 million and S$81.5 million, respectively.

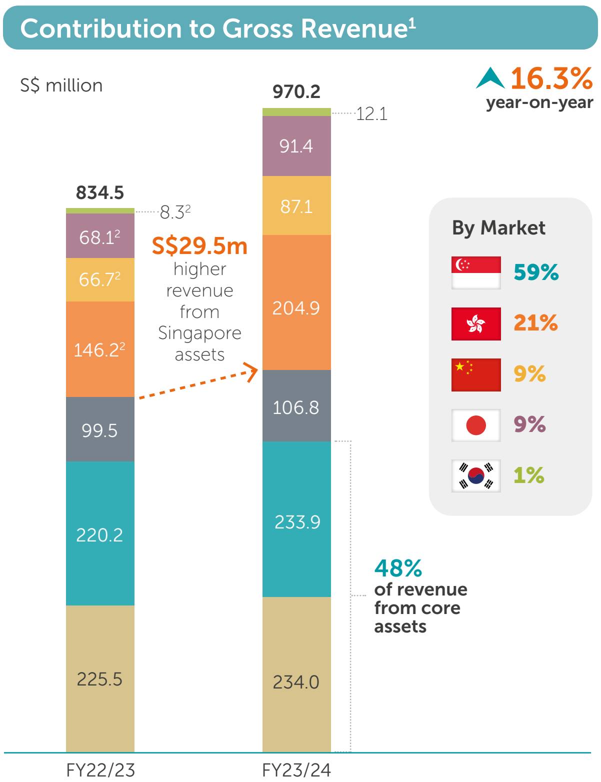
Together, the Singapore properties generated approximately 59% and 60% of MPACT's total contribution to gross revenue and NPI in FY23/24,[1] respectively.

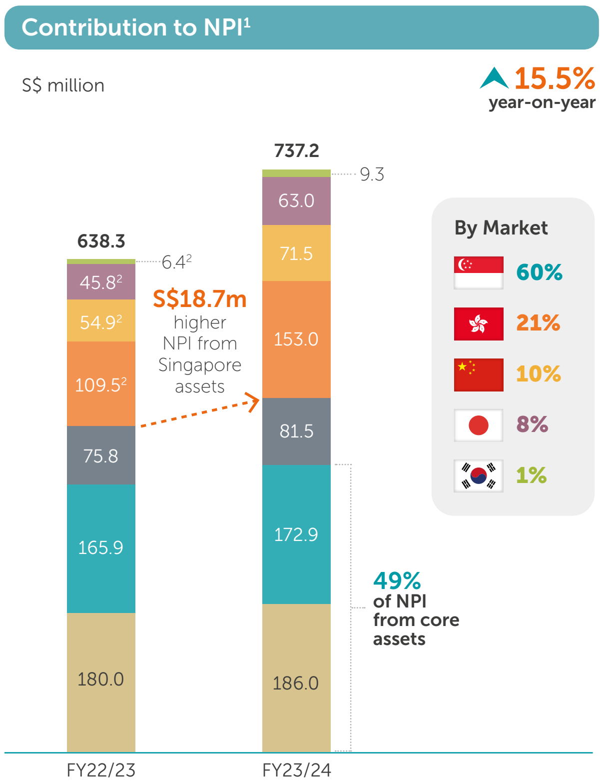
Merger Gains Moderated by Forex Headwinds

Reporting their inaugural full-year contribution post-merger, the overseas assets (including MPACT's 50% effective share in The Pinnacle Gangnam) delivered S$395.5 million and S$296.8 million of contribution to gross revenue and NPI respectively in FY23/24, up 36.7% and 37.0% from FY22/23.[2] The merger gains, however, were moderated by a stronger SGD against all foreign currencies.

Our Greater China assets continued to navigate market headwinds with resilience despite a slower-than-expected economic recovery post-COVID. Festival Walk in Hong Kong recorded a contribution to gross revenue and NPI of S$204.9 million and S$153.0 million, respectively. In particular, our China properties outperformed the market, contributing S$87.1 million and S$71.5 million to gross revenue and NPI, respectively.

In FY23/24, our Japan portfolio of nine properties posted gross revenue and NPI contribution of S$91.4 million and S$63.0 million, respectively. The Pinnacle Gangnam, our office building in South Korea, contributed S$12.1 million and S$9.3 million in gross revenue and NPI contribution, respectively (based on MPACT's 50% effective interest).





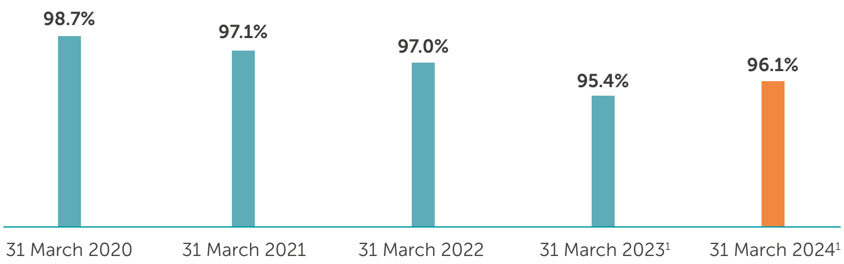
MBC, SG · VivoCity, SG · Other SG properties · Festival Walk, HK · China properties · Japan properties · The Pinnacle Gangnam, KR

1 The contribution to gross revenue and NPI include MPACT's 50% effective share of gross revenue and NPI from The Pinnacle Gangnam.
2 These properties were acquired as a result of the merger that was completed on 21 July 2022. Consequently, contribution to gross revenue and NPI were for the period from 21 July 2022 to 31 March 2023.

Maintained Healthy Commitment Levels

MPACT's portfolio continued to maintain a high committed occupancy level on the back of our proactive asset management efforts, closing the year with a healthy committed occupancy rate of 96.1%.

Committed Occupancy



Over 2.5 Million Square Feet of Lettable Area Renewed or Re-let in FY23/24

In FY23/24, 417 leases totalling over 2.5 million square feet of lettable area were renewed or re-let.[2] They comprise 218 retail leases totalling 515,464 square feet of lettable area and 199 office/business park leases totalling 2,035,711 square feet of lettable area, respectively. This includes the successful renewal of a major tenant at Sandhill Plaza despite ongoing market challenges, mitigating occupancy risk.

Led by strong positive rental reversions from the Singapore assets, the entire portfolio registered a full-year rental uplift of 2.9% against preceding average effective fixed rents of the expiring leases.

MPACT's retail leases registered 73.6% retention rate, while the office and business park leases recorded 72.3% retention rate, resulting in an overall portfolio retention rate of 72.5% for FY23/24.

	Number of Leases Committed	Retention Rate by Lettable Area (%)	Rental Reversion[3] (%)
VivoCity, Singapore	83	82.2	14.0
MBC, Singapore	17	81.7	6.7
Other Singapore properties	38	79.8	7.1
Festival Walk, Hong Kong	89	63.2	-8.7
China properties	35	72.4	-2.7
Japan properties	35	71.7	-1.9
The Pinnacle Gangnam, South Korea	6	17.7	39.0
Portfolio	**303**	**72.5**	**2.9**

Note: Information in the above table are on a committed basis for all leases with expiry dates in FY23/24 only.

1 Includes properties acquired as a result of the merger with MNACT that was completed on 21 July 2022.

2 On a committed basis for all leases with expiry dates in FY23/24, as well as leases with expiry dates after FY23/24 that were renewed or re-let in advance. Excludes short-term leases that are less than or equal to 12 months. Total area also includes pre-existing vacant units (as at 31 March 2023) and pre-terminated units in FY23/24 (with expiries beyond FY23/24) which were committed during the reporting period.

3 Rental reversion is calculated based on the change in the average effective fixed rental rates of the new leases compared to the average effective fixed rents of the expiring leases. It takes into account rent-free periods and step-up rental rates over the lease terms (if any). It excludes rental rates for short-term leases that are less than or equal to 12 months where rental rates are not reflective of prevailing market rents that are on normal lease tenure basis.

OPERATIONS **REVIEW**

Well-Staggered Lease Expiry Profile

MPACT proactively manages its leases to ensure that its lease expiry profile remains well-spread. As at 31 March 2024, MPACT had a portfolio weighted average lease expiry ("WALE") on a committed basis of 2.4 years by gross rental income ("GRI"). With a typical lease term of three years, the WALE for MPACT's retail component was 2.1 years. Meanwhile, the WALE for the office and business park component was at a manageable 2.7 years. Based on the date of commencement of leases, MPACT's portfolio WALE was 2.1 years as at 31 March 2024.

As at 31 March 2024, MPACT's portfolio had 1,183 committed leases, of which 21.9% by GRI would be expiring in FY24/25.

The leases entered into in FY23/24 contributed 18.9% of GRI as at 31 March 2024 and had a WALE of 3.7 years.

Diversified and Quality Tenant Profile

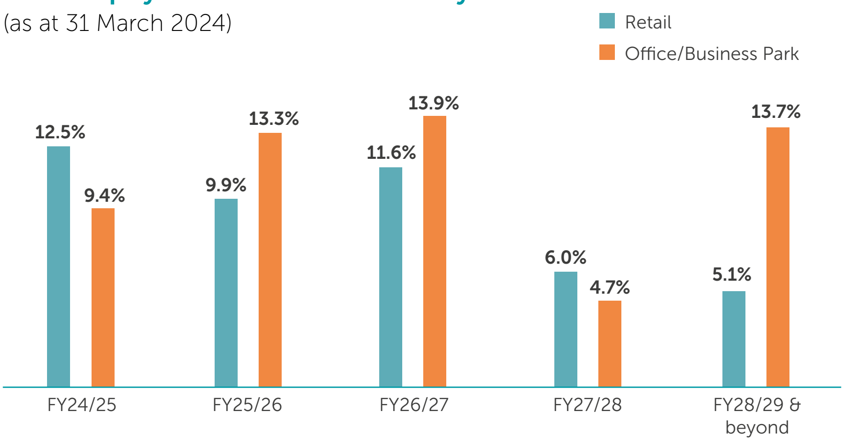
As at 31 March 2024, MPACT's top ten tenants (excluding an undisclosed tenant) accounted for 21.6% of the portfolio GRI.

MPACT has a well-diversified base of 975 tenants across a wide variety of trade sectors. No single trade segment accounted for more than 13.8% of MPACT's GRI as at 31 March 2024.

WALE by GRI (by years)

Portfolio	Retail	Office/Business Park
2.4	2.1	2.7

Lease Expiry Profile as a % of Monthly GRI
(as at 31 March 2024)



Number of Leases

338	345	321	103	76

Breakdown of Tenants in MPACT's Portfolio
(as at 31 March 2024)

	Number of Tenants
VivoCity	329
MBC	70
Other Singapore properties	138
Festival Walk	206
China properties	123
Japan properties	105
The Pinnacle Gangnam	32
Total	**975[1]**

[1] Total does not add up due to common tenants across properties.

Top Ten Tenants by GRI

(as at 31 March 2024)

	Tenant	Property(ies)	% of GRI
1	Google Asia Pacific Pte. Ltd.	MBC	6.0%
2	BMW	Gateway Plaza	3.2%
3	TaSTe	Festival Walk	2.0%
4	The Hongkong and Shanghai Banking Corporation Limited	MBC and Festival Walk	2.0%
5	Seiko Instruments Inc.	SMB	1.8%[1]
6	Undisclosed Tenant	–	–
7	Hewlett-Packard Japan, Ltd.	HPB	1.7%
8	Merrill Lynch Global Services Pte. Ltd.	BOAHF	1.7%
9	NTT Urban Development	MBP	1.7%[2]
10	Arup	Festival Walk	1.6%
	Total		**21.6%[3]**

Trade Mix by GRI

(as at 31 March 2024)

	Trade Mix	% of GRI
1	F&B	13.8%
2	IT Services & Consultancy	13.8%
3	Banking & Financial Services	8.3%
4	Fashion	7.4%
5	Machinery / Equipment / Manufacturing	5.8%
6	Department Store / Supermarket / Hypermarket	5.2%
7	Real Estate / Construction	4.8%
8	Government Related	4.1%
9	Professional & Business Services	4.1%
10	Beauty & Health	3.9%
11	Luxury Jewellery, Watches & Fashion Accessories	3.4%
12	Automobile	3.3%
13	Shipping Transport	2.8%
14	Electronics (Office / Business Park)	2.3%
15	Consumer Electronics	2.2%
16	Sports	2.2%
17	Lifestyle	2.1%
18	Consumer Goods & Services	2.1%
19	Pharmaceutical	2.1%
20	Others[4]	6.4%
	Total	**100.0%**

1 Following the lease expiration of Seiko Instruments Inc. at SMB on 30 June 2024, Seiko Instruments Inc. will no longer be a top ten tenant of the portfolio.
2 Following the lease expiration of NTT Urban Development at MBP on 31 March 2024, NTT Urban Development is no longer a top ten tenant of the portfolio.
3 Excluding the undisclosed tenant.
4 Others include Leisure & Entertainment, Convenience & Retail Services, Trading, Optical, Education & Enrichment, Energy, Medical and Others.

PROPERTY **OVERVIEW**

As at 31 March 2024, MPACT holds a diversified and high-quality portfolio of 18 commercial assets spanning Singapore, Hong Kong, China, Japan and South Korea valued at approximately S$16.5 billion. Located across key gateway markets of Asia, these assets provide a robust platform to capitalise on opportunities in the region's long-term growth.

Gross Revenue

S$**958.1**M

Portfolio Lettable Area

11.2M Sq Ft

CHINA

2 Properties

Beijing
- Gateway Plaza

Shanghai
- Sandhill Plaza

SOUTH KOREA

1 Property

- The Pinnacle Gangnam

JAPAN

9 Properties

Tokyo
- Hewlett-Packard Japan Headquarters Building ("HPB")
- IXINAL Monzen-nakacho Building ("MON")
- Omori Prime Building ("Omori")
- TS Ikebukuro Building ("TSI")
- Higashi-nihonbashi 1-chome Building ("HNB")

Chiba
- mBAY POINT Makuhari ("MBP")
- Fujitsu Makuhari Building ("FJM")
- SII Makuhari Building ("SMB")

Yokohama
- ABAS Shin-Yokohama Building ("ASY")

HONG KONG

1 Property

- Festival Walk

SINGAPORE

5 Properties

- VivoCity
- Mapletree Business City ("MBC")
- mTower
- Mapletree Anson
- Bank of America HarbourFront ("BOAHF")

NPI

S$727.9M

AUM

S$16.5B

PROPERTIES AT A GLANCE

SUMMARY AND REVIEW

SINGAPORE




	VivoCity	Mapletree Business City	mTower	Mapletree Anson
City	Singapore	Singapore	Singapore	Singapore
Address	1 HarbourFront Walk	10 - 80 Pasir Panjang Road	460 Alexandra Road	60 Anson Road
Asset Type	Retail	Business Park, Office, Retail	Office and Retail	Office
Lettable Area (square feet)	1,067,772	2,888,738	524,874	329,487
Carpark Lots	2,183	2,001	749	80
Title	Leasehold 99 years from 1 October 1997	MBC I: Strata Lease from 25 August 2016 to 29 September 2096 MBC II: Leasehold 99 years from 1 October 1997	Leasehold 99 years from 1 October 1997	Leasehold 99 years from 22 October 2007
Date of Acquisition	N.A.[3]	MBC I: 25 August 2016 MBC II: 1 November 2019	27 April 2011	4 February 2013
Purchase Price (million)	N.A.[3]	MBC I: S$1,780.0 MBC II: S$1,550.0	S$477.2	S$680.0
Valuation as at 31 March 2024 (million)	S$3,358.0	MBC I: S$2,287.0 MBC II: S$1,568.0	S$790.0	S$765.0
Valuation per square foot Lettable Area	S$3,145	MBC I: S$1,342 MBC II: S$1,324	S$1,505	S$2,322
Capitalisation Rate[8]	4.50%	MBC I (Office): 3.75% MBC I (BP): 4.85% MBC II (Retail): 4.75% MBC II (BP): 4.80%	Office: 4.00% Retail: 4.75%	3.35%
Green Certifications	BCA Green Mark Platinum	MBC I & II: • BCA Green Mark Platinum MBC II: • BCA Universal Design Mark Platinum Award • LEED® Gold	BCA Green Mark Gold[PLUS]	BCA Green Mark Platinum
Gross Revenue (million)	S$233.9	S$234.0	S$49.1	S$37.2
NPI (million)	S$172.9	S$186.0	S$36.7	S$29.3
Committed Occupancy Rate (as at 31 March 2024)	100.0%	96.0%	96.6%	100.0%
WALE by GRI (years)	2.1	2.6	2.3	3.8
Number of Leases	374	78	127	23
Number of Tenants	329	70	118	17
Key Tenant(s)	• Fairprice • Zara • Tangs • Best Denki • Golden Village	• Google Asia Pacific Pte. Ltd. • The Hong Kong and Shanghai Banking Corporation Limited • Info-Communications Media Development Authority • SAP Asia Pte. Ltd. • Samsung Asia Pte. Ltd.	Office: • Mapletree Investments Pte Ltd • Gambling Regulatory Authority of Singapore • Fleet Ship Management Pte. Ltd. Retail: • NTUC Fairprice • McDonald's • Ichiban Sushi • Saizeriya • SBCD	• Goldman Sachs Services (Singapore) Pte. Ltd. • WeWork Singapore Pte. Ltd. • Hubspot Asia Pte. Ltd.

1 MPACT has a 50% effective interest in The Pinnacle Gangnam. Lettable area refers to 100% of The Pinnacle Gangnam's lettable area.
2 In December 2023, the Hong Kong government introduced a bill to streamline the process for extending land leases by operation of law, maintaining the 1997 Land Policy that allows general purpose leases to be extended by the government for another 50 years without additional premium.
3 Not applicable as VivoCity was owned by MPACT prior to Listing Date.
4 Based on the independent valuations conducted as at 31 October 2021 for the proposed merger of MCT and MNACT by way of a trust scheme of arrangement, and exchange rates S$1 = HKD5.7415, S$1 = RMB4.7553, S$1 = JPY82.4375 and S$1 = KRW881.1349.
5 Based on MPACT's 50% effective interest in The Pinnacle Gangnam.





	HONG KONG	CHINA		SOUTH KOREA
Bank of America HarbourFront	**Festival Walk**	**Gateway Plaza**	**Sandhill Plaza**	**The Pinnacle Gangnam**
Singapore	Hong Kong	Beijing	Shanghai	Seoul
2 HarbourFront Place	No. 80 Tat Chee Avenue, Kowloon Tong	No. 18 Xiaguangli, East 3rd Ring Road North, Chaoyang District	Blocks 1 to 5 and 7 to 9, No. 2290 Zuchongzhi Road, Pudong New District	343, Hakdong-ro, Gangnam-gu
Office	Retail and Office	Office	Business Park	Office
215,963	802,338	1,145,896	682,538	478,461[1]
94	830	692	460	181
Leasehold 99 years from 1 October 1997	Leasehold up to 30 June 2047[2]	Leasehold up to 25 February 2053	Leasehold up to 3 February 2060	Freehold
27 April 2011	21 July 2022	21 July 2022	21 July 2022	21 July 2022
S$311.0	HKD25,565.0 (S$4,452.7)[4]	RMB6,353.0 (S$1,336.0)[4]	RMB2,427.0 (S$510.4)[4]	KRW244,750.0 (S$277.8)[4,5]
S$350.0	HKD25,080.0 (S$4,270.6)[6]	RMB6,157.0 (S$1,140.5)[6]	RMB2,350 (S$435.3)[6]	KRW247,800.0 (S$250.6)[5,6]
S$1,621	HKD31,259 (S$5,323)	RMB5,373 (S$995)	RMB3,443 (S$638)	KRW1,035,822 (S$1,048)[7]
3.75%	4.20% (Gross)	4.50%	4.75%	4.30%
BCA Green Mark Gold^{PLUS}	BEAM Plus Existing Buildings V2.0 Comprehensive Scheme (Final Platinum Rating)[9]	LEED® v4.1 Building O+M: Existing Buildings Platinum	• EDGE ADVANCED Certificate • LEED® v4.1 Building O+M: Existing Buildings Platinum	LEED® v4 Building O+M: Existing Buildings Gold
S$20.4	HKD1,192.0 (S$204.9)	RMB350.8 (S$65.8)	RMB113.3 (S$21.3)	KRW11,901.5 (S$12.1)[5]
S$15.6	HKD889.8 (S$153.0)	RMB280.0 (S$52.6)	RMB101.2 (S$19.0)	KRW9,119.9 (S$9.3)[5]
100.0%	99.7%	90.2%	82.8%	99.1%
4.6	2.2	3.0	1.8	3.3
3	264	88	58	35
3	206	77	46	32
• Merrill Lynch Global Services Pte. Ltd.	• TaSTe • Arup • Festival Grand Cinema	• BMW • Bank of China • CFLD	• Spreadtrum • ADI • Borouge	• KT Cloud • FADU Inc. • Huvis Corp

6 Based on 31 March 2024 closing exchange rates S$1 = HKD5.8727, S$1 = RMB5.3984, S$1 = JPY110.9238 and S$1 = KRW988.7285.
7 Based on 100% of The Pinnacle Gangnam's valuation and lettable area. On a net lettable area basis, valuation is KRW1,867,807 / S$1,889 per square foot.
8 Unless otherwise stated, all capitalisation rates are on a net basis.
9 For Festival Walk, BEAM Plus Existing Buildings V2.0 Comprehensive Scheme (Final Platinum Rating) is the highest rating for green buildings in Hong Kong under the BEAM Plus scheme.

PROPERTIES AT A GLANCE

SUMMARY AND REVIEW

JAPAN

	Hewlett-Packard Japan Headquarters Building	IXINAL Monzen-nakacho Building	Omori Prime Building	TS Ikebukuro Building
City	Tokyo	Tokyo	Tokyo	Tokyo
Address	2-1, Ojima 2-chome Koto-ku	5-4, Fukuzumi 2-chome, Koto-ku	21-12, Minami-oi 6-chome, Shinagawa-ku	63-4, Higashi-Ikebukuro 2-chome, Toshima-ku
Asset Type	Office	Office	Office	Office
Lettable Area (square feet)	457,426	73,754	73,169	43,074
Carpark Lots	88	28	37	15
Title	Freehold	Freehold	Freehold	Freehold
Date of Acquisition	21 July 2022	21 July 2022	21 July 2022	21 July 2022
Purchase Price (million)[1]	JPY40,700.0 (S$493.7)	JPY8,630.0 (S$104.7)	JPY7,660.0 (S$92.9)	JPY5,590.0 (S$67.8)
Valuation as at 31 March 2024 (million)[2]	JPY41,200.0 (S$371.4)	JPY8,760.0 (S$79.0)	JPY7,740.0 (S$69.8)	JPY5,710.0 (S$51.5)
Valuation per square foot Lettable Area	JPY90,069 (S$812)	JPY118,774 (S$1,071)	JPY105,783 (S$954)	JPY132,564 (S$1,195)
Capitalisation Rate (%)[3]	3.40%	4.00%	3.80%	3.90%
Green Certifications	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("A" (Very Good) Rating)[4]	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("A" (Very Good) Rating)[4]
Gross Revenue (million)	JPY1,727.7 (S$16.1)	JPY477.6 (S$4.5)	JPY398.9 (S$3.7)	JPY281.6 (S$2.6)
NPI (million)	JPY1,429.8 (S$13.3)	JPY368.3 (S$3.4)	JPY274.7 (S$2.6)	JPY225.4 (S$2.1)
Committed Occupancy Rate (as at 31 March 2024)	100.0%	95.8%	99.6%	100.0%
WALE by GRI (years)	5.8	1.5	1.0	1.9
Number of Leases	1	8	15	1
Number of Tenants	1	7	14	1
Key Tenant(s)	• Hewlett-Packard Japan, Ltd	• DSV • DTS • Kadokawa	• Eighting Co., Ltd. • Mapletree Investments Japan K.K.	• Persol

1 Based on the independent valuations conducted as at 31 October 2021 for the proposed merger of MCT and MNACT by way of a trust scheme of arrangement, and exchange rates S$1 = HKD5.7415, S$1 = RMB4.7553, S$1 = JPY82.4375 and S$1 = KRW881.1349
2 Based on 31 March 2024 closing exchange rates S$1 = HKD5.8727, S$1 = RMB5.3984, S$1 = JPY110.9238 and S$1 = KRW988.7285.
3 Unless otherwise stated, all capitalisation rates are on a net basis.
4 For the Japan portfolio, CASBEE ("S" (Excellent) Rating) is the highest rating while ("A"(Very Good) Rating) is the second highest rating for green buildings under the CASBEE scheme.





Higashi-nihonbashi 1-chome Building	mBAY POINT Makuhari	Fujitsu Makuhari Building	SII Makuhari Building	ABAS Shin-Yokohama Building
Tokyo	Chiba	Chiba	Chiba	Yokohama
4-6, Higashi-Nihonbashi 1-chome, Chuo-ku	6, Nakase 1-chome, Mihama-ku, Chiba-shi	9-3, Nakase 1-chome, Mihama-ku, Chiba-shi	8, Nakase 1-chome, Mihama-ku, Chiba-shi	6-1, Shin-Yokohama 2-chome, Kohoku-ku, Yokohama City
Office	Office	Office	Office	Office
27,996	911,631	657,549	761,483	34,122
8	680	251	298	24
Freehold	Freehold	Freehold	Freehold	Freehold
21 July 2022	21 July 2022	21 July 2022	21 July 2022	21 July 2022
JPY2,600.0 (S$31.5)	JPY35,500.0 (S$430.6)	JPY19,500.0 (S$236.5)	JPY20,500.0 (S$248.7)	JPY2,990.0 (S$36.3)
JPY2,640.0 (S$23.8)	JPY35,300.0 (S$318.2)	JPY19,800.0 (S$178.5)	JPY18,200.0 (S$164.1)	JPY3,120.0 (S$28.1)
JPY94,300 (S$850)	JPY38,722 (S$349)	JPY30,112 (S$271)	JPY23,901 (S$215)	JPY91,437 (S$824)
3.80%	4.20%	4.30%	4.20%	4.10%
CASBEE ("A" (Very Good) Rating)[4]	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("S" (Excellent) Rating)[4]	CASBEE ("A" (Very Good) Rating)[4]
JPY138.0 (S$1.3)	JPY3,611.8 (S$33.7)	JPY1,153.2 (S$10.8)	JPY1,810.7 (S$16.9)	JPY194.2 (S$1.8)
JPY103.0 (S$1.0)	JPY1,845.2 (S$17.2)	JPY954.7 (S$8.9)	JPY1,419.6 (S$13.2)	JPY135.1 (S$1.3)
100.0%	93.3%	100.0%	100.0%	100.0%
1.7	0.9	2.0	1.2	1.0
7	80	1	6	14
7	59	1	1	14
• Tender Loving Care Services (nursery) • NTK International • Advance	• NTT Urban Development[5] • Dai Nippon Printing • AEON Credit Service	• Fujitsu	• Seiko Instruments Inc.[6]	• Lawson • Rentas • AIRI

5 Has ceased to be a key tenant after its lease expiration on 31 March 2024.
6 Will cease to be a key tenant after its lease expiration on 30 June 2024.

PROPERTY DETAILS

SINGAPORE

VIVOCITY

VivoCity is Singapore's largest retail and lifestyle destination that continues to enliven shoppers' experience with its vibrant mix of retail and entertainment offerings. The mall comprises 1,067,772 square feet of lettable area, spreading over a three-storey shopping complex and two basement levels, as well as an eight-storey annex carpark.

Strategically located in the heart of the HarbourFront Precinct, this iconic development is directly connected to the HarbourFront Mass Rapid Transit ("MRT") station and enjoys exceptional connectivity to Sentosa and the HarbourFront Centre. As a multi-dimensional retail and lifestyle destination for Singaporeans and tourists alike, VivoCity offers visitors a unique waterfront shopping and dining experience.

VivoCity is also well-positioned to benefit from the upcoming direct connectivity to the Marina Bay MRT station scheduled for completion in 2026, and the planned development of the Greater Southern Waterfront area, which is set to transform the southern coastline of Singapore into a vibrant live-work-play destination.

Delivering All-Rounded Performance

VivoCity, one of MPACT's two core assets, delivered a solid performance in FY23/24. Gross revenue and NPI grew 6.2% and 4.2% yoy to S$233.9 million and S$172.9 million, respectively. The growth was primarily driven by higher rental uplifts, increased occupancy as well as higher miscellaneous revenue from carpark, advertising and promotional income. This was however offset by higher property operating expenses mainly due to increased utility expenses incurred during the year.

Setting New Highs in Tenant Sales

VivoCity continued to surpass expectations in its post-COVID recovery. Its full-year tenant sales set another record high at close to S$1.1 billion. Shopper traffic also rose 10.1% yoy to 43.9 million from 39.9 million in FY22/23.

Driving Performance and Elevating VivoCity's Appeal

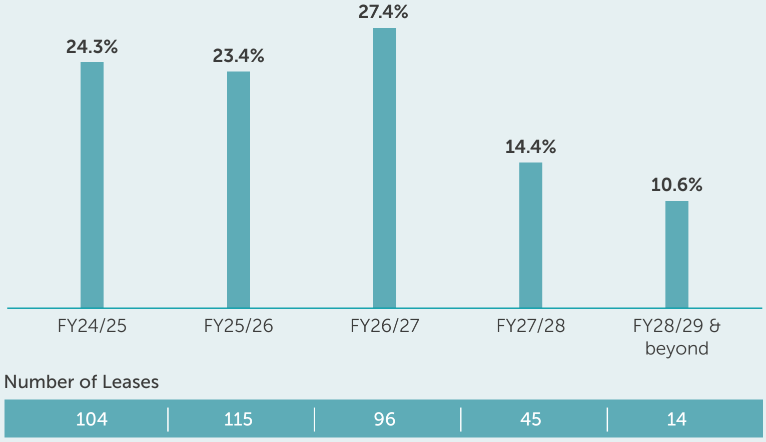
Throughout the year, efforts were made to maximise retail space potential and strengthen the mall's appeal. One success was the completion of the AEI which transformed a portion of Level 1 space previously occupied by

GROSS REVENUE
S$**233.9**M

NET PROPERTY INCOME
S$**172.9**M

COMMITTED OCCUPANCY
100%

Lease Expiry Profile by GRI



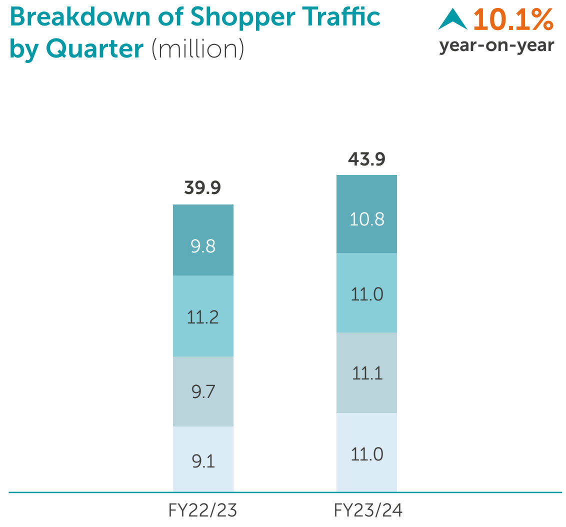
TANGS into a higher-yielding and vibrant retail zone, now featuring a curated mix of F&B options and an enhanced beauty and fragrance cluster. This AEI effectively utilised the escalator node introduced in 2018, providing shoppers a seamless journey from the basement levels upwards. The optimisation of TANGS' footprint further complemented this transformation. Since its opening in May 2023, the entire AEI has added new vitality and generated over 20% in return on investment.[1]

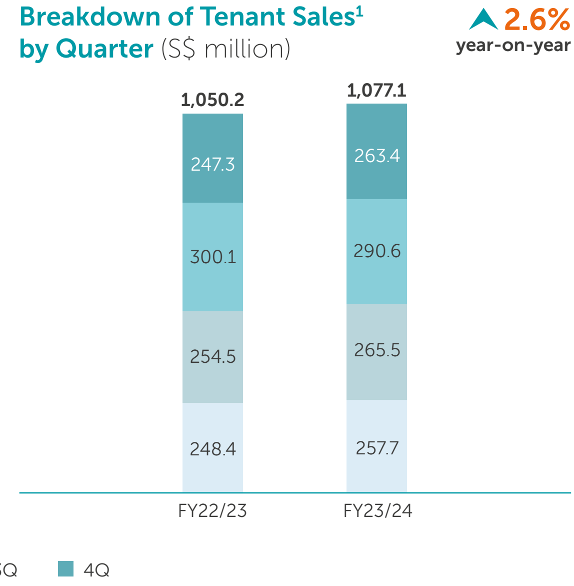
Trade Mix by GRI

F&B	34.5%
Fashion	15.3%
Luxury Jewellery, Watches & Fashion Accessories	10.9%
Departmental Store / Supermarket / Hypermarket	8.1%
Beauty & Health	7.1%
Sports	6.6%
Consumer Electronics	5.2%
Lifestyle	4.3%
Leisure & Entertainment	3.9%
Others[2]	4.2%

[1] Based on revenue on a stabilised basis and capital expenditure of approximately S$10 million.
[2] Others include Convenience & Retail Services, Optical, Education & Enrichment, and Medical.

PROPERTY DETAILS





Renewal efforts continued with the reconfiguration of the F&B cluster at the eastern corner of Level 1. This initiative revitalised the sector by expanding the mall's culinary offerings, improving shopfront visibility from the main thoroughfare, and adding an indoor seating area, further elevating shoppers' experience. Since its completion and opening in November 2023, this initiative has delivered a return on investment exceeding 20%.[2]

During the year, we completed enhancement works including the upgrading of toilets, lobbies and common corridors, lift interiors, as well as installing new mall benches and wayfinding signages. Moving forward, we will continue to pursue enhancement initiatives as part of our proactive asset management strategy to drive VivoCity's performance and maintain its competitive edge.

Revitalising Space and Retail Mix

In FY23/24, 39 diverse new retailers, including new-to-mall concepts, joined our tenant community. Notable additions include Tim Hortons, the popular Canadian coffee house, which selected VivoCity for its inaugural Singapore outlet. At the same time, we partnered with tenants to revitalise their stores and enhance their appeal to shoppers. Existing tenants, such as Aesop and Aureus Academy, expanded their footprints and reopened with new looks. These additions and expansions not only augment VivoCity's retail tapestry but also underscore its attractiveness as a destination mall.

In recognition of our continuous effort to improve shoppers' experience and enhance the mall's appeal, VivoCity was voted "Honeycombers Love Local: Readers' Choice Awards 2023: Best Retail Mall in Singapore" in August 2023.

Unique Campaigns to Captivate Shoppers

VivoCity continued to transform its distinctive spaces by hosting a myriad of large-scale events to engage shoppers and draw footfall. Exciting events lined up during the year included the Mid-Autumn Festival "Garden of Lights with Sanrio" event, annual spectacular Christmas snow display at the Outdoor Plaza, Chinese New Year celebratory events and performances, Kung Fu Panda 4's promotional campaign and popular product launches. These events were well-liked by shoppers and have delighted crowds across all ages.

VivoCity's shopper reward programme, VivoRewards+, continues to be well-received, with redemptions of close to S$306,000 worth of store and Mapletree shopping vouchers and the utilisation of more than S$400,000 worth of parking credits by shoppers in FY23/24.

Complimentary parking valet services during weekends and public holidays were also introduced during the year to provide added convenience for shoppers.

Full Committed Occupancy with Strong Rental Uplifts

During the year, 22.1% of the mall's lettable area was renewed or re-let, with a high retention rate of 82.2%. By the end of FY23/24, VivoCity recorded full commitment with a strong 14.0% rental reversion.

[1] Includes estimates of tenant sales for a portion of tenants.
[2] Based on revenue on a stabilised basis and capital expenditure of approximately S$0.9 million.

VivoCity's dedication to refreshing its space and retail mix brings new experiences to shoppers.

Kung Fu Panda 4 comes alive at VivoCity, captivating shoppers of all ages with immersive experiences.

Caption...

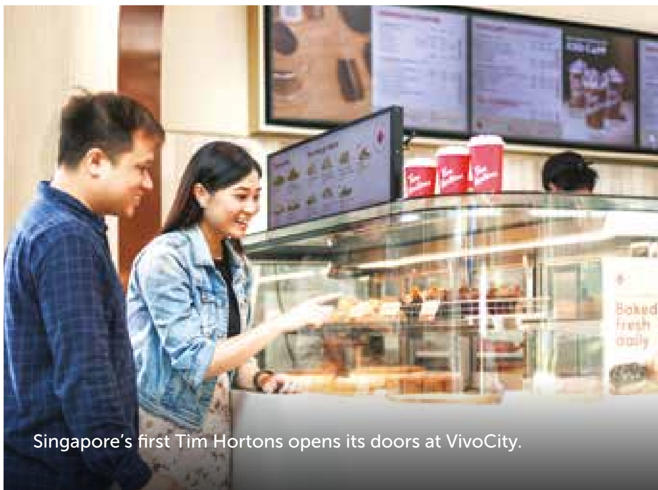
Level 1 welcomes a fresh retail zone with a curated mix of F&B options, and beauty and fragrance offerings.

VivoCity's retail tapestry is continuously enriched with the addition of new tenants.

Festive joy spreads at VivoCity as a delighted family captures lasting memories with Santa Claus.

Shoppers delight in the elevated shopping experience at TANGS' refreshed and revitalised store.

Level 1 eastern corner F&B cluster gets a makeover, featuring expanded offerings, a cosy new indoor seating area, and enhanced shopfront visibility.



Singapore's first Tim Hortons opens its doors at VivoCity.

PROPERTY DETAILS

SINGAPORE

MBC I

MAPLETREE BUSINESS CITY

MBC has been lauded as a best-in-class integrated office and business park complex. Conveniently located in the Alexandra Precinct, MBC is a quality, large-scale integrated office, business park and retail complex with Grade A specifications. Comprising MBC I[1] and MBC II,[2] the integrated development is made up of one office tower and seven business park blocks supported by a retail and F&B cluster. Together, they offer 2,888,738 square feet of premium office, business park and ancillary retail space.

MBC's campus-style environment is nestled amidst 2.8 hectares of lush greenery, wide public spaces, an eco-pond and art installations, with convenient access to parks in the vicinity. It also features a full suite of contemporary facilities and amenities such as state-of-the-art multi-purpose hall and meeting rooms, a gymnasium with heated pool and amenities such as a childcare centre, a clinic and wide-ranging F&B offerings.

It is a ten-minute drive from the CBD and is seamlessly linked to the Labrador Park MRT station and other public transport nodes via sheltered walkways.

MBC's environmentally friendly design and features have garnered multiple local and international awards. Due to these outstanding features, MBC is home to many well-established tenants.

Steady Operational Performance

MBC, the other core asset of MPACT, delivered a positive performance in FY23/24. Full-year gross revenue and NPI rose 3.8% and 3.3% yoy, reaching S$234.0 million and S$186.0 million, respectively. This was mainly driven by improved occupancies, positive rental uplifts, effects of step-up rents, full-year contribution of higher service charge for office and business park leases that was effected from 1 April 2023, higher carpark revenue, and lower rental rebates given to retail tenants, partially offset by higher utility costs incurred during the year.

Successful Renewals with Key Tenants

Despite evolving workspace requirements, Google reaffirmed its commitment to MBC, having renewed a major proportion of its leased space over the past two financial years, with approximately one-fifth up for renewal in FY24/25. In FY23/24, Google optimised its space and renewed half of its remaining leased area ahead of schedule. This renewal cemented

[1] MBC I comprises one 18-storey office tower (MBC 10) and three business park blocks (MBC 20E, 20W and 30).

[2] MBC II comprises four business park blocks (MBC 50, 60, 70 and 80) and the Common Premises (the common carpark, multi-purpose hall, retail area, and common property which includes the landscape areas, driveways and walkways).

MBC II

Google's position as MPACT's top tenant, contributing 6.0% of the portfolio gross rental income (as at 31 March 2024).

Other significant leases renewed and re-let during the year include Cisco, Mapletree Investments Pte Ltd and International Air Transport Association, maintaining MBC's occupancy.

Improved Occupancy with Positive Rental Uplift

MBC's committed occupancy as at 31 March 2024 was 96.0%, higher than 95.4% as at 31 March 2023. This improvement was mainly due to the successful backfilling of vacancies despite ongoing shifts in workspace requirements by some businesses.

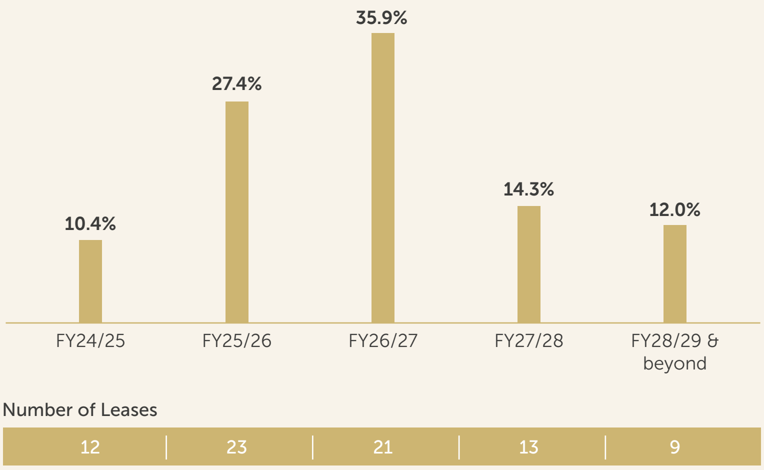
During the year, 12.6% of MBC's lettable area was renewed and re-let at a 6.7% rental uplift. Tenant retention rate for FY23/24 was 81.7%.

GROSS REVENUE
S$234.0M

NET PROPERTY INCOME
S$186.0M

COMMITTED OCCUPANCY
96.0%

Lease Expiry Profile by GRI



Trade Mix by GRI

IT Services & Consultancy	37.9%
Banking & Financial Services	13.5%
Government Related	12.7%
Electronics (Office / Business Park)	8.6%
Pharmaceutical	6.9%
Consumer Goods & Services	5.7%
Shipping Transport	5.5%
Real Estate / Construction	3.6%
Others[3]	5.7%

[3] Others include F&B, Machinery / Equipment / Manufacturing, Professional & Business Services, Beauty & Health, Energy, Sports, Education & Enrichment, Medical, Convenience & Retail Services, and Others.

PROPERTY **DETAILS**

SINGAPORE

mTower


Mapletree Anson

OTHER SINGAPORE PROPERTIES

mTower

mTower is an established integrated development with a 40-storey office block and a three-storey retail podium, Alexandra Retail Centre ("ARC"). It has an aggregate lettable area of 524,874 square feet.

mTower's excellent location within the Alexandra Precinct, short distance from the CBD and its seamless connection to the Labrador Park MRT station make it an ideal choice for companies who prefer a quality office location outside the CBD.

ARC provides a wide range of F&B, convenience and services offerings to the working population in the vicinity.

Mapletree Anson

Mapletree Anson is a 19-storey premium office building located in the Tanjong Pagar micro-market of the CBD. It offers 329,487 square feet of Grade A space.

The building is conveniently situated within a two-minute walk from the Tanjong Pagar MRT station and is well connected to major arterial roads and expressways. It features large column-free floor plates of over 20,000 square feet, making it suitable for contemporary workplace strategies as well as flexible and collaborative floorspace.

Mapletree Anson is one of the first buildings in Singapore to be awarded the Green Mark Platinum certification by the Building and Construction Authority ("BCA"), and it boasts of a quality tenant profile that comprises reputable multinational office tenants.

Bank of America HarbourFront

BOAHF is a premium six-storey office building with 215,963 square feet of lettable area.

It includes a basement carpark and features modern office specifications such as large and efficient column-free rectangular floor plates of approximately 46,000 square feet and integrated suspended ceiling and raised floors. BOAHF has consistently achieved full occupancy, providing a stable and consistent stream of cashflow to the portfolio.

Robust Performance in FY23/24

The other Singapore properties delivered similarly strong performance in FY23/24, with gross revenue and NPI rising 7.4% and 7.5% yoy to S$106.8 million and S$81.5 million, respectively. The better performance was mainly attributed to higher occupancies due to the successful backfilling at mTower, positive rental uplifts, the effect of step-up rents, higher service charge for office leases that came into effect from 1 January 2023, and the tapering off of rental rebates for retail tenants in ARC. However, the performance was partially offset by the non-renewal

GROSS REVENUE
S$**106.8**M

NET PROPERTY INCOME
S$**81.5**M

COMMITTED OCCUPANCY
98.3%

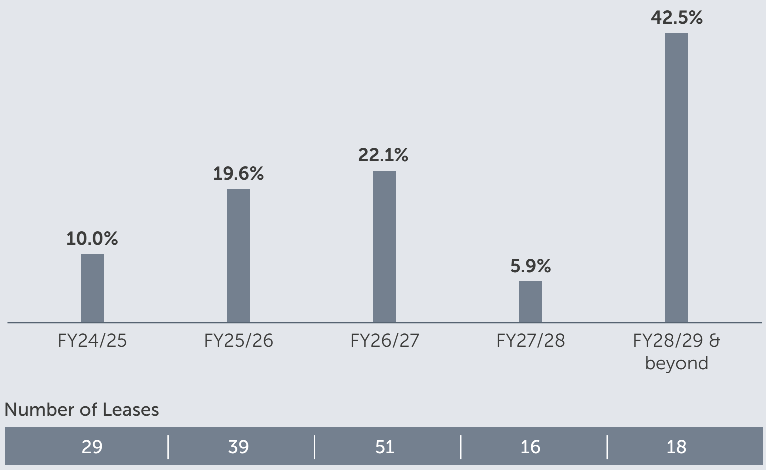
of a key tenant at mTower as well as higher operating costs mainly due to increased utility expenses incurred during the year.

Successful Leasing Efforts Drive Occupancy and Rental Uplifts

Resulting from the success of our proactive leasing efforts, mTower's committed occupancy rose from 88.0% two years ago to 91.6% last year, reaching 96.6% as at 31 March 2024. BOAHF continued to be fully occupied, while Mapletree Anson achieved full occupancy. By the end of the year, the committed occupancy for these three Singapore assets was 98.3% as at 31 March 2024, up from 95.9% a year ago.

Collectively, 17.1% of the total lettable area was renewed and relet in FY23/24 for the other Singapore properties, with an impressive 7.1% rental uplift. The retention rate remained high at 79.8%.

Lease Expiry Profile by GRI



Trade Mix by GRI

Banking & Financial Services	29.0%
Real Estate / Construction	14.7%
IT Services & Consultancy	12.1%
Shipping Transport	11.4%
Government Related	8.0%
Trading	7.5%
F&B	5.4%
Consumer Goods & Services	2.1%
Others[1]	9.7%

[1] Others include Beauty & Health, Professional & Business Services, Departmental Store / Supermarket / Hypermarket, Energy, Education & Enrichment, Convenience & Retail Services, Lifestyle, Medical, Fashion, Electronics (Office / Business Park), Sports, Fashion Accessories, Consumer Electronics, Optical, and Others.

PROPERTY **DETAILS**

HONG KONG

FESTIVAL WALK

Festival Walk is a prominent shopping mall in Kowloon Tong, comprising a seven-storey retail mall and a four-storey office tower, complemented by three underground carpark levels. With a total lettable area of 802,338 square feet, the mall is home to the "Glacier", one of Hong Kong's largest ice-skating rinks, and accommodates over 200 local and international retailers offering a diverse range of dining, retail and lifestyle options. The flagship multiplex cinema "Festival Grand" adds to the mall's appeal as a premier one-stop destination.

Strategically situated in the upscale residential area of Kowloon Tong, Festival Walk enjoys close proximity to two major universities, with direct connectivity to one of them, and many neighbouring schools.

The property benefits from direct connectivity to the Kowloon Tong MTR station, facilitating seamless travel between the underground Kwun Tong line and the overland East Rail Line. This connectivity links Hong Kong directly to the Shenzhen border. Additionally, the mall is easily accessible by bus and road networks, making it a vibrant hub for shopping, dining and lifestyle activities.

Adapting to Changes and Maintaining Stability

FY23/24 marked Festival Walk's first full-year contribution to MPACT post-merger, recording S$204.9 million and S$153.0 million of gross revenue and NPI, respectively. Despite challenging market conditions, Festival Walk posted recovery in other revenue categories such as ice rink income, which has already surpassed pre-COVID levels. The mall also continued to demonstrate resilience and adaptability by maintaining a stable shopper traffic of 30.0 million and tenant sales of HKD3,934.8 million.

Appealing to Local Demand with Diverse Offerings

Festival Walk continued to proactively reshape its tenant mix to cater to local demand. In FY23/24, the mall welcomed 24 new tenants and brands, including specialty retail stores, services and experiential concepts. These additions provide shoppers with an expanded selection of lifestyle offerings, trend-setting and seamless shopping experiences. Some notable new tenants include leading pet care and grooming centre, Private i Pets; popular bookstore and renowned cultural destination offering an extensive

GROSS REVENUE
HKD**1,192.0**M
(S$**204.9**M)

NET PROPERTY INCOME
HKD**889.8**M
(S$**153.0**M)

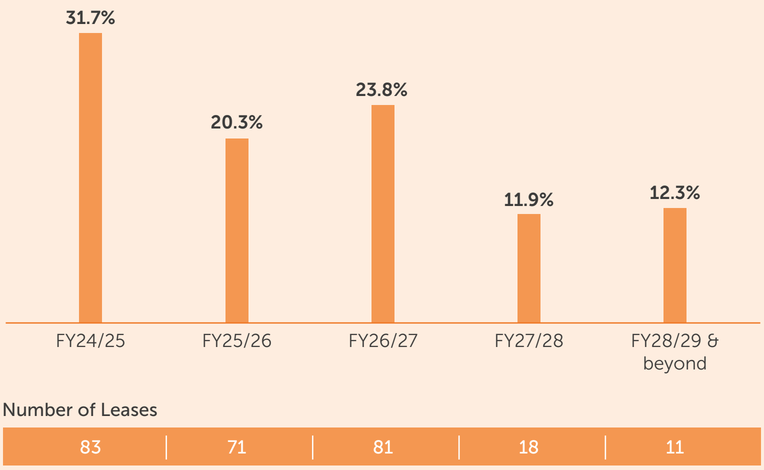
COMMITTED OCCUPANCY
99.7%

selection of books, lifestyle products and engaging events, eslite spectrum; trendy fashion brands such as Abercrombie & Fitch and Moodytiger; lifestyle retailers such as Franc Franc; the famous Szechuan chain, Tai Er Suancai & Fish; and trendy Korean restaurant, Terrace in Seaside.

Festival Walk also partnered with tenants looking to expand their footprints, such as Venchi, a premium chocolatier that successfully reinvented their existing space from selling just takeaway ice cream into a flagship store with a revitalised look. Along with the rejuvenation, Venchi added a cosy seating area and expanded their selection of premium chocolates.

Several enhancement works were completed during the year, including office toilet refurbishments

Lease Expiry Profile by GRI



Trade Mix by GRI

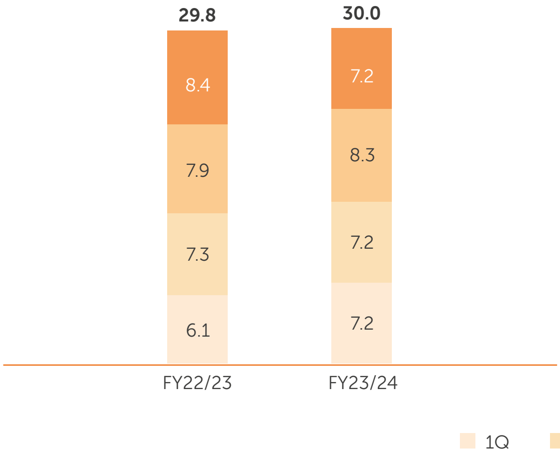
F&B	21.4%
Fashion	17.7%
Departmental Store / Supermarket / Hypermarket	15.5%
Beauty & Health	9.9%
Professional & Business Services	9.3%
Convenience & Retail Services	5.1%
Lifestyle	5.0%
Consumer Electronics	4.8%
Leisure & Entertainment	4.1%
Luxury Jewellery, Watches & Fashion Accessories	3.7%
Sports	2.5%
Others[1]	0.9%

[1] Others include Optical, and Education & Enrichment.

PROPERTY **DETAILS**

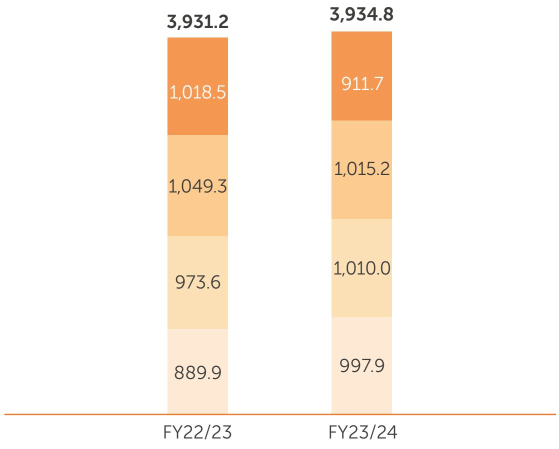
Breakdown of Shopper Traffic by Quarter (million)

0.6% year-on-year



Breakdown of Tenant Sales[1] by Quarter (HKD million)

0.1% year-on-year



to improve energy and water efficiencies, as well as expansion of the mall's electric vehicle charging facilities and addition of supercharger stations to encourage higher usage of green transportation.

Intensifying Marketing Efforts to Boost Footfall

Festival Walk continued to push ahead with its marketing efforts to draw footfall. By tapping into the ice rink and cinema to host unique events and celebrity appearances, the mall curated an exciting line-up of activities throughout the year to engage shoppers. Some of these events include Festival Walk's 25th anniversary "Walk with Me" Christmas promotion featuring a mega-size Christmas installation made from recycled materials and wood, Lunar New Year celebrations with festive decorations and performances, as well as movie gala premieres with celebrity appearances.

Festival Walk's key attraction, the Glacier ice-skating rink, also hosted several events to uplift shoppers' experience. A widely popular event was the one-of-a-kind Halloween night Glacier Glow Skating Party. Packed with live DJ performances, Instagram-worthy photo spots and meet-and-greet sessions with various Halloween monsters, this lively event successfully attracted footfall and created long-lasting and memorable experiences for Festival Walk's shoppers.

During the year, the mall received various awards, including the "Top 10 My Favourite Shopping Mall - Shopping Mall Awards 2023" by the Hong Kong Economic Times. These are testaments to the team's relentless efforts to promote the mall as a one-stop destination for all.

Attaining Near-Full Commitment with Progress Towards Rental Stability

By the end of FY23/24, Festival Walk achieved near-full commitment of 99.7%, with a tenant retention rate of 63.2%. During FY23/24, 20.9% of the lettable area was renewed and re-let at -8.7% rental reversion. This marks an improvement from the rental reversions recorded in the previous three financial years, indicating a gradual progress towards rental stability.[2]

While Festival Walk's recovery has been dampened by the resurgence of outbound travel, this trend may lessen over time as the novelty of cross-border travel wears off and becomes less appealing from a foreign exchange perspective. Festival Walk remains committed to evolving with the market and capitalising on clearer recovery.

By focusing on catering to local preferences and continuously enhancing its offerings, Festival Walk is well-placed to reiterate its position as a premier destination in Kowloon Tong over the long term. The mall's proactive management approach, diverse tenant mix and unique experiences will continue to attract local shoppers and drive its future success.

1 Includes estimates of tenant sales for a portion of tenants.
2 Festival Walk recorded rental reversions of -12.7%, -27% and -21% in FY22/23, FY21/22 and FY20/21, respectively.

Festival Walk, a vibrant shopping and lifestyle destination in the heart of Kowloon Tong.

Gala premiere for the movie of famous sports anime, "Haikyu!!", showcases Festival Walk's ramped-up fun activities and targeted efforts to drive footfall.

Young shoppers enjoying an unforgettable evening of skating fun, live DJ performances, and Instagram-worthy moments at the Glacier Glow Skating Party on Halloween.

Enriching the mall's offerings by adding popular trendy names.

With the introduction of eslite spectrum, Festival Walk brings a beloved bookstore and cultural destination to the local community.

Terrace in Seaside, a trendy Korean restaurant, joins the mall's F&B lineup, enhancing its retail offerings.

Ongoing efforts to meet the needs of local shoppers with the addition of Hang Seng Bank.

Festival Walk welcomes Private i Pets, a leading pet care and grooming centre, demonstrating the mall's agility in providing new offerings tailored to the locals.

PROPERTY **DETAILS**

CHINA

Gateway Plaza, Beijing

Sandhill Plaza, Shanghai

CHINA PROPERTIES

Gateway Plaza, Beijing

Gateway Plaza, strategically located in the well-established Lufthansa commercial hub, comprises two 25-storey towers connected by a three-storey podium area and three underground floors. With an aggregate lettable area of 1,145,896 square feet, the property is home to a diverse mix of well-known multinationals and local companies, including BMW. The building's podium area offers a variety of amenities and F&B outlets to cater to the working population.

Conveniently positioned along Beijing's Third Ring Road, Gateway Plaza enjoys excellent access to major subway, bus and road networks. Its location next to the Airport Expressway provides quick and direct access to the Beijing Capital International Airport, adding to its appeal.

Sandhill Plaza, Shanghai

Sandhill Plaza, a quality business park development, is nestled in the mature area of Zhangjiang Science City, a part of Shanghai's Free Trade Zone. The property comprises one 20-storey tower, seven blocks of three-storey buildings[1] and two basement levels of carpark, with an aggregate lettable area of 682,538 square feet.

Located adjacent to the Middle Ring Expressway, Sandhill Plaza enjoys quick and direct access to Pudong International Airport, Lujiazui and People's Square in Puxi. In addition, it is within a short walking distance from the Guanglan Road Station on Metro Line 2, one of Shanghai's busiest subway lines. The property's convenient location, combined with a wide range of amenities and contemporary interior, makes it a popular choice for both foreign and local companies.

Navigating a Demanding Market Landscape

In FY23/24, the China properties made their first full-year contribution to MPACT post-merger, contributing S$87.1 million and S$71.5 million of gross revenue and NPI, respectively.

Throughout the year, the China properties navigated a demanding landscape characterised by soft leasing demand and increased supply post-COVID. To tackle this, leasing efforts were focused on maintaining occupancy and safeguarding rental income.

Outperforming the Market

Resulting from proactive and ceaseless leasing efforts, both Gateway Plaza in Beijing and Sandhill Plaza in Shanghai outperformed the market. Gateway Plaza recorded a committed occupancy of 90.2% as at 31 March 2024, higher than 86.7% from a year ago. This was mainly due to the successful backfilling of vacancies. Sandhill Plaza successfully renewed a key tenant, removing a potential occupancy risk. However, due to some non-renewals and the partial pre-termination of a key tenant, the property registered a committed occupancy of 82.8% as at 31 March 2024.

[1] There are eight blocks of low-rise (three-storey) buildings of which one block is separately owned by a third party and does not belong to MPACT.

The combined committed occupancy for the two China properties was 87.5% as at the end of FY23/24, higher than the 86.5% a year ago. In FY23/24, 16.1% of the lettable area for the China properties were renewed or re-let at a rental reversion of -2.7%. Tenant retention rate remained healthy at 72.4%.

Navigating Near-Term Uncertainties with a Long-Term Perspective

Looking ahead, the Chinese government is expected to continue to implement several initiatives to support the economy and stabilise the property market. While market conditions in China, particularly in Shanghai, remain fluid in the near term, China's long-term economic potential remains intact. In Shanghai, there was a shift in economic focus from conventional industries to innovative ones, with an emphasis to develop sophisticated industries such as artificial intelligence, semiconductors and renewable energy. This could lend some support to business park space demand over time. We are cautiously confident that our proactive management approach will enable us navigate market uncertainties and overcome any near-term bumps ahead.

Driving Enhancements to Meet Tenants' Needs

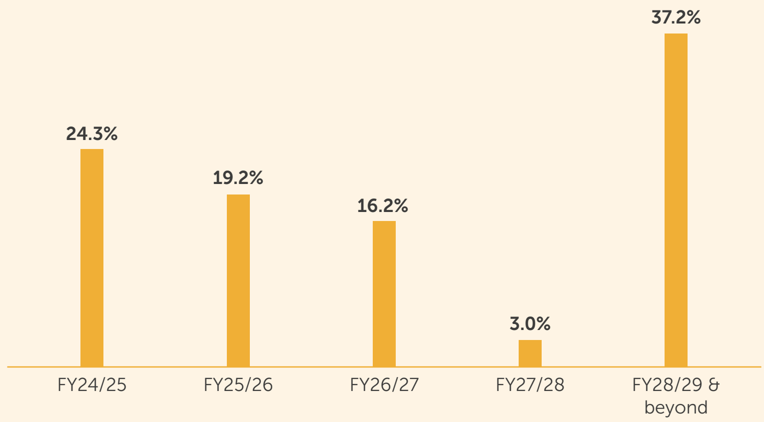
Major capital expenditure works completed in FY23/24 include the replacement of the heating, ventilation and air conditioning plant and electricity power upgrade works at Sandhill Plaza. These efforts were targeted at improving energy efficiency and better catering to the increasing power requirements of Sandhill Plaza's tenants from the Technology, Media and Telecom sector.

GROSS REVENUE
RMB464.1M
(S$87.1M)

NET PROPERTY INCOME
RMB381.1M
(S$71.5M)

COMMITTED OCCUPANCY
87.5%

Lease Expiry Profile by GRI



Number of Leases

FY24/25	FY25/26	FY26/27	FY27/28	FY28/29 & beyond
53	41	36	4	12

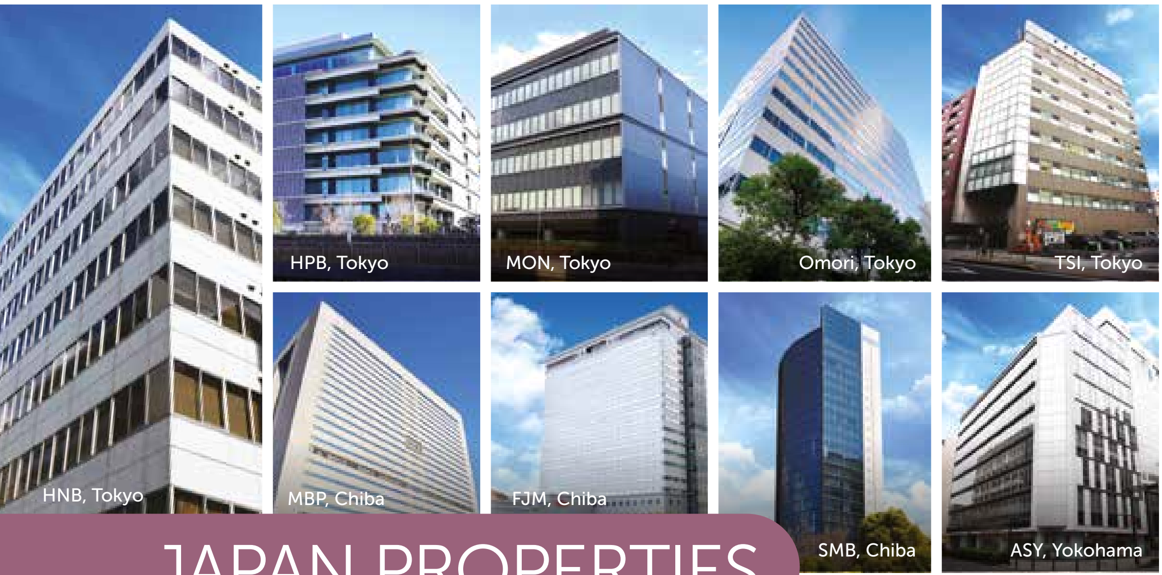
Trade Mix by GRI

Automobile	33.6%
Machinery / Equipment / Manufacturing	23.7%
Banking & Financial Services	16.5%
Professional & Business Services	12.1%
Real Estate / Construction	4.0%
IT Services & Consultancy	4.0%
Pharmaceutical	2.0%
Others[2]	4.2%

[2] Others include Energy, F&B, Government Related, Optical, Trading, Consumer Goods & Services, Convenience & Retail Services, Beauty & Health, and Others.

PROPERTY **DETAILS**

JAPAN



GROSS REVENUE
JPY**9,793.7**M
(S$**91.4**M)

NET PROPERTY INCOME
JPY**6,755.8**M
(S$**63.0**M)

COMMITTED OCCUPANCY
97.9%[1]

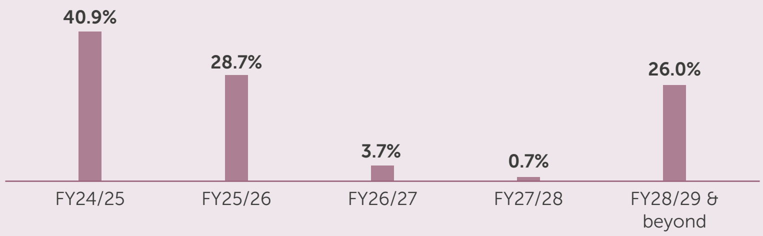
JAPAN PROPERTIES

The Japan properties, comprising nine freehold office buildings with a total lettable area of 3,040,202 square feet, are located in the Greater Tokyo Area, which includes the Tokyo 23 wards (comprising the Tokyo Central 5 wards and Tokyo Outer 18 wards), Chiba City and Yokohama City. The portfolio has five properties situated in the Tokyo 23 wards (HPB, MON, Omori, TSI and HNB), three in Chiba City (MBP, FJM and SMB) and one in Yokohama City (ASY).

The Tokyo Central 5 wards are home to one of the largest congregations of office buildings and global corporate headquarters. For companies seeking to establish subsidiaries or satellite offices outside Tokyo for continuity purposes, Yokohama and Chiba are attractive options. Yokohama offers a desirable standard of living and a wide range of amenities while Chiba provides cost advantages.

The Japan properties benefit from their proximity to train stations, public transportation hubs and major arterial roads, enhancing connectivity and convenience for tenants. The portfolio caters to a diversified tenant mix across various sectors, including high-growth industries such as medical and healthcare, finance and insurance, information and communications, and services.

Lease Expiry Profile by GRI



Number of Leases

51	48	24	4	6

Trade Mix by GRI

Machinery / Equipment / Manufacturing	35.8%
IT Services & Consultancy	25.3%
Real Estate / Construction	20.5%
Professional & Business Services	7.9%
Consumer Goods & Services	3.2%
Others[2]	7.3%

Adapting to Market Changes

FY23/24 marked the Japan properties' first full-year contribution to MPACT post-merger, with gross revenue and NPI amounting to S$91.4 million and S$63.0 million, respectively.

As at 31 March 2024, the Japan properties posted a committed occupancy of 97.9%.[1] During the year, 16.4% of lettable area was renewed or re-let at a rental reversion of -1.9%. The tenant retention rate was 71.7%.

Within the Japan portfolio, the three properties located in Makuhari, Chiba, contribute approximately 6.0% of the portfolio's GRI. Given the market softness within the Makuhari area, we will persist in our leasing efforts and implement targeted strategies to mitigate occupancy impact and minimise downtime arising from lease expirations at MBP and SMB.[3] We remain committed to addressing the tenancy shifts in the Makuhari assets with dexterity.

1 Following the lease expiration of NTT Urban Development at MBP on 31 March 2024, the committed occupancy for Japan properties is 93.8%.
2 Others include Banking & Financial Services, Electronics (Office / Business Park), Shipping Transport, Pharmaceutical, Convenience & Retail Services, Education & Enrichment, Energy, Automobile, Government Related, and Trading.
3 Refers to the lease expirations of NTT Urban Development at MBP on 31 March 2024 and Seiko Instrument Inc. at SMB on 30 June 2024.

PROPERTY DETAILS

SOUTH KOREA

GROSS REVENUE[1]
KRW**11,901.5**M
(S$**12.1**M)

NET PROPERTY INCOME[1]
KRW**9,119.9**M
(S$**9.3**M)

COMMITTED OCCUPANCY
99.1%

THE PINNACLE GANGNAM

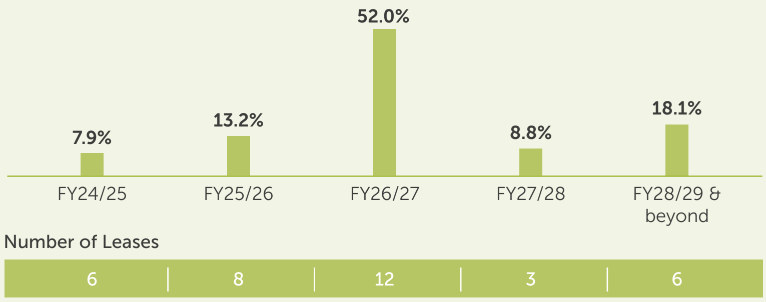
The Pinnacle Gangnam is a 20-storey freehold office building with six underground floors and a total lettable area of 478,461 square feet.[2] Ideally situated within the Gangnam Business District ("GBD"), The Pinnacle Gangnam offers excellent connectivity and convenience for its tenants. The property is a short five-minute drive from Gangnam's high-end retail district, Cheongdam, and an eight-minute drive away from the COEX Convention & Exhibition Center. One of The Pinnacle Gangnam's key features is its direct access to the Gangnam-gu Office underground subway station, providing tenants with seamless connectivity across the Seoul metropolitan area. This prime location and accessibility make The Pinnacle Gangnam a popular choice for businesses seeking prime office space in the heart of Seoul.

Robust Performance Driven by Favourable Market Dynamics

The Pinnacle Gangnam continued to thrive on favourable market dynamics underpinned by limited supply, delivering a robust performance in FY23/24. Marking its first full-year post-merger, The Pinnacle Gangnam's contribution to gross revenue and NPI amounted to S$12.1 million and S$9.3 million respectively (based on MPACT's 50% effective interest).

During the year, 10.3% of its lettable area was renewed or relet, recording an impressive 39.0% rental reversion.

Lease Expiry Profile by GRI



Trade Mix by GRI

IT Services & Consultancy	37.7%
Machinery / Equipment / Manufacturing	15.9%
Consumer Goods & Services	12.7%
Real Estate / Construction	10.2%
Professional & Business Services	6.3%
Pharmaceutical	5.1%
Automobile	5.1%
F&B	3.2%
Banking & Financial Services	2.7%
Others[3]	1.1%

The tenant retention rate was 17.7% for FY23/24. The Pinnacle Gangnam's committed occupancy remained high at 99.1% as at 31 March 2024.

Looking ahead, we will continue to drive the property's performance by capitalising on the robust market dynamics.

[1] Based on MPACT's 50% effective interest in The Pinnacle Gangnam.
[2] MPACT has a 50% effective interest in The Pinnacle Gangnam. Lettable area refers to 100% of The Pinnacle Gangnam's lettable area.
[3] Others include Fashion, Medical, and Convenience & Retail Services.

INDEPENDENT MARKET **OVERVIEW**

BY COLLIERS INTERNATIONAL (HONG KONG) LIMITED

Singapore

1.1 Economy

- According to the Ministry of Trade and Industry ("MTI"), Singapore's economy expanded by 1.1% in 2023, moderating from the 3.8% growth in 2022. Growth was mainly supported by the construction and services sectors, aviation, and tourism-related sectors, given the continued recovery of air travel, tourism, and improving consumer spending. However, the manufacturing sector contracted given a decline in external demand.
- For 1Q 2024, Singapore's GDP grew by 2.7% yoy, extending the 2.2% expansion from the previous quarter. This was driven by finance & insurance, transportation & storage, and wholesale trade.
- Singapore's headline inflation eased to 4.8% in 2023, down from 6.1% in 2022. Although inflation continues to linger, moderating supply chain frictions, global energy and commodity price pressures, together with easing inflation in major trading partners have gradually cooled overall inflationary pressures.
- According to the Ministry of Manpower ("MOM"), Singapore's unemployment rate dropped from 2.1% in 2022 to 1.9% in 2023. Labour demand was observed to have cooled and retrenchments rose amid weaker economic conditions. Layoffs were notably observed in the wholesale trade, information technology, and electronics manufacturing sectors. However, most of the retrenched workers were able to re-enter employment in other industries quickly, which kept the labour market tight and unemployment rates low.

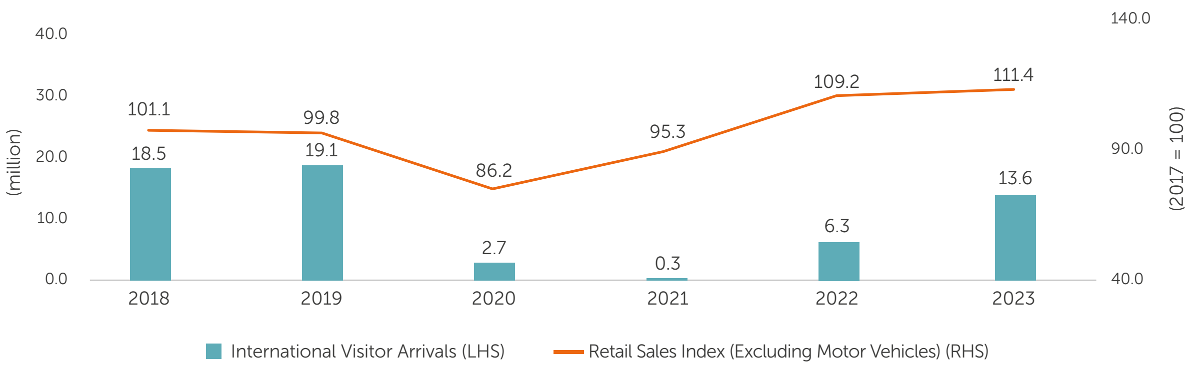
Tourist Arrivals

13.6M
(In 2023)

115.8% yoy

- International visitor arrivals continued to recover strongly in 2023, reaching 13.6 million, which is about 71.2% of the pre-pandemic level in 2019. This figure falls within the Singapore Tourism Board ("STB")'s forecast of between 12 million and 14 million international visitors for the year.
- The robust recovery can be attributed to the strong line-up of Meetings, Incentives, Conferences & Exhibitions ("MICE"), leisure, sporting and entertainment events, healthy performance of the cruise industry, and STB's efforts in launching new concepts, experiences, and marketing campaigns. Such campaigns include the "Made in Singapore" global campaign to inspire travel to Singapore by showcasing experiences that are quintessentially Singaporean, new, and innovative experiences for travellers. These measures attracted travellers particularly from Singapore's key source markets, led by Indonesia, China and Malaysia.
- Chinese visitor arrivals have been steadily recovering since the reopening of China in early 2023, recording nearly 1.4 million visitors in 2023, which is approximately 37.6% of the pre-pandemic level in 2019.
- The tourism sector is expected to continue its strong recovery in 2024, driven by improved flight connectivity and capacity, the implementation of 30-day visa-free travel between China and Singapore since February 2024, and a strong pipeline of live entertainment acts and events.

International Visitor Arrivals and Retail Sales Index

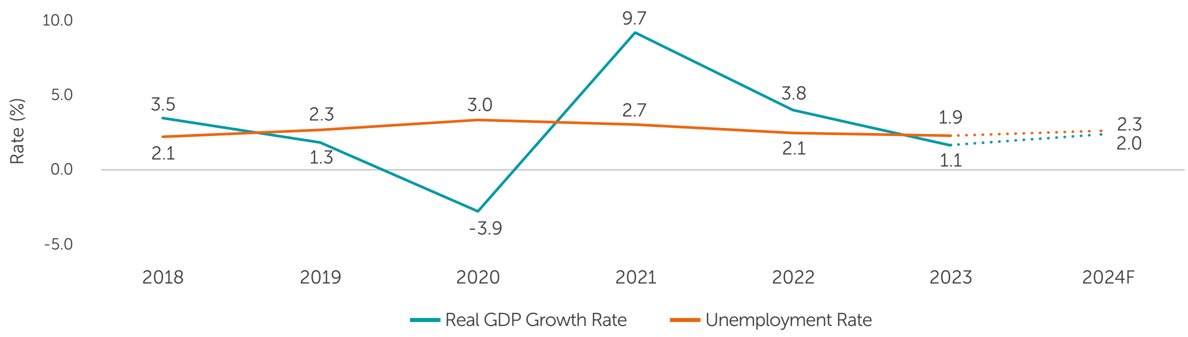


Source: STB, Singapore Department of Statistics

1.2 Outlook

- According to MTI, Singapore's economy is expected to grow by 1.0% to 3.0% in 2024. The modest forecast could be mainly attributed to a weak outlook for major external economies, particularly China, a prolonged high inflationary and interest rate environment, and significant uncertainties and downside risks in the global economy, including persistent and expanding geopolitical conflicts.
- Inflation is expected to moderate further in 2024 due to the expected stabilisation of global energy and food commodity prices, and slower wage increases. However, cooling labour demand and wage gains may reduce discretionary retail spending from domestic consumers. This, coupled with the implementation of an additional GST rate hike from 8% to 9% effective from 1 January 2024, may further impact domestic spending. Despite these challenges, increased tourist arrivals and tourism receipts are expected to contribute to higher retail sales volume in 2024, albeit at a moderated pace.

Real GDP Growth Rate and Unemployment Rate



Source: GDP and Unemployment Rate figures from 2018 to 2023 are from the Singapore Department of Statistics, MTI and MOM. Forecast figures for 2024 are from MTI (for GDP) and Oxford Economics (for unemployment).

1.3 Singapore Retail Market[1]

Total Retail Sales

S$**42.7**B (In 2023) — **1.7% yoy**

- Retail sales in total value terms recorded a 1.7% increase from 2022 to 2023.
- This was driven by the continued recovery of tourism, resilient domestic disposable incomes, as well as increased large-scale events, boosting retail spending from both locals and tourists.
- Food & alcohol, apparel & footwear, and cosmetics, toiletries & medical goods were the largest contributors to the yoy growth in retail sales value.
- As in previous years, retail sales were higher towards the end of the year, supported by year-end festivities and online shopping events. However, retail sales in December 2023 were lower yoy, which could be attributed to a higher level of outbound travels by locals, resulting in reduced overall domestic retail spending.

Online Retail Sales

14.4% of Total Retail Sales (In 2023)

- The proportion of online retail sales rose from 6.8% in 2019 to 10.5% during the early phase of COVID-19 in March 2020, as consumers shifted towards online shopping in light of lockdown measures and restrictions.
- Despite the gradual easing of COVID-19 restrictions since 2021, the online retail sales penetration rate remained higher than pre-COVID levels, recording 14.4% at the end of 2023.
- The online sales value recorded during the shopping promotional months in 2023 remained comparable to the same period in 2022, suggesting the continued influence of e-commerce on consumer spending habits.

[1] All references to floor area refers to net lettable area ("NLA"), unless otherwise stated.

INDEPENDENT MARKET **OVERVIEW**

Existing Retail Stock

67.6M square feet[1] ▲ **0.7% yoy**

(As at 31 December 2023)

- Singapore's existing retail stock stood at about 67.6 million square feet as at 31 December 2023, and the majority located in the Central Region (65.9%) and the remaining in the Suburban submarket (34.1%).
- The Central Region comprises four major submarkets: Orchard, Downtown Core, Rest of Central Area, and Rest of Central Region (also known as the City Fringe).[2]
- 441,320 square feet of net retail supply was added to the market in 2023, with the completion of One Holland Village injecting about 81,500 square feet of retail NLA into the Rest of the Central Region submarket.
- As of 31 March 2024, Singapore's existing retail stock stood at nearly 67.8 million square feet, with a net addition of 204,514 square feet of retail supply in 1Q 2024 including Plantation Plaza of about 69,000 square feet in the Suburban submarket.

Potential Retail Supply

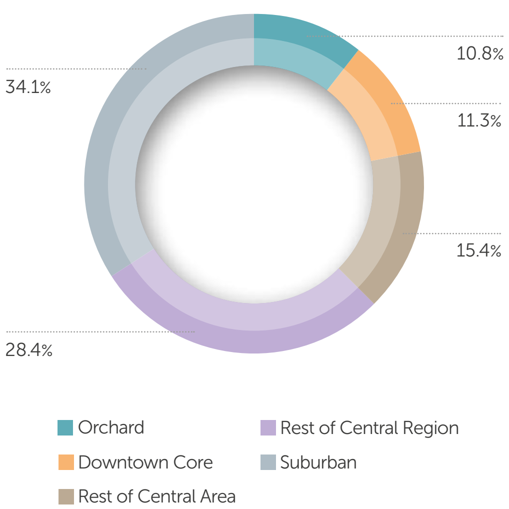
1.0M square feet

(From 2024 to 2026)

- Approximately 1.0 million square feet of space is expected to be delivered from 2024 to 2026, translating into an annual average of about 0.3 million square feet, which is lower than the past five-year annual average of 0.5 million square feet. The Suburban and Orchard submarkets account for the majority of the upcoming retail supply, representing 59.0% and 19.1%, respectively.
- Within the Alexandra/HarbourFront submarket, Raffles Sentosa Resort & Spa Singapore and Labrador Tower are expected to add about 5,000 square feet and 26,000 square feet of space, respectively, by the end of 2024. However, the former will primarily comprise restaurants and bars, fitness centre, and meeting/ballroom amenities, while the latter will primarily comprise restaurants and ancillary retail such as convenience shops and services. No major retail shops are expected in these two new developments.

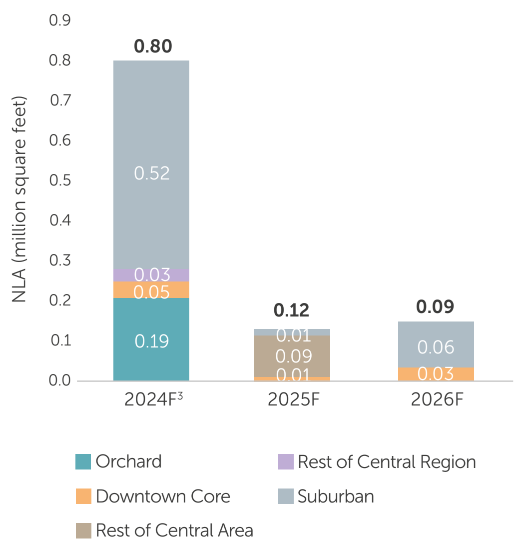
Retail Stock by Submarket

(As at 31 December 2023)



Source: URA, Colliers

Potential Supply by Submarket



Source: URA, Colliers, Project Announcements

1 Source: URA.
2 The Central Area consists of the following planning areas as defined by the Urban Redevelopment Authority ("URA"): Outram, Museum, Newton, River Valley, Singapore River, Marina South, Marina East, Straits View, Rochor, Orchard, Downtown Core. Mapletree Business City, mTower, and VivoCity, owned by MPACT, are located in the City Fringe.
3 2024F supply includes stock that was completed in 1Q 2024 for all markets covered in this Independent Market Overview.

Retail Net Take-up[1]

0.8M square feet[2]
(Islandwide in 2023)

18.5% yoy

- Retail leasing demand continued its recovery, with Islandwide net absorption of about 0.8 million square feet in 2023, driven mainly by F&B operators and fashion brands. However, this was 18.5% lower than in 2022.
- Leasing demand experienced contractions in the first and third quarters of 2023, with closures observed due to steep rental increases, a tight labour market, and inflationary pressures contributing to a high cost environment for retailers. Nonetheless, a recovery of tourism, together with a boost from the year-end holidays supported retailers' business confidence, leading to a strong take-up of retail space in the last quarter of 2023.
- The Rest of Central Region, Downtown Core, and Suburban submarkets were the largest contributors to retail leasing demand, supported by increased return-to-office arrangements, and tourist and domestic retail expenditure.

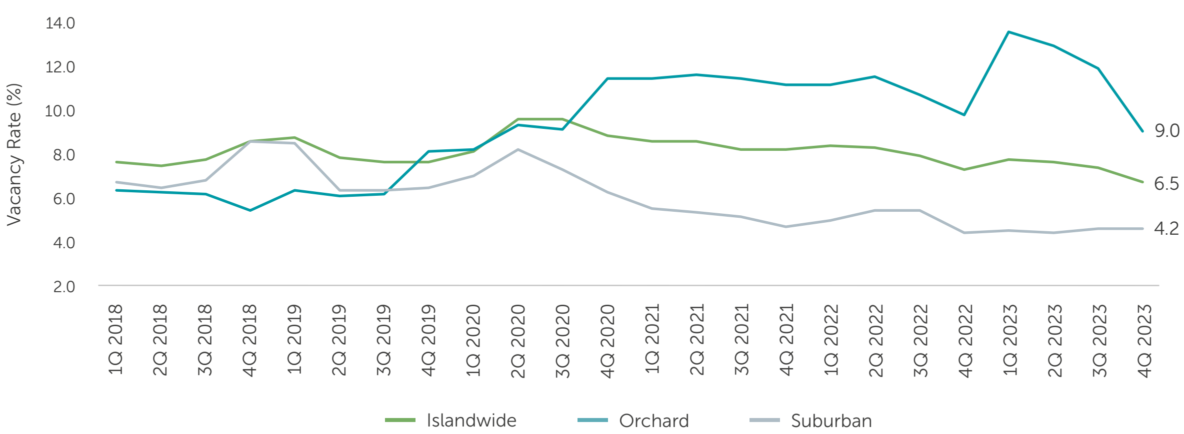
Retail Vacancy Rate

6.5%[3]
(Islandwide as at 31 December 2023)

0.6 Percentage Points ("pp") yoy

- Islandwide retail vacancy rate tightened to 6.5% as at 31 December 2023, 0.6 pp lower yoy. This was supported by strong retail leasing demand, limited new supply, and the removal of some retail developments from the overall stock due to asset enhancement works and redevelopments. Vacancy rates tightened across all submarkets, except for the Suburban submarket, which saw a slight uptick but remained the submarket with the lowest vacancy rate islandwide.
- Islandwide retail vacancy rate in 1Q 2024 rose by 0.2 pp quarter-on-quarter ("qoq") to 6.7%, largely due to new supply and cost pressures leading to consolidations and closures of retail businesses. Orchard was the only submarket with a tightened vacancy rate, declining by 2.2 pp qoq to 6.8% as strong recovery in tourism boosted retailers' confidence and space take-up.

Vacancy Rate by Submarket



Source: URA, Colliers

1 Net take-up is the sum of space that became occupied during the year minus the sum of space that was vacated over the course of the year.
2 Source: URA.
3 This refers to the islandwide average vacancy rate of all retail properties and is published by the URA.

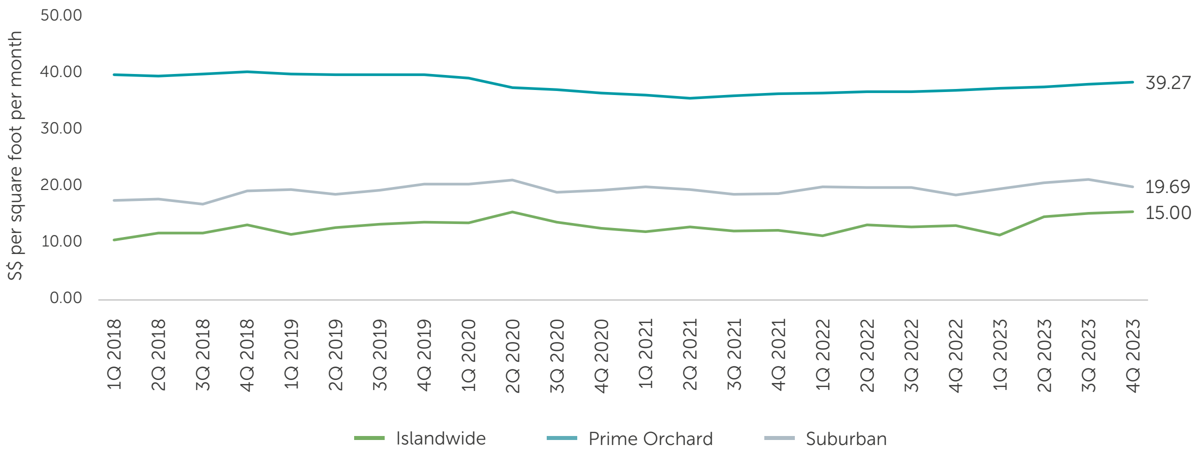
INDEPENDENT MARKET **OVERVIEW**

Average Retail Rent

S$**15.00** per square foot per month[1] ▲ **21.3% yoy**
(Islandwide as at 31 December 2023)

- Average islandwide retail rents increased to S$15.00 per square foot per month as at 31 December 2023, 21.3% higher yoy. This was supported by strong take-up of retail space amid limited new supply. Average islandwide rents surpassed pre-pandemic levels and recorded their highest levels since 31 December 2013.
- Average prime Orchard retail rent[2] has been on an upward trajectory since 3Q 2021, in tandem with the reopening of borders and return of tourists. Rents increased by 4.1% yoy to S$39.27 per square foot per month as at 31 December 2023, narrowing the gap from the pre-pandemic level of S$40.65 per square foot per month as at 31 December 2019.
- Suburban retail rents recorded S$19.69 per square foot per month as at 31 December 2023, 8.8% higher yoy. Rents remained resilient due to strong catchment populations supporting suburban malls, although they remained 2.5% lower than the pre-pandemic level in 2019.
- Islandwide retail rent for 1Q 2024 declined by 11.2% qoq to S$13.32 per square foot per month, contributed by softened demand particularly for non-prime retail spaces. On the other hand, Prime Orchard retail rent continued its upward trajectory since 2Q 2021 supported by robust retail demand, while Suburban retail rent in 1Q 2024 rose to its highest since 31 December 2013, partly driven by new development completions which command higher rents.

Retail Rent by Submarket



Source: URA (Islandwide and Suburban Rents), Colliers (Prime Orchard Rent)

Average Retail Capital Value[3]

S$**3,210** per square foot ▲ **1.7% yoy**
(Islandwide as at 31 December 2023)

Average Retail Yield

4.8% ▲ **0.1 pp yoy**
(Islandwide as at 31 December 2023)

- Islandwide retail capital value and yield as at 31 December 2023 both rose slightly on a yoy basis to an average of S$3,210 per square foot and 4.8%, respectively. This was due to resilient demand for retail assets, evidenced by several sizeable transactions coupled with a healthy rental growth.
- Key recent retail transactions include the sale of Changi City Point from Frasers Centrepoint Trust to an undisclosed buyer for S$338 million (S$1,621 per square foot based on NLA of 208,453 square feet), and the sale of Seletar Mall from Cuscaden Peak Investments and United

1 This refers to the islandwide median gross monthly rent of all retail space and is published by the URA.
2 Average prime Orchard retail rent is based on Colliers' research and valuation metrics on ground floor, basement, and MRT-level average retail rent in selected basket of prime retail malls.
3 Average retail capital value and yield is based on Colliers' research and valuation metrics of prime retail malls.

Engineers to Allgreen Properties for S$550 million (S$2,900 per square foot based on transaction price and NLA of 189,500 square feet).

- In 1Q 2024, prime islandwide retail capital values increased in tandem with nearly proportionate growth in prime retail rents. As a result, the average retail yield remained stable.
- With Singapore increasingly positioned as an appealing investment destination among international investors, Singapore's retail mall asset class is expected to be favoured due to its relative scarcity, stability, and higher yields compared to other asset classes.

Retail Trends and Outlook

- Retail malls have evolved to incorporate more experiential elements, technology platforms, digital interfaces, and activity-based and F&B offerings to generate physical visits. The continued adoption of hybrid work arrangements will continue to benefit footfall and retail sales of malls located near residential estates as more people choose to dine, shop, or opt for food deliveries near their homes.
- Retailers continue to face cost pressures arising from manpower shortages and high operating and transport costs. The additional GST rate hike and continued appreciation of SGD, which encouraged more outbound travel, may impact local retail spending.
- However, modest economic growth and high household disposable incomes are expected to provide some support. The recovery in tourism and the pipeline of live entertainment acts and events, could also potentially contribute to footfall and demand for retail space.
- The overall healthy demand for retail space, alongside relatively limited upcoming supply, is expected to support the upward trajectory of rents, albeit at a moderated pace.

1.4 Singapore Office Market[1]

Existing Office Stock

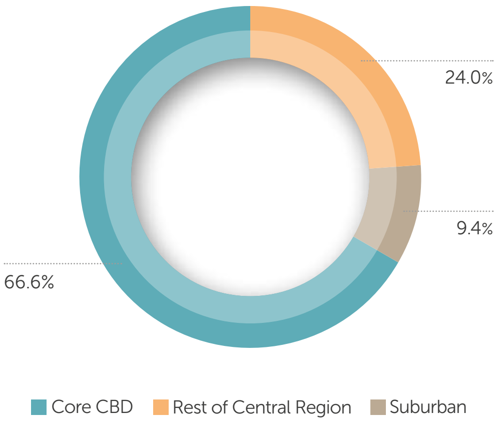
86.6M square feet[2] ▼ 0.4% yoy

(As at 31 December 2023)

- Singapore's total existing office stock stood at 86.6 million square feet as at 31 December 2023, with the majority concentrated in the Core CBD (66.6%), with the remaining in the Rest of Central Region (24.0%) and Outside of Central Region (also referred to as the Suburban submarket) (9.4%).
- The Core CBD refers to the Central Area of Singapore, while the Rest of Central Region is also referred to as the City Fringe.[3]
- Office stock decreased by about 355,200 square feet in 2023, mainly due to redevelopment and asset enhancement works on properties such as PIL Building and Golden Mile Complex. However, the completions of Guoco Midtown and One Holland Village added about 709,000 square feet and 50,000 square feet of office NLA to the Core CBD and City Fringe submarkets, respectively.
- As of 31 March 2024, Singapore's existing office stock stood at nearly 86.2 million square feet, with a net reduction of 441,320 square feet of office supply in 1Q 2024. The removal of developments includes Central Square & Central Mall in the Core CBD.

Office Stock by Submarket

(As at 31 December 2023)



Source: URA, Colliers

[1] All references to floor area refers to NLA, unless otherwise stated.
[2] Source: URA.
[3] The Central Area comprises the following planning areas as defined by the URA: Outram, Museum, Newton, River Valley, Singapore River, Marina South, Marina East, Straits View, Rochor, Orchard, Downtown Core. For the properties owned by MPACT, Mapletree Business City, mTower, and Bank of America Harbourfront are located in the City Fringe, while Mapletree Anson is located in Core CBD.

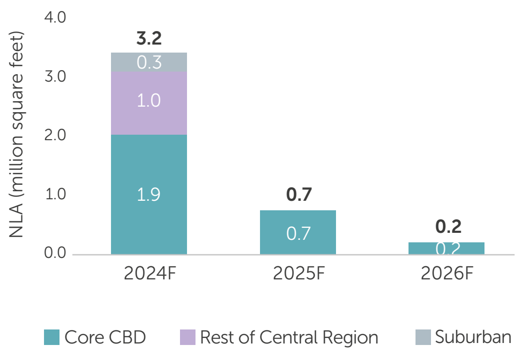
INDEPENDENT MARKET **OVERVIEW**

Potential Office Supply

4.1M square feet
(From 2024 to 2026)

- Approximately 4.1 million square feet of space is expected to be delivered from 2024 to 2026, translating into an annual average of about 1.4 million square feet, which is higher than the past five-year annual average of 1.0 million square feet.
- The Core CBD submarket will account for the majority of upcoming office supply (68.3%) from 2024 to 2026, while the City Fringe and Suburban submarkets will account for 25.2% and 6.5% respectively.
- Within the Alexandra/HarbourFront submarket, Labrador Tower is expected to add about 696,800 square feet of space in 2024. Within the Core CBD (Tanjong Pagar/Anson submarket), Keppel South Central and Newport Tower are expected to add about 613,500 square feet and 262,600 square feet of space in 2024 and 2025, respectively.

Potential Supply by Submarket



Source: URA, Colliers, Project Announcements

Office Net Take-up

0.9M square feet[1] **88.6% yoy**
(Islandwide in 2023)

- Office leasing demand recovered strongly and maintained its positive leasing momentum from the previous year, recording islandwide net absorption of nearly 0.9 million square feet in 2023, 88.6% higher on a yoy basis.
- However, macroeconomic uncertainties have resulted in right-sizing and consolidation of spaces by companies, while the continued slowdown and layoffs in the technology sector contributed to a build-up of shadow space. Occupiers also exhibited caution in expansion plans and capital expenditure, with many opting to renew leases instead of relocating.
- Despite these challenges, occupiers continued to seek for efficiency and flight-to-quality, which coupled with the tight new supply situation, especially for prime grade office developments, resulted in strong demand and tightened vacancies across most submarkets.
- Office demand in Singapore's CBD has historically been driven by the core sectors of banking & finance, professional services, and energy & shipping. In 2023, healthy demand for office space continued to be observed from diversified industries, including family offices, energy, biotechnology, hardware, transport sectors, and new set-ups from Chinese companies.

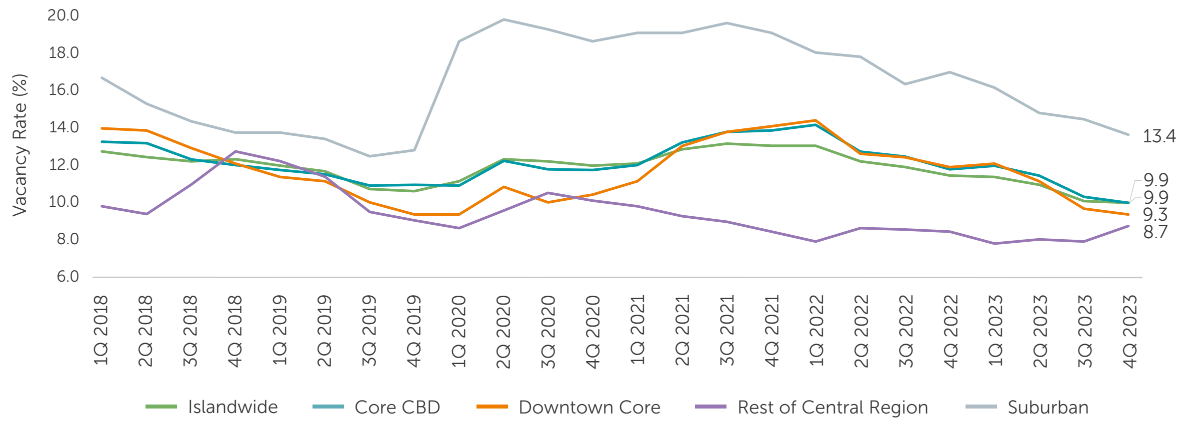
Office Vacancy Rate

9.9%[2] **1.4 pp yoy**
(Islandwide as at 31 December 2023)

- Islandwide office vacancy rate tightened to 9.9% as at 31 December 2023, 1.4 pp lower yoy. This improvement can be attributed to continued back-to-office momentum and the removal of office developments from the overall stock, which fuelled growth in office leasing demand and a broad-based decline in vacancy rates across most submarkets.
- Vacancy rates as at 31 December 2023 in the Downtown Core and Core CBD were 9.3% and 9.9%, respectively, tightening by about 2.4 pp and 1.7 pp yoy. The CBD remained the preferred submarket for premium and good quality office assets, as occupiers continued their flight-to-quality. The tight office supply and limited availability of office space in the CBD further pushed CBD occupancy rates upwards in 2023.
- The City Fringe submarket, despite a slight uptick in vacancy to 8.7% in 2023, remained the submarket with the lowest vacancy rate. Notably, vacancy rate in the City Fringe has remained at or below 10% for the past four years despite challenges posed by COVID-19 and work-from-home arrangements. The quality of assets, proximity to the CBD, relatively reasonable rents, and the current tight office supply situation in the CBD, have cemented the City Fringe as a popular and resilient office submarket.

[1] Source: URA.
[2] This refers to the islandwide average vacancy rate of all office properties and is published by the URA.

- 1Q 2024 islandwide office vacancy rate tightened by 0.3 pp qoq to 9.6%. The removal of office developments from the overall stock, coupled with a lack of new completions, outweighed the decline in office occupancy as occupiers optimised their space requirements.



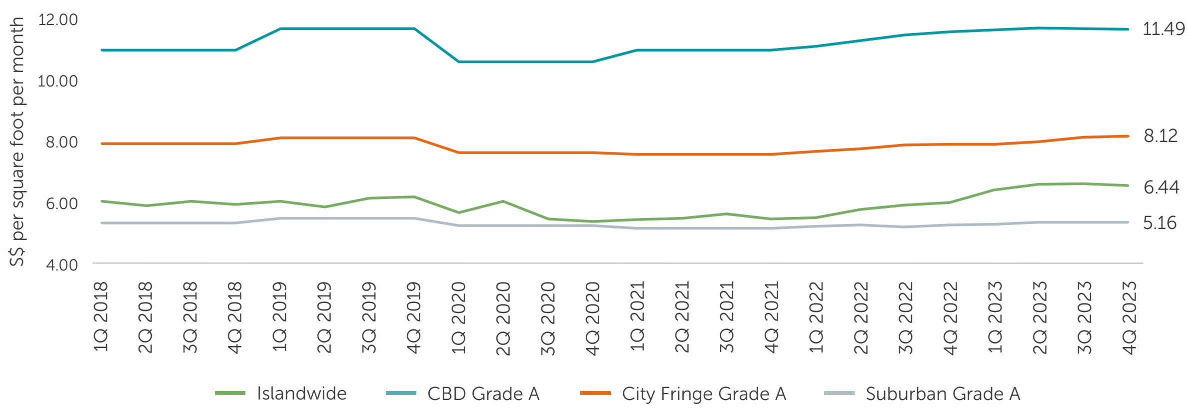
Source: URA, Colliers

Average Office Rent

S$**6.44** per square foot per month[1]
(Islandwide as at 31 December 2023)

9.9% yoy

- Average islandwide office rents increased to S$6.44 per square foot per month as at 31 December 2023, 9.9% higher yoy. The overall growth in rents was supported by stronger office take-up and tight vacancies across the markets.
- Grade A office rents in the CBD and City Fringe continued to grow in 2023, with yoy growth of 0.8% and 3.6%, respectively.
- In 1Q 2024, islandwide office rent increased by 1.7% qoq to S$6.55 per square foot per month. This was mainly driven by rental growth in the CBD where limited prime spaces were snapped up or renewed at higher rates as occupiers viewed it as a more economical option than relocating.



Source: URA (Islandwide Rents), Colliers (Submarket Rents)

[1] This refers to the islandwide median gross monthly rent of all office space and is published by the URA.

INDEPENDENT MARKET **OVERVIEW**

Average CBD Grade A Office Capital Value

S$**3,100** per square foot ▲ **1.6% yoy**

(As at 31 December 2023)

Average CBD Grade A Office Yields

3.3% **Unchanged yoy**

(As at 31 December 2023)

- CBD Grade A capital values rose slightly to S$3,100 per square foot, backed by near-proportionate rental growth and resilient demand for these assets, resulting in yields remaining flat at 3.3% in 2023 as compared to 2022.
- In 1Q 2024, CBD Grade A office capital value and yield remained flat with limited transactional evidence.
- Despite facing a prolonged period of elevated interest rates, economic uncertainties, and a continued bid-ask gap that led to lower transaction volumes, investors continue to have strong conviction on commercial assets in Singapore. This confidence is underpinned by Singapore's long-term stability and resilient rental levels.
- Key recent office transactions include the en-bloc sale of Shenton House to Shenton 101 for S$538 million (S$1,921 per square foot based on reported existing NLA of 280,000 square feet).

Office Trends and Outlook

- The new Tripartite Guidelines on Flexible Work Arrangements Requests, which require employers to consider employees' requests for flexible work arrangements properly and fairly, such as work-from-home arrangements for office jobs, will take effect from 1 December 2024. While these guidelines are not expected to significantly impact demand for office space, more firms may consider right-sizing according to the work arrangements and corresponding space requirements of their workforce.
- In the near term, demand for office space is likely to remain muted as occupiers are expected to remain cautious in their spending and focus on space optimisation, given the ongoing global economic uncertainties and continued job cuts observed across sectors. Significant incoming new supply, coupled with a build-up of shadow and secondary spaces, is expected to add pressure to office vacancies and rental levels in both the CBD and islandwide as competition for tenants intensifies.
- However, an improvement to office leasing demand and rents is expected in the second half of 2024, supported by a modest economic recovery and projected easing of inflationary pressures and interest rates.
- With Singapore's reputation as an international financial hub and safe capital haven, prime quality office space remains a prized asset in the long run, backed by resilient rents and overall tight vacancies.

1.5 Singapore Business Park Market

Existing Business Park Stock

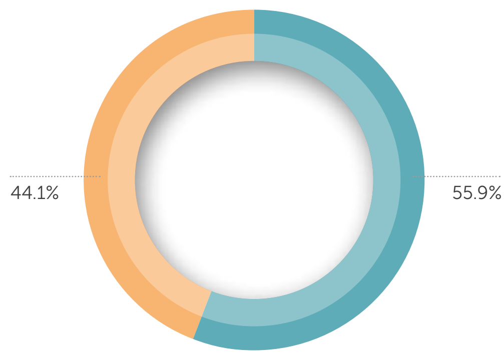
26.5M square feet[1] ▲ **3.5% yoy**

(As at 31 December 2023)

- Singapore's total existing business park stock totalled about 26.5 million square feet as at 31 December 2023. The majority of this is clustered in selected areas in the Central Region (55.9%), with the remaining located across the Rest of Island (44.1%).
- The Central Region comprises the Queenstown planning area and the business parks in the region (Mapletree Business City, one-north and Singapore Science Park). The Rest of Island comprises the East Region (Bedok and Tampines planning areas) and the West Region (Jurong East and Western Water Catchment planning areas).[2]
- Approximately 0.9 million square feet NLA of net business park supply was added to the market in 2023. The completion of Elementum and Geneo contributed about 306,000 square feet and 248,200 square feet, respectively, into the Central Region submarket.
- As at 31 March 2024, Singapore's existing business park stock stood at 26.5 million square feet, with a net addition of 43,540 square feet of business park supply in 1Q 2024.

Business Park Stock by Submarket

(As at 31 December 2023)[2]



Source: JTC Corporation, Colliers

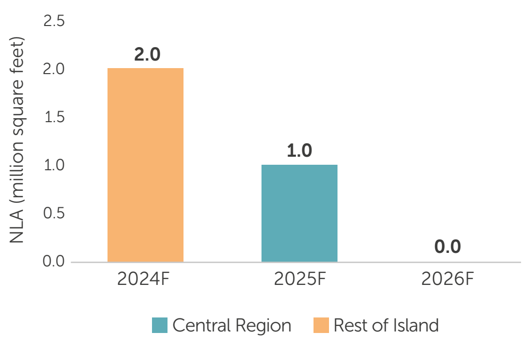
[1] Source: JTC Corporation.
[2] Mapletree Business City, owned by MPACT, is located in the Central Region.

Potential Business Park Supply

3.0M square feet
(From 2024 to 2026)

- Approximately 3.0 million square feet of business park space is expected to be delivered from 2024 to 2026, translating into an annual average of 1.0 million square feet, higher than the past five-year annual average of 0.6 million square feet.
- The Rest of Island submarket will account for the majority (67.5%) of upcoming business park supply from 2024 to 2026, while the Central Region will account for the remaining supply (32.5%).
- Within the Central Region, 1 Science Park Drive is expected to add about 1.0 million square feet of new supply in 2025 in the Buona Vista/one-north submarket.

Potential Supply by Submarket



Source: JTC Corporation, Colliers

Business Park Net Take-up

-0.4M square feet[1] ▼ 194.4% yoy
(In 2023)

- Demand for business park space experienced a significant contraction in 2023, resulting in negative islandwide net absorption of approximately -0.4 million square feet, a decline of 194.4% from 2022. The fall in demand was observed across all submarkets, with the Rest of Island (East Region) being the most impacted. Weakened macroeconomic conditions and manufacturing output contractions have led to re-evaluation and consolidation of space, with more lease renewals than expansions observed. Demand from the traditional business park occupier sectors, including technology, R&D, and pharmaceuticals, remained more muted in 2023.
- Following two consecutive years of recovery in leasing demand from 2021 to 2022, the Central Region submarket recorded a significant contraction in the first quarter of 2023. Demand reverted to slightly positive levels in the next two quarters, before it observed another decline at the end of 2023.
- After registering its first positive net absorption of approximately 0.1 million square feet in 2022, the Rest of Island submarket reverted to record a significant contraction of about 0.2 million square feet in 2023, which was mainly contributed by the East Region.

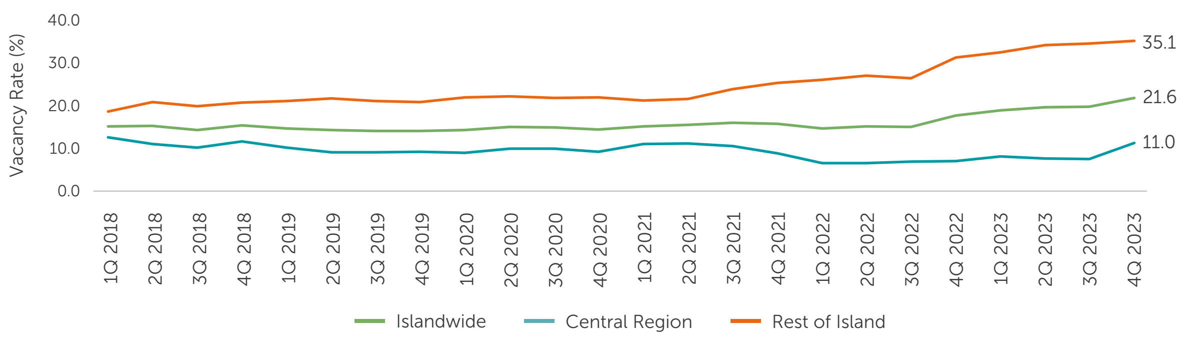
Business Park Vacancy Rate

21.6%[2] ▲ 4.1 pp yoy
(Islandwide as at 31 December 2023)

- Islandwide business park vacancy rate rose 4.1 pp from 2022 to 21.6% as at 31 December 2023, the highest level observed in a decade. This was particularly driven by the Rest of Island (West Region), where vacancy rate climbed to 42.2%.
- The sharp rise in vacancy was due to the completion of new projects, including Perennial Business City and Surbana Jurong Campus in the West Region.
- In contrast, the Central Region has generally maintained low vacancy levels over the past seven years and remained the tightest submarket for the business park sector. However, due to weakened demand for business park space and the completion of new developments, vacancy levels in the Central Region increased to 11.0%.
- In 1Q 2024, islandwide business park vacancy rate increased by 0.4 pp qoq to 22.0%, largely due to newly injected business park supply yet to be absorbed.

1 Source: JTC Corporation.
2 This refers to the islandwide average vacancy rate of all business park properties and is published by the JTC Corporation.

INDEPENDENT MARKET **OVERVIEW**



Source: JTC Corporation, Colliers

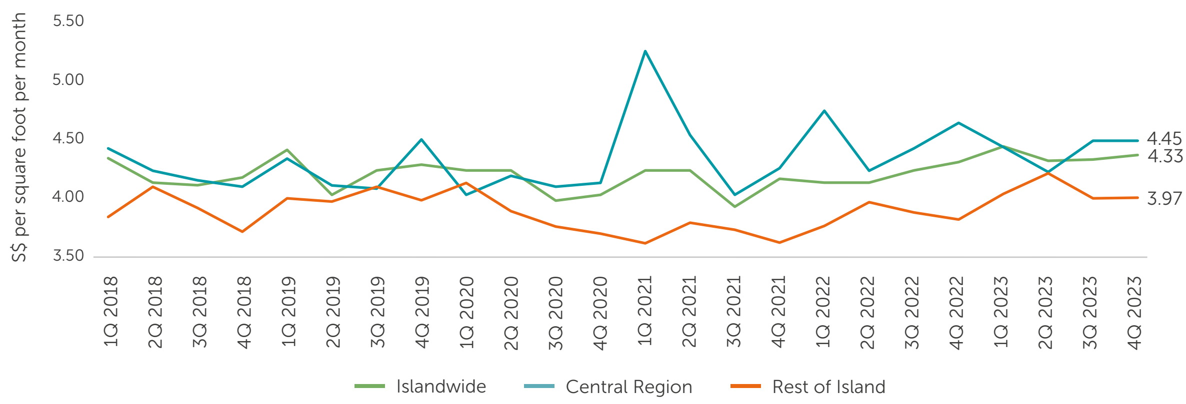
Average Business Park Rent

S$**4.33** ▲ **1.4% yoy**

per square foot per month[1]

(Islandwide as at 31 December 2023)

- Average islandwide business park rent was S$4.33 per square foot per month as at 31 December 2023, 1.4% higher yoy.
- Average rent for the Central Region submarket was S$4.45 per square foot per month as at 31 December 2023, 3.3% lower yoy. The decline was in tandem with a contraction in business park space demand and the injection of new supply into the submarket.
- Average rent in the Rest of Island submarket increased by 4.7% yoy to S$3.97 per square foot per month as at 31 December 2023. This was mainly driven by the continued increase in average rents in the West Region arising from several newly completed developments, such as Perennial Business City and Surbana Jurong Campus, which commanded higher rents.
- In 1Q 2024, islandwide business park rent increased by 2.3% qoq to S$4.43 per square foot per month. This was mainly due to the higher rents commanded by the newer and better-located business parks, but mitigated by lower overall rents in the older or decentralised business parks as landlords became more flexible in rental and incentive negotiations to attract or retain tenants.



Source: JTC Corporation, Colliers

[1] This refers to the average islandwide monthly unit contracted gross rent of all business park space as declared by tenants to Inland Revenue Authority of Singapore through its e-Stamping system and is published by the JTC Corporation. Contracted gross rent includes the base rent and all charges in connection with the lease (such as additional rent, service charge, payment for hire of fittings or equipment, fees for advertising and promotion). It may or may not include any rent-free period and other incentives.

Average Business Park Capital Value

S$**1,100**
per square foot
(As at 31 December 2023)

Unchanged yoy

Average Business Park Yield

6.2%
(As at 31 December 2023)

Unchanged yoy

- There were limited business park transactions in 2023, as business park assets continued to be tightly held by landlords. The only known business park transaction was the sale and leaseback of The Shugart from Seagate to CapitaLand Ascendas REIT for S$218 million (S$496 per square foot based on NLA of 440,028 square feet). There were no sufficient transactional evidence to revise yields for business parks despite the increase of interest rates. As such, the average net market yields and capital values have remained flat at about 6.2% and S$1,100 per square foot, respectively, in 2023.
- In 1Q 2024, islandwide business park capital value and yield continued to remain flat with no transactional evidence.

Business Park Outlook

- On the back of cost pressures and soft external demand, demand for business park space is projected to remain muted as occupiers remain cautious of new space take-ups and expansion plans. Leasing activity may pick up with new supply coming on stream in the later part of the year and a projected modest economic recovery.
- With the significant new supply to be injected, islandwide vacancy levels are expected to remain elevated in 2024, more significantly in the Rest of Island. Islandwide rents are expected to observe minimal growth despite the expected rise in vacancy as new developments would typically command higher rents.
- Notwithstanding, Singapore's business park market remains attractive in the long run due to the government's efforts in promoting high-value and knowledge-based manufacturing industries.

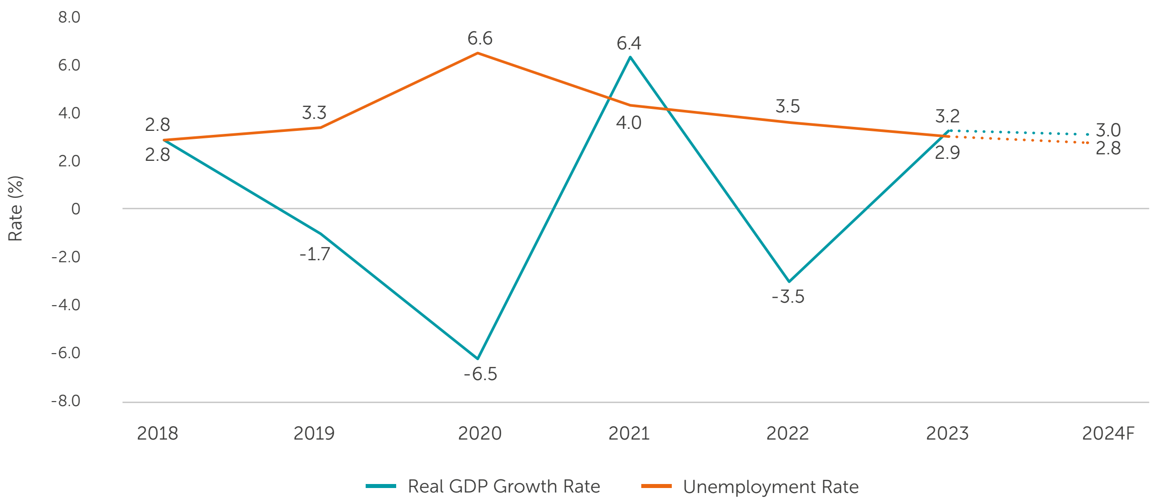
INDEPENDENT MARKET **OVERVIEW**

Hong Kong

1.1 Economy

- Buoyed by the abolishment of COVID-19 related restrictions together with a series of support measures by the government, the full resumption of border traffic with mainland China, and the return of visitors, Hong Kong's GDP expanded by 3.2% yoy in 2023, following a contraction of 3.5% in 2022. However, headwinds remained. US-China tensions and a slower-than-expected global economic recovery in light of tight financial markets continued to weigh on the economic performance. In particular, the total export and import of goods decreased compared with 2022.
- The abolition of travel restrictions enabled the return of overseas Hong Kong residents. Furthermore, with the promotion of various immigration schemes, Hong Kong has seen an influx of foreign workers, mostly from mainland China. The combination of residents returning and the admission of external talent led to a marginal increase of Hong Kong's population by 0.4% yoy as of the end of 2023.
- On the back of a recovery of inbound tourism and increased private consumption, the unemployment rate continued to edge down from 3.5% in 2022 to 2.9% at the end of 2023, back to the pre-pandemic level.
- In 2023, the government introduced a range of initiatives aimed at enhancing Hong Kong's competitiveness. To foster the attraction of foreign talents and investments, the government has relaxed the criteria and implemented various schemes, including the Top Talent Pass Scheme,[1] the new Capital Investment Entrant Scheme,[2] the launch of the first Saudi Arabia ETF in Hong Kong, and the pledge to develop a "Headquarter Economy" to attract domestic and international companies to establish headquarters or branch operations in Hong Kong.
- Furthermore, in an effort to bolster the tourism industry, the government has actively promoted campaigns such as "Hello Hong Kong",[3] "Happy Hong Kong",[4] "Night Vibes Hong Kong".[5] These campaigns encompass a series of events designed to restore Hong Kong's reputation as a desirable travel destination.
- Looking forward, Hong Kong's 2024 GDP growth is forecast at 2.5% to 3.5%, similar to the level seen in 2023. Hong Kong's export figures are expected to remain under pressure but may see some relief if central banks start cutting interest rates later in the year. Lower borrowing costs should also support private consumption although no further issuance of consumption vouchers is being planned by the government unlike previous years. External factors like Mainland China's economic recovery and US-China relationship will continue to play an important role in Hong Kong's GDP growth in 2024.

Real GDP Growth Rate and Unemployment Rate



Source: GDP and Unemployment figures from 2017 to 2023 are from the Census and Statistics Department. GDP forecast figure 2024 is from the Hong Kong government SAR and unemployment rate forecast figure from the International Monetary Fund.

1 The Top Talent Pass Scheme aims to attract highly skilled professionals with extensive work experience and exceptional academic qualifications from all around the world to explore opportunities in Hong Kong. The scheme targets high-income talents and graduates from the world's top universities.
2 This scheme allows individuals with net assets or net equity of HKD30 million or more to relocate to Hong Kong.
3 "Hello Hong Kong" is a campaign launched in February 2023 that includes promotional activities such as free air tickets, cash vouchers, sponsored visits for prominent guests, and Hong Kong delegations visiting mainland China to promote the city and launch more MICE and mega events.
4 "Happy Hong Kong" is a government-led large-scale global promotional campaign. Since April 2023, in collaboration with various participating organisations, the government has held a series of diverse activities, including gourmet marketplaces and carnivals.
5 "Night Vibes Hong Kong" was initiated in September 2023 to promote the key characteristics of Hong Kong, with different parts of the community playing their part in staging night-time events like wine and dine festivals and public holiday related festivities.

1.2 Tourist Arrivals

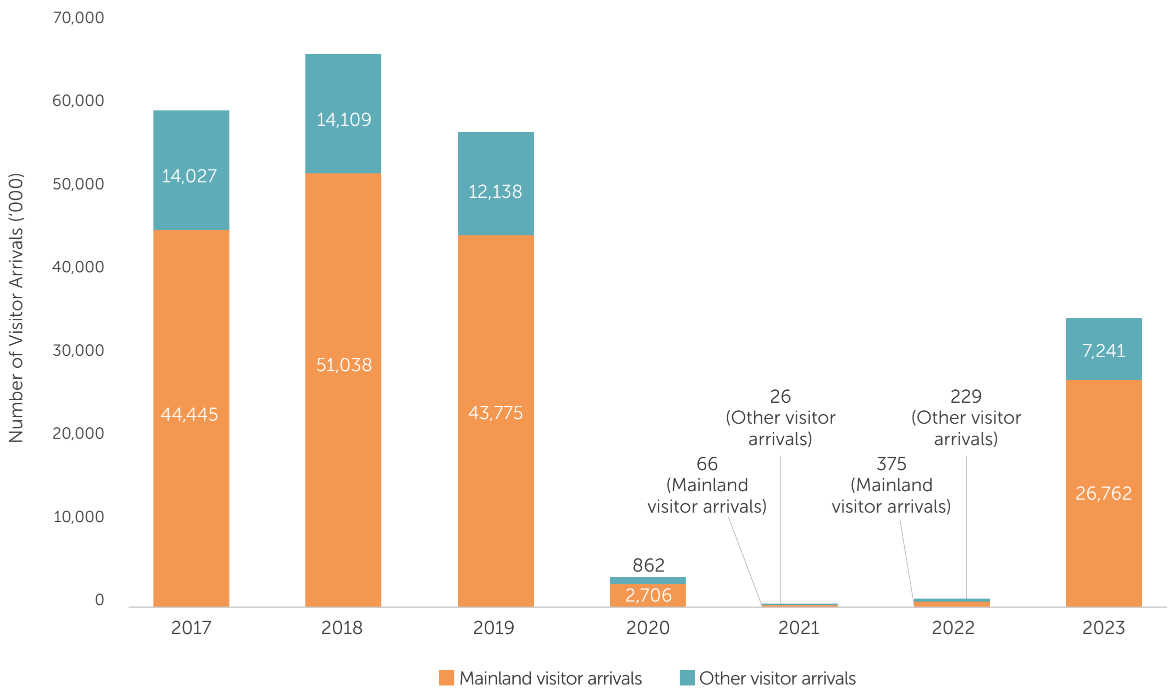
Tourist Arrivals

34M (In 2023)

5,524.4% yoy

- Total tourist arrivals picked up significantly to about 34,000,000 in 2023 from about 605,000 in 2022 due to the full border reopening and resumption of inbound tourism. However, this remained at about 60% and 52% of the visitors received in 2019 and 2018, respectively.
- The number of mainland Chinese visitors spiked by 7,034.2% yoy in 2023 following the progressive re-opening of all cross-border checkpoints. Notwithstanding, this represents approximately 61% and 52% of the total number of mainland Chinese visitors received in 2019 and 2018, respectively. With the promotion of cruise tourism, hosting of mega events and campaigns including Happy Hong Kong, and the extended operation hours of border checkpoints at Shenzhen Bay and Lo Wu, the number of mainland Chinese and overseas tourists is expected to rise.
- In part due to the support provided by the government for the tourism sector, Hong Kong experienced an influx of approximately 11.2 million visitors in the first quarter of 2024, a growth rate of 5.1% against the typically strong final quarter of the previous year. However, this was still only about 62% of the number of tourist arrivals seen prior to the pandemic in 1Q 2019.

Visitor Arrivals



Source: Hong Kong Tourism Board

INDEPENDENT MARKET **OVERVIEW**

1.3 Total Retail Sales

Total Retail Sales

HKD**406.7**B ▲ **16.2% yoy**
(In 2023)

- For the whole of 2023, the value of retail sales rose 16.2% yoy. Retail sales in the first half of 2023 recorded significant growth after the removal of pandemic-related measures. Sales were further boosted by the government's various campaigns to promote tourism, as well as the 2023 consumption voucher scheme.
- However, a slowdown of retail sales growth was recorded in the second half of 2023 due to tepid consumer sentiment caused by high interest rates and a weak economy, the growing trend of Hong Kong residents' weekend travel to Mainland China, overseas trips during public holidays and a slower-than-expected return of tourists from both Mainland China and other parts of the world. As a result, the significant increase in tourist arrivals did not directly translate into more significant growth in retail sales. Furthermore, part of the increment in retail sales can be attributed to the low base in 2022.
- In 1Q 2024, retail sales decreased 1.3% yoy to a total of HKD101.5 billion. Retail sales mainly declined due to weaker figures in March, that were lower in part due to the rising trend of residents traveling abroad during weekends and holidays, as well as a high base of comparison for visitor spending last year.

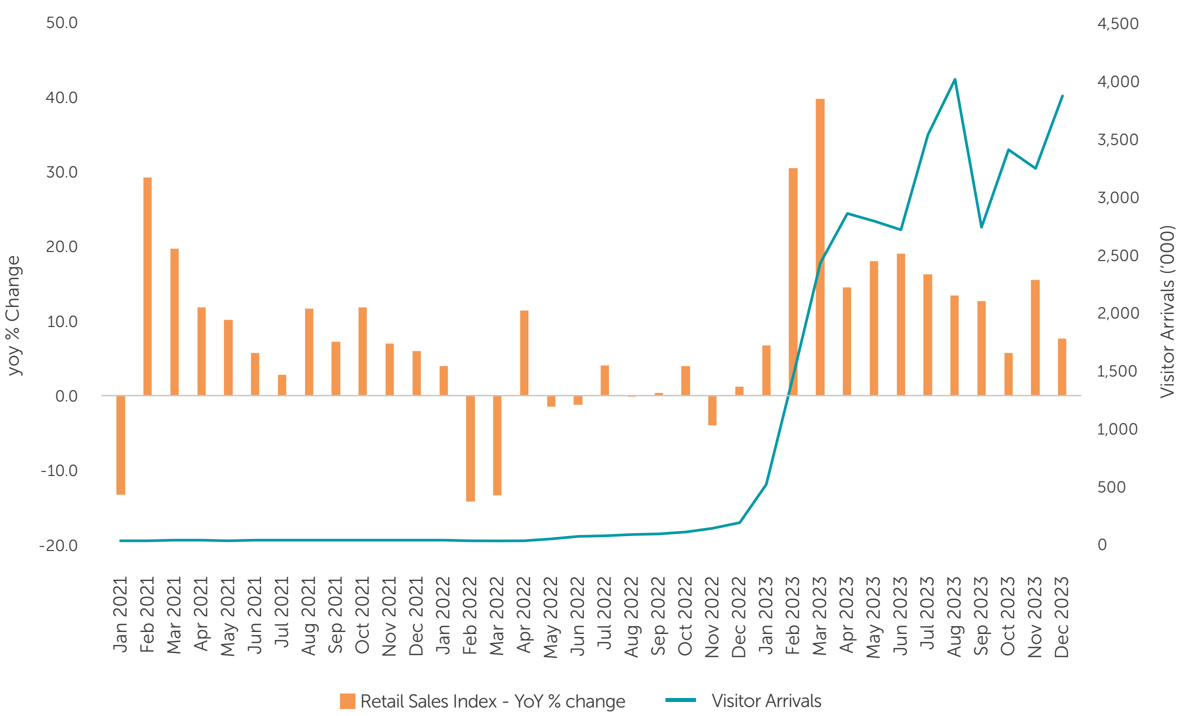
1.4 Online Retail Sales

Online Retail Sales

7.9% of Total Retail Sales
(As at 31 December 2023)

- The value of online retail sales dropped by 5.9% yoy to HKD32.5 billion in 2023. The proportion of online sales also dropped from 12.0% as at 31 December 2022 to 7.9% as at 31 December 2023. The drop was primarily because of the return of high-street retailing after the lifting of pandemic-related restrictions.
- While the convenience of online shopping had been valued during the pandemic, in the post-COVID era, retailers are focusing more on improving customers' shopping experience at physical stores and broadening their customers' base particularly to the older demographic groups.
- In March 2024, the proportion of online sales remained relatively stable, experiencing a modest increase of 0.2 pp yoy to 7.8%.

Retail Sales Index (yoy change) and Tourist Arrival



Source: Retail Sales figures are from the Census and Statistics Department and Tourist Arrivals figures are from the Hong Kong Tourism Board

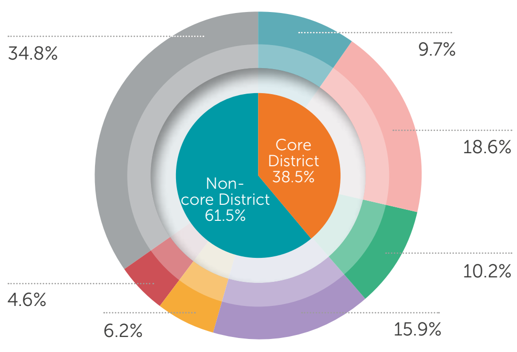
1.5 Hong Kong Retail Market[1]

Existing Shopping Mall Stock

126.8M square feet[2] ▲ 0.8% yoy
(As at 31 December 2023)

- Hong Kong's retail market's core districts are Central, Tsim Sha Tsui/Mong Kok and Causeway Bay ("CWB")/Wan Chai. Together with the non-core or decentralised areas of Kowloon East,[3] Island East and Sha Tin, they form the city's six key retail districts.
- Core districts and non-core districts account for around 38.5% and 61.5% of Hong Kong's retail stock, respectively.
- New retail shopping mall supply in 2023 was around 1.0 million square feet. This includes The Southside Mall (0.5 million square feet) that opened in 4Q 2023.
- Approximately 0.1 million square feet of new retail space was added in 1Q 2024, bringing the total existing supply to approximately 127.0 million square feet. The most recent completions are within integrated projects, notably the NOVO Land Phase 1B.

Distribution of Retail Stock by Submarket
(As at 31 December 2023)



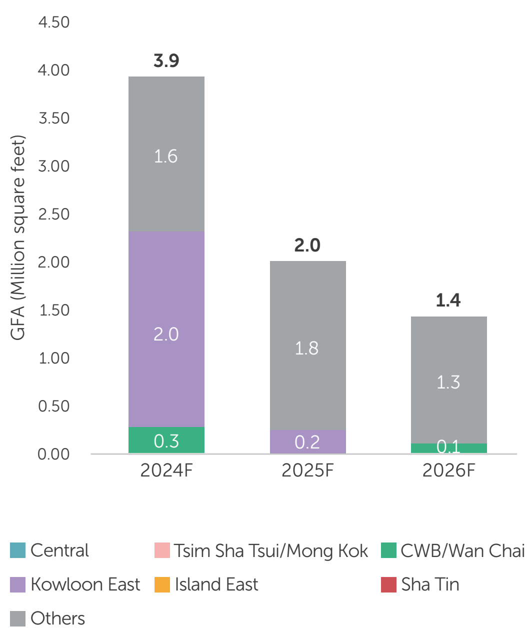
Source: Rating and Valuation Department, Colliers

Potential Shopping Mall Supply

7.36M square feet
(From 2024 to 2026)

- In 2024, approximately 3.9 million square feet of new retail space is expected to be added, with the main hubs being Kai Tak and Chek Lap Kok. Kai Tak, a newly developed area in Kowloon East, will see the completion of two developments, namely the Kai Tak Sports Centre and The Twins. Chek Lap Kok, the island housing the Hong Kong International Airport, will contribute to the supply with a large-scale development named 11 Skies.
- Looking further ahead, Kowloon East is set to provide about one-third of the new supply until 2026. An influx of new retail space is expected in Kowloon East in 2024, with The Twins providing 0.9 million square feet and Kai Tak Sports Centre providing 0.6 million square feet. This will increase competition among landlords and put temporary pressure on rental levels in the area.

Future Supply by Submarket



Source: Rating and Valuation Department, Colliers

1 All references to floor area refer to GFA, unless otherwise stated.
2 Source: Rating & Valuation Department. Net floor area was converted to GFA for the purpose of this report.
3 MPACT's Festival Walk is located in the Kowloon East submarket.

INDEPENDENT MARKET **OVERVIEW**

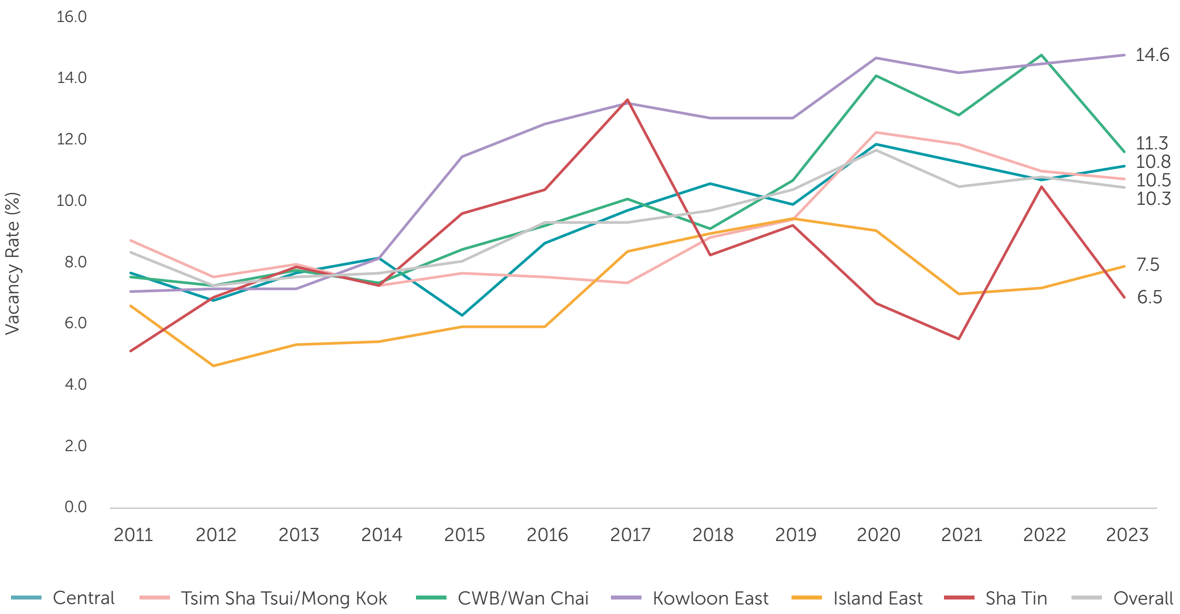
Vacancy Rate

10.3%[1] **0.2 pp yoy**

(Overall as at 31 December 2023)

- The retail vacancy rate decreased slightly to 10.3% at the end of 2023, down 0.2 pp yoy. This was driven by a combination of factors, including the return of inbound tourism, government initiatives to boost demand and limited new supply. However, recovery was tempered by increased outbound travel and high interest rates which weighed on consumer spending.
- CWB/Wan Chai, one of the core districts heavily dependent on tourism, saw a 3.3 pp yoy decrease in vacancy rate, outperforming most other submarkets. The only submarket that surpassed this performance was Sha Tin, which posted a 3.7 pp yoy drop in vacancy rate, mainly attributed to the gradual leasing of the newly completed mall, The Wai.
- Kowloon East, not being one of the core districts reliant on tourists, did not fully enjoy the benefit from the rebound in tourist arrivals. As a result, the vacancy rate of retail properties within Kowloon East experienced a modest yoy increase of 0.3 pp, reaching 14.6%.

Vacancy Rate by Submarket



Source: Rating and Valuation Department, Colliers

[1] This refers to the average vacancy rate of all retail properties across Hong Kong, including shopping malls, high street shops and retail podiums and is published by the Rating and Valuation Department.

Average Shopping Mall Rent[1]

HKD**301**
per square foot per month
(Overall as at 31 December 2023)

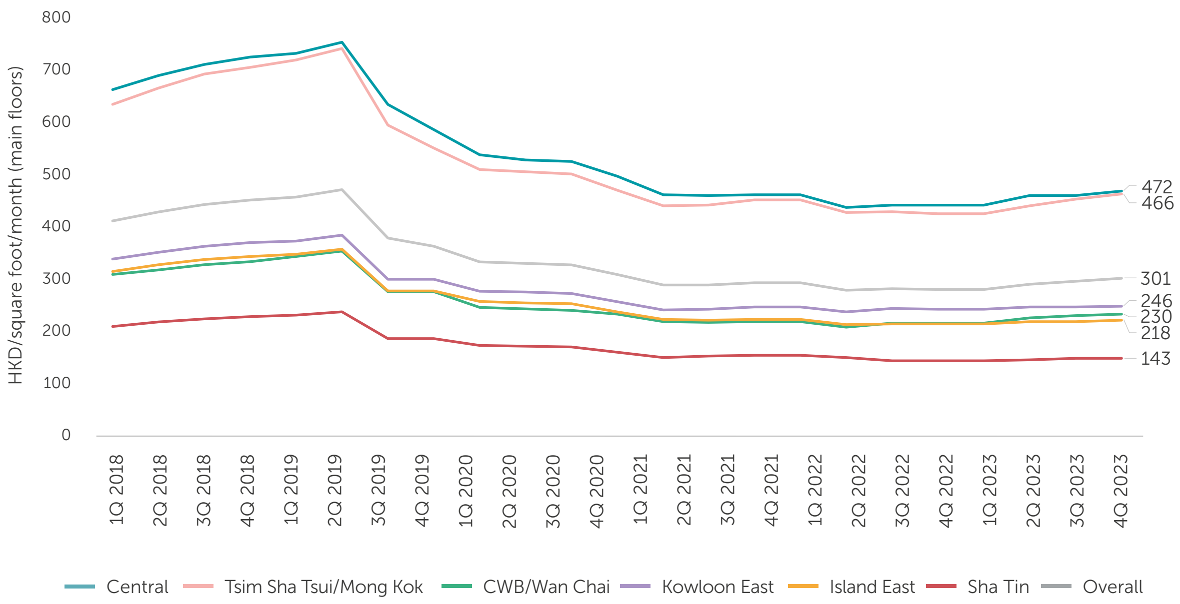
7.7% yoy

- Overall rents in Hong Kong rose 7.7% yoy, driven by pent-up leasing demand from occupiers. The adjustment was primarily due to the end of the COVID-19 pandemic, and occupiers' optimistic expectations for the return of tourists, particularly those from mainland China.
- The key areas benefitting from this growth were Central, CWB/Wan Chai, Tsim Sha Tsui & Mong Kok, with significant rental increases of 6.0%, 7.9% and 9.0%, respectively. These core districts remain prime tourist destinations and were the main beneficiaries of the recovery in tourism.
- Decentralised areas that rely more on domestic demand, such as Sha Tin and Kowloon East, experienced lower rental growth of 3.0% and 2.7%, respectively. This is possibly due to an increase in outbound travel and a considerable outflow of Hong Kong residents throughout 2023.
- In 1Q 2024, overall rents increased by 1.8% qoq, reaching HKD306 per square foot per month. This growth was primarily fuelled by rising rents in the core districts, while decentralised areas, such as Kowloon East, remained unchanged from the previous quarter.

Leasing Demand

- In 2023, there was significant leasing demand from F&B, gym and athleisure apparel retailers relocating to prime areas. However, leasing momentum from luxury stores slowed down due to changing consumer preferences and lower purchasing power of mainland Chinese tourists caused by a softer economy and a weak RMB.
- Leasing demand mostly came from Chinese retailers, including classic retailers like Laopu Gold, financial institutions like CITIC, FUTU and Anxin Trust and F&B establishments such as Tai Er, Mixue Bingcheng, Hey Tea, Hefu Noodles and Peking Hotpot. These retailers were likely using Hong Kong as a stepping stone for global expansion.
- In 1Q 2024, the demand from F&B groups slowed down due to extensive outbound travel by Hong Kong residents. Demand was predominantly driven from jewellery retailers and gyms that were still looking to expand.

Retail Rent by Submarket



Source: Colliers

[1] Refers to the average rents of shops situated on main floors of the shopping malls from Colliers' database. Main floors are the floors with the highest amount of footfall within a shopping mall.

INDEPENDENT MARKET **OVERVIEW**

Average Retail Capital Value[1]

HKD**32,798** per square foot
(As at 31 December 2023)

▼ **1.5% yoy**

Average Retail Yield[1]

2.9%
(As at 31 December 2023)

▲ **0.3 pp yoy**

- Average capital values dropped 1.5% yoy from HKD33,288 per square foot at end of 2022 to HKD32,798 per square foot at end of 2023. This was mainly attributable to a high interest rate environment and elevated borrowing cost, with investors looking for discounts on asking prices.
- Despite the gradual recovery of retail rents, higher interest rates had led to a decline in capital values, resulting in yields further expanding by 0.3 pp yoy to 2.9% as at 31 December 2023.
- In 2023, retail transactions exceeding USD50 million primarily involved neighbourhood malls, such as Parkside at the Henley, West9Zone Kids, Golden Wheel Plaza and Concord Square. Notably, half of the more significant transactions were of financially distressed sales, including Concord Square and Golden Wheel Plaza.
- High borrowing costs continued to put pressure on retail prices and yields in 1Q 2024. The average capital value declined 4.6% qoq to HKD 31,299 per square foot. With an increase in rents and a decline in capital values, the average yield softened 0.2 pp qoq to reach 3.1%.

Key Retail Trends & Outlook

- Capitalising on the attractive rental levels, leasing demand in 2023 from F&B was strong, particularly from mainland Chinese F&B operators. With shifting consumption patterns from both Hong Kong residents and mainland Chinese tourists, a noticeable uptick in the proportion of F&B can be expected in shopping malls.
- Weekend cross-border travel from Hong Kong to mainland China, particularly to cities like Shenzhen, is increasing due to more diverse and affordable entertainment and retail options. This trend is also encouraged by a stronger HKD and improved accessibility. While core markets remained more resilient due to higher tourist arrivals, decentralised submarkets near the border have been impacted by this trend.
- Visitor arrivals to Hong Kong are expected to continue to recover in 2024, while outbound travel may level off, supporting local retail sales. Outbound travel numbers may also stabilise once the pent-up demand for travelling built up during the pandemic subsides. A stronger RMB could also support arrivals and spending by mainland Chinese tourists, and also moderate the trend of weekend cross-border travel. However, this will largely depend on the monetary policies of the US and China, with both central banks considering (further) rate cuts later in the year. In February 2024, China's central bank announced a 25 bps reduction of its five-year loan prime rate, one of its key benchmark rates.
- The retail market, particularly in prime retail areas like Central, Causeway Bay and Tsim Sha Tsui, is expected to continue recovering, with potential rental growth of up to 10% in 2024, outperforming the neighbourhood retail segment.
- While the potential supply of new retail space in Kowloon East will increase competition among landlords, the demand for retail space in the Kai Tak area is also expected to rise in the medium to long term, driven by new residential developments and office developments, as well as the relocation of government institutions.
- The F&B, entertainment, healthcare, gym and athleisure sectors are expected to drive demand in 2024. However, certain sectors such as jewellery and cosmetics & pharmacies, will be more cautious and adopt a wait-and-see approach to adjust to the changing shopping behaviours of mainland Chinese visitors.
- Many tourists plan their visits using social media platforms such as Xiaohongshu and Instagram, prompting retailers to increase their presence on these platforms. This is becoming an important driver for young tourists from mainland China when planning their trips, choosing dining destinations and areas to visit. While online retailing is expected to continue as a trend, with retailers embracing digitalisation, there will also be a focus on improving the in-store shopping experience and expanding their customer base.
- In the 2024-2025 Budget, the government announced the allocation of resources towards mega-events like international and regional trade fairs, arts and cultural exhibitions, sports competitions, in-depth tours, and various activities, including monthly pyrotechnic and drone shows, with the aim of boosting tourism.
- The Hong Kong Monetary Authority relaxed LTV ratios for non-residential properties from 60% to 70%. Although we do not expect a significant impact on pricing of retail assets, it might help lift transactions volumes once interest rates start to fall.

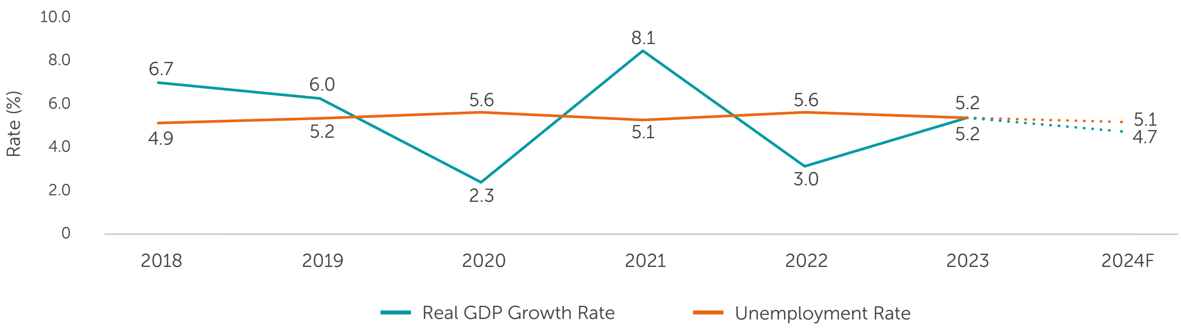
[1] Information published by the Rating and Valuation Department includes shopping malls, high street shops and retail podiums across Hong Kong. 2023 data is provisional at this stage.

China

1.1 Economy

- China's GDP grew by 5.2% yoy in 2023, slightly above the official target of around 5%. This growth, however, was mainly due to a low base in 2022 and fell short of market expectations for a more significant post-pandemic rebound. The country's property crisis, deflationary risks, weaker demand, tariffs and export controls imposed by the US and global economic headwinds hindered growth. Despite these challenges, high-tech industries witnessed good growth momentum, supported by the Chinese government.
- Deflationary pressure emerged in mid-2023 with weak domestic demand, resulting in a 0.3% deflation. This marked the third consecutive month of decline in consumer prices, mainly due to lower food and energy prices. Oxford Economics forecasted a return to inflation of 0.7% in 2024, due to low base effect and an easing of supply-side deflationary pressure.
- The lifting of strict COVID-19 measures and border reopening in January 2023 supported the resumption of economic activities. Consequently, the unemployment rate dropped 0.4 pp yoy to 5.2% in 2023.
- However, the property and debt crisis, stagnant domestic demand, global economic headwinds and US-China political tensions may persist. Hence, China's GDP is expected to grow at a slower pace of 4.7% in 2024.

Real GDP Growth Rate and Unemployment Rate



Source: National Bureau of Statistics, Oxford Economics, International Monetary Fund, Colliers

1.2 Beijing Office Market[1]

Existing Grade A Office Stock

11.2 M square metres — **3.6% yoy**

(As at 31 December 2023)

- Beijing comprises eight major office sub-markets – the Central Business District ("CBD"), Beijing Financial Street ("BFS"), Zhongguancun ("ZGC"), the Dongcheng Business District,[2] Lufthansa, Wangjing-Jiuxiangqiao, Asian Game Village ("AGV") & Olympic Park and Lize.
- As at 31 December 2023, the CBD remains the submarket with the largest share of the total stock at 32.2% (3,592,228 square metres). The share of total stock in the other submarkets is distributed relatively evenly with Lufthansa making up about 10.0% of the stock.
- New office supply entered the market as pandemic-related measures loosened and construction activities resumed. With the completion of about 400,000 square metres of space, Beijing's Grade A office stock reached 11.2 million square metres by the end of 2023.

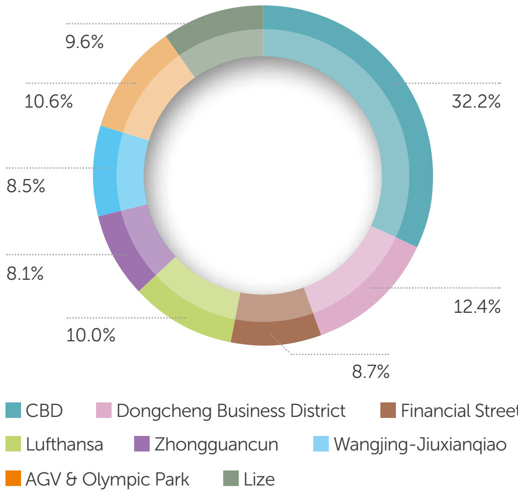
[1] All data and figures on the office market are from Colliers International (Hong Kong) Limited and they relate to the eight office submarkets as outlined on this page. Unless otherwise stated, all area measurements are based on Gross Floor Area ("GFA"). MPACT owns Gateway Plaza, which is located in Lufthansa.

[2] The Dongcheng Business District comprises East Chang'an Avenue and East 2nd Ring.

INDEPENDENT MARKET **OVERVIEW**

- The bulk of the new supply was added in 3Q 2023 when four projects were completed: two in Zhongguancun, one in AGV & Olympic Park, and one in Dongcheng Business District. There were no new completions in the Lufthansa submarket in 2023.

Grade A Office Stock by Submarket
(As at 31 December 2023)



Source: Colliers

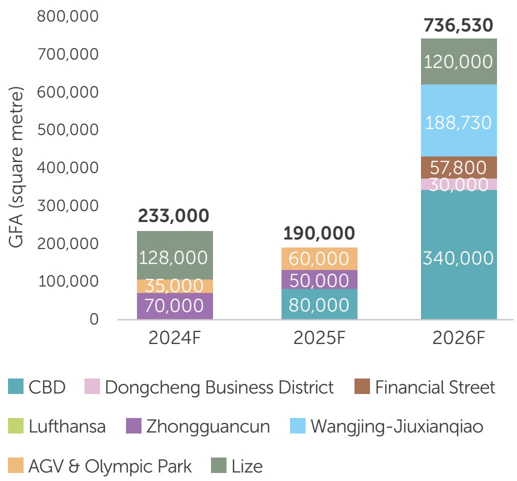
Potential Grade A Office Supply

1.2M square metres
(From 2024 to 2026)

- Supply in 2024 and 2025 will slow down from 2023, with approximately 233,000 square metres and 190,000 square metres, respectively. However, supply will pick up again in 2026 given the scheduled completion of several large-scale projects within the year, increasing the total Grade A office stock by around 736,530 square metres.

- Within the next three years, the CBD will introduce around 420,000 square metres of new office space. Other submarkets namely, Lize (248,000 square metres), AGV & Olympic Park (95,000 square metres), Dongcheng Business District (30,000 square metres), Zhongguancun (120,000 square metres), Financial Street (57,800 square metres) and Wangjing-jiuxianqiao (188,730 square metres), will also add to the new office supply. Lufthansa is the only main submarket without any supply scheduled in the near future.
- Sizeable upcoming projects include: National Financial Information Center (128,000 square metres) and New Fujian Tower (120,000 square metres) in Lize, CICC & GLP & Hongkong Land Z3 (120,000 square metres) in the south area of the Zhongfu plot, Dajia Insurance Z5 (90,000 square metres) and Sino-Ocean Group Z6 (130,000 square metres) in the CBD and Indigo Phase II (188,730 square metres) in Wangjing-Jiuxianqiao.

Potential Supply by Submarket



Source: Colliers

Office Net Take-up

86,000 square metres
(Overall in 2023)

From -63,000 square metres

- Beijing's net take-up turned positive in 2023, mainly due to the leasing of space in newly completed properties in 3Q 2023. Newly occupied space in Hevol Group Headquarters Building and King Region Saga in Zhongguancun, Beijing Polpas Center in AGV & Olympic Park and Cinda Center in Dongcheng Business District contributed to the positive net take-up.
- Additionally, the large amounts of surrendered space by tech companies that had led to a negative net-take up in 1H 2023 decreased in the second half of the year. The submarkets most affected by the surrendered space were CBD, Zhongguancun and AGV & Olympic Park, where local firms like ByteDance and foreign tech companies decreased their footprints significantly.
- The higher net-take up in 2023 was mostly due to the demand for newly completed premium space driven by state-owned enterprises' pre-committed leases in 3Q 2023.
- In the Lufthansa submarket, net take-up was close to zero as the surrendered space was fully taken up by newly signed leases, offsetting each other. While the first three quarters of 2023 showed a slightly positive net take-up, vacated space by finance and professional services companies surpassed newly occupied space in the final quarter of the year, leading to a negative net-take up in 4Q 2023.
- Net take-up in 1Q 2024 continued to be positive at around 11,000 square metres. However, this was primarily driven by relocations, whereas new demand remained subdued.

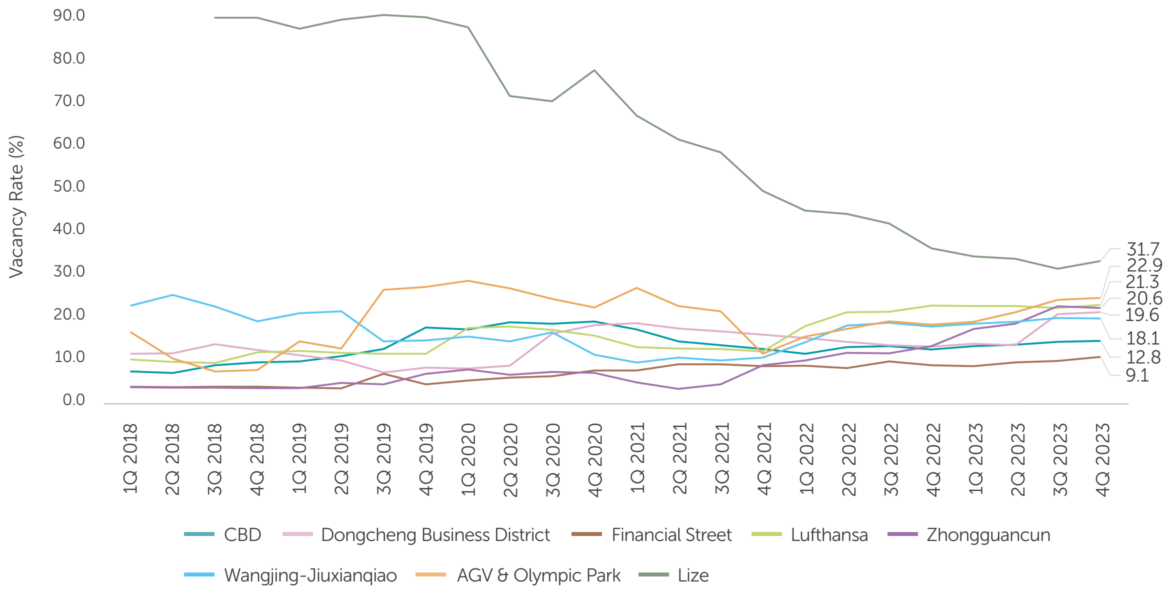
Grade A Office Vacancy Rate[1]

19.8%
(Overall as at 31 December 2023)

4.3 pp yoy

- The vacancy rate of Beijing's office market reached a 10-year high of 19.8%, up 4.3 pp yoy as at 31 December 2023. The increment in the vacancy rate was mostly due to a lack of demand in the first half of 2023 and significant new supply in 3Q 2023. The northern submarkets of Zhongguancun, Wangjing-Jiuxianqiao, and AGV & Olympic Park particularly contributed to the rise in vacancy rate.
- Without any new supply and a balance between newly signed and surrendered leases, Lufthansa's vacancy rate remained almost flat at 21.3% by the end of 2023, showing a marginal increase of 0.1 pp yoy.
- As a result of the arrival of new supply, the vacancy rate of Beijing's office market experienced a qoq increase of 0.3 pp, reaching 20.1% in 1Q 2024. This marks the first time in the past decade that the vacancy rate surpassed the 20% threshold.

Grade A Office Vacancy Rate[1]



Source: Colliers

[1] Data for Lize's Grade A office vacancy rate is only available from 3Q 2018 since it is a newly developed office submarket.

INDEPENDENT MARKET **OVERVIEW**

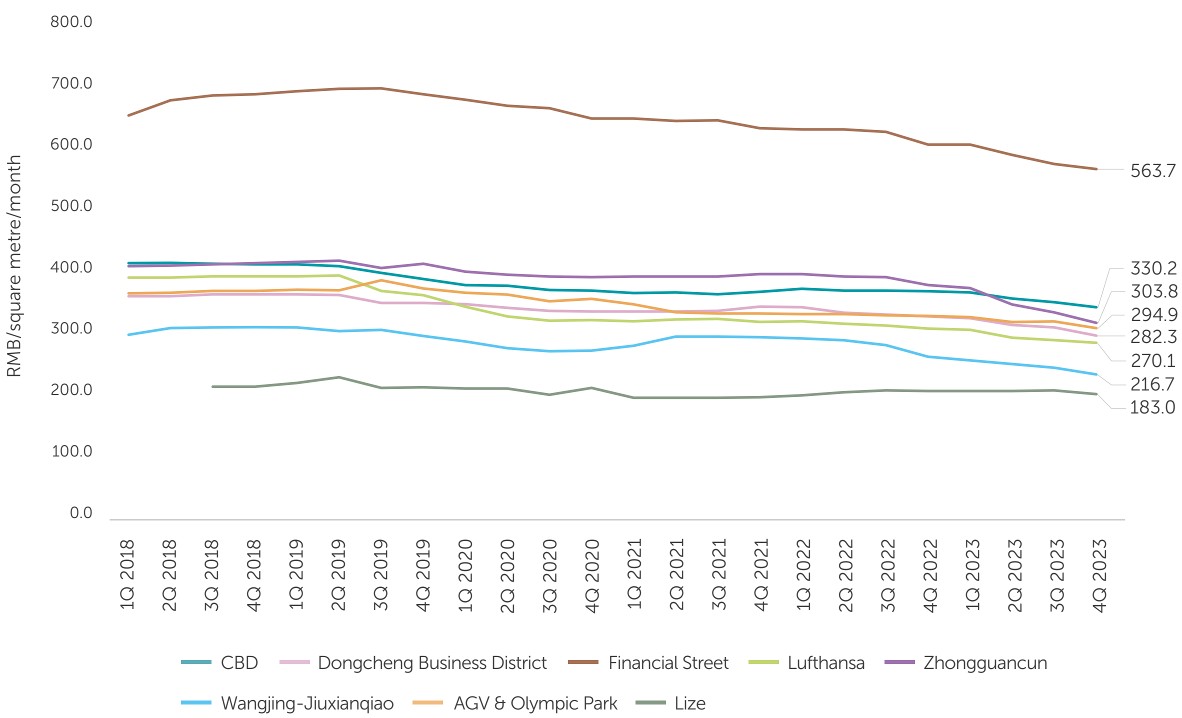
Average Grade A Office Rent[1]

RMB**300** per square metre per month ▼ **9.4% yoy**

(Overall Net Effective Rent as at 31 December 2023)

- The decline in office rents was evident during the pandemic, but its pace accelerated in 2023 with the completion of new projects and increased competition among landlords. Optimism after the pandemic waned quickly and weaker market sentiments dominated 2023. As a result, landlords adjusted net effective rents by offering longer rent-free periods or direct discounts on rents to stabilise occupancy levels. Consequently, Beijing's office rents dropped 9.4% yoy to RMB300 per square metre per month by the end of 2023.
- The decline in rents in Lufthansa was in line with the overall market at 8.2% yoy to RMB270 per square metre per month. A high vacancy rate of 21.3% and new competition from other submarkets in its close proximity, such as Dongcheng Business District and the CBD, contributed to the decline.
- In 1Q 2024, office rents in Beijing experienced a further decline of 2.9% qoq, down to RMB291 per square metre per month. The primary factor contributing to this rental decrease continued to be the provision of incentives by landlords to secure tenants in a very competitive market favouring tenants.

Grade A Office Rent by Submarket



Source: Colliers

[1] Data for Lize's Grade A office rent is only available from 3Q 2018 since it is a newly developed office submarket.

Average Grade A Office Capital Value

RMB**75,896** per square metre ▲ **3.6% yoy**

(As at 31 December 2023)

Average Grade A Office Yield

3.9% ▼ **0.6 pp yoy**

(As at 31 December 2023)

- Transaction volume in Beijing's office market was very low in 2023, with the few transactions that occurred being dominated by domestic capital. Capital values rose by 3.6% yoy to RMB75,896 per square metre in 4Q 2023, mostly due to higher than average prices for prime assets like COFCO Landmark Plaza in Dongcheng Business District that transacted at around RMB84,000 per square metre. However, the drivers for this increase in capital value were not conclusive due to the limited number of transactions available to support it. Despite the increase, the capital value remained below the pre-pandemic peak in 3Q 2019 by around 10.2%.
- With an increase in capital values and a simultaneous drop in rents, the average yield compressed 0.6 pp yoy to 3.9%. The reduction in China's one-year loan prime rate by 10 bps each in May and August 2023, from 3.65% at the start of the year to 3.45% in August 2023, provided support for the compression of the average yield.
- Capital values dropped 1.5% qoq as of 1Q 2024, while net yields remained stable as rents decreased in tandem with capital values.

Outlook

- Although net take-up rebounded in 2023, leasing demand was almost entirely from the pre-leasing of newly completed projects. Existing stock continued to face difficulties in terms of demand. The pace of surrendering space by tech companies slowed down in the second half of 2023, alleviating some pressure on the demand side.
- An improvement in accessibility and higher affordability are favouring more decentralised districts with lower rents as companies try to reduce rental costs.
- To stay competitive against other submarkets and properties, landlords are expected to provide additional reduction in rents, offer longer rent-free periods, or attract tenants through building enhancements or other services.
- Around 233,000 square metres of office space is expected to be added to the Beijing office market in 2024. This is lower than the previous year but will nonetheless add further pressure on occupancy rates and rents as demand is not expected to pick up as quickly.
- As long as the overall market vacancy rate remains high at around 20%, the possibility of a rebound in average market rents is unlikely. The longer the high vacancy rate persists, the greater the pressure on rents. As a result, rents are expected to drop in 2024.
- In view of the weak macroeconomic outlook, tenants are expected to be more cautious when making business decisions, including considerations on space requirements.
- Occupancy rates and rents in Lufthansa are expected to decrease due to the space adjustment by MNCs and new supply of office space in neighbouring submarkets like the south area of the Zhongfu Plot in the CBD in 2026.

INDEPENDENT MARKET **OVERVIEW**

1.3 Shanghai Business Park Market[1]

Existing Grade A Business Park Stock

11.4 M square metres[2] ▲ **6.9% yoy**

(As at 31 December 2023)

- As at 31 December 2023, Shanghai's five core business park submarkets – Zhangjiang Science City[3] ("Zhangjiang"), Caohejing, Jinqiao, Linkong, and Shibei – contributed a total of 11.4 million square metres of GFA into Shanghai's business park total stock. This was a 6.9% increase from the previous year.
- Caohejing and Zhangjiang remained the two largest submarkets, accounting for 3.3 million square metres (29.1%) and 3.1 million square metres (27.0%) of the core business park stock, respectively. Together, they comprise more than half of Shanghai's core business park space.
- In 2023, the market added 738,415 square metres of new business park space. Notable completions in Zhangjiang included Zhangjiang 368 Industrial Park (20,700 square metres), Zhangjiang AI Industry Innovation & Service Platform (32,100 square metres) and Information Technology Industry Platform (115,400 square metres).
- In 1Q 2024, 336,428 square metres of new business park space was added to the market, raising the existing supply by 3.0% qoq to 11.7 million square metres. The majority of new supply (310,973 square metres) was concentrated in Zhangjiang.

Potential Business Park Supply (2024-2026)

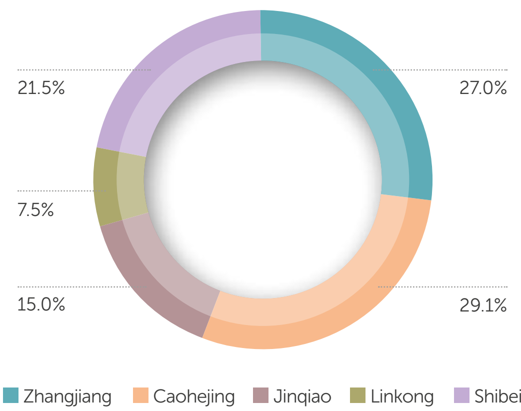
4.4 M square metres

(From 2024 to 2026)

- Approximately 4.4 million square metres of business park space is expected to be added to Shanghai's five core submarkets between 2024 and 2026, averaging around 1.5 million square metres annually. This is almost double the previous annual average from 2019 to 2023. The increase was due to the resumption and completion of previously delayed projects resulting from COVID-19 restrictions.
- Zhangjiang and Jinqiao will be the two main contributors to this upcoming supply, adding around 2.2 million and 1.4 million square metres of new space, respectively. Together, these two submarkets will account for approximately 81.4% of the total future supply.
- In Zhangjiang, the new supply will mostly come from large-scale state-owned development projects, including six plots at the Shanghai Riverfront Harbor development (746,000 square metres), six plots at the Gate of Science development (632,000 square metres) and the Zhangjiang Online New Economy Park (337,000 square metres).
- Notable projects in Jinqiao include Jinding Plot Nos. 13-01, 18-01/18-04 and 20-01 (251,000 square metres), Jinqiao Fifth Center (165,000 square metres), City of Elite PDP (161,200 square metres), Jinwan Qicheng (107,000 square metres) and six plots in the Yunjin Eco Community development (637,000 square metres).

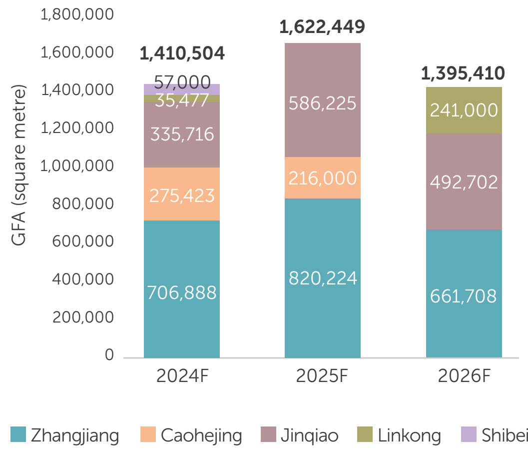
Distribution of Business Park Stock by Submarket

(As at 31 December 2023)



Source: Colliers

Future Supply by Submarket



Source: Colliers

1 All data and figures are from Colliers International (Hong Kong) Limited and they relate to the five business parks as outlined on this page, unless otherwise stated.
2 Unless stated otherwise, all measurements are based on GFA.
3 MPACT owns Sandhill Plaza which is located in Zhangjiang.

- The remaining 18% of the upcoming supply will come from the other three submarkets. Caohejing and Linkong are projected to account for 11.1% and 6.2% of the future supply, respectively. Sizeable projects include Golden Union Park Phase II (160,000 square metres), Aerospace Science & Technology City Urban Renewal (216,000 square metres) and IBP Phase II (241,000 square metres). Shibei will only account for about 1.3% with one project, Shibei AI Industrial Park (57,000 square metres).

Business Park Net Take-up

0.1M square metres (Overall in 2023) — 72.4% yoy (down)

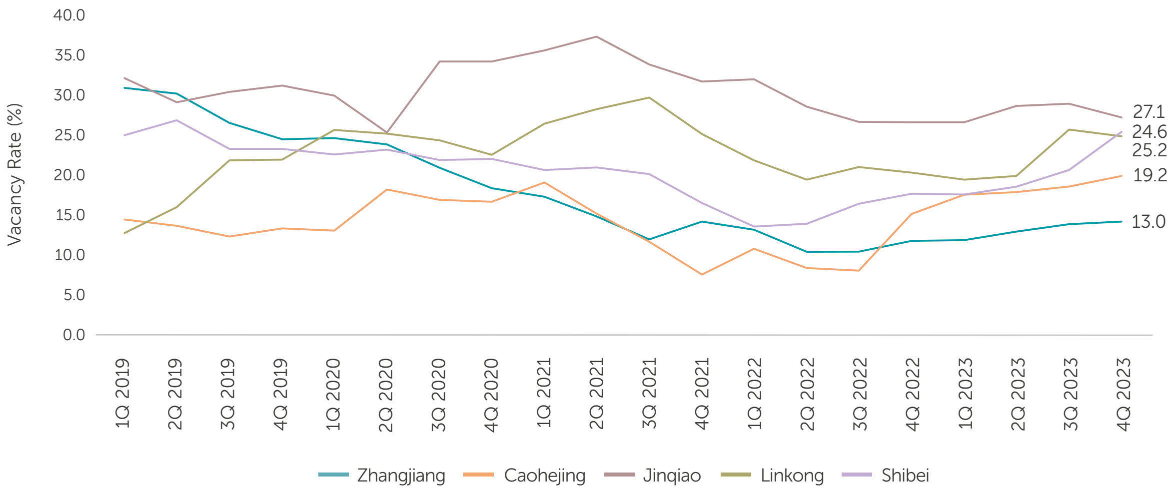
- In 2023, Shanghai's business park experienced a positive net take-up of 0.1 million square metres. This was mainly due to the leasing of the entire Information Technology Industry Platform in Zhangjiang (115,352 square metres) upon its completion in 4Q 2023.
- Competition among the submarkets was intense as occupiers sought to reduce rental expenses by relocating to emerging submarkets with lower rents. Consequently, Jinqiao, the core submarket with the lowest rent, recorded a positive net take-up of 56,945 square metres in 4Q 2023, outperforming other submarkets besides Zhangjiang, which benefitted from the aforementioned lease at Information Technology Industry Platform.
- In 1Q 2024, the core business park markets in Shanghai maintained a positive net take-up of 69,635 square metres. This positive net take-up can primarily be attributed to Jinqiao, which generally offered more affordable rents, and Caohejing, where rents had dropped significantly to increase the submarket's attractiveness to occupiers.

Business Park Vacancy Rate

20.4% (Overall as at 31 December 2023) — 4.6 pp yoy (up)

- In 2023, following the completion of over 738,000 square metres of business park space amid tepid demand, the vacancy rate of Shanghai's core business park submarkets rose by 4.6 pp yoy to 20.4%, with all submarkets experiencing an increase in vacancies.
- The vacancy rate in Zhangjiang increased 2.6 pp yoy to 13.0%. This was partly due to lower demand from the government-supported biomedical and semiconductor sectors, which remained under pressure to reduce overheads. These sectors had previously boosted occupancy rates between 2019 and 2022. The leasing of the entire Information Technology Industry Platform at the end of 2023 helped Zhangjiang achieve a less significant rise in its vacancy rate compared to the overall market.
- In 1Q 2024, the vacancy rate of Shanghai's core business park markets experienced a further increase of 1.7 pp qoq, reaching 22.1%. One of the primary factors contributing to this rise was the significant amount of supply, with the completion of seven new projects spanning 336,428 square metres in the quarter. Zhangjiang's vacancy rate increased by 7.7 pp qoq to 20.7%, as Zhangjiang accounted for 92.4% of the total core business park new supply in 1Q 2024.

Business Park Vacancy Rate



Source: Colliers

INDEPENDENT MARKET **OVERVIEW**

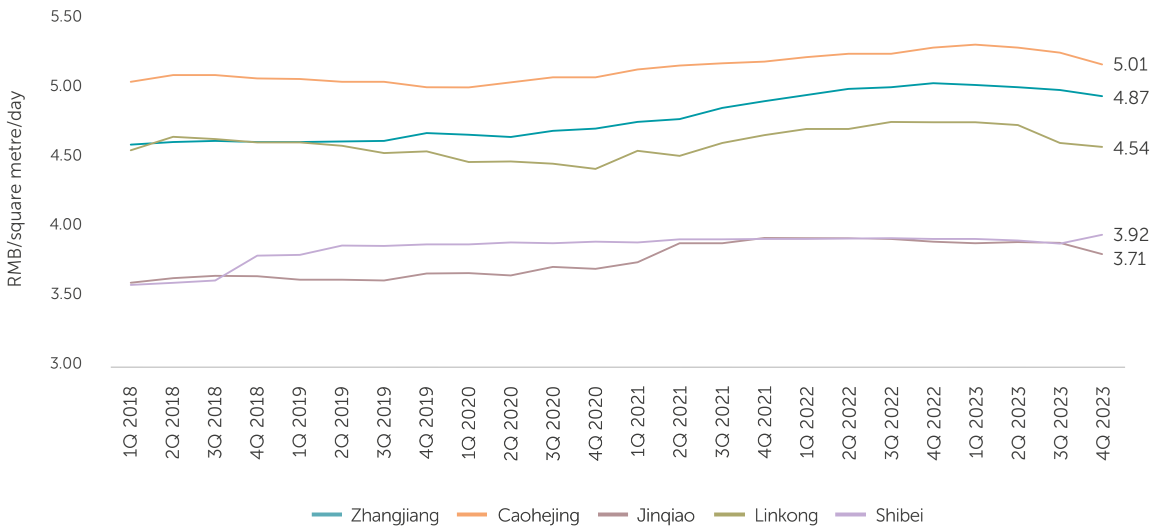
Average Business Park Rent

RMB**4.51** per square metre per day ▼ 2.4% yoy

(Overall Net Effective Rent as at 31 December 2023)

- Average rents in Shanghai's core business park submarkets started a downward trend in 2Q 2023 and continued to do so for the rest of 2023. This came after registering an upward trend for ten consecutive quarters from 4Q 2020 to 1Q 2023 which was mainly fuelled by the semiconductor and biomedical sectors.
- To tackle the soft demand, landlords across most of the core submarkets began to offer more rent incentives, such as extended rent-free periods, to stabilise occupancy rates. As a result, by the end of 2023, rents in the core business park submarkets had decreased by 2.4% yoy to RMB4.51 per square metre per day.
- Shibei was an exception with new completions in the Shibei Hi-Tech Park in 4Q 2023 driving up average rents by 1.2% yoy. Conversely, rents decreased across all other core business park submarkets in 2023 due to competition among landlords arising from increased availability of space. Rents in Zhangjiang decreased 2.1% yoy, slightly outperforming Caohejing, Jinqiao and Linkong, where rents dropped 2.8%, 3.6% and 4.3% yoy, respectively.
- As landlords in the core business park submarkets continued providing rent incentives to attract tenants, rents declined by a further 1.1% qoq, reaching RMB4.46 per square metre per day by the end of 1Q 2024. Rents in Zhangjiang remained largely unchanged qoq.

Business Park Rent by Submarket



Source: Colliers

Average Business Park Capital Value

RMB**32,118** per square metre
(As at 31 December 2023)

▼ **10.7% yoy**

Average Business Park Yield

4.6%
(As at 31 December 2023)

▲ **0.4 pp yoy**

- Capital value in Shanghai's core business parks fell 10.7% yoy to RMB32,118 per square metre as at 31 December 2023. After peaking at the end of 2022, prices had lowered to levels seen about seven years ago. With the capital value decline outpacing the rental decline, yield expanded 0.4 pp yoy to 4.6% at the end of 2023. Softer demand and considerable upcoming supply, as well as a lower rents had made investors more cautious, adjusting their investment metrics with regards to pricing and yields.
- Negatively affected by the weak broader economy, investment activities in Shanghai's core business parks slowed down in 2023. However, as the most well-established business park submarket, Zhangjiang's investment market remained active, as evidenced by several large-scale transactions in 2023. These include Information Technology Industry Platform, that was transacted at RMB507 million, or RMB31,192 per square metre. Furthermore, 85% of the shares in Jinchuang Plaza were transferred for RMB3,306 million, equivalent to a unit rate of RMB45,000 per square metre. Lastly Hongyuan Tech Building was transacted at RMB719 million, or RMB25,000 per square metre.
- As of 1Q 2024, capital values in the core business park submarkets declined 4.0% qoq to RMB30,826 per square metre. However, due to the comparatively smaller decrease in rents compared to the capital value, the net yield experienced a more moderate softening of 0.2 pp qoq, reaching 4.8%.

Outlook

- In November 2023, Shanghai was named a pilot zone for the Silk Road e-commerce cooperation by the State Council. This move aimed at improving digital economic cooperation among countries participating in China's Belt and Road initiative, promoting innovation and strengthening international cooperation.
- Towards the end of 2023 and in the March 2024 policy meetings, the Chinese government made clear its intention to shift the country's economic focus towards sophisticated, high-tech industries such as semiconductors, renewable energy and artificial intelligence. Through announcements made at the Central Economic Work Conference and the Two Sessions, the government signalled its commitment to providing additional financial support for companies operating in these strategically important, emerging sectors. This concerted emphasis on cultivating China's strategic emerging industries might help support demand for business park space.
- In addition to shifting the economic focus, the introduction of the enablement of accelerated local bond issuance and cuts in the loan prime rate, demonstrate the government's willingness to enhance business sentiment, which would in turn benefit the business park sector.
- However, due to weak domestic consumption and declining corporate profits, and the resulting decline in economic sentiments, the leasing environment remained subdued without clear signs of recovery. This subdued leasing market condition is expected to persist throughout 2024.
- Coupled with ample supply in 2024, the Shanghai business park market is anticipated to face continued pressure in the near term. However, once the supply peak has passed, and with government support, the negative near-term trend could be reversed.
- The performance in Zhangjiang is expected to remain under pressure in the near term as the submarket accounts for over 40% of the upcoming business park supply in Shanghai between 2024 and 2026.

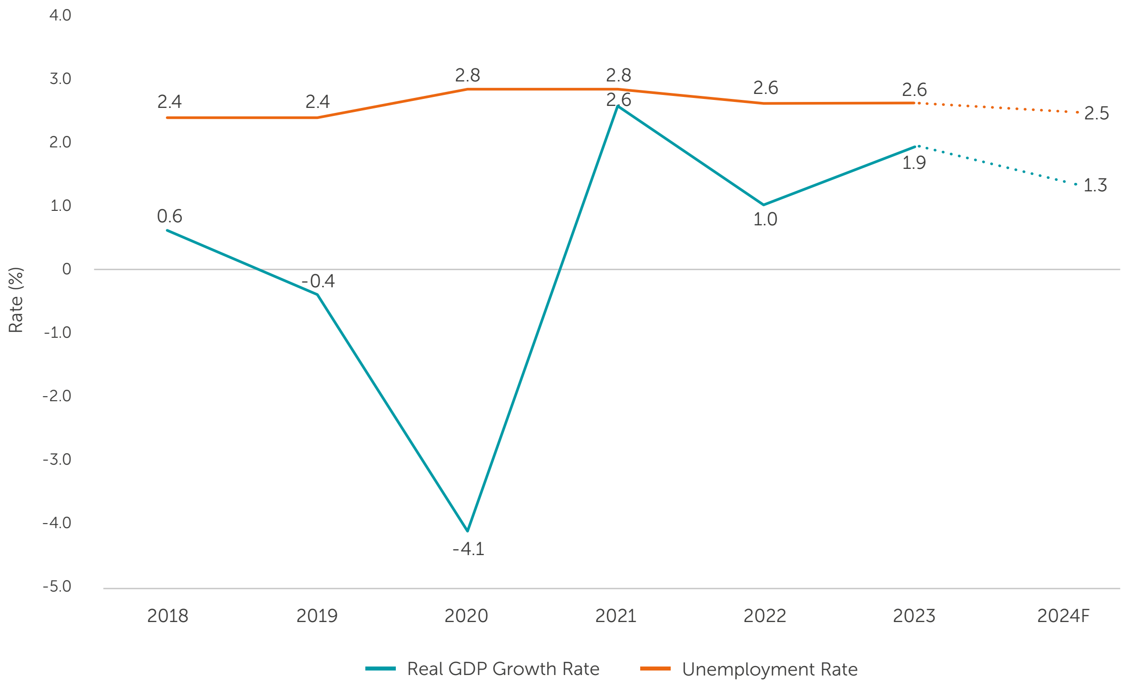
INDEPENDENT MARKET **OVERVIEW**

Japan

1.1 Economy

- Driven by a recovery in the tourism sector, Japan's 2023 real GDP grew 1.9% yoy, surpassing the previous year's growth rate of 1.0%. This was mainly due to a strong growth in the first half of the year. However, the country narrowly avoided a technical recession in 4Q 2023, as lower private domestic consumption and capital spending slowed down growth. Elevated inflation rates appeared to have impacted the Japanese economy more than previously expected.
- In 2023, speculation mounted regarding a potential reversal of Japan's loose monetary policy. The initial release of lower-than-expected GDP figures for 4Q 2023 cast doubt on this possibility. However, a subsequent upward revision of these figures, coupled with higher-than-expected wage growth, gave the Bank of Japan more room to consider raising interest rates. On 19 March 2024, the Bank of Japan announced its first rate hike in 17 years, moving from negative territory to a range of 0% to 0.1%. Furthermore, the yield curve control programme, which had been designed to maintain a 1% cap on 10-year government bonds, was discontinued.
- Although inflation has decreased significantly from early 2023 and interest rates are now slightly higher, inflation is expected to stay above 2% in 2024.
- According to the Statistics Bureau of Japan, the unemployment rate in 2023 remained unchanged at 2.6% compared to the previous year.
- Japan's economy is projected to grow by 1.3% in 2024, a slower pace as compared to 2023. Sustained high inflation may weaken private consumption in 1H 2024. However, government measures such as income tax cuts and fuel subsidies are expected to provide some relief. Despite the rate hike and the discontinuation of ETF and J-REIT stock purchases, the JPY has not yet strengthened against the USD. Japan's monetary policy remains relatively accommodative, with the Bank of Japan continuing its bond purchases and the benchmark rate still hovering near 0%. As of now, further rate hikes by the Bank of Japan are not scheduled. However, with the possibility of rate cuts by the US Federal Reserve and other major central banks, the JPY may appreciate, potentially weakening exports.

Real GDP Growth Rate and Unemployment Rate



Source: Cabinet Office of Japan, Statistics Bureau of Japan

1.2 Greater Tokyo Office Market

Existing Grade A Office Stock

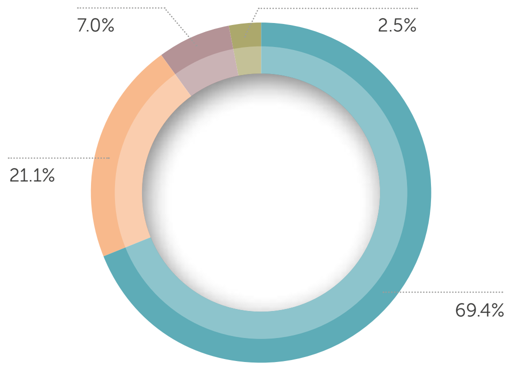
10.5M tsubo — 3.4 % yoy

(Existing Office Stock as at 31 December 2023)

- In 2023, approximately 346,000 tsubo of office space was completed in the Greater Tokyo office market.[1]
- As at 31 December 2023, Tokyo 5 wards accounted for 69.4% of the total Grade A office stock, followed by Tokyo 18 wards (21.1%), Yokohama (7.0%) and Chiba (2.5%). Together, these submarkets make up the Greater Tokyo office market.
- In 1Q 2024, approximately 22,500 tsubo of new Grade A office space was completed, with approximately 80% of the new supply located in Tokyo 5 wards.

Distribution of Office Stock by Submarket

(As at 31 December 2023)



Source: Colliers

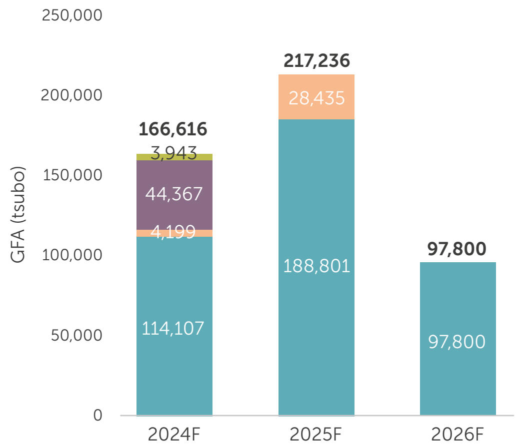
Potential Office Supply

482,000 tsubo

(From 2024 to 2026)

- The completion of TODA Building and Akasaka Trust Tower in 3Q 2024 will add about 50,000 tsubo to the market. The new office supply in Greater Tokyo is projected to be about 167,000 tsubo for 2024. Nearly half of the expected supply for the next three years is scheduled to be ready in 2025, with the supply estimated to rise to about 217,000 tsubo before falling to about 98,000 in 2026.
- With about 401,000 tsubo in the supply pipeline, the Tokyo 5 wards will account for 83.2% of Greater Tokyo's upcoming office space, followed by Yokohama (9.2%), Tokyo 18 wards (6.8%)[2] and Chiba (0.8%).[3]

Future Supply by Submarket



Source: Colliers

1 We define four submarkets in Greater Tokyo: Tokyo 5 wards, Tokyo 18 wards, Yokohama and Chiba. Tokyo 5 wards comprises five central wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku. Tokyo 18 wards comprises the rest of Tokyo's 23 wards. Yokohama refers to Yokohama city and its 18 administrative wards. Chiba refers to Chiba city and its 6 administrative wards. MPACT has one property located in the Tokyo 5 wards (Higashi-nihonbashi 1-chome Building), four properties located in the Tokyo 18 wards (Hewlett-Packard Japan Headquarters Building, IXINAL Monzen-nakacho Building, Omori Prime Building and TS Ikebukuro Building), one property in Yokohama (ABAS Shin-Yokohama Building) and three properties located in Chiba (mBAY POINT Makuhari, Fujitsu Makuhari Building and SII Makuhari Building).

2 In 2026, Mitsui Fudosan is set to finish a significant redevelopment in Nakano, Tokyo 18 wards. This mixed-use project integrates offices, retail, and residential spaces, but the specific area allocation for each use remains undisclosed. Due to this uncertainty, the anticipated supply from the project has been excluded.

3 It has been announced that the Next Site Chiba Building, located near the Chiba station, is currently under construction and is scheduled for completion in August 2024. Initially, only the retail space on the lower floors were available for lease, as the office component of the building was intended to be fully occupied by NTT Group for their internal use. Consequently, the office portion was not considered an addition to the future office supply. However, as of 31 December 2023, 3,943 tsubo of the office has become available for lease, and this portion has been included in the future supply.

INDEPENDENT MARKET **OVERVIEW**

Office Net Take-up

151,300 tsubo (In 2023) **155.3% yoy**

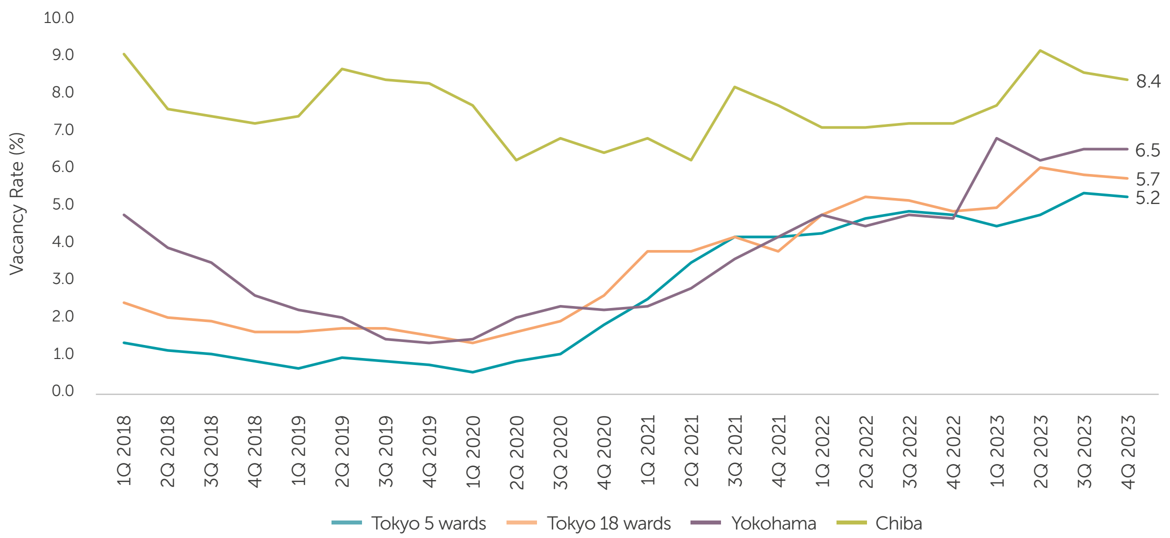
- Driven by strong leasing demand in Tokyo 5 wards and a low base from the previous year, office net take-up increased by 155.3% yoy to about 151,300 tsubo in 2023, with significant take-up in 1Q and 4Q 2023. The near 100% commitment rate for Tokyo Midtown Yaesu in Tokyo 5 wards and the substantial commitment achieved by the newly completed Shibuya Sakura Stage from the same submarket in 4Q 2023 contributed to this growth.
- The net take-up in Tokyo 5 wards doubled from 55,950 tsubo in 2022 to 126,342 tsubo in 2023, as companies moved from other areas to more prime locations.
- Tokyo 18 wards experienced a shift to positive net take-up, increasing from -8,266 tsubo in 2022 to 8,549 in 2023. This was evident by the significant commitment achieved by the newly completed Gotanda JP Building in 4Q 2023, indicating a flight-to-quality trend.
- In Yokohama, the higher net take-up was mainly due to demand for newly completed properties in the Minato Mirai area in early 2023. On the other hand, net take-up in Chiba turned negative as demand remained muted, as highlighted by the low commitment rate at the newly completed GRANODE CHIBA FUJIMI.
- In 1Q 2024, Tokyo 5 wards, Tokyo 18 wards and Chiba all recorded positive net take-up, although it slowed down qoq due to fewer Grade A office completions and less space available for leasing. Net take-up in Yokohama showed weakness towards the end of 2023 and this trend continued in 1Q 2024, with net take-up recorded at -3,109 tsubo.

Office Vacancy Rate

5.5% (Greater Tokyo as at 31 December 2023) **0.7 pp yoy**

- Despite the considerable supply in 2023, vacancies in Greater Tokyo rose only slightly by 0.7 pp yoy to 5.5% at the end of 2023. This was due to robust leasing demand particularly driven by relocations to high-quality offices in prime locations.
- In Tokyo 5 wards, vacancy rate increased 0.5 pp yoy to 5.2% at the end of 2023. This slight increase was due to the strong supply in 2023 but offset by robust leasing demand, as evidenced by substantial pre-commitments at Shibuya Sakura Stage that was completed in 4Q 2023.
- Yokohama recorded a 1.9 pp yoy increase in vacancy to 6.5% as at the end of 2023, primarily due to the completion of Yokohama Connect Square in 1Q 2023.
- Chiba experienced a 1.2 pp yoy increase in its vacancy rate to 8.4% by the end of 2023, attributed to the completion of GRANODE CHIBA FUJIMI in 2Q 2023, which added a notable amount of vacant space to the submarket.
- In 1Q 2024, vacancies in the Greater Tokyo office market decreased qoq in Tokyo 5 wards, Tokyo 18 wards and Chiba as there was limited new supply and overall demand remained positive. With a negative net take-up, vacancy in Yokohama increased to 6.9%, up 0.4 pp qoq.

Greater Tokyo Vacancy Rate



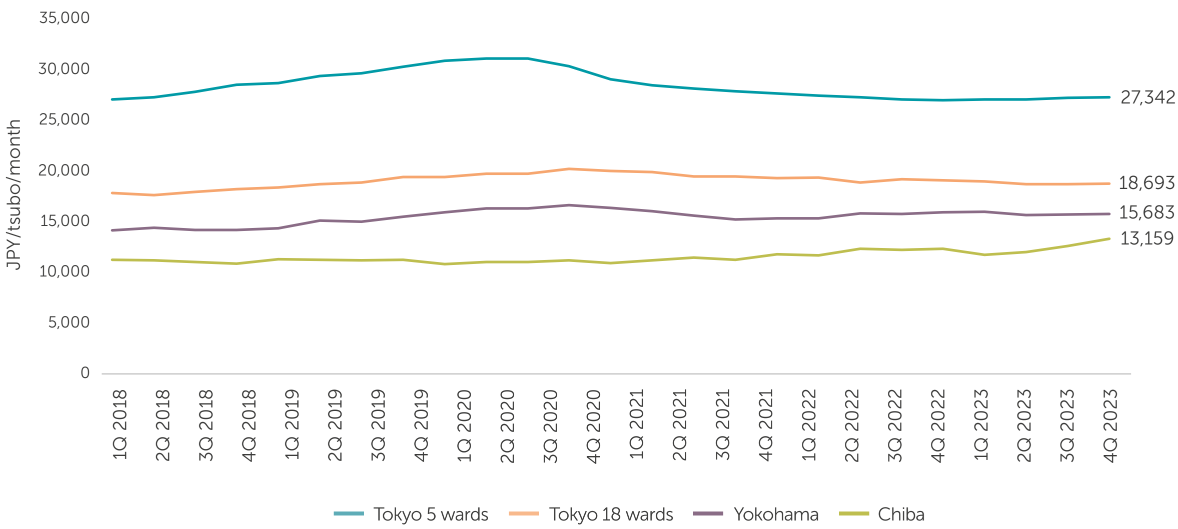
Source: Colliers

Average Office Rent

JPY**24,346** ▲ **0.8% yoy**
per tsubo per month
(Greater Tokyo as at 31 December 2023)

- The average rent of Greater Tokyo increased by 0.8% yoy to JPY24,346 per tsubo per month. This was supported by leasing demand from flight-to-quality and rental transactions in high-grade office buildings in the vicinity of the Chiba station.
- As occupiers favoured good quality office space in prime locations, the average rent in Tokyo 5 wards picked up by around 1.0% from a year ago.
- However, relocations to more central areas resulted in an increase in vacancy in Tokyo 18 wards, which adversely affected rental rates, leading to a 1.8% yoy decline in rents.
- Rents in Chiba increased significantly due to rental transactions in new high-grade office buildings near the Chiba station with higher-than-average unit rents. In Yokohama, rents decreased slightly by 0.8% yoy due to vacancies being backfilled using rental discounts.
- In 1Q 2024, rents in the Greater Tokyo office market rose between 0.7% to 1.7% compared to 4Q 2023, further indicating that pandemic-related rental declines were bottoming out. However, rents in Tokyo 5 wards, Tokyo 18 wards and Yokohama had not returned to pre-pandemic levels. The Chiba submarket posted 1.2% qoq rental growth, largely driven by new high-grade buildings in close proximity to the Chiba station, such as GRANODE CHIBA FUJIMI and Next Site Chiba, with the latter having commenced pre-leasing activities.

Greater Tokyo Office Rents



Source: Colliers

INDEPENDENT MARKET **OVERVIEW**

Average Office Capital Value

JPY**4,511,783** per tsubo (As at 3Q 2023[1])

▼ **6.8% yoy**

Average Office Net Yield

3.7% (As at 3Q 2023)

▲ **0.1 pp yoy**

- The total volume of office transactions in 2023 declined significantly from 2022. This decline was partially due to a lower number of high-grade building transactions, such as Otemachi Place, which had contributed to higher average capital values in 2022. As a result, the average capital value of offices decreased 6.8% yoy as of 3Q 2023, despite Japan's continued ultra-loose monetary policy characterised by a negative key short-term interest rate.
- Although capital values dropped significantly, office rents picked up slightly by 0.8% yoy, expanding the net yield by 0.1 pp to 3.7%.
- The average borrowing rate for J-REITs has risen since 2022, indicating an increase in commercial real estate loan rates. The recent policy shift by the Bank of Japan to increase rates will lead to higher borrowing costs. However, overall rates still remained low, especially when compared to other markets in the region.
- Average office capital values remained relatively stable in 1Q 2024, showing a marginal increase of 0.3% against 3Q 2023. At the same time, capitalisation rates compressed slightly by 10bps as compared with 3Q 2023. There has not been any visible negative impact from the rise in interest rates as of 1Q 2024.

Outlook

- Office supply for 2024 is estimated at 166,616 tsubo, down from 346,000 tsubo in 2023. The new supply comprises about 114,000 tsubo in Tokyo 5 wards, 4,000 tsubo in Tokyo 18 wards, 44,000 tsubo in Yokohama, and a new office building in Chiba to be completed in late 2024.
- The flight-to-quality trend is expected to continue. Despite high pre-leasing rates in new developments and fewer new developments in 2024 compared to 2023, relocations to new developments with higher specifications in more prime locations could lead to increased vacancies in older and less well-located properties.
- Although Japan has shown signs of economic recovery in 2023, it continues to face headwinds from the global economic slowdown and inflation challenges. The economic contraction in 3Q 2023 and marginal growth in 4Q 2023 have created uncertainty around Japan's economic state. The decision by the Bank of Japan to raise its benchmark rate may have limited impact on yields and capital values for now. However, if further rate hikes occur, there will be increased pressure on cap rates to expand and capital values to decline, unless they are supported by rental growth.

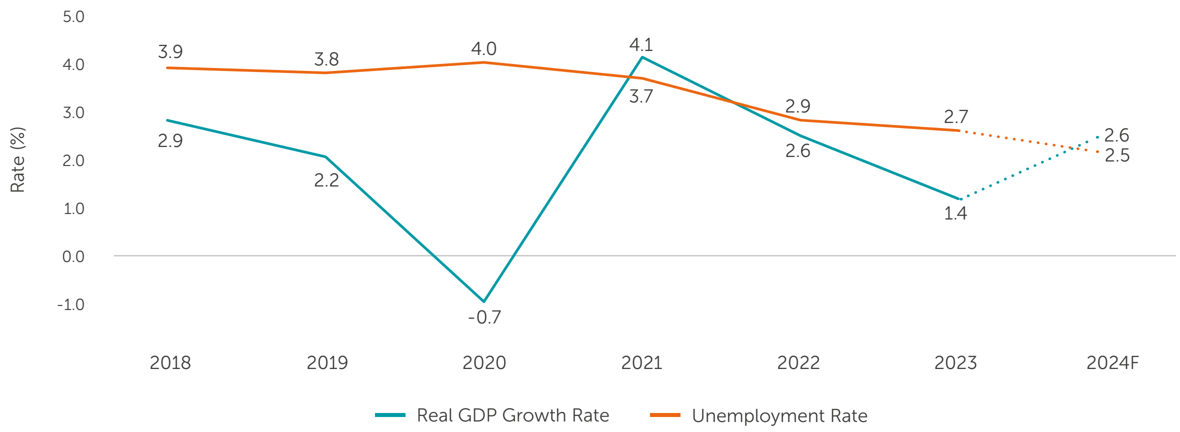
[1] Capital value and net yield data are based on the latest available information in J-REIT disclosure documents as J-REITs close their books and update their disclosure materials semi-annually.

South Korea

1.1 Economy

- South Korea recorded 1.4% GDP growth in 2023, moderating from 2.6% in 2022. This was largely due to softer private consumption amidst higher interest rates. However, exports in the semiconductor and automobile sectors experienced a late-year increase.
- The national unemployment rate improved slightly, dropping 0.2 pp yoy from 2.9% in 2022 to 2.7% in 2023. The service sector recorded consistent employment growth while the construction and manufacturing sectors recorded declines.
- The lower consumption of goods resulting from the high interest rate environment also led to a lower inflation of 3.6% in 2023, down from 5.1% in 2022.
- The Korean Development Institute predicts a GDP growth rate of 2.6% for 2024, attributed to the lower base from the comparatively slower growth in 2023 and an increase in exports. Strong demand from the semiconductor space and higher-than-expected global economic growth are likely to be key drivers for export growth.

Real GDP Growth Rate and Unemployment Rate



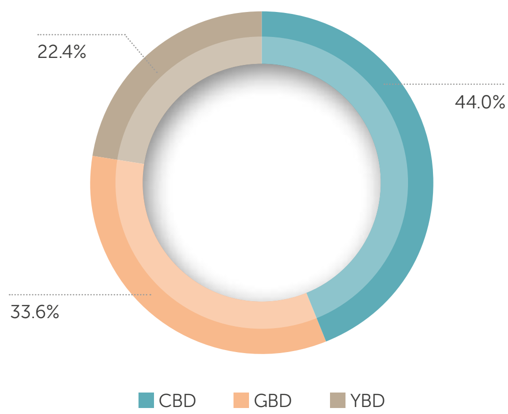
Note: Real GDP and yoy variance represents chained 2015 prices, seasonally adjusted.
Source: KDI, Bank of Korea

Existing Office Stock
(Within the Three Core Business Districts)

2,723,000 pyeong[1] ▲ **1.3% yoy**
(As at 31 December 2023)

- The Seoul office market comprises three core districts: the Central Business District ("CBD"), the Gangnam Business District ("GBD")[2] and the Yeouido Business District ("YBD"). The GBD, Seoul's second largest business district, is known to be the preferred location for information technology ("IT"), technology, media, fashion, and pharmaceutical companies. Other key submarkets include the Bundang Business District ("BBD") and the Pangyo Business District ("PBD"), which accommodate IT, technology, and start-ups.
- Completed in February 2024, TP Tower stands as the sole high-specification office space in Seoul, adding 42,862 pyeong of new supply to the YBD in 1Q 2024. The building has an occupancy rate of 95% as of March 2024.

Office Stock by Submarket
(As at 31 December 2023)



Source: Colliers

[1] 1 pyeong = 3.30579 square metres.
[2] MPACT has a 50% effective interest in The Pinnacle Gangnam, which is located in the GBD.

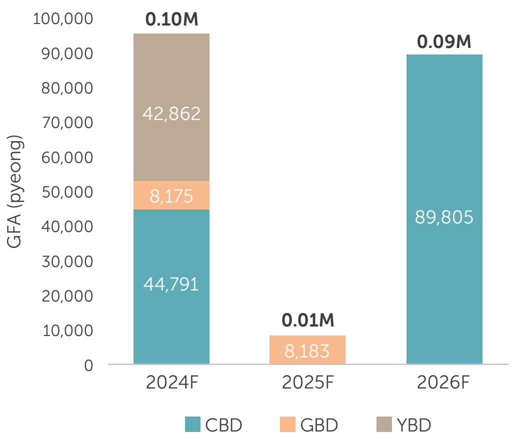
INDEPENDENT MARKET **OVERVIEW**

Potential Office Supply

194,000 pyeong
(From 2024 to 2026)

- Approximately 194,000 pyeong of new office supply is expected to be added to Seoul's office market over the next three years, bringing the total office stock to approximately 2.9 million pyeong by 2026.
- Upcoming supply in the GBD will be limited, with Centrepoint Gangnam (about 8,200 pyeong) and the Baekam Building Redevelopment (8,200 pyeong) scheduled for completion in 3Q 2024 and 1Q 2025, respectively. These two projects will contribute approximately 8.4% of the new office supply over the next three years.

Potential Supply by Submarket



Source: Colliers

Office Net Take-Up

39,000 pyeong
(Overall in 2023)

68.5% yoy

- Seoul's office market recorded a net take-up of approximately 39,000 pyeong in 2023.
- The GBD experienced a significant increase in net take-up from approximately 3,000 pyeong last year to approximately 39,400 pyeong in 2023. This was primarily driven by tenants moving into newly-completed buildings such as Tiger 318. However, net take-up slowed down towards the end of 2023 as tech companies and startups began relocating from the GBD to emerging submarkets in decentralised locations for more cost-effective options.
- The net take-up was positive in the CBD at approximately 6,800 pyeong, while the YBD recorded negative net take-up of 7,100 pyeong in 2023 largely due to non-renewals of several leases at Parc 1 Tower and IFC at the beginning of 2023. Notably, several startups did not renew their leases and Sony downsized its footprint in IFC.
- In 1Q 2024, net take-up in Seoul was negative at approximately 12,400 pyeong, primarily due to the relocation of small and medium-sized IT, healthcare, and e-commerce companies from the CBD and GBD. Economic uncertainty and rising rental costs have compelled these companies to seek affordable office space outside the core business districts of Seoul.

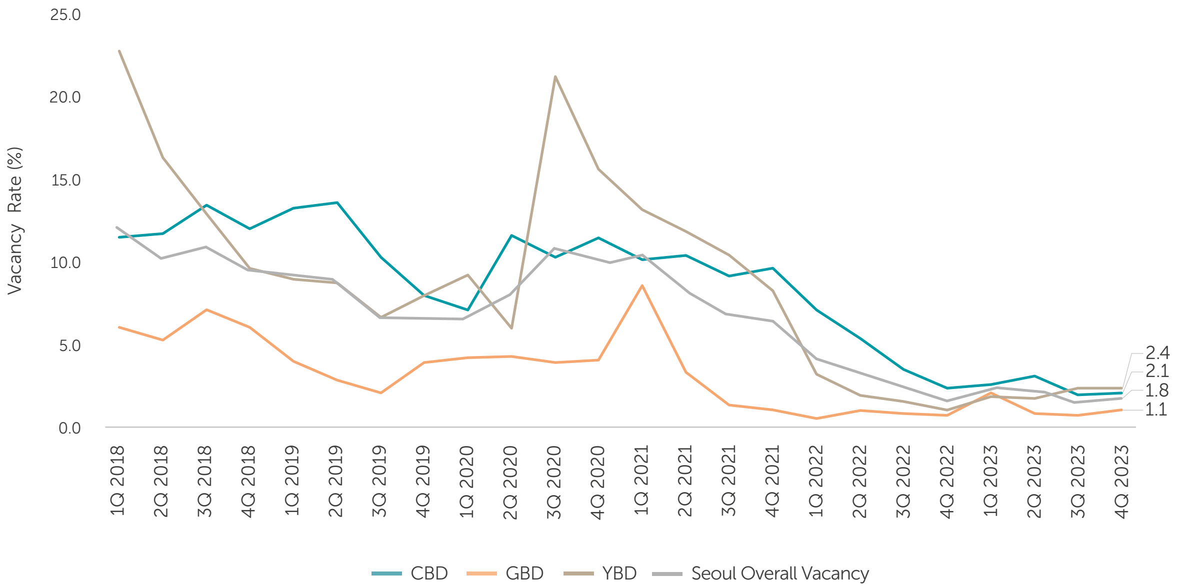
Office Vacancy Rate
(Within the Three Core Business Districts)

1.8% (As at 31 December 2023)

▲ **0.2 pp yoy**

- The overall vacancy in Seoul's three core business districts rose slightly from 1.6% in 2022 to 1.8% in 2023, mainly due to the completion of new offices and relocations from the three core business districts to lower-cost decentralised locations.
- The GBD's vacancy rate rose slightly by 0.3 pp from 0.8% to 1.1% by the end of 2023, as some anchor tenants and tech startups with financial difficulties moved to Seoul's fringe areas such as Pangyo, Seongsu and Jamsil to reduce costs.
- Seoul's overall vacancy rate as at 1Q 2024 increased by 0.2 pp qoq from 1.8% to 2.0%. The GBD's vacancy rate also increased from 1.1% to 1.5%, up slightly by 0.4 pp qoq. The slight increase in vacancy rates was due to tenants' relocations. However, vacant spaces are expected to be backfilled gradually due to limited supply and continued demand for quality offices.

Vacancy Rate by Submarket



Source: Colliers

INDEPENDENT MARKET **OVERVIEW**

Average Office Rent

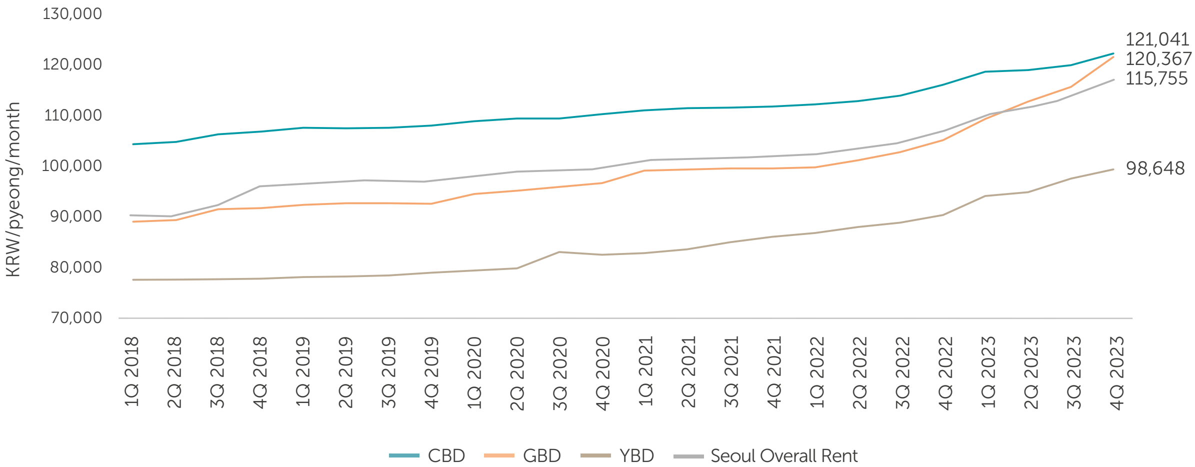
KRW**115,755** **9.3% yoy**

per pyeong per month

(Overall Net Effective Rate as at 31 December 2023)

- The average net effective rent in the Seoul office market has been increasing since 1Q 2018. In 4Q 2023, rents increased 9.3% yoy, reaching KRW115,755 per pyeong per month, driven by limited new supply and large-scale leases at new and high-quality offices which were signed at higher rents.
- The GBD saw higher rental growth of 15.4% yoy to about KRW120,367 per pyeong per month by the end of 2023. The rental growth was supported by a limited supply of high-quality offices, higher rents secured by newly completed buildings, and robust demand as more companies returned to work-at-office.
- In 1Q 2024, the average net effective rent in the Seoul office market saw a 0.8% qoq increase from 4Q 2023 to approximately KRW117,000 per pyeong per month, driven by the high rents in recently completed buildings and strong demand. For instance, rents in TP Tower, a newly built high-specification office building in the YBD, are approximately 40% above the YBD average with 95% of the building leased prior to its completion.

Office Rent by Submarket



Source: Colliers

Average Office Capital Value

KRW**28.3**M per pyeong ▲ **5.8% yoy**
(As at 31 December 2023)

Average Office Net Yield

4.3% ▲ **0.3 pp yoy**
(As at 31 December 2023)

- After multiple interest rate hikes by the Fed in 2022, South Korea's central bank raised its base rate once in January 2023 by 25 bps to 3.5% . This led to a 0.3 pp expansion in Seoul's office capitalisation rate to 4.3% as at 31 December 2023, as higher borrowing costs drove investors to seek higher yields.
- Towards the end of 2023, significant transactions in the GBD lifted capital values by 5.8% yoy as at 31 December 2023. These transactions were driven by strategic investors looking for new headquarters and also three high-specification offices that were transacted in 4Q 2023.
- Rental growth outpaced capitalisation rate expansion, leading to a higher average capital value in 2023 compared to 2022.
- There were three major transactions above USD50 million in 1Q 2024. The average office capital value as at 1Q 2024 stood at KRW29.4 million per pyeong with an average net yield of 4.4%.

Key Office Trends & Outlook

- The surge in rents and limited leasing options are prompting companies to purchase office spaces for headquarters usage.
- Secondary office districts such as Seongsu/Jamsil enjoyed spill-over effects and have emerged to be popular office hubs with their relatively affordable rents. Their appeal is expected to be enhanced with the growing presence of major companies around the area.
- Office space requirements in Seoul are evolving given growing demand for larger individual desk spaces, more meeting rooms, and collaborative spaces to facilitate teamwork.
- Approximately 96,000 pyeong of new office space is expected in 2024 across all the three major business districts. However, the impact on the overall vacancy rate is likely to be marginal in 2024 due to the high pre-leasing rates for newly completed buildings – Centrepoint Gangnam to be owner-occupied by F&F – as well as rising demand for high-quality office spaces driven by the shift away from remote working.
- In the GBD, limited supply, low vacancy rates and steady leasing demand resulted in a landlord favoured market. Despite tech startups relocating to secondary office districts, more established tech companies and logistics companies are filling up the vacancies, and the trend of low vacancy rates and rising effective rents will likely continue.
- The office investment market is expected to remain attractive to domestic and foreign investors, with transaction volumes in 2024 to be similar to 2023. However, potential challenges in fundraising and fluctuations in market liquidity could introduce uncertainty to the market. This will however be largely dependent on the interest rate decisions by the U.S. Federal Reserve and the Bank of Korea in 2024.

Limitations on the Report by Colliers International (Hong Kong) Limited ("the Consultant")

This report is based upon the Consultant's analysis, opinions and conclusions regarding market movement and trends. In making the assessment, the Consultant has relied to a considerable extent on the statistics and data that is available from third parties. The Consultant has not undertaken any independent verification of this data or information, and is unable to warrant the veracity or accuracy of the information.

The outlook, forecasts and opinions provided by the Consultant are based on events that have not yet happened and should therefore be regarded as a best guess projection, rather than a statement of fact.

Market evidence is, by its very nature, subject to a time lag and an element of projection is necessary in providing any outlook. Any market projections incorporated within this report are projections only and must be viewed as such, rather than as certainty.

The Consultant is unable to provide any warranty or assurance that any of the forecasts provided within the report will happen and the reader should not place any reliance upon the information provided.

This report is based on what is known at the date of writing. Any unforeseen future events or changes in any of the variables considered could significantly affect the outlook and the reader should be aware of this possibility. All references to measurements are approximate only and the Consultant has not independently verified any measurements referred to in the report. The Consultant can accept no liability to any third party who relies upon this information.

GROWING RESPONSIBLY AND SUSTAINABLY

As we navigate the challenges of today and seize the opportunities of tomorrow, our commitment to growing responsibly remains steadfast. Effective environmental stewardship and robust corporate governance form the foundation of our stakeholders' trust and align with our values of integrity, responsibility and sustainability. As we drive growth, we will actively seek ways to minimise our environmental footprint, support our communities and maintain the highest standards of corporate governance.

MBC, Singapore

SUSTAINABILITY **HIGHLIGHTS**

BOARD STATEMENT

Dear Stakeholders,

We are pleased to present MPACT's Sustainability Report ("SR") for FY23/24. In this report, we detail our environmental, social and governance ("ESG") journey and achievements in FY23/24. Our ESG approach is anchored in four key pillars: safeguarding against the impact of climate change, enhancing social value in our workplace and community, upholding high ethical standards and building a resilient business. Each of these pillars plays a crucial role in our strategy, underscoring our commitment in creating sustainable value for all our stakeholders.

Safeguarding Against the Impact of Climate Change

Our primary ESG focus has been to address the significant impact of the real estate sector, which contributes approximately 40% to global CO_2 emissions.[1] Driven by the ambition to reach "Net Zero by 2050" – a goal aligned with the Paris Agreement and Singapore's net zero goals, we have integrated decarbonisation efforts into our day-to-day-operations.

As a start, we have been conducting a detailed net zero study and are developing a decarbonisation roadmap. On climate risk assessment, we have completed the onboarding of a third-party climate risk analysis tool and conducted a climate scenario analysis on our portfolio assets to highlight the potential impacts of climate change on our businesses and align with the Task Force on Climate-related Financial Disclosures approach.

We accelerated the greening of MPACT's entire portfolio. Initiatives this year include expanding our solar energy capacity, directly reducing emissions and fortifying climate resilience. We also undertook a phased implementation of an environmental data management system with the wider Mapletree Group, starting from the Singapore properties. When completed, the system will help to better identify areas of improvement and measures for further emissions reduction. We have also extended our carbon accounting to include Scope 3 emissions to obtain a more complete perspective of our carbon footprint. These efforts have earned us a fourth consecutive "A" rating in the 2023 GRESB Assessment and a "Five Star" GRESB rating in FY23/24, up from "Three Star" last year.

Enhancing Social Value in Our Workplace and Community

We believe in the importance of community and stakeholder engagement. This year, we conducted an online seminar for tenants to promote efficient resources such as energy and water as well as waste management. We also organised tenant engagement events focused on water conservation in Gateway Plaza and Sandhill Plaza, and participated in global events such as Earth Day, Earth Hour and World Water Day.

Our people matter to us. In FY23/24, we conducted a staff engagement survey of all employees to share their thoughts and feedback about working at MPACT. The survey results were aggregated to help us identify areas for improvement and guide appropriate follow-up actions. The survey saw a 99% response rate with 77% of the surveyed employees reported being engaged, an improvement from the 71% achieved during the previous survey carried out three years ago.

Upholding High Ethical Standards

The Board oversees the management and monitoring of material sustainability matters for MPACT and ensures that they are integrated into our business strategy. In FY23/24, the Board reviewed the existing 12 material sustainability matters and confirmed their continued relevance to MPACT's operations and stakeholders.

Our sustainability practices are guided by the Mapletree Group and specifically led by the Mapletree Group's Sustainability Steering Committee and management teams. As a responsible REIT manager, our sustainability approach, policies and practices emphasise responsible stewardship. We believe that sustainability is not just ethical, but integral in enhancing MPACT's competitive edge, talent attraction and retention, and corporate integrity. We also ensure that accountability is cascaded across the organisation by continuing to link ESG-related performance metrics to the remuneration of our employees.

Building a Resilient Business

We remain committed to delivering long-term value to our stakeholders. We do so by maintaining high asset quality through ongoing asset management efforts, underpinned by our proactive capital management strategy. Our focus on incorporating green financing into our management strategies is a reflection of our dedication to building a resilient and sustainable portfolio.

With the support of our stakeholders, we will continue to make strides in creating a more sustainable future, marked by mutual collaboration and shared success.

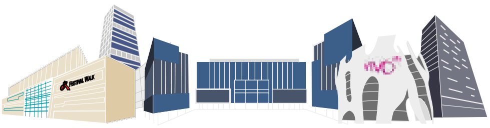
Board of Directors

[1] Source: Architecture 2030, a non-profit, non-partisan and independent organisation established in response to the ongoing climate emergency. Please refer to https://www.architecture2030.org/why-the-built-environment for more information.

SUSTAINABILITY **HIGHLIGHTS**

FY23/24 KEY SUSTAINABILITY HIGHLIGHTS

Achieved a
Five-Star rating ★★★★★
in the 2023 GRESB Real Estate Assessment



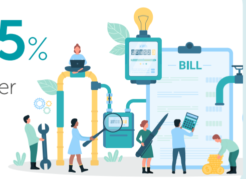
Successfully maintained our GRESB Public Disclosure
"A" rating
for the fourth consecutive year since 2020

Morningstar Sustainalytics ESG Risk Rating
13.1
Low Risk

Progressing Towards Net Zero by 2050

Achieved
100%
green certification
across our portfolio

12.2% and **11.5%**
Like-for-like[1] energy and water intensity reduction from the FY19/20 baseline[2]



Generated
4,111 MWh of
solar energy, equivalent to powering **Mapletree Anson** for one year[3]

Reduced over
2,872
tonnes of CO_2e,
comparable to removing approximately **684** gasoline-powered passenger vehicles for a year[4]

Green financing takes up about
36%
of MPACT's group borrowings

13%
of our portfolio (by lettable area) has implemented green leases

Planted
1,148 trees
as part of Mapletree Group's broader goal to plant at least **10,000 trees** in FY23/24

Commitment Towards Social Responsibility and Strong Governance

59%
female
representation in MPACT's management[5]

Seven corporate social responsibility ("CSR") events participated by employees

Approximately
S$608,000
of venue and publicity sponsorships provided

53 average training hours
per employee in FY23/24

Zero
incidents of non-compliance with anti-corruption laws and regulations

Zero
material incidents of non-compliance with relevant laws and regulations

Completed
review of SR practices by internal audit

1 Properties covered in the like-for-like reporting excluded properties acquired or divested after the baseline year FY19/20. Accordingly, MBC II (acquired by MCT in FY19/20), Omori and MBP (both acquired by MNACT in FY19/20) are excluded. In addition, to provide a more reflective comparison of MPACT's performance, the period of Festival Walk mall closure from 13 November 2019 to 15 January 2020 ("Festival Walk Closure Period") was excluded for FY19/20 as well as the corresponding period in FY23/24.
2 FY19/20 has been selected as the baseline for FY23/24 targets as the performance in FY22/23, FY21/22 and FY20/21 was not fully representative nor comparable to a normal operating year given COVID-19 disruptions.
3 Relates to landlord's electricity consumption.
4 The calculation is from United States Environmental Protection Agency: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results.
5 Refers to employees of the Manager who hold positions of Vice President and above.

CORPORATE **GOVERNANCE**

The Manager of MPACT is responsible for the strategic direction and management of the assets and liabilities of MPACT as well as its subsidiaries (collectively, the "Group"). As a REIT manager, the Manager is licensed by the MAS and holds a Capital Markets Services Licence for REIT management ("CMS Licence").

The Manager discharges its responsibility for the benefit of MPACT and Unitholders, in accordance with the applicable laws and regulations as well as the trust deed constituting MPACT (as amended) (the "Trust Deed").[1] To this end, the Manager sets the strategic direction of the Group and gives recommendations to DBS Trustee Limited, in its capacity as trustee of MPACT (the "Trustee"), on the acquisition, divestment and enhancement of assets of the Group.

The Manager's roles and responsibilities include:

- carrying on the Group's business to generate returns in a sustainable manner and conducting all transactions on normal commercial terms and on an arm's length basis;
- preparing annual budget proposals with forecast on gross revenue, property expenditure, capital expenditure and providing explanations on major variances against prior year's actual results and written commentaries on key issues and any other relevant assumptions. The purpose of such proposals and analyses is to chart the Group's business for the year ahead and to explain the performance of MPACT's properties compared to the prior year; and
- ensuring compliance with applicable laws and regulations, including the Securities and Futures Act 2001, the Listing Manual of the SGX-ST, the Code on Collective Investment Schemes ("CIS Code") issued by the MAS (including Appendix 6 of the CIS Code, the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, written directions, notices, codes and other guidelines that the MAS and other regulators may issue from time to time and any tax rulings.

MPACT is externally managed by the Manager. The Manager appoints experienced and well-qualified personnel to run their day-to-day operations.

The Manager was appointed in accordance with the terms of the Trust Deed. The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting (with no Unitholders disenfranchised) at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Manager is a wholly-owned subsidiary of MIPL, which has a significant unitholding in MPACT. MIPL is a leading global real estate development, investment, capital and property management company headquartered in Singapore and its significant unitholding in MPACT demonstrates its commitment to the long-term performance of MPACT and alignment of interest with other Unitholders.

The Manager's association with its Sponsor, MIPL, provides the following benefits, among other things, to MPACT:

(a) Leverage on the Sponsor's established global network and proven track record in REIT and real estate development, investment and capital management;
(b) Strategic acquisition pipeline of property assets from its Sponsor;
(c) Wider and better access to banking and capital markets;
(d) Fund raising and treasury support; and
(e) Access to a bench of experienced and professional management team.

The Manager is committed to complying with the substance and spirit of the Code of Corporate Governance 2018 (the "Code"). The following describes the main corporate governance policies and practices of the Manager with reference to the Code and, where there are deviations from any of the provisions of the Code, explanations for such deviations are provided in this report including an explanation on how the practices adopted are consistent with the intent of the principles of the Code.

[1] A copy of the Trust Deed will be available for inspection, by prior appointment at the registered office of the Manager, in accordance with the relevant laws, regulations and guidelines.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Effective Board

Our Policy and Practices

The Manager adopts the principle that the Board of Directors (the "Board") is collectively responsible for the long-term success of MPACT and an effective Board for the Manager is one constituted with the right core competencies and diversity of experience, so that the collective wisdom of the Board can give guidance and provide insights as well as strategic thinking to the management team of the Manager (the "Management").

The key roles of the Board are to:

- guide the corporate strategy and direction of the Manager;
- ensure that the Management discharges business leadership and demonstrates the highest quality of management with integrity and enterprise; and
- oversee the proper conduct of the Manager.

In discharging their roles and responsibilities, all Directors of the Board are expected to act and have acted in the best interests of MPACT.

The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons in order to maintain effective oversight. The Board has also established the Audit and Risk Committee (the "AC") and the Nominating and Remuneration Committee (the "NRC"), each of which operates under delegated authority from the Board, to assist the Board in discharging its oversight function.

As at 31 March 2024, the Board comprised 14 directors (the "Directors"), of whom 13 were Non-Executive Directors and 10 were Independent Directors. The following sets out the composition of the Board:

- Mr Samuel Tsien, Non-Executive Chairman and Director;
- Ms Tan Su Shan, Lead Independent Non-Executive Director and Chairperson of the NRC;
- Mr Premod Thomas, Independent Non-Executive Director and Chairman of the AC;[1]
- Mr Chua Kim Chiu, Independent Non-Executive Director and Member of the AC;
- Mr Lawrence Wong, Independent Non-Executive Director and Member of the AC;
- Mr Wu Long Peng, Independent Non-Executive Director and Member of the AC;[2]
- Ms Lilian Chiang, Independent Non-Executive Director and Member of the NRC;
- Mr Kan Shik Lum, Independent Non-Executive Director and Member of the NRC;
- Mr Pascal Lambert; Independent Non-Executive Director;
- Mr Mak Keat Meng, Independent Non-Executive Director;[3]
- Mr Alvin Tay, Independent Non-Executive Director;
- Mr Chua Tiow Chye; Non-Executive Director and Member of the NRC;
- Ms Wendy Koh, Non-Executive Director; and
- Ms Sharon Lim, Executive Director and CEO.

The Board comprises business leaders and distinguished professionals with banking, legal, real estate, strategic planning, management and accounting experience.

The diverse professional backgrounds of the Directors enable the Management to benefit from their external, varied and objective perspectives on issues brought before the Board for discussion and deliberation. The profiles of the Directors are set out in pages 22 to 27 of this Annual Report. The Board is of the view that the present principal directorships included in their individual profiles are sufficient to inform Unitholders of their principal commitments. The Board meets regularly, at least once every quarter, to review the business performance and outlook of the Group and deliberate on business strategy, including any significant acquisitions, disposals, fund-raisings and development projects undertaken by the Group. When exigencies prevent a Director from attending a Board or Board committee meeting in person, such Director can participate by audio or video conference.

1 Mr Premod Thomas has retired as an Independent Non-Executive Director and Chairman of the AC on 14 June 2024. With the retirement of Mr Premod Thomas, the Board comprises 13 Directors, of whom 12 are Non-Executive Directors and nine are Independent Directors.
2 Mr Wu Long Peng has been appointed as the Chairman of the AC with effect from 15 June 2024.
3 Mr Mak Keat Meng has been appointed as a Member of the AC with effect from 15 June 2024.

CORPORATE **GOVERNANCE**

The meeting attendance of the Board, the AC and the NRC for FY23/24 is as follows:

		Board	AC	NRC	AGM[1]
Number of meetings held in FY23/24		5	5	1	1
Board Members	**Membership**				
Mr Samuel Tsien (Appointed as Director on 5 July 2022 and redesignated as Non-Executive Chairman on 3 August 2022) *(Last reappointment on 30 September 2022)*	Non-Executive Chairman and Director	5	N.A.[2]	N.A.[2]	1
Ms Tan Su Shan (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Lead Independent Non-Executive Director and Chairperson of the NRC	4	N.A.[2]	1	1
Mr Premod Thomas (Appointed on 15 June 2015) *(Last reappointment on 30 September 2022)* *(Retired on 14 June 2024)*	Independent Non-Executive Director and Chairman of the AC	5	5	N.A.[2]	1
Mr Chua Kim Chiu (Appointed on 3 August 2022) *(Last reappointment on 18 September 2023)*	Independent Non-Executive Director and Member of the AC	5	5	N.A.[2]	1
Mr Lawrence Wong (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director and Member of the AC	5	5	N.A.[2]	1
Mr Wu Long Peng (Appointed on 15 December 2018) *(Last reappointment on 18 September 2023)*	Independent Non-Executive Director and Member of the AC (Appointed as the Chairman of the AC with effect from 15 June 2024)	5	5	N.A.[2]	1
Ms Lilian Chiang (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director and Member of the NRC	5	N.A.[2]	1	1
Mr Kan Shik Lum (Appointed on 1 December 2015) *(Last reappointment on 18 September 2023)*	Independent Non-Executive Director and Member of the NRC	5	N.A.[2]	1	1
Mr Pascal Lambert (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director	5	N.A.[2]	N.A.[2]	1
Mr Mak Keat Meng (Appointed on 15 December 2019) *(Last reappointment on 30 September 2022)*	Independent Non-Executive Director (Appointed as a Member of the AC with effect from 15 June 2024)	5	N.A.[2]	N.A.[2]	1
Mr Alvin Tay (Appointed on 15 December 2018) *(Last reappointment on 18 September 2023)*	Independent Non-Executive Director	5	N.A.[2]	N.A.[2]	1
Mr Chua Tiow Chye (Appointed on 3 August 2022) *(Last reappointment on 30 September 2022)*	Non-Executive Director and Member of the NRC	5	N.A.[2]	1	1
Ms Wendy Koh (Appointed on 15 December 2019) *(Last reappointment on 18 September 2023)*	Non-Executive Director	5	5[3]	N.A.[2]	1
Ms Sharon Lim (Appointed on 1 August 2015) *(Last reappointment on 30 September 2022)*	Executive Director and CEO	5	5[3]	1[3]	1

Notes:
1 Held on 28 July 2023.
2 N.A. means not applicable.
3 Attendance was by invitation.

The Board has also approved a set of delegations of authority which sets out approval limits for investments and divestments, development, operational and capital expenditures and treasury activities to be undertaken by the Group. Approval sub-limits are also provided at various management levels to facilitate operational efficiency as well as provide a system of checks and balances.

The Board has prescribed certain limits on transactions to be undertaken by the Group, above which approval from the Board is required. The Board's approval is required for material transactions undertaken by the Group. Such material transactions are also included in the set of delegations of authority which has been clearly communicated to Management in writing. These include:

- equity fund-raising;
- acquisition, disposal and development of properties above Board-prescribed limits;
- overall project budget variance and ad hoc development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

The Board recognises that the Directors are fiduciaries who are obliged at all times to act objectively in the best interests of MPACT and hold the Management accountable for performance. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to MPACT and his or her own interests. The Manager has a policy which provides that where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

The Manager has in place an internal code on general conduct and discipline which sets out the framework and guidelines on ethical values such as honesty and responsibility as well as the appropriate conduct expected of the Management and employees. The Board sets the appropriate tone from the top in respect of the desired organisational culture and ensure proper accountability within the Manager.

Each Director is given a formal letter of appointment setting out his or her duties and obligations under the relevant laws and regulations governing the Manager and the Group. The Manager also has in place an orientation programme to brief new Directors on the Group's business, strategic direction, risk management policies, the regulatory environment in which the Group operates and the governance practices of the Group and the Manager, including in areas such as accounting, legal and industry-specific knowledge as appropriate. The Board is updated on any material change to relevant laws, regulations and accounting standards by way of briefings from professionals or updates issued by Management.

Taking into account the increasingly demanding and complex role of a Director amidst an evolving global and business environment, the Board recognises the need for Directors to undergo regular training and development so as to equip them to discharge their duties and responsibilities as Directors to the best of their abilities. The NRC also assists the Board in reviewing and recommending training and professional development programs for the Board.

Directors are provided with opportunities and encouraged to participate in industry conferences, seminars and training programmes that are relevant to their duties, which may include those organised by the Singapore Institute of Directors on corporate governance, leadership, sustainability, and industry-related subjects.

Where a newly appointed Director has no prior experience as a director of an issuer listed on SGX-ST and/or a director of a REIT manager, such Director will undergo the mandatory training as prescribed by SGX-ST. All Directors have undergone training on sustainability matters as prescribed under the Listing Manual in the previous financial year.

The Management is required to provide adequate and timely information to the Board, which includes matters requiring the Board's decision, as well as ongoing reports relating to the operational and financial performance of the Group. The Management is also required to furnish any additional information requested by the Board in a timely manner in order for the Board to make informed decisions.

The Directors have separate and independent access to Management and the Company Secretary.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Company Secretary attends to the administration of corporate secretarial matters and advises the Board on governance matters. The Company Secretary also attends all Board and Board committee meetings and provides assistance to the Chairman in ensuring adherence to Board procedures.

CORPORATE **GOVERNANCE**

The Board takes independent professional advice as and when necessary, at the Manager's expense, to enable it and/or the Independent Directors to discharge their responsibilities effectively. The AC meets the external and internal auditors separately at least once a year, without the presence of the Management.

Board Composition and Guidance

Principle 2: Appropriate level of independence and diversity of thought

Our Policy and Practices

The Board reviews from time to time the size and composition of the Board and each Board committee, to ensure that the size of the Board and each Board committee is appropriate in facilitating effective decision-making.

The Manager adopts the principle that a board composition with a strong and independent element as well as diversity of thought and background will allow the Directors to engage in robust deliberations with Management and provide external, diverse and objective insights on issues brought before the Board for discussion and deliberation. Each Director is appointed on the strength of his or her business and industry experience, skills and functional and domain expertise to give proper guidance to the Management on the business of the Group. In addition, the Board considers other aspects of diversity including age, gender, cultural ethnicity and international experience of its members to ensure a balanced and effective composition of the Board.

Towards this end, the Board had in 2022 adopted a Board Diversity Policy which takes into account the abovementioned aspects of diversity and outlines its commitment and approach towards achieving an effective and diverse Board. The NRC will review the policy from time to time and will recommend changes to the Board for approval, if necessary, to ensure that the policy remains effective and relevant and to achieve greater diversity. Among the various aspects of diversity, gender diversity is an important aspect and the Board recognises this. Therefore, the Board is committed to achieving a target of at least 25% female representation on the Board by 2025, and 30% by 2030. As of 31 March 2024, the Board has achieved its target of at least 25% female representation on the Board as there are four female Directors out of a total of 14 Directors on the Board.

The Non-Executive Directors will also conduct periodic review of the investment mandate as well as the strategic focus of MPACT with Management. Further, such a board composition, and the separation of the roles of the Chairman and the CEO, provide oversight to ensure that Management discharges its roles and responsibilities effectively and with integrity.

The Board is of the opinion that its current size is appropriate with an appropriate balance and diversity of skills, experience and knowledge, taking into account the targets and objectives of the Board Diversity Policy and the scope and nature of operations of the Manager and MPACT, for effective decision-making and constructive debate. The Board comprises Directors who collectively have the core competencies, such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board to be effective in all aspects of its roles.

The Board assesses the independence of each Director in accordance with the requirements of the Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCB Regulations"). A Director is considered to be independent if he or she (i) is independent in conduct, character and judgement and:

(a) has no relationship with the Manager, its related corporations, its substantial shareholders, MPACT's substantial unitholders (being unitholders who have interests in voting units with 5% or more of the total votes attached to all voting units) or the Manager's officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of MPACT;

(b) is independent from the management and any business relationship with the Manager and MPACT, every substantial shareholder of the Manager and every substantial unitholder of MPACT;

(c) is not a substantial shareholder of the Manager or a substantial unitholder of MPACT;

(d) is not employed and has not been employed by the Manager or MPACT or their related corporations in the current or any of the past three financial years;

(e) does not have an immediate family member who is employed or has been employed by the Manager or MPACT or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board and/or NRC; and

(f) has not served on the Board for a continuous period of nine years or longer.

For FY23/24, each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact his or her independent status. Accordingly, each of the Independent Directors had either made a negative declaration or disclosed such relationships or circumstances as applicable. The declarations or disclosures made by each Independent Director had been reviewed by the NRC.

The Board of the Manager, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations and the Code, wishes to set out its views in respect of each of the Directors as follows:

Name of Director	(i) had been independent from the management of the Manager and MPACT during FY23/24	(ii) had been independent from any business relationship with the Manager and MPACT during FY23/24	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT during FY23/24	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of MPACT during FY23/24	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY23/24
Mr Samuel Tsien[1,10]	✓			✓	✓
Ms Tan Su Shan[2,10]	✓			✓	✓
Mr Premod Thomas[3,10]	✓			✓	✓
Mr Chua Kim Chiu[4,10]	✓		✓	✓	✓
Mr Wu Long Peng	✓	✓	✓	✓	✓
Mr Kan Shik Lum[5,10]	✓			✓	✓
Ms Lilian Chiang[6,10]	✓		✓	✓	✓
Mr Alvin Tay	✓	✓	✓	✓	✓
Mr Lawrence Wong	✓	✓	✓	✓	✓
Mr Mak Keat Meng	✓	✓	✓	✓	✓
Mr Pascal Lambert	✓	✓	✓	✓	✓
Mr Chua Tiow Chye[7,10]				✓	✓
Ms Wendy Koh[8,10]				✓	✓
Ms Sharon Lim[9,10]				✓	✓

Notes:

1 Mr Samuel Tsien is a Director and a member of the Investment Committee of the Sponsor which wholly-owns the Manager and is a substantial unitholder of MPACT. He was also the Group Chief Executive Officer and Executive Director of the Board of Oversea-Chinese Banking Corporation Limited ("OCBC") from 15 April 2012 until 14 April 2021, and subsequently Adviser to the Board of OCBC until April 2022. The amounts paid or incurred by MPACT to OCBC in FY23/24 for banking services exceeded S$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY23/24, Mr Tsien is deemed not to be (a) independent from any business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT, by virtue of his directorship on the Sponsor and previous appointment at OCBC. The Board is satisfied that, as at 31 March 2024, Mr Tsien was able to act in the best interests of all Unitholders of MPACT as a whole.

2 Ms Tan Su Shan is currently the Group Head of Institutional Banking of DBS Bank Ltd, a related corporation of Temasek. The amounts paid or incurred by MPACT to DBS Bank Ltd in FY23/24 for trustee fees and banking services fees, including financial advisory fees, exceeded S$200,000. In addition, the amounts received as rental by MPACT from DBS Group in FY23/24 for leases of MPACT's premises exceeded S$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY23/24, Ms Tan is deemed not to be (a) independent from a business relationship with the Manager and MPACT, by virtue of the payments made to the Trustee and DBS Bank Ltd by MPACT and the payments received by MPACT from DBS Group; and (b) independent from every substantial shareholder of the Manager and substantial unitholder of MPACT by virtue of her employment with

CORPORATE **GOVERNANCE**

DBS Bank Ltd. Notwithstanding the foregoing, the Board takes the view that Ms Tan's Independent Director status is not affected as (a) the trustee arrangement was entered into before Ms Tan was appointed as a Director of the Manager; (b) the fees, rental and other charges were agreed on an arm's length basis and on normal commercial terms; and (c) she serves on the Manager's Board in her personal capacity and not as a representative or nominee of Temasek and neither is she under any employment relationship with Temasek. She is not under any obligation to act in accordance with the directions, instructions or wishes of Temasek. The Board is satisfied that, as at 31 March 2024, Ms Tan was able to act in the best interests of all Unitholders of MPACT as a whole.

3 Mr Premod Thomas is the Independent Director of Gemstone Asset Holdings Pte. Ltd., which is a related corporation of both the Manager and the Sponsor. He was also the Chief Executive Officer and Executive Director of Bayfront Infrastructure Management Pte. Ltd. ("Bayfront") and the Executive Director of BIM Asset Management Pte. Ltd. ("BIM") and Bayfront Instructure Capital II Pte. Ltd. ("Bayfront Capital"), both of which are subsidiaries of Bayfront, until his retirement on 1 April 2023. Bayfront, BIM and Bayfront Capital are companies in which Temasek Holdings (Private) Limited ("Temasek"), a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MPACT, has an effective interest of more than 20%.

Pursuant to the SFLCB Regulations, during FY23/24, Mr Thomas is deemed not to be (a) independent from a business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of his directorship in Gemstone Asset Holdings Pte. Ltd., his employment with Bayfront and directorships in BIM and Bayfront Capital.

However, in the abovementioned capacities, Mr Thomas is not under an obligation to act in accordance with the directions, instructions or wishes of the Sponsor or Temasek (as the case may be) and therefore, the Board, in consultation with the NRC, takes the view that his Independent Director status is not compromised.

The Board is satisfied that, as at 31 March 2024, Mr Thomas is able to act in the best interests of all Unitholders of MPACT as a whole.

4 Mr Chua Kim Chiu is currently a Non-Executive and Independent Director of the Board of Oversea-Chinese Banking Corporation Limited ("OCBC"). The amounts paid or incurred by MPACT to OCBC in FY23/24 for banking services exceeded S$200,000. Under the Code's Practice Guidance 2(b), a director may be considered as not independent if he or she is, among others, an executive officer of an organisation to which a company or any of its subsidiaries made, or from which the company or any of its subsidiaries received, significant payments or material services in the current or immediate past financial year. As a guide, payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant.

Pursuant to the SFLCB Regulations, during FY23/24, Mr Chua is deemed not to be independent from any business relationship with the Manager and MPACT by virtue of his appointment at OCBC. Notwithstanding the foregoing, the Board takes the view that Mr Chua's Independent Director status is not affected as the fees were agreed on an arm's length basis and on normal commercial terms and that he serves on the Manager's Board in his personal capacity and not as a representative or nominee of OCBC. The Board is satisfied that, as at 31 March 2024, Mr Chua was able to act in the best interests of all Unitholders of MPACT as a whole.

5 Mr Kan Shik Lum is the Independent Director of Astrea V Pte. Ltd and Astrea 7 Pte. Ltd. and was the Independent Director of Astrea IV Pte. Ltd. until 14 December 2023. All of the abovementioned entities are related corporations of Temasek. Temasek is a related corporation and a substantial shareholder of the Manager (through the Sponsor) and a substantial unitholder of MPACT.

Pursuant to the SFLCB Regulations, during FY23/24, Mr Kan is deemed not to be (a) independent from a business relationship with the Manager and MPACT; and (b) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of his directorships in the abovementioned related corporations of Temasek.

However, in the abovementioned capacities, Mr Kan is not under an obligation to act in accordance with the directions, instructions or wishes of Temasek and therefore, the Board takes the view that Mr Kan's Independent Director status is not affected.

The Board is satisfied that, as at 31 March 2024, Mr Kan is able to act in the best interests of all Unitholders of MPACT as a whole.

6 Ms Lilian Chiang is a Senior Partner of Deacons, one of the leading law firms in Hong Kong.

Pursuant to the SFLCB Regulations, during FY23/24, Ms Chiang is deemed not to be independent from a business relationship with the Manager and MPACT, by virtue of the payments made by MPACT to Deacons for legal services provided by Deacons to MPACT. The payments made for such legal services do not exceed S$200,000 in total.

Notwithstanding the foregoing, the Board takes the view that Ms Chiang's Independent Director status is not affected as (a) she serves on the Board in her personal capacity and not as a representative of Deacons; (b) she has no involvement in the engagement of Deacons to provide legal services; and (c) the legal services have been provided on an arm's length basis and on normal commercial terms. The Board is satisfied that, as at 31 March 2024, Ms Chiang was able to act in the best interests of all Unitholders of MPACT as a whole.

7 Mr Chua Tiow Chye is currently the Deputy Group Chief Executive Officer of the Sponsor which wholly-owns the Manager and is a substantial unitholder of MPACT. Mr Chua is also a Non-Executive Director of Mapletree Industrial Trust Management Ltd. (the manager of Mapletree Industrial Trust) which is a related corporation of the Sponsor.

Pursuant to the SFLCB Regulations, during FY23/24, Mr Chua is deemed not to be (a) independent from a management relationship with the Manager and MPACT by virtue of his employment with the Sponsor; (b) independent from any business relationship with the Manager and MPACT as the Sponsor had received payments from the Manager and/or the trustee of MPACT during FY23/24; and (c) independent from every substantial shareholder of the Manager and substantial unitholder of MPACT by virtue of his employment with the Sponsor and his directorship in the abovementioned related corporation of the Sponsor. The Board is satisfied that, as at 31 March 2024, Mr Chua was able to act in the best interests of all Unitholders of MPACT as a whole.

8 Ms Wendy Koh is currently the Group Chief Financial Officer of the Sponsor, which is a substantial shareholder of the Manager and a substantial unitholder of MPACT. She is also a Non-Executive Director of Mapletree Logistics Trust Management Ltd. (the manager of Mapletree Logistics Trust) and Mapletree Industrial Trust Management Ltd. (the manager of Mapletree Industrial Trust), both of which are related corporations of the Sponsor.

Pursuant to the SFLCB Regulations, during FY23/24, Ms Koh is deemed not to be (a) independent from the management of the Manager and MPACT by virtue of her employment with the Sponsor; (b) independent from any business relationship with the Manager and MPACT by virtue of the payments which the Sponsor had made to and/or received from the Manager and/or the trustee of MPACT during FY23/24; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of her employment with the Sponsor and her directorships in the abovementioned related corporations of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2024, Ms Koh was able to act in the best interests of all Unitholders of MPACT as a whole.

9 Ms Sharon Lim is currently the Executive Director and CEO of the Manager, which is a related corporation of the Sponsor.

Pursuant to the SFLCB Regulations, during FY23/24, Ms Lim is deemed not to be (a) independent from the management of the Manager and MPACT by virtue of her employment with the Manager; (b) independent from any business relationship with the Manager and MPACT by virtue of the payments which the Manager had made to the Sponsor and/or received from the trustee of MPACT during FY23/24; and (c) independent from every substantial shareholder of the Manager and every substantial unitholder of MPACT by virtue of her employment with and directorship in the Manager which is a related corporation of the Sponsor. Nonetheless, the Board is satisfied that, as at 31 March 2024, Ms Lim was able to act in the best interests of all Unitholders of MPACT as a whole.

10 For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 March 2024, each of the abovementioned Directors were able to act in the best interests of all the Unitholders of MPACT as a whole.

Based on a review of the relationships between the Directors and the Group in accordance with the requirements of the Code and the SFLCB Regulations and declarations of independence by the Independent Directors, the Board considers the following ten Directors to be independent as at 31 March 2024:

- Ms Tan Su Shan;
- Mr Premod Thomas;
- Mr Chua Kim Chiu;
- Mr Lawrence Wong;
- Mr Wu Long Peng;
- Ms Lilian Chiang;
- Mr Kan Shik Lum;
- Mr Pascal Lambert;
- Mr Mak Keat Meng; and
- Mr Alvin Tay.

In view of the above, during FY23/24, more than half of the Board comprises Independent Directors and there are 13 Non-Executive Directors which make up a majority of the Board.

Chairman and CEO

Principle 3: Clear division of responsibilities

Our Policy and Practices

The Board and the Manager adopt the principle of clear separation of the roles and division of responsibilities between the Chairman of the Board and the CEO of the Manager (which has been set out in writing) and that no one individual has unfettered powers of decision-making. The Chairman and the CEO are not related to each other so as to maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman is a Non-Executive Director who is responsible for the overall management of the Board as well as ensuring that the Directors and Management work together with integrity and competency, and he guides the Board in constructive debates on the Group's strategic direction, management of its assets and governance matters.

The CEO is responsible for the running of the Manager's business operations. She has full executive responsibilities over the business and operational decisions of the Group. The CEO is also responsible for ensuring the Group's compliance with the applicable laws and regulations in its day-to-day operations.

As the Chairman is not an independent director, in accordance with Provision 3.3 of the Code, Ms Tan Su Shan has been appointed as the Lead Independent Director of the Manager. The principal responsibilities of the Lead Independent Director are to act as Chairperson of the Board when matters concerning the Chairman are to be considered, and to be available to the Board and Unitholders for communication of Unitholders' concerns when other channels of communication through the Chairman or CEO are inappropriate, as well as for leading all deliberations on feedback regarding performance of the CEO and any interested party transactions. Ms Tan also has the discretion to hold meetings with the other Independent Directors without the presence of Management as she deems appropriate or necessary and to provide feedback to the Chairman after such meetings.

Board Membership

Principle 4: Formal and transparent process for appointments

Our Policy and Practices

The Manager adopts the principle that Board renewal is a necessary and ongoing process to ensure good governance and to remain relevant to the evolving needs of the Manager and the Group's business.

The Board established the NRC in January 2016 and it comprises four Directors, being Ms Tan Su Shan, Mr Kan Shik Lum, Ms Lilian Chiang and Mr Chua Tiow Chye, all of whom are non-executive and the majority of whom (including the Chairperson) are independent. Ms Tan Su Shan is the Chairperson of the NRC and also the Lead Independent Non-Executive Director of the Manager.

CORPORATE **GOVERNANCE**

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, which include assisting the Board in matters relating to:

- the appointment and re-appointment of the Board and committee members;
- the appointment of the Executive Director and CEO and the framework for the appointment of key management personnel of the Manager, as well as the succession plan and framework for the Executive Director, CEO and key management personnel of the Manager;
- the process and criteria for evaluating the performance of the Board, the Board committees and the Directors;
- the training and professional development programmes for the Board; and
- the determination, on an annual basis and as and when circumstances require, of the independent status of a Director, bearing in mind the relevant principles and provisions of the Code and the SFLCB Regulations, as well as any other applicable regulations and guidelines and salient factors.

Guided by its terms of reference, the NRC assists the Board to oversee the development and succession planning for the CEO. This includes overseeing the process for selection of the CEO and conducting an annual performance review and succession matters for the CEO.

In addition to the above, the NRC reviews and approves the framework for the succession plan relating to the key management personnel of the Manager and makes its recommendations to the Board regarding the appointment and/or replacement of the key management personnel.

Board Composition and Renewal

The composition of the Board is determined based on the following principles:

- the Chairman of the Board should be a non-executive director of the Manager;
- the Board should comprise directors with a broad range of commercial experience including expertise in fund management, law, finance, audit, accounting and real estate;
- independent directors make up a majority of the Board if the Chairman is not an independent director; and
- non-executive directors make up a majority of the Board.

The Board adheres to the principle of progressive renewal to maintain good governance and seeks to ensure its composition provides for appropriate level of skills, expertise and experience, as well as independence, diversity of thought and background which are relevant to the evolving needs of MPACT's business.

In identifying suitable candidates for appointment to the Board, the Board prioritises the needs of the Group and takes into account the industry and business experience, skills, expertise and background of the candidates. These may include skillsets and experience in core competencies of accounting, finance, sustainability, legal, strategic planning as well as business and management. In addition, the Board gives due regard to the requirements in the Listing Manual and the Code, as well as factors in the Board Diversity Policy. The Board also considers the candidate's ability to commit sufficient time to the affairs of the Group so as to diligently fulfil the director's duties. Searches for possible candidates are conducted through contacts and recommendations. The Board also has the option to engage external consultants if necessary to assist the Board in identifying suitable candidates.

The NRC makes recommendations of nominations and/or re-nominations of directors on the Board and Board committees to the Board for approval. As a principle of good corporate governance, all Board members are required to submit themselves for re-nomination and re-election at regular intervals during the annual general meeting of the Manager.

As at least half of the Board comprises Independent Directors, the Manager will not be voluntarily subjecting any appointment or reappointment of directors to voting by Unitholders. The NRC also determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1 of the Code. Directors disclose to the Board their relationships with the Manager, its related corporations, its substantial shareholders, MPACT's substantial Unitholders or the Manager's officers, if any, which may affect their independence. For further information on the Board's assessment, please refer to "Principle 2: Board Composition and Guidance" in this CG Report.

The listed company directorships and principal commitments of the Directors are disclosed on pages 22 to 27 of this Annual Report. The Manager does not, as a matter of policy, limit the maximum number of listed company board representations its Board members may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Group, including attending Board and Board committee meetings and contributing constructively to the management of the Manager and the Group. The Manager believes that each Director is best placed to decide whether he or she has sufficient capacity to discharge his or her duties and responsibilities as Director in the best interests of the Manager and Unitholders. Taking into account the meeting attendance records of the Directors in FY23/24 as well as the contribution and performance of each individual Director at such meetings, the Board is satisfied that all the Directors have been able to adequately carry out their duties as Director notwithstanding their principal commitments.

In keeping with the principle that a Director must be able to commit his or her time and attention to the affairs of the Group, the Board will generally not approve the appointment of alternate directors. There were no alternate directors appointed in FY23/24.

Board Performance

Principle 5: Formal assessment of the effectiveness of the Board

Our Policy and Practices

The Manager adopts the principle that the Board's performance is ultimately reflected in the performance of the Manager and the Group.

To assess the performance of the Board and the Board committees, the Manager conducts annual confidential board effectiveness surveys. The survey of the effectiveness of the Board, AC and NRC in respect of FY23/24 has been carried out.

To this end, the NRC will assist the Board in the assessment of the effectiveness of the Board, its Board committees, as well as the contribution by the Chairman and each Director, by reviewing the performance evaluation process and making recommendations to the Board. The evaluation results will be reviewed by the NRC and then shared with the Board. As part of the assessment, the criteria include the adequacy of the Board composition, the Board's performance and areas of improvement, the level of strategic guidance to the Management and the overall effectiveness of the Board, as well as each individual Director's attendance, contribution and participation at the Board and Board committee meetings. The Board also believes that performance evaluation is an ongoing process and strives to maintain regular feedback and interactions between the Directors and the Management.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: Formal and transparent procedure for fixing the remuneration of Directors and key management personnel

Level and Mix of Remuneration

Principle 7: Appropriate level of remuneration

Disclosure on Remuneration

Principle 8: Clear disclosure of remuneration matters

Our Policy and Practices

The Manager adopts the principle that remuneration matters should be sufficiently structured and benchmarked with good market practices to attract qualified talent to grow and manage its business.

The Manager adopts the principle that remuneration for the Board and Management should be viewed in totality. The remuneration structure supports the continuous development of the management bench strength to ensure robust talent management and succession planning.

Pursuant to the Guidelines to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Guideline No: SFA04-G07), the Manager has disclosed in this report information on its NRC as set out below.

Additional information on remuneration matters are disclosed in compliance with the requirements of the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) ("AIFMR").

Nominating and Remuneration Committee

The Manager has an established NRC which consists of a minimum of three members and is constituted in a way that enables it to exercise its judgment and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business.

The current members are: Ms Tan Su Shan, Lead Independent Non-Executive Director and Chairperson of NRC, Mr Kan Shik Lum, Independent Non-Executive Director, Ms Lilian Chiang and Mr Chua Tiow Chye, Non-Executive Director. The current NRC met once during FY23/24 and was guided by an independent remuneration consultant, Willis Tower Watson Consulting (Singapore) Pte. Ltd., who has no relationship with the Manager, the controlling shareholders of the Manager or its related entities and the Board of Directors that would interfere with its ability to provide independent advice to the NRC.

CORPORATE **GOVERNANCE**

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating and remuneration committee, which include assisting the Board in matters relating to:

- reviewing and recommending to the Board all nominations for the appointment and re-appointment of Directors and of members to the various Board committees;
- reviewing and recommending to the Board the succession plan for the Executive Director and CEO of the Manager;
- the remuneration framework for the Directors, the Executive Director and CEO and the Management, including all option plans, stock plans and the like as well as the performance hurdles of such plans;
- the specific remuneration package for the Directors and key management personnel; and
- the termination payment, gratuities, severance payment and other similar payments to the Executive Director and CEO of the Manager.

Decision-making Process for Determining the Remuneration Policy

The NRC is responsible for the annual review of remuneration policy (including termination terms), its implementation and ensuring that such terms of remuneration are fair and in compliance with relevant legislation and regulation. The NRC makes remuneration decisions for employees annually in May following the end of the performance year. This timing allows the full-year financial results of the Group to be considered along with the other key performance indicators. The NRC developed the Manager's remuneration policy with a number of principles in mind (the "Remuneration Principles"). The NRC is guided by the overarching principle to promote sustainable long-term success of MPACT and to provide assurance that the level and structure of remuneration are aligned with the continued interests and risk management policies of MPACT. The remuneration policy should:

- **Align with Unitholders:** A proportion of variable remuneration is deferred and delivered in the form of deferred awards over MPACT phantom units, thereby aligning the interests of employees and Unitholders;
- **Align with performance and value creation:** Total variable compensation is managed and structured taking into consideration the level of performance and value creation attained which is being assessed holistically and determined based on financial performance and achievement of other key performance indicators;
- **Encourage retention:** Deferred variable compensation does not give rise to any immediate entitlement. Awards normally require the participant to be employed continuously by the Manager until at least the third anniversary of the grant in order to vest in full; and
- **Be competitive:** Employees receive competitive compensation and benefits packages, which are reviewed annually and benchmarked by an independent remuneration consultant to the external market.

In determining specific individual compensation amounts, a number of factors are considered including the key performance indicators, financial performance of the Group and the individual performance and contributions to the Group during the financial year. Particularly for Management and key management personnel, a portion of their variable compensation is deferred and subjected to downside risks to prevent excessive risk taking.

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its Directors are as follow:

- the level of directors' fees should be appropriate (but not excessive) to attract and retain the Directors to provide good stewardship of the Manager and the Group;
- directors' fees are reviewed annually and subject to the approval of the Manager's shareholder;
- to ensure that each Director's fees are commensurate with his or her responsibilities and time spent, each Director is paid a basic retainer and Directors who perform additional services through the Board committees are paid additional fees for such services;
- Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors, and the CEO also does not receive any director's fees in her capacity as a Director; and
- no Director is involved in deciding his or her own remuneration.

The framework for Directors' remuneration during FY23/24 is set out below:

	Fee per annum (S$)
Board	
Chairman	145,000
Member	65,000
Audit and Risk Committee	
Chairman	50,000
Member	35,000
Nominating and Remuneration Committee	
Chairman	38,500
Member	22,500
	Fee per board meeting (S$)
Attendance Fee	2,500
Overseas Attendance Fee (up to 4 hours travel)	5,000
Overseas Attendance Fee (up to 8 hours travel)	6,000
Overseas Attendance Fee (more than 8 hours travel)	10,000

Directors' fees are paid entirely in cash.

Guided by the Remuneration Principles, the key objectives and features of the Manager's policy on the remuneration of its executives are as follow:

- the level and structure of executive remuneration should be competitive (but not excessive) to attract, motivate and retain a pool of talented executives for the present and future growth of the Manager; and
- executive remuneration should be performance-related with a view to promoting the long-term success and sustainability of the Manager and the Group.

The CEO is not present during the discussions relating to her own compensation and terms and conditions of service, and the review of her performance. However, the Board, with the assistance of the NRC, reviews the CEO's performance and the NRC Chairperson, or her designate, will share with the CEO their views of her performance. In accordance with the directions and guidelines from the MAS on the remuneration of key executive officers of REIT managers, the Board, with the assistance of the NRC, reviews the CEO's specific remuneration package to ensure its compliance with the substance and spirit of such directions and guidelines from the MAS.

The remuneration of the Board and the employees of the Manager is paid by the Manager, and not paid by MPACT.

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The Manager has set out in the table below information on the fees paid to the Directors for FY23/24:

Board Members	Membership	Fees Paid for FY23/24 (S$)
Mr Samuel Tsien	Non-Executive Chairman and Director	182,500
Ms Tan Su Shan	Lead Independent Non-Executive Director and Chairperson of the NRC	116,000
Mr Premod Thomas (retired on 14 June 2024)	Independent Non-Executive Director and Chairman of the AC	127,500
Mr Chua Kim Chiu	Independent Non-Executive Director and Member of the AC	112,500
Mr Lawrence Wong	Independent Non-Executive Director and Member of the AC	112,500
Mr Wu Long Peng	Independent Non-Executive Director and Member of the AC	112,500
Ms Lilian Chiang	Independent Non-Executive Director and Member of the NRC	110,000
Mr Kan Shik Lum	Independent Non-Executive Director and Member of the NRC	100,000
Mr Pascal Lambert	Independent Non-Executive Director	77,500
Mr Mak Keat Meng	Independent Non-Executive Director	77,500
Mr Alvin Tay	Independent Non-Executive Director	77,500
Mr Chua Tiow Chye	Non-Executive Director and Member of the NRC	Nil[1]
Ms Wendy Koh	Non-Executive Director	Nil[1]
Ms Sharon Lim	Executive Director and CEO	Nil[2]

Note:
1 Non-Executive Directors who are employees of the Sponsor do not receive any director's fees in their capacity as Directors or as a member of the NRC.
2 The CEO does not receive any director's fees in her capacity as a Director.

Link between Pay, Performance and Value Creation

Employee remuneration at the Manager comprises fixed pay, variable incentive, allowances and benefits. All employees receive a salary that reflects their responsibilities and the level of experience and expertise needed to undertake their roles. Allowances and benefits include statutory provident fund contributions and benefits-in-kind to enable employees to undertake their role by ensuring their well-being.

Variable incentive is a material component of total remuneration and comprises Performance Target Bonus ("PTB"), Variable Bonus ("VB") and Long-term Incentive ("LTI") award. The PTB amount is determined based on the achievement of Key Performance Indicators ("KPIs") which are critical to improving people capability, building organisational culture, contributing to the Environment, Social and Governance ("ESG") factors, as well as managing stakeholders of the Manager, e.g. raising the capability of the employees through increased participation in learning and development, and with specific focus on digitalisation and ESG so as to raise their awareness and improve their general skills and knowledge in these areas, building organisational culture by engaging employees and improving their well-being through regular participation in wellness initiatives, connecting with investors and tenants through regular engagement meetings, and encouraging active contribution to environmental targets such as reducing electricity usage and tree planting. The VB amount is assessed based on the achievement of financial KPIs such as NPI, DPU and occupancy rate which measure the financial and operational metrics essential to the Unitholders. KPIs and their weightages may change from year to year. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MPACT's Total Shareholder Return ("TSR") targets.

To this end, the NRC has reviewed the performance of the Manager for FY23/24 and is satisfied that all KPIs have been achieved.

For the Management, a significant proportion of their variable incentive is deferred under the Manager's VB banking mechanism and vesting schedule of LTI award. Deferral of these two components is a key mechanism to building sustainable business performance. Under the VB banking mechanism, only a portion of a VB award declared in the financial year will be paid out while the rest of the VB award will be deferred and paid out in the subsequent years. The deferred VB award will be subjected to downside risks depending on future performance. This ensures alignment between remuneration and sustaining business performance in the longer term. For the LTI award, it is subject to three to five years vesting schedule. The settlement value of the LTI award is linked to the value of MPACT units at the time of vesting. Claw-back provisions are included within the VB and LTI scheme which would give the right to reclaim incentive components from the Management in circumstances such as misconduct or fraud resulting in financial loss to the Group.

Employees of the Manager are eligible to be considered for variable pay each year. Variable pay for all employees takes into account MPACT, the Manager and the individual's performance against agreed financial and non-financial objectives similar to that of the Management. However, in execution, the PTB and VB are combined to form consolidated variable pay for the employees.

The Manager will continue to be guided by the objective of delivering long-term sustainable returns to Unitholders. The remuneration of the Management will continue to be aligned with the goal of value creation for Unitholders. The performance will be measured over a five-year period, with an interim review at the end of the third year.

All fixed pay, variable incentives and allowances are payable wholly in cash. The current variable incentive is sufficiently aligned with unitholders' long-term interest to pay the CEO fully in cash. All payments are entirely paid by the Manager and not as an additional expense imposed on MPACT.

To assess an individual's performance, a four-point rating scale is used by the supervisors to provide an overall assessment of an employee's performance, and employees are required to perform a self-evaluation. The overall final rating is reconciled during each employee's performance appraisal. The Manager has ensured that this process has been adhered to.

The remuneration for the CEO in bands of S$250,000 and a breakdown of the remuneration of the CEO and the top five key management personnel of the Manager in percentage terms, are provided in the remuneration table below.

Total Remuneration Bands of CEO and Key Management Personnel for FY23/24

	Salary, Allowances and Statutory Contributions	Bonus[1]	Long-term Incentives[2]	Benefits	Total
Above S$1,500,000 to S$1,750,000					
Ms Sharon Lim	29%	45%	26%	N.M.[4]	100%
Other Key Management Personnel					
Ms Janica Tan	47%	36%	17%	N.M.[4]	100%
Mr Chow Mun Leong	49%	35%	16%	N.M.[4]	100%
Mr Koh Wee Leong	56%	31%	13%	N.M.[4]	100%
Ms Charissa Wong[3]	61%	30%	9%	N.M.[4]	100%
Ms Wendy Lee[3]	60%	31%	9%	N.M.[4]	100%

Notes:
1 The amounts disclosed are bonuses declared during the financial year.
2 The amounts disclosed include the grant of the LTI award. The LTI award is a form of unit-linked incentive plan and represents conditional rights to receive a cash sum based on the achievement of MPACT's TSR targets and fulfillment of vesting period of up to five years.
3 Ms Charissa Wong and Ms Wendy Lee are employees of the Property Managers and are deemed key management personnel who have responsibility for the management of VivoCity and Festival Walk respectively, which are material to the performance of MPACT.
4 Not meaningful.

The total remuneration for the CEO and the top five key management personnel in FY23/24 was S$4.9 million.

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The Manager is cognisant of the requirements as set out under Provision 8.1 of the Code and the "Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management" to disclose: (a) the remuneration of its CEO and each individual Director on a named basis; (b) the remuneration of at least its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (c) in aggregate the total remuneration paid to its top five key management personnel (who are not Directors or the CEO), and in the event of non-disclosure, the Manager is required to provide reasons for such non-disclosure.

The Board had assessed and decided not to disclose (i) the remuneration of the CEO in exact quantum; (ii) the remuneration of at least its top five key management personnel (who are neither Directors nor the CEO), on a named basis, in bands of S$250,000; and (iii) the aggregate remuneration paid to its top five key management personnel (who are not Directors or the CEO), as the Manager is of the view that remuneration details are commercially sensitive due to the confidential nature of remuneration matters and with keen competition for management staff in the REIT industry, such disclosure may result in talent retention issues. The Board is of the view that despite the deviation from Provision 8.1 of the Code, the Manager has been transparent on remuneration matters in line with the intent of Principle 8 of the Code, as information on the Manager's remuneration policies, level and mix of remuneration, procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs.

Since the remuneration of the CEO and key management personnel of the Manager are not separately billed to MPACT but instead paid by the Manager, the Manager is also of the view that the interest of the Unitholders would not be prejudiced as the indicative range of the CEO's remuneration, as well as the total remuneration for the CEO and key management personnel of the Manager, have been provided.

There were no employees of the Manager who were substantial shareholder of the Manager, substantial unitholder of MPACT or immediate family members of a Director, the CEO or a substantial shareholder of the Manager or substantial unitholder of MPACT and whose remuneration exceeded S$100,000 during FY23/24.

Quantitative Remuneration Disclosure under AIFMR

The Manager is required under the AIFMR to make quantitative disclosures of remuneration. Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of MPACT.

All individuals included in the aggregated figures disclosed are rewarded in line with the Manager's remuneration policies.

The aggregate amount of remuneration awarded by the Manager to its staff in respect of the Manager's financial year ended 31 March 2024 was S$12.3 million. This figure comprised fixed pay of S$7.2 million, variable pay of S$4.6 million and allowances/ benefits-in-kind of S$0.5 million. There was a total of 50 beneficiaries of the remuneration described above.

In respect of the Manager's financial year ended 31 March 2024, the aggregate amount of remuneration awarded by the Manager to its senior management (who are also members of staff whose actions have a material impact on the risk profile of MPACT) was S$6.5 million, comprising 11 individuals identified having considered, among others, their roles and decision-making powers.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: Sound system of risk management and internal controls

The Manager adopts the principle that a sound system of internal controls and risk management is necessary for the Group's business.

The Manager, working with the Sponsor, has established internal control and risk management systems that address key operational, financial, compliance and information technology risks relevant to the Group's business and operating environment. These systems provide reasonable but not absolute assurance on the achievement of their intended internal controls and risk management objectives.

The key elements of the Group's internal control and risk management systems are as follow:

Operating Structure

The Manager has a well-defined operating structure with clear lines of responsibility and delegated authority, as well as reporting mechanisms to Management and the Board. This structure includes Group functions, such as Human Resource, Information Systems & Technology, Internal Audit, Legal and Risk Management, which are outsourced to the Sponsor. The Manager also conducts an annual review of such outsourced functions to ensure required performance standards are met.

Procedures and Practices

Controls are detailed in formal procedures and manuals. For example, the Board has approved a set of delegations of authority which sets out approval limits for investments and divestments, development, operational and capital expenditures and treasury activities. Approval sub-limits are also provided at various management levels to facilitate operational efficiency as well as provide a system of checks and balances.

The Board's approval is required for material transactions undertaken by the Group, including the following:

- equity fund-raising;
- acquisition, disposal and development of properties above Board-prescribed limits;
- overall project budget variance and ad hoc development budget above Board-prescribed limits;
- debt fund-raising above Board-prescribed limits; and
- derivative contracts above Board-prescribed limits.

The Group's procedures and practices are regularly reviewed and revised where necessary to enhance controls and efficiency.

The internal audit function, which is outsourced to the Sponsor, reviews the Group's compliance with the control procedures and policies established within the internal controls and risk management systems.

Whistle-blowing Policy

To reinforce a culture of good business ethics and governance, the Manager has a Whistle-blowing Policy to encourage the reporting, in good faith, of any suspected misconduct or wrongdoing, including possible financial irregularities, while protecting the whistle-blowers from reprisals and detrimental or unfair treatment by, among others, ensuring that the identity of the whistle-blower is kept confidential. Any reporting concerning the Group or the Manager is notified to the AC Chairman of the Sponsor as well as the AC Chairman of the Manager for further investigation. The findings will then be reported to the AC of the Manager which is responsible for oversight and monitoring of the Whistle-blowing reports received.

For queries or to make a report, please write to reporting@mapletree.com.sg.

Risk Management

Risk management is an integral part of the Manager's business strategy to deliver regular and steady distributions. To safeguard and create value for Unitholders, the Manager proactively manages risks and embeds risk management process into the planning and decision-making processes.

The Manager's Enterprise Risk Management ("ERM") framework is adapted from International Organisation for Standardisation (ISO) 31000 Risk Management and is benchmarked against other relevant best practices and guidelines. It is also reviewed annually to ensure its continued relevance and practicality in identifying, assessing, treating, monitoring, and reporting of key risks. For example, portfolio risk profile, key risk indicators/limits and other significant risk matters (if applicable) are reported to the AC and the Board independently on a quarterly basis.

The risk management system established by the Manager, which encompasses the ERM framework and risk management processes, is dynamic and evolves with the business. The Manager identifies key risks, assesses their likelihood and impact on MPACT's business and establishes mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The Manager, supported by the Sponsor's Risk Management ("RM") department, also conducts Risk and Control Self-Assessment ("RCSA") on an annual basis to ensure that key risks are being effectively managed. The RCSA programme also serves to raise risk awareness and foster risk and control ownership.

The Manager's policies and procedures relating to risk management can be found on pages 129 to 132 of this Annual Report.

Information Technology Controls

As part of the Group's risk management process, information technology (including cybersecurity) controls have been put in place and are periodically reviewed to ensure that information technology risks (including cybersecurity threats) are identified and mitigated. Our IT cybersecurity, governance and control have been strengthened through the alignment of IT policies, processes, and systems. As part of the periodic review, regulatory requirements, such as the MAS Cyber Hygiene Notice and the MAS Technology Risk Management Guidelines (January 2021), are monitored and complied with where applicable.

On an annual basis, the Manager conducts the IT Disaster Recovery ("ITDR") Tests, as well as engages external specialists to perform a Vulnerability and Penetration Test ("VAPT") on the Group's networks, systems and devices. The ITDR ensures that information technology systems remain functional in a system failure, and the VAPT ensures that cybersecurity measures deployed continue to be effective. Extensive training,

CORPORATE GOVERNANCE

including assessment exercises, has been conducted to heighten awareness of IT threats. Measures have also been taken to safeguard against loss of information, data security, and prolonged service disruption of critical IT systems.

Financial Reporting

The Board is updated on a quarterly basis on the Group's financial performance. The Manager reports on significant variances in financial performance, in comparison with budgets and financial performance of corresponding periods in the preceding year and provides an updated full year forecast. In addition, the Board is provided with quarterly updates on key operational activities of the Group.

A management representation letter is provided by the Manager in connection with the preparation of the Group's financial statements to the AC and the Board quarterly. The management representation letter is supported by declarations made individually by the various Heads of Department. Compliance checklists on announcement of financial statements, which are required for submission to the SGX-ST, are reviewed and confirmed by the Chief Financial Officer ("CFO") of the Manager.

The Group's financial results are prepared in accordance with the Singapore Financial Reporting Standards (International) and are reported to Unitholders in accordance with the requirements of the SGX-ST. These results announcements provide analyses of significant variances in financial performance and commentary on the industry's competitive conditions in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next twelve months.

Detailed disclosure and analysis of the full year financial performance of the Group can be found in the Financial & Capital Management Review section from pages 32 to 37 and the Financial Statements from pages 135 to 222 of this Annual Report.

Financial Management

As a matter of financial and operational discipline, Management reviews on a monthly basis the performance of MPACT's portfolio properties.

The key financial risks which the Group is exposed to include interest rate risk, foreign currency risk, liquidity risk and credit risk. Where appropriate, the Manager procures hedging transactions to be entered into so as to protect the Group against interest rate and foreign exchange rate fluctuations. In addition, the Manager proactively manages liquidity risk by ensuring that sufficient working capital lines and loan facilities are maintained for the Group. The Manager's capital management strategy can be found from pages 32 to 37 of this Annual Report. The Manager also has in place credit control procedures for managing tenant credit risk and monitoring of arrears collection.

Internal Audit

The internal audit function, which is outsourced to the Sponsor's Internal Audit Department (headed by Ms Celina Eng), prepares a risk-based audit plan annually to review the adequacy and effectiveness of the Group's system of internal controls and this audit plan is approved by the AC before execution. In formulating the annual audit plan, the Internal Audit Department conducts risk assessment of all key operations across the Group's business and aligns its activities to the key strategies, risks and priorities of the Group over a three-year audit cycle. The Sponsor's Internal Audit Department is also involved during the year in conducting ad hoc audits and reviews that may be requested by the AC or Management on specific areas of concern. In doing so, the Sponsor's Internal Audit Department is able to obtain assurance that business objectives for the internal controls processes under review are being achieved and key control mechanisms are in place.

Upon completion of each review, a formal report detailing the audit findings and the appropriate recommendations is issued to the AC. The Sponsor's Internal Audit Department monitors and reports on a quarterly basis the timely implementation of the action plans to Management and the AC.

External Audit

The external auditor also provides an independent perspective on certain aspects of the internal financial controls system arising from their work and report their findings to the AC on an annual basis. The external auditor is also updated on the findings of the RCSA programme.

Interested Person Transactions

All interested person transactions are undertaken on normal commercial terms and the AC regularly reviews all interested person transactions to ensure compliance with the internal control system as well as with relevant provisions of the Listing Manual and the Property Funds Appendix. In addition, the Trustee has the right to review such transactions to ascertain that the Property Funds Appendix and the Listing Manual have been complied with and to satisfy itself and/or confirm that such transactions are conducted on normal commercial terms and not prejudicial to the interests of MPACT and the unitholders.

The following procedures are also undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of the Group's net tangible assets will be subject to review by the AC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of the Group's net tangible assets will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the value of the Group's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the AC (which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers). Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of the Unitholders.

The interested person transactions undertaken by the Group in FY23/24 are set out from pages 223 to 224 of this Annual Report. For the purpose of the disclosures, the full contract sum is taken as the value of the transaction where the interested person transaction has a fixed term and contract value, while the annual amount incurred and/or accrued is taken as the value of the transaction where an interested person transaction has an indefinite term or where the contract sum is not specified.

Dealing in MPACT units

The Manager has adopted a securities dealing policy for its officers and employees which applies the best practices on dealings in securities set out in the Listing Manual. Under the policy, all Directors are required to disclose their interests in MPACT and are also provided with disclosures of interests by other Directors as well as reminders on trading restrictions.

On trading in MPACT units, the Directors and employees of the Manager and the Sponsor are reminded not to deal in MPACT units on short-term considerations and are prohibited from dealing in MPACT units:

- in the period commencing one month before the public announcement of the Group's annual results;
- in the period commencing two weeks before the public announcement of the Group's quarterly and semi-annual results; and
- at any time whilst in possession of price-sensitive information.

Each Director is required to notify the Manager of his or her acquisition of MPACT units or of changes in the number of MPACT units which he or she holds or in which he or she has an interest, within two business days of such acquisition or change of interest. In addition, employees of the Manager and the Sponsor are to give pre-trading notifications before any dealing in MPACT units.

Role of the Board and AC

The Board recognises the importance of maintaining a sound internal controls and risk management system to safeguard the assets of the Group and Unitholders' interests, through a framework that enables risks to be assessed and managed.

The AC provides oversight of the financial reporting, accounting policies and the adequacy and effectiveness of the Group's internal controls and risk management systems as well as its compliance processes.

The Board and the AC also take into account the results from the RCSA programme, which requires the various departments to review and report on compliance with key control processes. As part of the RCSA programme, the Sponsor's Risk Management Department validates Management's self-assessment responses on a sampling basis, after which the validated self-assessment results are reported to the AC and the Board.

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It should be recognised that all internal controls and risk management systems contain inherent limitations and, accordingly, the internal controls and risk management systems can only provide reasonable but not absolute assurance.

The Board has received written assurance from the CEO and the CFO that the Group's financial records have been properly maintained and the Group's financial statements give a true and fair view of the Group's operations and finances. It has also received assurance from the CEO and other relevant key management personnel, who have responsibility regarding various aspects of the risk management and internal controls systems, that the systems of risk management and internal controls in place for the Group are adequate and effective to address the risks (including financial, operational, compliance and information technology risks) that the Manager considers relevant and material to the current business environment.

Comment and Opinion on Internal Controls

Based on the internal control and risk management systems established and maintained by the Manager and the Sponsor, the work performed by the Sponsor's Internal Audit and Risk Management Departments as well as by the external auditor, reviews performed by the Management and the above-mentioned assurance from the CEO, the CFO and other key management personnel, the Board is of the opinion that the Group's internal control and risk management systems, addressing key financial, operational, compliance, information technology and risk management objectives and which the Group considered relevant and material to its operations, were adequate and effective to meet the needs of the Group in its business as at 31 March 2024. However, the Board notes that the system of internal controls and risk management provides reasonable, but not absolute, assurance that the Group will not be significantly affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, the Board notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The AC concurs with the Board's comments provided in the foregoing. For the financial year ended 31 March 2024, the Board and the AC have not identified any material weaknesses in the Group's internal control and risk management systems.

Audit and Risk Committee

Principle 10: The Board has an AC which discharges its duties objectively.

Our Policy and Practices

The Board is supported by the AC which provides additional oversight of financial, risks and audit matters, so as to maximise the effectiveness of the Board and foster active participation and contribution.

The Manager adopts the principle that the AC shall have at least three members, all of whom must be non-executive and the majority of whom, including the AC Chairman, must be independent. The Board is of the view that the AC members collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities. The AC Chairman and members also bring with them invaluable recent and relevant managerial and professional expertise in finance, accounting, auditing and related financial management domains.

As at 31 March 2024, the AC consists of four members, all of whom are independent and are appropriately qualified to discharge their responsibilities.[1] They are:

- Mr Premod Thomas, Chairman;
- Mr Chua Kim Chiu, Member;
- Mr Lawrence Wong, Member; and
- Mr Wu Long Peng, Member.

None of the AC members is or has been a partner or director of the incumbent external auditor, PricewaterhouseCoopers LLP ("PwC"), within the previous two years, and neither do any of them have any financial interest in PwC.

The AC has written terms of reference setting out its scope and authority, which include:

- examination of interested person transactions;
- review and approval of the scope of internal and external audit plans and activities;

[1] Mr Premod Thomas has retired on 14 June 2024. Mr Wu Long Peng has been appointed as the Chairman of the AC with effect from 15 June 2024 and Mr Mak Keat Meng has been appointed as a Member of the AC with effect from 15 June 2024.

- review of the adequacy, effectiveness, independence, scope and audit findings of internal and external auditors as well as Management's responses to them and the implementation of remedial actions to address such findings;
- evaluation of the nature and extent of non-audit services performed by external auditors. In this regard, for FY23/24, MPACT paid S$502,503 to PwC for annual audit services for the Group. There was no non-audit services provided by PwC in FY23/24;
- review of the quality and reliability of information prepared for inclusion in financial reports;
- authority to investigate any matters within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- making recommendation to the Board on the appointment and re-appointment of external auditors; and
- approval of the remuneration and terms of engagement of external auditors.

In addition, the AC also:

- reviews significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of MPACT and any formal announcements relating to MPACT's financial performance;
- reviews at least annually the adequacy and effectiveness of MPACT's internal controls and risk management systems;
- reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- meets with the external and internal auditors, without the presence of the Management, at least once a year to review and discuss the financial reporting process, system of internal controls (including financial, operational, compliance and information technology controls), significant comments and recommendations;
- reviews and, if required, investigates the matters reported via the whistle-blowing mechanism, by which employees may, in confidence, raise concerns about suspected improprieties including financial irregularities. The objective of the whistle-blowing mechanism is to ensure that arrangements are in place for independent investigations of any reported matters and reviews of such investigations, to ensure appropriate follow-up actions are taken; and
- discusses during the AC meetings, any changes to accounting standards and issues which have a direct impact on the financial statements.

In the review of the financial statements, the AC has discussed with the Management the accounting principles that were applied and their judgment of items that might affect the integrity of the financial statements.

As part of its oversight role over financial reporting, the AC reviewed the financial statements before recommending them to the Board for approval. The process involved discussions with the Management and the external auditor on significant accounting matters. The AC reviewed among other matters, the valuation of investment properties, being the key audit matter identified by the external auditor.

The AC evaluated the valuers' objectivity and competency, reviewed the outputs from the process of valuing the investment properties and had robust discussions with the Management and the professional valuers, focusing on the reasonableness of the methodologies and critical assumptions used in deriving the valuation of the investment properties.

The AC also considered the work performed by the external auditor, including their assessment of the appropriateness of the valuation methodologies and the key assumptions applied in the valuation of investment properties.

The AC is satisfied with the valuation process, methodologies used and valuation of the investment portfolio as adopted and disclosed in the financial statements.

CORPORATE **GOVERNANCE**

A total of five AC meetings were held in FY23/24.

The Manager, on behalf of the Group, confirms that the Group has complied with Rules 712 and 715 of the Listing Manual in relation to the Group's auditing firm.

Internal Audit

Our Policy and Practices

The Manager adopts the principle that a robust system of internal audits is required to safeguard Unitholders' interests, the Group's assets, and to manage risks. Apart from the AC, other Board committees may be set up from time to time to address specific issues or risks.

The internal audit function of the Group is outsourced to the Sponsor's Internal Audit Department and the Head of Internal Audit reports directly to the Chairman of the AC of both the Manager and the Sponsor.

The Chairman of the AC is consulted and provides objective feedback to the AC of the Sponsor on the hiring, removal, remuneration and evaluation of the performance of the Head of Internal Audit. The Sponsor's Internal Audit Department (including the Head of Internal Audit) has unfettered access to all of the Group's documents, records, properties and personnel, including access to the AC and has appropriate standing within the Group.

The role of the Sponsor's Internal Audit Department is to conduct internal audit work in consultation with, but independently of, Management. Its annual audit plan and audit findings are submitted to the AC for approval and review respectively. The AC also meets with the Head of Internal Audit at least once a year without the presence of Management.

The Sponsor's Internal Audit Department subscribes to, and is in conformance with, the International Standards for the Professional Practice of Internal Auditing developed by the IIA (the "IIA Standards") and has incorporated these standards into its audit practices.

The IIA Standards cover requirements on:

- independence and objectivity;
- proficiency and due professional care;
- managing the internal audit activity;
- engagement planning;
- performing engagement;
- communicating results; and
- monitoring progress.

The Sponsor's Internal Audit Department employees involved in information technology audits are Certified Information System Auditors and members of the Information System Audit and Control Association (the "ISACA") in the United States. The ISACA Information System Auditing Standards provide guidance on the standards and procedures to apply in information technology audits.

To ensure that the internal audits are performed by competent professionals, the Sponsor's Internal Audit Department recruits and employs qualified employees. In order that their technical knowledge remains current and relevant, the Sponsor's Internal Audit Department identifies and provides training and development opportunities to the employees.

The Sponsor's Internal Audit Department conducts internal quality assurance reviews annually to ensure that its audit activities conform to the IIA Standards and the Code of Ethics. This is in addition to the external quality assurance reviews ("QAR") conducted every five years under the IIA Standards. The most recent external QAR was completed in 2023 and it was assessed that the Group's internal audit function is in conformance with the IIA standards. The next external QAR will be conducted in 2028.

For FY23/24, the AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

(D) UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder Rights

Principle 11: Fair and equitable treatment of all Unitholders

Engagement with Unitholders

Principle 12: Regular, effective and fair communication with Unitholders

Our Policy and Practices

The Manager adopts the principle that all Unitholders should be treated fairly and equitably in order to enable them to exercise their ownership rights arising from their unitholdings and have the opportunity to communicate their views on matters affecting MPACT. The Manager provides Unitholders with regular, balanced and understandable assessment of MPACT's performance, position and prospects.

To this end, the Manager issues via SGXNET announcements and press releases on the Group's latest corporate developments on an immediate basis where required by the Listing Manual. Where immediate disclosure is not practicable, the relevant announcement will be made as soon as possible to ensure that all stakeholders and the public have equal access to the information.

The public can access the electronic copy of the Annual Report via SGXNET as well as MPACT's website, and printed copies of the Annual Report are also available upon request. Under normal circumstances, Unitholders will receive the notices of general meetings and proxy forms with instructions on the appointment of proxies and may also download these documents from MPACT's website. Notices of general meetings are also published in the newspaper and on SGXNET and MPACT's website. The Manager will be conducting the upcoming annual general meeting in-person. Please refer to the notice of the annual general meeting dated 28 June 2024 for further information.

An annual general meeting is held once a year to provide a platform for Unitholders to interact with the Board and Management, in particular the Chairman of the Board, the Chairman of the AC, the CEO and the CFO. The external auditor is also present to address Unitholders' queries about the audit and the financial statements of the Group. A record of the Directors' attendance at the annual general meeting can be found in the record of their attendance of meetings set out on page 108 of this Annual Report.

Provision 11.4 of the Code requires an issuer's constitutive documents to allow for absentia voting at general meetings of Unitholders. The Trust Deed currently does not provide for absentia voting which may be considered by the Manager following careful study to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised and legislative changes are effected to recognise remote voting. The Manager is of the view that despite the deviation from Provision 11.4 of the Code, its current practice remains consistent with Principle 11 of the Code as a whole because Unitholders nevertheless have opportunities to communicate their views on matters affecting the Group even when they are not in attendance at general meetings. For example, in an ordinary meeting setting (i.e. physical meetings), Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two-proxy limitation and are able to appoint more than two proxies to attend, speak and vote at general meetings.

Where a general meeting is convened, all Unitholders are entitled to a proxy form with instructions on the appointment of proxies, instructions on how to access an electronic copy of the circular on SGXNET as well as MPACT's website, and a form to request for a printed copy of the circular. The Manager informs the Unitholders of the rules governing the general meetings; prior to voting at an annual general meeting or any other general meeting, the voting procedures will be made known to the Unitholders to facilitate them in exercising their votes.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at an annual general meeting and any other general meeting. Each resolution proposed at an annual general meeting and any other general meeting will be voted on by way of electronic polling or submission of proxy forms depending on the format of the general meeting. An independent scrutineer is also appointed to validate the vote tabulation and procedures. The Manager will announce the results of the votes cast for and against each resolution and the respective percentages and prepare minutes of such meetings.

The Manager has an Investor Relations Department which works with the Legal and Corporate Secretariat Department of the Sponsor to ensure the Group's compliance with the legal and regulatory requirements applicable to listed REITs, as well as to incorporate best practices in its investor relations programme. To keep the Board abreast of market perception and concerns, the Investor Relations Department provides regular updates on analyst and investor feedback.

The Manager's investor relations policy prioritises proactive engagement, and timely and effective communication with its stakeholders.

The Manager regularly communicates major developments in the Group's businesses and operations to Unitholders, analysts and the media through the issuance of announcements and press releases. In addition, all announcements and press releases are first made on SGXNET and subsequently on MPACT's website.

CORPORATE GOVERNANCE

The Manager also communicates with MPACT's investors on a regular basis through group/individual meetings with investors, investor conferences and non-deal roadshows. Investor presentation slides used during such conferences and roadshows are also uploaded to SGXNET and MPACT's website to ensure Unitholders are kept up-to-date on material information. In addition to the Investor Relations team, the Manager's CEO and CFO, as well as the Co-Heads of Investments & Asset Management, are present at briefings and communication sessions where practicable to answer questions from investors, and analyst briefings are also conducted. Members of the public can subscribe for email alerts to receive the latest updates on the Group and also contact the Investor Relations Department via a dedicated email address. Further details on the Manager's investor relations activities and efforts are found from pages 133 to 134 of this Annual Report.

Minutes of general meetings recording the substantive and relevant comments made and questions raised by Unitholders are available to Unitholders for their inspection upon request. Minutes of general meetings (which record substantial and relevant comments and queries from Unitholders and the responses from the Board and Management) are also available on MPACT's website at www.mapletreepact.com.

MPACT's distribution policy is to distribute at least 90% of its taxable income, as well as its tax-exempt income (if any). For FY23/24, MPACT made four distributions to Unitholders.

(E) MANAGING STAKEHOLDER RELATIONSHIP

Engagement with Stakeholders

Principle 13: Balance needs and interests of various stakeholders

Our Policy and Practices

The Manager adopts the principle that to build confidence among stakeholders, there is a need to balance the needs and interests of various stakeholders, as part of the overall strategy to ensure MPACT's best interests. Aligned with the Sponsor, the Manager remains committed to sustainability, being environmentally and socially responsible as well as incorporating key principles of corporate governance in MPACT's business strategies and operations.

The Sustainability Report is available for viewing and downloading at MPACT's website at https://www.mapletreepact.com/The-Manager/Sustainability.aspx.

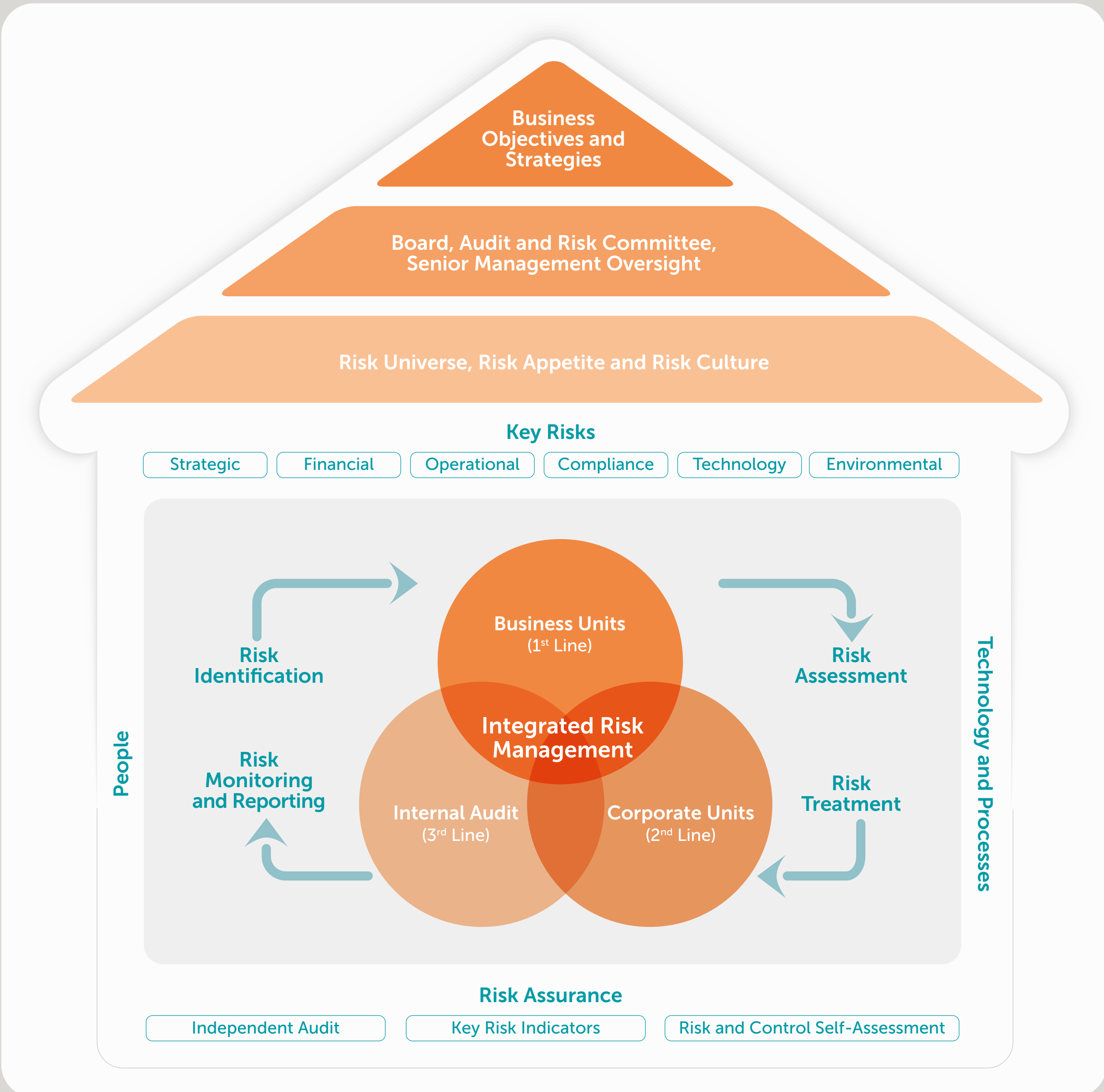
The Sustainability Report describes the Group's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report also sets out the key areas of focus in relation to the management of stakeholder relationships for the financial year ended 31 March 2024.

RISK **MANAGEMENT**

Risk management is an integral part of the Manager's business strategy to deliver regular and steady distributions. To safeguard and create value for Unitholders, the Manager proactively manages risks and embeds the risk management process into the planning and decision-making process.

Enterprise Risk Management Framework

The Manager's ERM framework is adapted from the International Organisation for Standardisation (ISO) 31000 Risk Management and benchmarked against other relevant best practices and guidelines. The ERM framework is also reviewed annually to ensure its continued relevance and practicality in identifying, assessing, treating, monitoring and reporting the key risks.



RISK **MANAGEMENT**

Risk Governance and Assurance

The Board is responsible for overseeing the governance of risks and ensuring that the Manager implements sound risk management and internal control practices. The Board also approves the risk appetite, which sets out the nature and extent of material risks that can be taken to achieve MPACT's business objectives. The Board, which is supported by the AC, reviews the risk strategy, material risks and risk profile.

The Manager is responsible for directing and monitoring the implementation of the ERM framework and its practices. The Manager adopts a top-down and bottom-up review approach that enables systematic identification and assessment of material risks based on its business objectives and strategies, and also maintains continuous communication and consultation with internal and external stakeholders.

The RM department of the Sponsor collaborates closely with the Manager to design, implement and enhance the ERM framework. This is done in accordance with market practices and regulatory requirements, under the guidance and direction of the Board and the AC.

During the financial year, the Manager, with the support of the Sponsor's RM department, strengthened its Group-wide Control Self-Assessment by transitioning to a risk-focused RCSA. The RCSA ensures that material risks are effectively managed and serves to raise risk awareness and promote Group-wide ownership of risks and controls.

Separately, the Internal Audit function reviews the effectiveness of the risk management and internal control systems, as well as the effectiveness of the controls in place to manage material risks.

Risk-Aware Culture

The Manager is committed to fostering a strong "risk-aware" culture, which is crucial for the effective implementation of risk management programmes. This is achieved by setting the right tone at the top and providing continuous support for risk management. The RM department engages with various stakeholders to raise awareness of risks and facilitates the management of material risks.

Robust Measurement and Analysis

The Manager's financial risk measurement framework is based on Value-at-Risk ("VaR"), a methodology which measures potential losses arising from property market and macroeconomic risks. This framework considers adverse historical movements in rental rates, occupancy rates, capital values, interest rates and foreign currency exchange rates. It also takes into account changes in the market environment and asset cashflows, enabling the Manager to quantify the benefits of diversification across the portfolio. The framework also measures other risks, such as refinancing and tenant-related risks, wherever feasible.

The Manager recognises the limitations of statistically-based analysis that rely on historical data. To address this, stress tests and scenario analysis are conducted to analyse the impact of changing assumptions on MPACT's portfolio. This helps the Manager better understand the business' level of resilience in the event of unexpected market shocks and other adverse situations.

Risk Identification and Assessment

The Manager's ERM framework involves identifying key risks, assessing their likelihood and impact on the business, and establishing mitigating controls, taking into account the cost-benefit trade-off. The information is maintained in a risk register that is reviewed and updated regularly. The key risks identified include but are not limited to:

Sector and Market

MPACT's portfolio is subject to various market factors and conditions such as competition, supply and demand dynamics, and changing trends such as hybrid or flexible work arrangements and increased demand for green buildings. The Manager monitors ongoing market developments, trends and their implications, and formulates plans and pre-emptive strategies, including future-proofing assets through portfolio rejuvenation and asset enhancement initiatives. In addition, the Manager monitors the performance of existing tenants and adopts a flexible leasing strategy to maintain high portfolio occupancy.

Economic and Geopolitical

Given the geographical diversity of MPACT's business, the portfolio is subject to macroeconomic and geopolitical factors and events such as interest rate hikes, prolonged inflation, trade wars, political instability and changes in government policies impacting the real estate sector. The Manager remains vigilant and actively monitors these macroeconomic and political developments in key markets, including conducting rigorous real estate market research and assessing their implications on the business, and formulates plans and pre-emptive strategies accordingly. The Manager also maintains a well-diversified portfolio across geographies and focuses on markets with robust underlying economic fundamentals and where the Manager has operational scale.

Financial

The Manager is exposed to financial risks such as counterparty risk, interest rate risk, foreign exchange risk and liquidity risk.

To mitigate counterparty risk, credit assessments are conducted on tenants to assess and mitigate their credit risks prior to making investments (where relevant) or onboarding sizeable tenants. On an ongoing basis, tenants' credit worthiness is closely monitored by the Manager's asset management team and arrears are managed by the Credit Control Committee, who meets regularly to review debtor balances. To further mitigate credit risks, security deposits in the form of cash or banker's guarantees are collected from prospective tenants prior to the commencement of leases where applicable.

The Manager actively reviews and manages the level of interest rate risk by borrowing at a fixed rate or hedging through interest rate derivatives, where appropriate, taking into account the costs involved. At the portfolio level, the risk impact of interest rate volatility on value is quantified, monitored and reported quarterly using the VaR methodology and sensitivity analysis.

Where feasible, after taking into account cost, tax and other relevant considerations, the Manager borrows in the same currency as the underlying assets to provide a natural hedge, and/or hedges through derivatives, whenever appropriate. The VaR methodology and sensitivity analysis are utilised to assess potential impact on balance sheet arising from any unhedged foreign exchange risks. To provide investors with a reasonable degree of income stability against foreign exchange volatility, a large proportion of the income receivable from overseas assets is hedged into SGD using derivative hedging.

The Manager actively monitors MPACT's cashflow position and funding requirements to ensure sufficient liquid reserves to fund operations, meet short-term obligations and refinancing requirements, and achieve a well-staggered debt maturity profile. The Manager also maintains sufficient financial flexibility and adequate debt headroom for MPACT to partially finance future acquisitions. In addition, the manager monitors and mitigates bank concentration risks by having a well-diversified funding base. Coupled with the conduct of regular reverse stress tests, the limit on MPACT's aggregate leverage ratio and adjusted interest coverage ratio are observed and monitored to ensure compliance with the Property Funds Appendix issued by the MAS.

For more information, please refer to the Financial & Capital Management Review section on pages 32 to 37 of this Annual Report.

Investment and Divestment

The risks arising from investment and divestment activities are managed through a rigorous and structured approach. All acquisitions are aligned with MPACT's investment strategy. Evaluation of investment risks includes comprehensive due diligence, and sensitivity analysis performed for each acquisition on all key project variables to test the robustness of the assumptions used. Independent risk assessments for significant acquisitions are conducted by the financial risk function and included in the investment proposals submitted to the Board for approval. All investment and divestment proposals are subject to rigorous scrutiny by the Management, in accordance with the Board's approved delegation of authority.

Upon receiving approval from the Board, investment proposals are submitted to the Trustee, which serves as the final approving authority for all investment decisions.

The Trustee also monitors compliance with the Listing Manual of the SGX-ST, Property Funds Appendix, and the provisions in the Trust Deed to ensure that the Manager's executed investment transactions are in line with relevant regulations and provisions.

Business Disruption

In the event of unforeseen catastrophic events including natural disasters such as earthquakes, floods, typhoons, pandemics, as well as man-made disruptions such as cybersecurity attacks, riots, deliberate sabotages, the Manager has a business continuity plan and a crisis communication plan to resume business operations with minimal disruption and loss. MPACT's properties are insured in accordance with industry norms in their respective jurisdictions and benchmarked against those in Singapore.

RISK **MANAGEMENT**

Fraud and Corruption

The Manager maintains a zero-tolerance policy towards unethical business practices or conduct, fraud and bribery. The Manager also has a whistle-blowing policy that provides an independent feedback channel to allow employees and stakeholders to raise any serious unethical concerns, suspected fraudulent activities and bribery, dangers, risks, malpractices or wrongdoings in the workplace, while protecting them from reprisals.

Compliance with the policies and procedures is required of employees at all times. This includes policies on ethics and code of conduct, gifts and entertainment, safe work practices and professional conduct. If an employee is found guilty of fraud, dishonesty or criminal conduct in relation to his/her employment, the Manager reserves the right to take appropriate disciplinary action, including termination of employment.

Health and Safety

The Manager places utmost importance on the health and safety of our stakeholders. Safety practices have been incorporated in the MPACT's Standard Operating Procedures such as fire emergency plan and regular checks on fire protection systems. Checks on required certificates and permits are also performed regularly to ensure compliance to regulatory requirements. To ensure continual improvement, the Manager monitors the safety and well-being of our employees and contractors working at the properties and sites, and highlight and address any potential safety risks that may arise.

Information Technology, Cybersecurity and Data Protection

Concerns over the threat posed by cybersecurity attacks have risen as such attacks become increasingly prevalent and sophisticated. To protect MPACT's data, policies and procedures governing information availability, control and governance, as well as data security have been established. A disaster recovery plan is in place and tested annually to ensure that business recovery objectives are met. All employees are required to complete cybersecurity awareness training to help their understanding on the risks and threats associated with cyber-attacks. In addition to monitoring MPACT's network for potential security threats, network vulnerability assessments and penetrating testing are conducted regularly to ensure that cybersecurity measures continue to be effective.

Legal and Regulatory

The Manager is committed to complying with the applicable laws and regulations of the various jurisdictions in which MPACT operates. Non-compliance may result in litigation, penalties, fines or revocation of business licenses. The Manager identifies applicable laws and regulatory obligations and ensures compliance with these laws and regulations in its day-to-day business processes. The Manager also keeps track of and assesses upcoming changes in applicable laws and regulations of the various jurisdictions in which the MPACT operates.

Climate (Physical and Transition)

The Manager is exposed to physical risks such as rising sea levels, coastal flooding, increasing number of hot and cold days, as well as transition risks that can result in increased carbon tax, higher energy prices and more stringent building design requirements.

The Manager is committed to implementing a net zero by 2050 roadmap to minimise MPACT's business impact on environment and to alleviate any potential impact of climate change on our businesses. This entails implementing robust climate risk mitigation strategies to shift towards a low carbon business model. The Manager sets targets for energy efficiency and will continue its efforts to adopt renewable energy sources and attain green building certifications where feasible. Environmental risk due diligence is incorporated as part of the Manager's investment considerations and exposure scans to physical risks of existing properties are conducted periodically. The Manager also monitors changes in climate regulations and engages stakeholders in ESG initiatives and discussions proactively.

For more information, please refer to the published Sustainability Report FY23/24 available on MPACT's website at www.mapletreepact.com.

Rigorous Monitoring and Control

The Manager has developed key risk indicators that serve as an early-warning system to highlight risks that are close to exceeding or have exceeded agreed thresholds.

On a quarterly basis, the RM department presents comprehensive risk reports to the Board and the AC. These reports highlight material matters relating to financial and operational risks, including changes in key risk indicators, portfolio risk profile and the results of stress testing scenarios.

This rigorous process ensures that the Board and the AC are kept well-informed of the material risks faced by the business, enabling them to make informed decisions and take appropriate and timely actions where necessary.

INVESTOR **RELATIONS**

Upholding Transparency and Effective Communication

At MPACT, we are committed to upholding the highest standards of disclosure and corporate transparency. We believe that fostering openness and trust with our investors is essential. Our objective is to instil confidence in our stakeholders by providing them with the necessary information to make informed decisions. To this end, we ensure the accurate and timely disclosure of financial results, announcements, and other pertinent information relating to MPACT. We strive for clarity, consistency and transparency in our communications, and actively engage with investors, analysts, and the media to convey our business case, while seeking to understand and address their concerns whenever possible.

Engagement Channels and Accessibility

To facilitate regular and frequent interactions with the investment community, we have established multiple communication channels:

- Financial news releases and announcements are published on the SGX-ST website.
- MPACT's website, www.mapletreepact.com, is continuously updated with the latest announcements, press releases, investor presentations, and general information.
- We offer a public subscription service for email notifications of news and updates about MPACT.
- Feedback and enquiries can be easily submitted to the Manager through the "Contact Us" link on our website.

Proactive Investor Engagement

Our strategy for engaging the investment community is multifaceted. We prioritise quality interactions through various platforms, including AGMs, briefings, in-person meetings, teleconferences, investor conferences, roadshows and property visits. Additionally, analysts' briefings are held at least once every quarter to provide regular updates on MPACT's financial and operational performance.

This approach enables us to engage directly with the investment community, understand their perspectives, and address their concerns. Regular updates from the Investor Relations Department keep the Board and the senior management well-informed about market expectation, perceptions and feedback.

In FY23/24, we engaged over 300 fund managers, institutional investors and analysts. We also participated in the REITs Symposium 2023, the largest REIT event in Singapore focused on retail investors. We will continue to leverage both virtual and in-person meetings to strengthen our relationships with analysts and existing investors, and to expand our reach.

Inclusivity in AGM Participation

Recognising our Unitholders' varied preferences, we have embraced a combination of pre-AGM engagement and live voting during the AGM.

Prior to the AGM, Unitholders are invited to submit questions relating to the resolutions in advance. Responses to these questions are then published on SGXNET and our website, ensuring that all stakeholders have access to relevant information and clarifications. During the AGM, Unitholders can also ask questions directly.

We facilitate live voting during the AGM for all participating Unitholders by providing a secure and user-friendly digital platform where registered and verified Unitholders can log in and vote on resolutions in real-time.

The combination of pre-AGM engagement and live voting during the meeting exemplifies our ongoing efforts to maintain an open, responsive and inclusive approach to Unitholder participation, allowing Unitholders to be actively involved in MPACT's decision-making process.

All resolutions at the 12th AGM were approved by Unitholders, with results published on SGXNet and MPACT's website on the same day of the meeting. In addition, the minutes of the AGM were made available subsequently.

Research Coverage

13 equity research houses provide active research coverage on MPACT (as at 31 March 2024):

- BofA Securities
- CGS-CIMB
- Citigroup
- CLSA
- DBS
- Goldman Sachs
- HSBC
- JP Morgan
- Maybank Kim Eng
- Morgan Stanley
- Morningstar Research
- OCBC
- UOB KayHian

Investor Relations Activities in FY23/24

First Quarter
April to June 2023

- 4Q and FY22/23 Results Analysts Briefing with 'Live' Webcast
- 4Q and FY22/23 Results Investors Luncheon hosted by DBS
- Mapletree's Brunei Investor Roadshow, Brunei
- REITs Symposium 2023, Singapore
- Citi Pan-Asia Regional Investor Conference 2023, Singapore

Second Quarter
July to September 2023

- Mapletree's Kuala Lumpur Investor Roadshow, Kuala Lumpur
- 12th AGM, Singapore
- 1Q FY23/24 Results Analysts Briefing
- 1Q FY23/24 Results Investors Luncheon hosted by BofA Securities
- Maybank-REITAS S-REIT Day, Kuala Lumpur
- Macquarie ASEAN Conference 2023, Singapore
- 30th CITIC CLSA Investors' Forum 2023, Hong Kong
- Mapletree REITs Day hosted by DBS, Bangkok

Third Quarter
October to December 2023

- 2Q and 1H FY23/24 Results Analysts Briefing with 'Live' Webcast
- 2Q and 1H FY23/24 Results Investors Luncheon hosted by HSBC
- Mapletree's Year-End Analysts Gathering

Fourth Quarter
January to March 2024

- 3Q FY23/24 and YTD FY23/24 Results Analysts Briefing
- 3Q FY23/24 Results Investors Luncheon hosted by J.P. Morgan

Financial Results and Distributions Calendar

Event/Activity	FY23/24	FY24/25*
1Q Financial Results Announcement	31 July 2023	July 2024
Payment of 1Q Distribution	14 September 2023	September 2024
2Q & 1H Financial Results Announcement	26 October 2023	October 2024
Payment of 2Q Distribution	8 December 2023	December 2024
3Q & YTD Financial Results Announcement	29 January 2024	January 2025
Payment of 3Q Distribution	14 March 2024	March 2025
4Q & Full Year Financial Results Announcement	24 April 2024	April 2025
Payment of 4Q Distribution	6 June 2024	June 2025

* Tentative and subject to changes

For the latest news on MPACT, please visit www.mapletreepact.com. If you have any enquiries or would like to find out more about MPACT, please contact:

The Manager

Ms Teng Li Yeng
Director, Investor Relations

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F : +65 6274 3185
E : mpact@mapletree.com.sg

Unitholder Registrar

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1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

T : +65 6536 5355
F : +65 6438 8710
E : srs.teamd@boardroomlimited.com

Substantial Unitholder's Notifications and Related Enquiries

E : MPACTdisclosure@mapletree.com.sg

Unitholder Depository

For depository-related matters, such as change of personal details and unitholding records, please contact directly:

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#05-07 The Metropolis Tower 2
Singapore 138589

T : +65 6535 7511
F : +65 6535 0775
E : asksgx@sgx.com
W : https://investors.sgx.com

FINANCIAL STATEMENTS

REPORT OF **THE TRUSTEE**

For the financial year ended 31 March 2024

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Mapletree Pan Asia Commercial Trust ("MPACT") and its subsidiaries (the "Group") in trust for the holders of units in MPACT ("Unitholders"). In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of MPACT Management Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed MPACT and the Group during the financial year covered by these financial statements, set out on pages 143 to 222, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
DBS Trustee Limited

Chan Kim Lim
Director

Singapore, 16 May 2024

STATEMENT BY **THE MANAGER**

For the financial year ended 31 March 2024

In the opinion of the directors of MPACT Management Ltd., the accompanying financial statements of Mapletree Pan Asia Commercial Trust ("MPACT") and its subsidiaries (the "Group") as set out on pages 143 to 222, comprising the Statements of Financial Position and Portfolio Statement of MPACT and the Group as at 31 March 2024, and the Statements of Profit or Loss, Statements of Comprehensive Income, Distribution Statements and Statements of Movements in Unitholders' Funds of MPACT and the Group, the Consolidated Statement of Cash Flows of the Group and Notes to the Financial Statements for the financial year then ended are drawn up so as to present fairly, in all material respects, the financial position of MPACT and of the Group as at 31 March 2024 and the financial performance, amount distributable and movements of Unitholders' funds of MPACT and the Group and consolidated cash flows of the Group for the financial year then ended in accordance with Singapore Financial Reporting Standards (International) and relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that MPACT and the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
MPACT Management Ltd.

Lim Hwee Li Sharon
Director

Singapore, 16 May 2024

INDEPENDENT **AUDITOR'S REPORT**
TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

Report on the Audit of the Financial Statements

OUR OPINION

In our opinion, the accompanying consolidated financial statements of Mapletree Pan Asia Commercial Trust ("MPACT") and its subsidiaries (the "Group") and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Distribution Statement, Statement of Movements in Unitholders' Funds and Portfolio Statement of MPACT are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code"), so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of MPACT as at 31 March 2024 and the consolidated financial performance of the Group and the financial performance of MPACT, the consolidated amount distributable of the Group and the amount distributable of MPACT, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of MPACT, the consolidated portfolio holdings of the Group and portfolio holdings of MPACT and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of MPACT and the Group comprise:

- the statements of profit or loss of the Group and MPACT for the financial year ended 31 March 2024;
- the statements of comprehensive income of the Group and MPACT for the financial year then ended;
- the statements of financial position of the Group and MPACT as at 31 March 2024;
- the distribution statements of the Group and MPACT for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended;
- the statements of movements in unitholders' funds for the Group and MPACT for the financial year then ended;
- the portfolio statement for the Group and MPACT for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT **AUDITOR'S REPORT**

TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST

(Constituted under a Trust Deed in the Republic of Singapore)

OUR AUDIT APPROACH

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>Valuation of investment properties</u> Refer to Note 14 – Investment properties As at 31 March 2024, the carrying value of the Group's investment properties of $16.2 billion accounted for 98% of the Group's total assets. The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates, discount rates, term and reversion rates and adjusted price per square metre and are dependent on the nature of each investment property and the prevailing market conditions. The key inputs are disclosed in Note 14 to the accompanying financial statements.	Our audit procedures included the following: • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques and inputs used by the external valuers in determining the valuations of individual investment properties; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; • assessed the reasonableness of the capitalisation rates, discount rates, term and reversion rates and adjusted price per square metre by benchmarking these inputs against those of comparable properties and prior year inputs. Where the inputs and estimates were beyond the expected range, we performed procedures to understand the reasons and therefore the validity of these inputs and estimates; and • challenged the projected cash flows used against the current and historical lease rates. We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. The external valuers are members of recognised bodies for professional valuers. The valuation techniques used were in line with generally accepted market practices and the key assumptions used were within the range used by valuers of similar investment properties.

INDEPENDENT **AUDITOR'S REPORT**

TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST

(Constituted under a Trust Deed in the Republic of Singapore)

OTHER INFORMATION

The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee and Statement by the Manager (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and other sections of MPACT's Annual Report 2023/24 ("Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

RESPONSIBILITIES OF THE MANAGER FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with SFRS(I)s, applicable requirements of the CIS Code and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT **AUDITOR'S REPORT**

TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST

(Constituted under a Trust Deed in the Republic of Singapore)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT **AUDITOR'S REPORT**
TO THE UNITHOLDERS OF MAPLETREE PAN ASIA COMMERCIAL TRUST
(Constituted under a Trust Deed in the Republic of Singapore)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Rebekah Khan.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 16 May 2024

STATEMENTS OF **PROFIT OR LOSS**

For the financial year ended 31 March 2024

		Group		MPACT	
	Note	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
Gross revenue	3	**958,088**	826,185	**473,319**	448,494
Property operating expenses	4	**(230,159)**	(194,243)	**(112,796)**	(103,679)
Net property income		**727,929**	631,942	**360,523**	344,815
Dividend income		**–**	–	**233,613**	202,159
Finance income		**2,512**	1,603	**682**	392
Finance expenses	5	**(227,994)**	(163,762)	**(108,900)**	(85,152)
Manager's management fees					
– Base fees		**(49,848)**	(43,416)	**(38,982)**	(34,795)
– Performance fees		**–**	(5,217)	**–**	(4,254)
Trustee's fees		**(1,819)**	(1,652)	**(1,819)**	(1,647)
Other trust expenses	6	**(3,933)**	(2,823)	**(2,486)**	(2,842)
Foreign exchange gain/(loss)		**4,923**	(3,746)	**(3)**	(3,201)
Net change in fair value of financial derivatives		**2,598**	19,159	**–**	3,694
Profit before tax and fair value change in investment properties and share of profit of a joint venture		**454,368**	432,088	**442,628**	419,169
Net change in fair value of investment properties	7	**141,804**	43,511	**201,275**	21,303
Share of profit of a joint venture	18	**6,380**	9,425	**–**	–
Profit for the financial year before tax		**602,552**	485,024	**643,903**	440,472
Income tax (expense)/credit	8(a)	**(19,482)**	1,725	**–**	–
Profit for the financial year after tax before distribution		**583,070**	486,749	**643,903**	440,472
Attributable to:					
– Unitholders		**577,940**	482,596	**643,903**	440,472
– Perpetual securities holders		**4,804**	3,602	**–**	–
– Non-controlling interest		**326**	551	**–**	–
Profit for the financial year after tax		**583,070**	486,749	**643,903**	440,472
Earnings per unit (cents)					
– Basic	9	**11.02**	10.45		
– Diluted	9	**11.02**	10.45		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **COMPREHENSIVE INCOME**

For the financial year ended 31 March 2024

		Group		MPACT	
	Note	**2024**	2023	**2024**	2023
		$'000	$'000	**$'000**	$'000
Profit for the financial year after tax before distribution		**583,070**	486,749	**643,903**	440,472
Other comprehensive income – items that may be reclassified subsequently to profit or loss					
Cash flow hedges					
– Fair value gain, net of tax		**6,457**	15,943	**9,151**	15,330
– Reclassification to profit or loss		**(40,548)**	(4,499)	**(19,081)**	(8,852)
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	25	**(138,866)**	(228,226)	**–**	–
Share of currency translation differences relating to a foreign joint venture	25	**(1,820)**	(5,755)	**–**	–
Net currency translation differences on hedge of net investment in foreign operation	25	**28,819**	3,684	**–**	–
Net currency translation differences reclassified to profit or loss	25	**–**	2,174	**–**	–
Other comprehensive (loss)/income, net of tax		**(145,958)**	(216,679)	**(9,930)**	6,478
Total comprehensive income for the financial year		**437,112**	270,070	**633,973**	446,950
Attributable to:					
– Unitholders		**432,207**	265,948	**633,973**	446,950
– Perpetual securities holders		**4,804**	3,602	**–**	–
– Non-controlling interest		**101**	520	**–**	–
Total comprehensive income		**437,112**	270,070	**633,973**	446,950

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **FINANCIAL POSITION**

As at 31 March 2024

		Group		MPACT	
		31 March		31 March	
	Note	**2024**	2023	**2024**	2023
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and bank balances	10	**157,235**	216,147	**13,373**	54,597
Trade and other receivables	11	**13,474**	13,359	**56,441**	9,420
Tax recoverable	8(c)	**5,849**	5,849	**–**	–
Other assets	12	**5,150**	3,525	**687**	1,122
Inventories		**110**	410	**–**	–
Derivative financial instruments	13	**19,061**	57,577	**3,664**	4,443
		200,879	296,867	**74,165**	69,582
Non-current assets					
Investment properties	14	**16,248,855**	16,321,443	**7,550,000**	7,327,000
Plant and equipment	16	**1,405**	2,195	**42**	55
Investments in subsidiaries	17	**–**	–	**4,969,433**	4,969,433
Investment in a joint venture	18	**118,590**	119,943	**–**	–
Derivative financial instruments	13	**92,562**	88,372	**18,523**	38,733
		16,461,412	16,531,953	**12,537,998**	12,335,221
Total assets		**16,662,291**	16,828,820	**12,612,163**	12,404,803
LIABILITIES					
Current liabilities					
Trade and other payables	19	**218,894**	223,496	**87,866**	96,699
Borrowings	20	**1,026,252**	754,365	**99,892**	114,838
Lease liabilities		**33**	66	**–**	–
Loans from a subsidiary	20	**–**	–	**119,994**	84,974
Current income tax liabilities	8(c)	**3,663**	7,528	**–**	–
Derivative financial instruments	13	**3,703**	103	**2,872**	2,204
		1,252,545	985,558	**310,624**	298,715
Non-current liabilities					
Other payables	19	**124,226**	139,076	**55,609**	53,445
Borrowings	20	**5,624,091**	6,029,193	**1,761,632**	1,826,144
Lease liabilities		**42**	76	**–**	–
Loans from a subsidiary	20	**–**	–	**872,686**	793,832
Deferred tax liabilities	21	**177,380**	182,379	**–**	–
Derivative financial instruments	13	**12,805**	10,158	**8,789**	20,516
		5,938,544	6,360,882	**2,698,716**	2,693,937
Total liabilities		**7,191,089**	7,346,440	**3,009,340**	2,992,652
NET ASSETS		**9,471,202**	9,482,380	**9,602,823**	9,412,151
Represented by:					
– Unitholders' funds		**9,209,163**	9,220,257	**9,602,823**	9,412,151
– Perpetual securities holders	22	**249,282**	249,437	**–**	–
– Non-controlling interest		**12,757**	12,686	**–**	–
		9,471,202	9,482,380	**9,602,823**	9,412,151
UNITS IN ISSUE ('000)	22	**5,252,985**	5,239,332	**5,252,985**	5,239,332
NET ASSET VALUE PER UNIT ($)		**1.75**	1.76	**1.83**	1.80

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION **STATEMENTS**

For the financial year ended 31 March 2024

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Amount available for distribution to Unitholders at beginning of financial year	**154,745**	207,296	**153,566**	194,725
Profit for the financial year after tax before distribution attributable to Unitholders	**577,940**	482,596	**643,903**	440,472
Adjustment for net effect of non-tax chargeable items and other adjustments (Note A)	**(109,371)**	(36,998)	**(154,486)**	16,518
Amount available for distribution for the year	**468,569**	445,598	**489,417**	456,990
Distribution to Unitholders:				
Distribution of 2.25 cents per unit for the period from 1 January 2023 to 31 March 2023	**(117,885)**	–	**(117,885)**	–
Distribution of 2.18 cents per unit for the period from 1 April 2023 to 30 June 2023	**(114,305)**	–	**(114,305)**	–
Distribution of 2.24 cents per unit for the period from 1 July 2023 to 30 September 2023	**(117,517)**	–	**(117,517)**	–
Distribution of 2.20 cents per unit for the period from 1 October 2023 to 31 December 2023	**(115,495)**	–	**(115,495)**	–
Distribution of 5.14 cents per unit for the period from 1 October 2021 to 31 March 2022	**–**	(170,829)	**–**	(170,829)
Distribution of 3.04 cents per unit for the period from 1 April 2022 to 20 July 2022	**–**	(101,173)	**–**	(101,173)
Distribution of 1.90 cents per unit for the period from 21 July 2022 to 30 September 2022	**–**	(99,435)	**–**	(99,435)
Distribution of 2.42 cents per unit for the period from 1 October 2022 to 31 December 2022	**–**	(126,713)	**–**	(126,713)
Total Unitholders' distribution (including capital distribution) (Note B)	**(465,202)**	(498,149)[1]	**(465,202)**	(498,149)[1]
Amount available for distribution to Unitholders at end of financial year	**158,112**	154,745	**177,781**	153,566

[1] Total does not sum up due to rounding differences.

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION **STATEMENTS**

For the financial year ended 31 March 2024

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Note A:				
Adjustment for net effect of non-tax chargeable items and other adjustments comprise:				
Major non-tax deductible/(chargeable) items:				
– Trustee's fees	**1,819**	1,652	**1,819**	1,647
– Financing fees	**9,638**	7,354	**4,562**	3,028
– Management fees paid/payable in units	**19,939**	19,521	**19,939**	19,521
– Net change in fair value of financial derivatives	**(2,055)**	(6,225)	**–**	(3,694)
– Net change in fair value of investment properties	**(142,346)**	(43,648)	**(201,275)**	(21,303)
– Net unrealised foreign exchange loss	**190**	2,708	**–**	3,201
– Share of net change in fair value of investment property of a joint venture	**(357)**	(5,430)	**–**	–
– Deferred tax expense	**1,273**	4,018	**–**	–
– Income tax credit	**–**	(24,155)	**–**	–
Other non-tax deductible items and other adjustments	**2,528**	7,207	**20,469**	14,118
	(109,371)	(36,998)	**(154,486)**	16,518
Note B:				
Taxable income distribution	**(315,732)**	(392,445)	**(315,732)**	(392,445)
Capital distribution	**(48,786)**	(41,840)	**(48,786)**	(41,840)
Tax-exempt income distribution	**(100,684)**	(63,864)	**(100,684)**	(63,864)
	(465,202)	(498,149)	**(465,202)**	(498,149)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 March 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit for the financial year after tax before distribution		**583,070**	486,749
Adjustments for:			
– Income tax expense/(credit)	8(a)	**19,482**	(1,725)
– Depreciation	16	**1,072**	831
– Plant and equipment written off		**31**	11
– Adjustments for rental incentives amortisation		**1,846**	3,564
– Impairment of trade receivables	27(c)	**151**	14
– Net unrealised foreign exchange loss		**47,418**	2,708
– Net change in fair value of investment properties	7	**(141,804)**	(43,511)
– Net change in fair value of financial derivatives		**(2,598)**	(19,159)
– Finance income		**(2,512)**	(1,603)
– Finance expenses	5	**227,994**	163,762
– Manager's management fees paid/payable in units		**19,939**	19,521
– Share of profit of a joint venture	18	**(6,380)**	(9,425)
		747,709	601,737
Change in working capital:			
– Trade and other receivables		**(2,494)**	6,417
– Other assets		**(1,625)**	2,866
– Inventories		**300**	134
– Trade and other payables		**3,899**	18,610
Cash generated from operations		**747,789**	629,764
– Income tax paid	8(c)	**(22,757)**	(24,456)
Net cash provided by operating activities		**725,032**	605,308
Cash flows from investing activities			
Net cash outflow on acquisition of interest in investment properties	17	**–**	(2,254,149)
Additions to investment properties		**(64,798)**	(43,122)
Additions to plant and equipment	16	**(318)**	(459)
Proceeds from disposal of plant and equipment		**–**	5
Dividend received from a joint venture		**5,785**	2,838
Finance income received		**3,036**	1,538
Net cash used in investing activities		**(56,295)**	(2,293,349)
Cash flows from financing activities			
Proceeds from borrowings		**1,233,179**	2,141,485
Proceeds from notes		**200,000**	150,000
Repayment of borrowings		**(1,305,552)**	(1,153,627)
Redemption of notes		**(153,427)**	(661,162)
Principal payment of lease liabilities		**(66)**	(45)
Payment of financing fees		**(5,587)**	(13,986)
Finance expenses paid		**(215,445)**	(145,790)
Payment of distribution to Unitholders		**(465,202)**	(498,150)
Payment of distribution to former Unitholders of MNACT		**–**	(67,712)
Payment of transaction cost related to issuance of new units		**–**	(638)
Proceeds from preferential offering		**–**	2,040,737
Payment of distributions to perpetual securities holders		**(4,959)**	(2,599)
Capital return to non-controlling interest		**(30)**	(250)
Change in restricted cash		**(2,789)**	(21,492)
Net cash (used in)/provided by financing activities		**(719,878)**	1,766,771
Net (decrease)/increase in cash and cash equivalents		**(51,141)**	78,730
Cash and cash equivalents			
Beginning of financial year		**195,202**	124,170
Effects of currency translation		**(8,419)**	(7,698)
End of financial year	10	**135,642**	195,202

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 31 March 2024

Reconciliation of liabilities arising from financing activities

	Borrowings, lease liabilities and interest payable	
	2024	2023
	$'000	$'000
Beginning of financial year	**6,806,433**	3,014,811
Additions through Merger	**–**	3,421,612
Proceeds from borrowings	**1,233,179**	2,141,485
Proceeds from notes	**200,000**	150,000
Repayments of borrowings	**(1,305,552)**	(1,153,627)
Redemption of notes	**(153,427)**	(661,162)
Principal payment of lease liabilities	**(66)**	(45)
Finance expenses paid	**(215,445)**	(145,790)
Payments of financing fees	**(5,587)**	(13,986)
Non-cash changes:		
– Finance expenses	**227,994**	163,762
– Unrealised foreign exchange gain	**(111,403)**	(110,627)
End of financial year	**6,676,126**	6,806,433

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **MOVEMENTS IN UNITHOLDERS' FUNDS**

For the financial year ended 31 March 2024

	Note	Group		MPACT	
		2024	2023	**2024**	2023
		$'000	$'000	**$'000**	$'000
Operations					
Balance at beginning of financial year		**1,776,063**	1,792,513	**1,758,348**	1,816,026
Profit for the financial year		**577,940**	482,596	**643,903**	440,472
Distributions to Unitholders		**(465,202)**	(498,149)	**(465,202)**	(498,149)
Transfer to General Reserve		**(1,208)**	(896)	**–**	–
Balance at end of financial year		**1,887,593**	1,776,063[1]	**1,937,049**	1,758,348[1]
Unitholders' Contribution					
Balance at beginning of financial year		**7,633,347**	3,974,425	**7,633,347**	3,974,425
Issue of new units arising from:					
– Manager's management fees paid in units		**21,901**	21,040	**21,901**	21,040
– Preferential offering	22	**–**	2,040,737	**–**	2,040,737
– Settlement of Scheme Consideration	22	**–**	1,597,865	**–**	1,597,865
Issue expenses		**–**	(720)	**–**	(720)
Balance at end of financial year		**7,655,248**	7,633,347	**7,655,248**	7,633,347
General Reserve					
Balance at beginning of financial year		**896**	–	**–**	–
Transfer from Operations		**1,208**	896	**–**	–
Balance at end of financial year	23	**2,104**	896	**–**	–
Hedging Reserve					
Balance at beginning of financial year		**38,028**	26,599	**20,456**	13,978
Fair value gain, net of tax		**6,484**	15,939	**9,151**	15,330
Reclassification to profit or loss, net of tax		**(40,561)**	(4,510)	**(19,081)**	(8,852)
Balance at end of financial year	24	**3,951**	38,028	**10,526**	20,456
Foreign Currency Translation Reserve					
Balance at beginning of financial year		**(228,077)**	–	**–**	–
Net currency translation differences reclassified to profit or loss		**–**	2,174	**–**	–
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans		**(138,655)**	(228,180)	**–**	–
Share of currency translation differences relating to a foreign joint venture		**(1,820)**	(5,755)	**–**	–
Net currency translation differences on hedges of net investment in foreign operation		**28,819**	3,684	**–**	–
Balance at end of financial year	25	**(339,733)**	(228,077)	**–**	–
Total Unitholders' funds at end of financial year		**9,209,163**	9,220,257	**9,602,823**	9,412,151

[1] Total does not sum up due to rounding differences.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **MOVEMENTS IN UNITHOLDERS' FUNDS**

For the financial year ended 31 March 2024

		Group		MPACT	
	Note	**2024**	2023	**2024**	2023
		$'000	$'000	**$'000**	$'000
<u>Perpetual Securities</u>					
Balance at beginning of financial year		**249,437**	–	**–**	–
Acquisition of subsidiaries	17	**–**	248,434	**–**	–
Profit attributable to perpetual securities holders		**4,804**	3,602	**–**	–
Coupon paid		**(4,959)**	(2,599)	**–**	–
Balance at end of financial year	22	**249,282**	249,437	**–**	–
<u>Non-Controlling Interest</u>					
Balance at beginning of financial year		**12,686**	–	**–**	–
Acquisition of subsidiaries	17	**–**	12,416	**–**	–
Profit attributable to non controlling interest		**326**	551	**–**	–
Fair value changes on hedge, net of tax		**(27)**	4	**–**	–
Reclassification to profit or loss, net of tax		**13**	11	**–**	–
Net translation differences relating to financial statements of foreign subsidiaries		**(211)**	(46)	**–**	–
Capital return to non controlling interest		**(30)**	(250)	**–**	–
Balance at end of financial year		**12,757**	12,686	**–**	–

The accompanying notes form an integral part of these financial statements.

PORTFOLIO **STATEMENT**
As at 31 March 2024

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
Investment properties held under MPACT					
VivoCity	N.A[2]	Leasehold	99 years	72 years	1 HarbourFront Walk Singapore
Mapletree Business City I ("MBC I")	25 August 2016[3]	Leasehold[3]	99 years	72 years	10, 20, 30 Pasir Panjang Road Singapore
mTower (excludes 17th-21st, 33rd and 39th storeys)	27 April 2011[4]	Leasehold	99 years	72 years	460 Alexandra Road Singapore
Mapletree Anson	4 February 2013[4]	Leasehold	99 years	82 years	60 Anson Road Singapore
Bank of America HarbourFront ("BOAHF")	27 April 2011[4]	Leasehold	99 years	72 years	2 HarbourFront Place Singapore
Sub-Total – MPACT					
Investment property held under Mapletree Business City LLP ("MBC LLP")					
Mapletree Business City II ("MBC II")	1 November 2019[3]	Leasehold[3]	99 years	72 years	Part 20, 40, 50, 60, 70, 80 Pasir Panjang Road Singapore
Sub-Total – MBC LLP					

The accompanying notes form an integral part of these financial statements.

Gross revenue for the financial year ended 31/03/2024 $'000	Gross revenue for the financial year ended 31/03/2023 $'000	Occupancy rate as at 31/03/2024 %	Occupancy rate as at 31/03/2023 %	At valuation as at 31/03/2024 $'000	At valuation as at 31/03/2023 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2024 %	Percentage of total net assets attributable to Unitholders as at 31/03/2023 %
233,929	220,248	99.4	93.2	3,358,000	3,232,000	36.5	35.1
132,614	128,786	91.7	92.0	2,287,000	2,250,000	24.8	24.4
49,129	43,750	95.9	86.5	790,000	753,000	8.6	8.2
37,242	35,087	100.0	99.0	765,000	752,000	8.3	8.2
20,405	20,623	100.0	99.0	350,000	340,000	3.8	3.7
473,319	448,494			7,550,000	7,327,000	82.0	79.6
101,406	96,736	98.6	99.2	1,568,000	1,552,000	17.0	16.8
101,406	96,736			1,568,000	1,552,000	17.0	16.8

PORTFOLIO **STATEMENT**
As at 31 March 2024

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
Investment properties held under MNACT and its subsidiaries ("MNACT Group")					
Festival Walk	21 July 2022[5]	Leasehold	54 years	23 years	No. 80 Tat Chee Avenue, Kowloon Tong, Hong Kong SAR
Gateway Plaza	21 July 2022[5]	Leasehold	50 years	29 years	No. 18 Xiaguangli, East 3rd Ring Road North, Chaoyang District, Beijing, China
Sandhill Plaza	21 July 2022[5]	Leasehold	50 years	36 years	Blocks 1 to 5 and 7 to 9, No. 2290 Zuchongzhi Road, Pudong New District, Shanghai, China
IXINAL Monzen-nakacho Building ("MON")[7]	21 July 2022[5]	Freehold	–	–	5-4, Fukuzumi 2-chome, Koto-ku, Tokyo, Japan
Higashi-nihonbashi 1-chome Building ("HNB")[7]	21 July 2022[5]	Freehold	–	–	4-6, Higashi-Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan
TS Ikebukuro Building ("TSI")[7]	21 July 2022[5]	Freehold	–	–	63-4, Higashi-Ikebukuro 2-chome, Toshima-ku, Tokyo, Japan
ABAS Shin-Yokohama Building ("ASY")[7]	21 July 2022[5]	Freehold	–	–	6-1, Shin-Yokohama 2-chome, Yokohama City, Kanagawa, Japan
SII Makuhari Building ("SMB")[7]	21 July 2022[5]	Freehold	–	–	8, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan
Fujitsu Makuhari Building ("FJM")[7]	21 July 2022[5]	Freehold	–	–	9-3, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan
Omori Prime Building ("OPB")[7]	21 July 2022[5]	Freehold	–	–	21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan

The accompanying notes form an integral part of these financial statements.

	Gross revenue for the financial year ended 31/03/2024 $'000	Gross revenue for the financial year ended 31/03/2023 $'000	Occupancy rate as at 31/03/2024 %	Occupancy rate as at 31/03/2023 %	At valuation as at 31/03/2024 $'000	At valuation as at 31/03/2023 $'000	Percentage of total net assets attributable to Unitholders as at 31/03/2024 %	Percentage of total net assets attributable to Unitholders as at 31/03/2023 %
	204,907	146,172[6]	**99.7**	99.6	**4,270,622**	4,299,043	**46.4**	46.6
	65,842	49,677[6]	**89.2**	86.1	**1,140,523**	1,220,634	**12.4**	13.2
	21,260	16,990[6]	**82.8**	84.5	**435,314**	473,691	**4.7**	5.1
	4,454	3,344[6]	**91.0**	100.0	**78,973**	86,663	**0.9**	0.9
	1,288	906[6]	**100.0**	100.0	**23,800**	26,210	**0.3**	0.3
	2,627	1,986[6]	**100.0**	100.0	**51,477**	56,637	**0.6**	0.6
	1,811	1,346[6]	**100.0**	100.0	**28,127**	30,026	**0.3**	0.3
	16,890	12,557[6]	**100.0**	100.0	**164,077**	198,834	**1.8**	2.2
	10,757	7,997[6]	**100.0**	100.0	**178,501**	199,838	**1.9**	2.2
	3,721	2,614[6]	**99.6**	87.3	**69,778**	77,625	**0.8**	0.8

PORTFOLIO **STATEMENT**

As at 31 March 2024

Property name	Acquisition date	Tenure of land	Term of lease[1]	Remaining term of lease	Location
Investment properties held under MNACT Group (continued)					
mBAY POINT Makuhari ("MBP")[7]	21 July 2022[5]	Freehold	–	–	6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan
Hewlett-Packard Japan Headquarters Building ("HPB")[7]	21 July 2022[5]	Freehold	–	–	2-1, Ojima 2-chome, Koto-ku, Tokyo, Japan
Sub-Total – MNACT Group					

Gross revenue/Investment properties – Group
Other assets and liabilities (net) – Group
Net assets
Less: Non-controlling interest
Less: Perpetual securities
Net assets attributable to Unitholders – Group

Notes:
1 Refers to the leasehold tenure of the land.
2 VivoCity was owned by MPACT prior to Listing Date.
3 MBC I was acquired from Mapletree Business City Pte. Ltd. ("MBC PL") on 25 August 2016 and MBC II was acquired from Heliconia Realty Pte Ltd ("HRPL") on 1 November 2019. Mapletree Business City ("MBC") comprises MBC I and MBC II. MBC is on a single leasehold land title, with MBC I on strata lease from 25 August 2016 to 29 September 2096.
4 mTower, Mapletree Anson and BOAHF were acquired from HRPL, Mapletree Anson Pte. Ltd. and HarbourFront Place Pte. Ltd. respectively, which are direct and indirect wholly-owned subsidiaries of Mapletree Investments Pte Ltd.
5 The investment properties held under MNACT Group was acquired upon the completion of the Merger on 21 July 2022.
6 The gross revenue from these properties are from 21 July 2022 to 31 March 2023.
7 The nine freehold properties in Japan, MON, HNB, TSI, ASY, SMB, FJM, OPB, MBP and HPB, are collectively known as the Japan Properties.
8 Total does not sum up due to rounding differences.

Investment properties comprise a portfolio of commercial buildings that are leased to related and non-related parties under operating leases.

The carrying amounts of the investment properties as at 31 March 2024 were based on independent valuations conducted by Savills Valuation and Professional Services (S) Pte Ltd (2023: CBRE Pte. Ltd.) for VivoCity, CBRE Pte. Ltd. (2023: Jones Lang LaSalle Property Consultants Pte Ltd) for MBC I and II, mTower, Mapletree Anson and BOAHF, CBRE Limited (2023: Knight Frank Petty Limited) for Festival Walk, CBRE (Shanghai) Management Limited (2023: Knight Frank Petty Limited) for Gateway Plaza and Sandhill Plaza, and Savills Japan Valuation G.K. (2023: Colliers International Japan KK) for the Japan Properties. All valuers are assessed to be independent and have appropriate professional qualifications and experience in the locations and category of the properties being valued. As at 31 March 2024, the valuations of the investment properties were based on the income capitalisation method, term and reversion method, discounted cash flow method and direct comparison method where applicable (2023: income capitalisation method, term and reversion method, discounted cash flow method and direct comparison method where applicable).

The accompanying notes form an integral part of these financial statements.

Gross revenue for the financial year ended 31/03/2024	Gross revenue for the financial year ended 31/03/2023	Occupancy rate as at 31/03/2024	Occupancy rate as at 31/03/2023	At valuation as at 31/03/2024	At valuation as at 31/03/2023	Percentage of total net assets attributable to Unitholders as at 31/03/2024	Percentage of total net assets attributable to Unitholders as at 31/03/2023
$'000	$'000	%	%	$'000	$'000	%	%
33,690	25,385[6]	92.4	92.3	318,237	357,499	3.5	3.9
16,116	11,981[6]	100.0	100.0	371,426	415,743	4.0	4.5
383,363	280,955			7,130,855	7,442,443	77.4[8]	80.6
958,088	826,185			16,248,855	16,321,443	176.4	177.0
				(6,777,653)	(6,839,063)	(73.6)	(74.2)
				9,471,202	9,482,380	102.8	102.8
				(12,757)	(12,686)	(0.1)	(0.1)
				(249,282)	(249,437)	(2.7)	(2.7)
				9,209,163	9,220,257	100.0	100.0

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Mapletree Pan Asia Commercial Trust ("MPACT") (formerly known as Mapletree Commercial Trust ("MCT")) is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the trust deed dated 25 August 2005 (as amended) (the "Trust Deed") between Mapletree Investments Pte Ltd ("MIPL") and VivoCity Pte. Ltd.. The Trust Deed is governed by the laws of the Republic of Singapore.

Mapletree Commercial Trust Management Ltd. (the "Manager") replaced MIPL as manager of MCT and DBS Trustee Limited (the "Trustee") replaced VivoCity Pte. Ltd. as trustee of MCT respectively on 4 April 2011.

MCT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 April 2011 ("Listing Date") and was approved for inclusion under the Central Provident Fund Investment Scheme.

On 31 December 2021, 28 January 2022 and 21 March 2022, the Manager and the manager of Mapletree North Asia Commercial Trust ("MNACT") jointly announced the proposed merger of MCT and MNACT (the "Merger") to be effected through the acquisition by MCT of all the issued and paid-up units of MNACT by way of a trust scheme of arrangement ("Trust Scheme") in accordance with the Singapore Code on Take-overs and Mergers. On 23 May 2022, unitholders of both MCT and MNACT voted in favour of the Merger and the Trust Scheme (as the case may be) at their respective extraordinary general meeting. The Trust Scheme was sanctioned by the High Court on 7 June 2022 and became effective and binding in accordance with its terms on 21 July 2022. Following the completion of the Merger, on 3 August 2022, MNACT was delisted from SGX-ST and MCT and the Manager was renamed MPACT and MPACT Management Ltd. respectively.

The Manager had expanded the investment mandate of MPACT to take into account the geographic focus of the enlarged portfolio post-merger.

The principal investment activity of MPACT under the expanded investment mandate is to invest 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, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong, Japan and South Korea) with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. The principal activities of its significant subsidiaries are set out in Note 17.

MPACT has entered into several service agreements in relation to the management of MPACT and its property operations. The fee structures of these services are as follows:

(a) Trustee's fees

The Trustee's fee shall not exceed 0.1% per annum of the value of all the assets of the Group ("Deposited Property") (subject to a minimum of $12,000 per month) or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders.

The Trustee's fees are payable monthly in arrears out of the Deposited Property of the Group. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current arrangement between the Manager and the Trustee, the Trustee's fees are charged on a scaled basis of up to 0.02% per annum of the value of the Deposited Property (subject to a minimum of $12,000 per month).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

1. GENERAL (continued)

(b) Manager's Management fees

Pursuant to the Trust Deed, the Manager is entitled to receive the following remuneration:

Before Merger from 1 April 2022 to 20 July 2022

(i) a base fee not exceeding 0.25% per annum of the value of the Group's Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) a performance fee not exceeding 4.0% per annum of the Group's net property income ("NPI") or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

After Merger with effect from 21 July 2022

(i) a base fee comprising 10.0% of the distributable income of the Group (calculated before accounting for the base fee and performance fee) or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders; and

(ii) a performance fee comprising 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Group's units in issue for such financial year or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders.

In relation to the Japan Properties, the asset management services are provided by Mapletree Investments Japan Kabushiki Kaisha (the "Japan Asset Manager"). In consideration of the asset management services provided, the Japan Asset Manager is entitled to receive a fee amounting to 10.0% per annum of distributable income derived from the Japan Properties (the "Japan Asset Management Fee"). For as long as the Manager and the Japan Asset Manager continues to receive the Japan Asset Management Fee, the Manager will offset the amount equivalent to the Japan Asset Management Fee from the base fees. Accordingly, there will be no double payment for services provided.

The management fees payable to the Manager shall be paid in the form of cash and/or units. The base fees and performance fees paid in cash and/or units are paid quarterly and annually, in arrears respectively.

For the period 1 April 2022 to 30 June 2022, the Manager has elected to receive 50% of its base fees in units and the balance in cash from MPACT and 100% of its base fees in cash from MBC LLP. For the period 1 July 2022 to 31 March 2024, the Manager has elected to receive 40% of its base fees in units and the balance in cash from the Group.

The Manager has elected to receive 40% of its performance fee in units from the Group for the financial years ended 31 March 2024 and 31 March 2023.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

1. GENERAL (continued)

(c) Acquisition and Divestment fees

The Manager is entitled to receive the following fees:

(i) an acquisition fee not exceeding 1.0% of the acquisition price of the real estate or real estate-related assets acquired directly or indirectly, through one or more special purpose vehicles ("SPVs") of MPACT, pro-rated if applicable to the proportion of MPACT's interest. For the purpose of this acquisition fee, real estate-related assets include all classes and types of securities relating to real estate; and

(ii) a divestment fee not exceeding 0.5% of the sale price of the real estate or real estate-related assets disposed, pro-rated if applicable to the proportion of MPACT's interest. For the purpose of this divestment fee, real estate-related assets include all classes and types of securities relating to real estate.

The acquisition and divestment fees shall be paid in the form of cash and/or units and are payable as soon as practicable after completion of the respective acquisition or disposal.

(d) Fees under the Property Management Agreement

(i) Property management fees

The Trustee will pay MPACT Property Management Pte. Ltd. ("MPMPL"), for each fiscal year (as defined in the Property Management Agreement), the following fees:

- 2.0% per annum of Gross Revenue for the relevant property;
- 2.0% per annum of the NPI for the relevant property (calculated before accounting for the property management fee in that financial period); and
- 0.5% per annum of the NPI for the relevant property (calculated before accounting for the property management fee in that financial period for the relevant property) in lieu of leasing commissions otherwise payable to MPMPL and/or third-party agents.

The Trustee will pay Mapletree North Asia Property Management Limited ("MNAPML") and Mapletree Management Services Japan Kabushiki Kaisha ("MMSJ"), for each fiscal year (as defined in the respective Property Management Agreement), the following fees:

- 2.0% per annum of Gross Revenue for the relevant property;
- 2.0% per annum of the NPI for the relevant property (calculated before accounting for the property management fee in that financial period); and
- where any service is provided by a third-party service provider, MNAPML and MMSJ will be entitled to receive a fee equal to 20% of all fees payable to such third-party service provider for supervising and overseeing the services rendered by the third-party service provider. Such services shall include, but not limited to, master planning work, retail planning work and environmental impact studies.

The property management fees are payable to MPMPL, MNAPML and MMSJ (collectively, the "Property Managers") monthly in arrears and in the form of cash.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

1. GENERAL (continued)

(d) Fees under the Property Management Agreement (continued)

(ii) Project management fees

The Trustee will pay MPMPL, MNAPML and MMSJ, for each development or redevelopment of a property located in Singapore, Greater China or Japan respectively, a project management fee subject to:

- a limit of up to 3.0% of the total construction costs; and
- an opinion issued by an independent quantity surveyor, to be appointed by the Trustee upon recommendation by the Manager, that the project management fee is within market norms and reasonable range.

The project management fees are payable to the Property Managers in the form of cash.

(iii) Marketing services

The Trustee will pay MNAPML and MMSJ, the following commissions:

- up to 1 month's gross rent inclusive of service charge for securing a tenancy of 3 years or less;
- up to 2 months' gross rent inclusive of service charge for securing a tenancy of more than 3 years;
- up to 0.5 month's gross rent inclusive of service charge for securing a renewal of tenancy of 3 years or less; and
- up to 1 month's gross rent inclusive of service charge for securing a renewal tenancy of more than 3 years.

MNAPML and MMSJ are not entitled to the marketing services commissions if the service is (i) performed by staff of the asset holding company or (ii) performed by third party service providers.

The marketing services commissions are payable to MNAPML and MMSJ in the form of cash.

(iv) Staff costs

MNAPML employs the centre management team and the persons to run the ice rink business of Festival Walk. MNAPML is entitled to the following:

- reimbursement for the cost of employing the centre management team of Festival Walk and the persons to run the ice rink business of Festival Walk; and
- 3% of such employment cost.

The staff costs reimbursements are payable to MNAPML in the form of cash.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)"), the applicable requirements of the CIS Code issued by Monetary Authority of Singapore and the provisions of the Trust Deed.

These financial statements, which are expressed in Singapore Dollars ("$" or "SGD") and rounded to the nearest thousand, unless otherwise stated, have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the Manager to exercise its judgement and make estimates and assumptions in the process of applying the Group's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The area involving a higher degree of judgement, where estimates and assumptions are significant to the financial statements is disclosed in Note 14 – Investment properties.

Notwithstanding the net current liabilities position, based on the Group's existing financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due. Specifically, the Group has sufficient credit facilities available to refinance the portion of the borrowings due within the next 12 months.

Interpretations and amendments to published standards effective in 2023

The Group has adopted new or amended SFRS(I)s and Interpretations to SFRS(I)s ("INT SFRS(I)") that are mandatory for application from 1 April 2023. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial year.

2.2 Revenue recognition

(a) Rental income and service charges from operating leases

The Group classifies the leases of its investment properties as operating leases as the Group retains substantially all risks and rewards incidental to ownership.

Rental income and service charges from operating leases are recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Contingent rents, which include gross turnover rental, are recognised as income in profit or loss when earned and the amount can be measured reliably.

Any changes in the scope or the consideration for a lease that was not part of the original terms and conditions of the lease (for example, rent concessions given which were not contemplated as part of the original terms and conditions of the lease) are accounted for as lease modifications.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Revenue recognition (continued)

(a) *Rental income and service charges from operating leases* (continued)

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognising the remaining lease payments as income on either a straight-line basis or another systematic basis over the remaining lease term.

(b) *Car parking income*

Car parking income from the operation of car parks is recognised over time upon utilisation of car parking facilities by tenants and visitors.

(c) *Finance income*

Finance income is recognised on a time proportion basis using the effective interest method.

(d) *Dividend income*

Dividend income is recognised when the right to receive the payment is established, if it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

2.3 Expenses

(a) *Trustee's fees*

Trustee's fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(a).

(b) *Manager's management fees*

Manager's management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(b).

(c) *Property operating expenses*

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are property management fees which are based on the applicable formula stipulated in Note 1(d).

2.4 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method, except for those costs that are directly attributable to the construction or development of properties.

The actual borrowing costs on borrowings used to finance the construction or development of properties incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Income taxes

Current income tax for the current and prior periods are recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investment in subsidiaries and joint venture, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities, except for investment properties. Investment properties measured at fair value are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of MPACT for the income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax rulings which include a distribution of at least 90% of the taxable income of MPACT, the Trustee will not be taxed on the portion of taxable income of MPACT that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of MPACT is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 Income taxes (continued)

Although MPACT is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax at the applicable corporate tax rate from the distributions of such taxable income of MPACT (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. The Trustee and the Manager will not deduct tax from the distributions made out of MPACT's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding partnerships);
- A tax resident Singapore-incorporated company;
- A Singapore branch of a company incorporated outside Singapore;
- A body of persons (excluding companies or partnerships) registered or constituted in Singapore (e.g. town council, statutory board, registered charity, registered co-operative society, registered trade union, management corporation, club and trade and industry association);
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948;
- A real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment; or
- An agent bank or Supplementary Retirement Scheme ("SRS") operator which act as the nominee of the individual under the CPF Investment Scheme or the SRS respectively.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trustee. Where the gains are capital gains, the Trustee will not be assessed to tax and may distribute the gains without tax being deducted at source.

2.6 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest comprises the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the Unitholders of the Trust. They are shown separately in the consolidated statement of profit and loss, statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non controlling interest based on their respective interests in a subsidiary, even if this results in the non-controlling interest having a deficit balance.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the business acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

For acquisitions of subsidiaries which do not qualify as business combinations, the transactions are accounted for in accordance with the respective accounting policies for the assets acquired and the liabilities assumed.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to Unitholders' funds if required by SFRS(I).

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.11 "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the financial statements of MPACT.

(b) *Transactions with non-controlling interest*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of MPACT. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the Unitholders of MPACT.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Group accounting (continued)

(c) Joint ventures

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investment in a joint venture is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisition

An investment in a joint venture is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on joint ventures represents the excess of the cost of acquisition of the joint ventures over the Group's share of the fair value of the net identifiable assets of the joint ventures and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in a joint venture equals to or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in a joint venture includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in joint ventures are derecognised when the Group loses joint control. If the retained interest in the former joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2.7 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substances of the restriction and whether they meet the definition of cash and cash equivalent.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Non-derivative financial assets

(a) *Classification and measurement*

The Group classifies its non-derivative financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Financial assets at amortised cost

(i) *At initial recognition*

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

(ii) *At subsequent measurement*

Debt instruments include "cash and bank balances", "trade and other receivables" and deposits presented in "other current assets" in the Statements of Financial Position. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Investment properties

Investment properties for the Group are held for long-term rental yields and/or for capital appreciation.

Investment properties are accounted for as non-current assets and are initially recognised at cost and subsequently carried at fair value. The Trust Deed requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code. Changes in fair value are recognised in profit or loss.

Investment properties are subject to renovations or improvements from time to time. The costs of major renovations and improvements are capitalised while the carrying amounts of replaced components are recognised in profit or loss. The costs of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to profit or loss.

If an investment property becomes substantially owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

2.10 Plant and equipment

(a) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Plant and equipment	2 – 10 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss for the financial year when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in MPACT's Statement of Financial Position. On disposal of the investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.12 Impairment of non-financial assets

Plant and equipment and investments in subsidiaries and joint venture are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount or if there is a change in the events that had given rise to the impairment since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.13 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost represents average unit cost of purchase and net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost, using the effective interest method.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures arising from operational, financing and investment activities. The Group does not hold or issue derivative financial instruments for trading purposes.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 27(f). The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months.

(a) *Cash flow hedge – Interest rate swaps*

The Group has entered into interest rate swaps that are cash flow hedges to manage the Group's exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

(b) *Cash flow hedge – Cross currency interest rate swaps*

The Group has entered into cross currency interest rate swaps that are cash flow hedges and are used to reduce the Group's exposure to interest rate risk and currency risk on its borrowings and interest.

The fair value changes on the effective portion of cross currency interest rate swaps designated as cash flow hedges are recognised in other comprehensive income and transferred to profit or loss when the hedged interest expense on the borrowings and/or the exchange differences arising from the translation of the borrowings is recognised in profit or loss. The fair value changes on the ineffective portion of cross currency interest rate swaps are recognised immediately in profit or loss.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.16 Derivative financial instruments and hedging activities (continued)

(c) Net investment hedge

The Group has entered into cross currency interest rate swaps that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The fair value changes on the effective portion of cross currency interest rate swaps designated for hedging are recognised in other comprehensive income and accumulated in the foreign currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The fair value changes on the ineffective portion of cross currency interest rate swaps are recognised immediately in profit or loss.

(d) Derivatives that are not designated or do not qualify for hedge accounting

Fair value changes on cross currency interest rate swaps and forward currency contracts which do not qualify for hedge accounting are recognised in the profit or loss when the changes arise. The carrying amounts of such derivatives are presented as current assets or liabilities if they are expected to be realised within 12 months after the balance sheet date.

2.17 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques based on market conditions existing at each balance sheet date.

The fair values of currency forwards are determined using banks' quoted forward rates and foreign exchange spot rates at the balance sheet date. The fair value of interest rate swaps and cross currency interest rate swaps are calculated as the present value of the estimated future cash flows.

2.18 Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets which meet the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2.9. Right-of-use assets which meet the definition of plant and equipment are presented within "Plant and equipment" and are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 Leases (continued)

Lease liabilities

Lease liability is initially measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease liability is subsequently measured at amortised cost using the effective interest method.

Short-term and low-value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.19 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in SGD, which is the functional currency of MPACT.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss, except for currency translation differences on the net investment in foreign operations, borrowings in foreign currencies and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and included in the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

(c) Translation of Group entities' financial statements

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the balance sheet date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in other comprehensive income and taken to the foreign currency translation reserve within the Statements of Movements in Unitholders' Funds of the Group.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 Currency translation (continued)

(d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies, and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and taken to the foreign currency translation reserve.

When a foreign operation is sold or any loan forming part of the net investment in foreign operation is repaid, such currency translation differences recorded in the foreign currency translation reserve are recognised in profit and loss as part of the gain or loss on sale.

2.20 Financial guarantees

The Trustee has issued financial guarantees in relation to certain borrowings of MPACT's subsidiaries. These guarantees are financial guarantees as they require MPACT to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of expected loss allowance computed in accordance with SFRS(I) 9.

2.21 Units in MPACT and perpetual securities

Proceeds from the issuance of units in MPACT and perpetual securities are recognised as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or exchange financial assets or liabilities with another person or entities that are potentially unfavourable to the issuer.

Issue expenses relate to expenses incurred in issuance of units in MPACT and perpetual securities. The expenses relating to issuance of units in MPACT and perpetual securities are deducted directly from the net assets attributable to the Unitholders and carrying amount of the perpetual securities respectively. Upon redemption of perpetual securities, the incidental costs directly attributable to its issuance are reclassified to Unitholders' funds within equity.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Manager who is responsible for allocating resources and assessing performance of the operating segments.

2.23 Distribution policy

MPACT's distribution policy is to distribute at least 90.0% of its adjusted taxable income and tax-exempt income, comprising substantially its income from the letting of its properties and related property services income, interest income from the placement of periodic cash surpluses in bank deposits and after deducting allowable expenses and allowances. The actual level of distribution will be determined at the Manager's discretion, having regard to MPACT's funding requirements, other capital management considerations and the overall stability of distributions. Distributions, when made, will be in SGD.

From 1 April 2020 to 30 September 2022, the distributions were paid out on a half-yearly basis and with effect from 1 October 2022, the distribution is on a quarterly basis.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

3. GROSS REVENUE

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Gross rental income (a)	**870,694**	756,099	**447,264**	422,907
Car parking income	**24,817**	20,235	**11,231**	10,416
Other operating income	**62,577**	49,851	**14,824**	15,171
	958,088	826,185	**473,319**	448,494

Gross revenue is generated by the Group's and MPACT's investment properties.

(a) Gross rental income

The turnover rental for the financial year ended 31 March 2024 were $15,837,000 and $11,651,000 (2023: $15,388,000 and $12,478,000) for the Group and MPACT respectively.

4. PROPERTY OPERATING EXPENSES

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Operation and maintenance	**39,096**	33,827	**18,727**	18,300
Utilities	**38,237**	25,233	**21,849**	13,411
Property tax	**60,103**	58,613	**33,832**	36,338
Other taxes	**4,845**	3,667	**–**	–
Property and lease management fees	**37,382**	32,533	**18,953**	18,041
Staff costs (a)	**30,024**	24,457	**13,559**	12,667
Marketing and professional expenses	**11,066**	9,142	**4,703**	3,672
Depreciation (Note 16)	**1,072**	831	**23**	93
Other operating expenses	**8,334**	5,940	**1,150**	1,157
	230,159	194,243	**112,796**	103,679

All of the Group's and MPACT's investment properties generate rental income and the above expenses are direct operating expenses arising from its investment properties.

(a) Staff costs

Except for Festival Walk, the Group and MPACT do not have any employee on its payroll because its daily operations and administrative functions are provided by the Manager and the Property Managers. Staff costs relate to employees of Festival Walk and reimbursements paid/payable to the Property Managers in respect of agreed employee expenditure incurred by the Property Managers for providing the services as provided for in the respective property management agreement.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

5. FINANCE EXPENSES

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Interest expense				
– Bank loans	**266,970**	153,540	**94,877**	62,589
– Medium term notes	**30,283**	31,622	**–**	–
– Loans from a subsidiary	**–**	–	**28,514**	25,452
– Non-hedging derivative instruments	**(1,987)**	2,893	**–**	2,893
	295,266	188,055	**123,391**	90,934
Derivative hedging instruments				
– Cash flow hedges, reclassified from hedging reserve (Note 24)	**(76,952)**	(35,357)	**(19,081)**	(8,852)
Financing fees	**9,680**	11,064	**4,590**	3,070
	227,994	163,762	**108,900**	85,152

6. OTHER TRUST EXPENSES

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Audit fees paid/payable to				
– auditors of MPACT	**195**	139	**124**	116
– other auditors[1]	**307**	241	**–**	–
Consultancy and professional fees	**1,624**	751	**880**	686
Valuation fees	**226**	169	**99**	105
Other trust expenses	**1,581**	1,523	**1,383**	1,935
	3,933	2,823	**2,486**	2,842

[1] Auditors of the Group comprise member firms of PricewaterhouseCoopers International Limited.

Included in consultancy and professional fees of the Group and MPACT for the financial year ended 31 March 2023 was an amount of $60,000 paid/payable to the auditor of MPACT for non-audit services rendered in relation to the establishment of $5,000,000,000 Euro Medium Term Securities Programme and review of service charge rate for mTower.

Included in other trust expenses of MPACT was an amount of $12,000 (2023: $12,000) paid/payable to MPACT Treasury Company Pte. Ltd. ("MPACT TCo") in undertaking the treasury functions in relation to the Group's Medium Term Notes Programmes ("MTN Programmes").

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

7. NET CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Change in fair value of investment properties	**140,205**	(102,432)	**201,762**	20,305
Excess of fair value of investment properties acquired over fair value of consideration transferred (Note 17)	**–**	142,175	**–**	–
Net change in fair value of investment properties (Note 14)	**140,205**	39,743	**201,762**	20,305
Effects of recognising rental incentives on a straight-line basis over the lease terms	**1,599**	3,768	**(487)**	998
Net change in fair value of investment properties recognised in the profit or loss	**141,804**	43,511	**201,275**	21,303

8. INCOME TAXES

(a) Income tax expense/(credit)

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Tax expense/(credit) attributable to current financial year's profit is made up of:				
Current income tax				
– Current financial year	**6,525**	9,575	**–**	–
– Over provision in prior years	**(108)**	(24,043)	**–**	–
Withholding tax	**12,779**	6,514	**–**	–
Deferred tax (Note 21)	**286**	6,229	**–**	–
	19,482	(1,725)	**–**	–

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

8. INCOME TAXES (continued)

(b) Tax reconciliation

The tax on the results for the financial year differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Profit before tax	**602,552**	485,024	**643,903**	440,472
Less: share of profit of a joint venture	**(6,380)**	(9,425)	**–**	–
	596,172	475,599	**643,903**	440,472
Tax calculated at a tax rate of 17% (2023: 17%)	**101,349**	80,852	**109,464**	74,880
Effects of:				
– Expenses not deductible for tax purposes	**14,321**	31,242	**10,406**	9,127
– Income not subject to tax due to tax transparency ruling (Note 2.5)	**(54,400)**	(53,892)	**(44,582)**	(44,306)
– Income not subject to tax	**(41,180)**	(35,503)	**(75,288)**	(39,701)
– Different tax rates in other countries	**(432)**	(373)	**–**	–
– Over provision in prior years	**(108)**	(24,043)	**–**	–
– Others	**(68)**	(8)	**–**	–
	19,482	(1,725)	**–**	–

(c) Movement in the net current income tax recoverable/(liabilities)

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**(1,679)**	5,849	**–**	–
Additions through Merger (Note 17)	**–**	(41,691)	**–**	–
Income tax paid	**22,757**	24,456	**–**	–
Income tax expense	**(19,304)**	(16,089)	**–**	–
Over provision in prior years	**108**	24,043	**–**	–
Translation difference on consolidation	**304**	1,753	**–**	–
End of financial year	**2,186**	(1,679)	**–**	–

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

8. **INCOME TAXES** (continued)

(c) **Movement in the net current income tax recoverable/(liabilities)** (continued)

The amounts of current income tax recoverable/(liabilities) presented gross in the balance sheet are as follows:

	Group		**MPACT**	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current assets				
Tax recoverable	**5,849**	5,849	**–**	–
Current liabilities				
Current income tax liabilities	**3,663**	7,528	**–**	–

(d) **Tax credit relating to each component of other comprehensive income**

	Group					
	2024			2023		
	Before tax	**Tax credit**	**After tax**	Before tax	Tax credit	After tax
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Cash flow hedges						
– Fair value gain	**6,061**	**396**	**6,457**	15,046	897	15,943
– Reclassification to profit or loss	**(40,548)**	**–**	**(40,548)**	(7,866)	3,367	(4,499)
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	**(138,866)**	**–**	**(138,866)**	(228,226)	–	(228,226)
Share of currency translation differences relating to a foreign joint venture	**(1,820)**	**–**	**(1,820)**	(5,755)	–	(5,755)
Net currency translation differences on hedge of net investment in foreign operation	**28,819**	**–**	**28,819**	3,684	–	3,684
Net currency translation differences reclassified to profit or loss	**–**	**–**	**–**	2,174	–	2,174
Other comprehensive income	**(146,354)**	**396**	**(145,958)**	(220,943)	4,264	(216,679)

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

9. EARNINGS PER UNIT

	Group	
	2024	2023
Profit attributable to Unitholders of MPACT ($'000)	**577,940**	482,596
Weighted average number of units outstanding during the financial year ('000)	**5,246,391**	4,615,981
Basic and diluted earnings per unit (Singapore cents)	**11.02**	10.45

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial year.

10. CASH AND CASH BALANCES

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**99,921**	118,694	**13,373**	13,597
Short-term bank deposits	**57,314**	97,453	**–**	41,000
	157,235	216,147	**13,373**	54,597

For purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	31 March	
	2024	2023
	$'000	$'000
Cash and bank balances	**157,235**	216,147
Less: Restricted cash[1]	**(21,593)**	(20,945)
Cash and cash equivalents per consolidated statement of cash flows	**135,642**	195,202

1 Restricted cash relates to the amount of cash reserves for the Japan Properties which is required to be maintained based on the agreements with the banks. Restricted cash is reserved for use in capital expenditure, interest expense and certain property related expenses to ensure these liabilities can be met when incurred.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

11. TRADE AND OTHER RECEIVABLES

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade receivables:				
– related parties	**3**	22	**–**	9
– non-related parties	**1,260**	1,630	**430**	582
Trade receivables – net	**1,263**	1,652	**430**	591
Interest receivable:				
– non-related parties	**427**	952	**–**	14
Dividend receivables:				
– subsidiary	**–**	–	**53,497**	6,753
– joint venture	**2,862**	2,735	**–**	–
Other receivables	**6,037**	5,322	**494**	263
Accrued revenue	**2,885**	2,698	**2,020**	1,799
	13,474	13,359	**56,441**	9,420

The non-trade and other receivables balances are unsecured, interest free and repayable on demand.

12. OTHER ASSETS

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Deposits	**207**	182	**85**	71
Prepayments	**4,943**	3,343	**602**	1,051
	5,150	3,525	**687**	1,122

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
Group				
31 March 2024				
Hedge accounting – cash-flow hedges:				
Interest rate swaps	April 2024 – February 2027	**3,397,646**	**34,689**	**(4,133)**
Cross currency interest rate swaps	September 2024 – December 2026	**651,023**	**13,825**	**(12,088)**
Hedge accounting – net investment hedges:				
Cross currency interest rate swaps	June 2026	**250,000**	**55,960**	**–**
Non-hedge accounting:				
Cross currency interest rate swap	February 2025	**50,000**	**5,215**	**–**
Currency forwards	April 2024 – March 2025	**63,908**	**1,934**	**(287)**
Total		**4,412,577**	**111,623**	**(16,508)**
Represented by:				
Current portion			**19,061**	**(3,703)**
Non-current portion			**92,562**	**(12,805)**
			111,623	**(16,508)**
Derivative financial instruments as a percentage of net assets				**1.00%**
31 March 2023				
Hedge accounting – cash-flow hedges:				
Interest rate swaps	April 2023 – February 2027	3,698,489	62,878	(9,605)
Cross currency interest rate swaps	May 2023 – August 2026	434,886	50,467	–
Hedge accounting – net investment hedges:				
Cross currency interest rate swaps	June 2026	250,000	27,141	–
Non-hedge accounting:				
Cross currency interest rate swap	February 2025	50,000	–	(553)
Currency forwards	April 2023 – March 2024	140,908	5,463	(103)
Total		4,574,283	145,949	(10,261)
Represented by:				
Current portion			57,577	(103)
Non-current portion			88,372	(10,158)
			145,949	(10,261)
Derivative financial instruments as a percentage of net assets				1.43%

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

13. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Maturity	Contract notional amount $'000	Fair value assets $'000	Fair value liabilities $'000
MPACT				
31 March 2024				
Hedge accounting – cash-flow hedges:				
Interest rate swaps	April 2024 – February 2027	**1,524,000**	**14,213**	**(3,687)**
Non-hedge accounting:				
Interest rate swaps[1]	July 2024 – April 2026	**470,000**	**7,974**	**(7,974)**
Total		**1,994,000**	**22,187**	**(11,661)**
Represented by:				
Current portion			**3,664**	**(2,872)**
Non-current portion			**18,523**	**(8,789)**
			22,187	**(11,661)**
Derivative financial instruments as a percentage of net assets				**0.11%**
31 March 2023				
Hedge accounting – cash-flow hedges:				
Interest rate swaps	April 2023 – February 2027	1,259,000	24,956	(4,500)
Non-hedge accounting:				
Interest rate swaps[1]	December 2023 – April 2026	620,000	18,220	(18,220)
Total		1,879,000	43,176	(22,720)
Represented by:				
Current portion			4,443	(2,204)
Non-current portion			38,733	(20,516)
			43,176	(22,720)
Derivative financial instruments as a percentage of net assets				0.22%

1 Relates to the back-to-back interest rate swaps entered into to hedge against a subsidiary's borrowings. As at 31 March 2024, the notional amounts of these interest rate swaps were $470,000,000 (2023: $620,000,000), while the fair value of the derivative financial assets arising from the interest rate swaps with the banks are $7,974,000 (2023: $18,220,000). For the financial year ended 31 March 2024, MPACT recorded related finance expense of $14,529,000 (2023: $7,066,000).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

13. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Hedging instruments used in the Group's hedging strategy were as follows:

		Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount $'000	**Assets $'000**	**Liabilities $'000**	**Financial statement line item**	**Hedging instruments $'000**	**Hedged item $'000**	**Hedge ineffectiveness recognised in profit or loss $'000**	**Weighted average hedged rate**	**Maturity date**
Group									
31 March 2024									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**3,397,646**	**34,689**	**(4,133)**	**Derivative financial instruments**	**10,936**	**(10,936)**	**–**	**2.56%**	**April 2024 – February 2027**
Interest rate risk/foreign exchange risk									
– Cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings	**651,023**	**13,825**	**(12,088)**	**Derivative financial instruments**	**(4,875)**	**4,875**	**–**	*****	**September 2024 – December 2026**
Net investment hedge									
Foreign exchange risk									
– Cross currency interest rate swaps to hedge net investments in foreign operations	**250,000**	**55,960**	**–**	**Derivative financial instruments**	**28,819**	**(28,819)**	**–**	**2.52% SGD1: JPY82.98**	**June 2026**
31 March 2023									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	3,698,489	62,878	(9,605)	Derivative financial instruments	24,303	(24,303)	–	1.63%	April 2023 – February 2027
Interest rate risk/foreign exchange risk									
– Cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings	434,886	50,467	–	Derivative financial instruments	(9,257)	9,257	–	**	May 2023 – August 2026
Net investment hedge									
Foreign exchange risk									
– Cross currency interest rate swaps to hedge net investments in foreign operations	250,000	27,141	–	Derivative financial instruments	3,684	(3,684)	–	2.52% SGD1: JPY82.98	June 2026

* At 31 March 2024, the Group's weighted average hedge rates for cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings was 3.07% (USD1: HKD7.79, SGD1: JPY81.67, HKD1: JPY17.45 and HKD1:RMB0.93).

** At 31 March 2023, the Group's weighted average hedge rates for cross currency interest rate swaps to hedge foreign currency interest and principal payments and floating rate borrowings was 0.87% (USD1: HKD7.79, SGD1: JPY81.67 and HKD1: JPY17.45).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

13. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

		Carrying amount			Changes in fair value used for calculating hedge ineffectiveness				
	Contract notional amount $'000	Assets $'000	Liabilities $'000	Financial statement line item	Hedging instruments $'000	Hedged item $'000	Hedge ineffectiveness recognised in profit or loss $'000	Weighted average hedged rate	Maturity date
MPACT									
31 March 2024									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	**1,524,000**	**14,213**	**(3,687)**	**Derivative financial instruments**	**9,151**	**(9,151)**	**–**	**2.53%**	**April 2024 – February 2027**
31 March 2023									
Cash flow hedges									
Interest rate risk									
– Interest rate swaps to hedge floating rate borrowings	1,259,000	24,956	(4,500)	Derivative financial instruments	15,330	(15,330)	–	2.00%	April 2023 – February 2027

14. INVESTMENT PROPERTIES

(a) Investment properties

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**16,321,443**	8,821,000	**7,327,000**	7,270,000
Additions	**56,432**	52,741	**21,238**	36,695
Additions through Merger (Note 17)	**–**	7,747,580	**–**	–
Change in fair value of investment properties (Note 7)	**140,205**	39,743	**201,762**	20,305
Translation difference on consolidation	**(269,225)**	(339,621)	**–**	–
End of financial year	**16,248,855**	16,321,443	**7,550,000**	7,327,000

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation methods which involved certain estimates.

Details of the investment properties are shown in the portfolio statement.

Investment properties are leased to both related and non-related parties under operating leases (Note 15(b)).

The Tokutei Mokuteki Kaisha ("TMK") bonds and certain bank loans are secured on the Group's portfolio of Japan investment properties with carrying amounts on the balance sheet of $1,284,396,000 (2023: $1,449,075,000) (Note 20).

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

14. INVESTMENT PROPERTIES (continued)

(b) Fair value hierarchy

The table below presents the investment properties at fair value and classified by level of fair value measurement hierarchy:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the investment properties within the Group's and MPACT's portfolio are classified within Level 3 of the fair value measurement hierarchy.

(c) Reconciliation of movement in Level 3 fair value measurements

The reconciliation between the balances at the beginning and end of the financial year is disclosed within the investment properties movement table presented in Note 14(a).

(d) Valuation techniques and significant unobservable inputs

Level 3 fair values of the Group's and MPACT's properties have been derived using the income capitalisation method, term and reversion method, discounted cash flow method and direct comparison method where applicable.

The fair values are generally derived using the following methods:

- Income capitalisation – Properties are valued by capitalising the net property income at an appropriate rate of return to arrive at the market value. The net income of the properties is the estimated current rate and potential future income from existing vacancies after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location, tenure, tenancy profile of the properties, together with the prevailing property market condition.
- Term and reversion – Properties are valued by capitalising the amount of net income receivable from existing tenancies, after deducting any specific costs which must be borne by the recipient. Both the term and reversion are capitalised by the market capitalisation rates, which reflect the rate of investment, alienation restrictions, effect of inflation and prospect of rental growth, if any.
- Discounted cash flow – Properties are valued by discounting the future net cash flow over a period to arrive at a present value.
- Direct comparison method – Properties are valued using transacted prices for comparable properties in the vicinity and other locations with adjustments made for differences in size, number of storeys, tenure, age, location, siting and building specifications.

The Manager is of the view that the valuation methods and estimates adopted and considered by the professional valuers are reflective of the current market conditions.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

14. INVESTMENT PROPERTIES (continued)

(d) Valuation techniques and significant unobservable inputs (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the investment properties categorised under Level 3 of the fair value hierarchy:

Geographical regions	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Singapore	Income capitalisation	Capitalisation rate	**3.35% – 4.85%** (2023: 3.35% – 4.85%)
	Discounted cash flow	Discount rate	**6.50% – 7.25%** (2023: 6.50% – 7.25%)
Hong Kong	Term and reversion	Term and reversion rate	**4.20%** (2023: 4.15%)
	Discounted cash flow	Discount rate	**7.85%** (2023: 7.80%)
China	Income capitalisation	Capitalisation rate	**4.50% – 4.75%** (2023: N.A.[1])
	Term and reversion	Term and reversion rate	**N.A.[1]** (2023: 5.00% – 5.50%)
	Discounted cash flow	Discount rate	**7.25% – 7.50%** (2023: 7.50% – 9.25%)
	Direct comparison	Adjusted price per square metre	**RMB38,100 – RMB58,400** (2023: RMB37,991 – RMB61,499)
Japan	Discounted cash flow	Discount rate	**3.10% – 4.00%** (2023: 3.20% – 4.20%)

1 The independent valuer used the income capitalisation method as one of its valuation techniques for the valuation of the China properties as at 31 March 2024 instead of the term and reversion method used in the prior year. The change in valuation technique has not resulted in a material impact on the valuation of the China properties.

Relationship of key unobservable inputs to fair value

- The higher the capitalisation rate, the lower the fair value.
- The higher the term and reversion rate, the lower the fair value.
- The higher the discount rate, the lower the fair value.
- The higher the adjusted price per square metre, the higher the fair value.

There were no significant inter-relationships between unobservable inputs.

NOTES TO **THE FINANCIAL STATEMENTS**
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15. LEASES

(a) The Group and MPACT as a lessee

Leasehold land

The right-of-use of leasehold land is secured during acquisition of investment properties and is recognised within Investment properties (Note 14).

There are no externally imposed covenants on these lease arrangements.

(b) The Group and MPACT as a lessor

The Group has leased out their owned investment properties for monthly lease payments. To manage credit risk, the Group may obtain bank guarantees, insurance bond or deposits for the term of the lease. These leases are classified as operating leases because the risk and rewards incidental to ownership of the assets are not substantially transferred. As part of its asset and lease management strategy, the Manager proactively engages tenants for negotiations well ahead of lease expiries to mitigate leasing risk and achieve a well-staggered lease expiry profile. The Group also actively manages its property portfolio and reviews its tenant mix in order to achieve portfolio diversification and stability.

Rental income from investment properties is disclosed in Note 3.

Undiscounted lease payments from the operating leases to be received after the balance sheet date are as below:

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Less than one year	**781,643**	797,509	**423,355**	400,985
One to two years	**611,503**	579,260	**340,100**	314,235
Later than two to three years	**385,210**	409,261	**204,561**	217,181
Later than three to four years	**216,905**	226,004	**110,116**	99,547
Later than four to five years	**136,660**	130,581	**55,895**	61,387
Later than five years	**155,840**	189,408	**122,392**	124,390
Total undiscounted lease payments	**2,287,761**	2,332,023	**1,256,419**	1,217,725

Some of the operating leases are subject to revision of lease rentals at periodic intervals. For the purpose of the above disclosure, the prevailing lease rentals are used.

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For the financial year ended 31 March 2024

16. PLANT AND EQUIPMENT

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cost				
Beginning of financial year	**10,124**	666	**556**	562
Additions through Merger	**–**	9,456	**–**	–
Additions	**318**	459	**10**	36
Written off	**(308)**	(74)	**(78)**	(42)
Translation difference on consolidation	**(73)**	(383)	**–**	–
End of financial year	**10,061**	10,124	**488**	556
Accumulated depreciation				
Beginning of financial year	**7,929**	504	**501**	446
Additions through Merger	**–**	6,952	**–**	–
Depreciation charge (Note 4)	**1,072**	831	**23**	93
Written off	**(277)**	(58)	**(78)**	(38)
Translation difference on consolidation	**(68)**	(300)	**–**	–
End of financial year	**8,656**	7,929	**446**	501
Net book value				
End of financial year	**1,405**	2,195	**42**	55

17. INVESTMENTS IN SUBSIDIARIES AND ACQUISITION OF NET ASSETS ARISING FROM THE MERGER

	MPACT	
	31 March	
	2024	2023
	$'000	$'000
Equity investments at cost		
Beginning of financial year	**4,969,433**	910,964
Additions through Merger	**–**	4,058,469
End of financial year	**4,969,433**	4,969,433

On 21 July 2022, MPACT completed the Merger for a total consideration of $4,052,404,000 and was settled as follows on 29 July 2022: (i) $2,454,538,000 in cash; and (ii) allotment and issuance of 885,734,587 consideration units. MPACT incurred total transaction costs of $7,540,000, of which $6,065,000 were capitalised under investments in subsidiaries. The Manager has waived its acquisition fee entitlement in respect of the Merger.

The Merger was accounted for as an asset acquisition on completion of the transaction. The related transaction costs and the differences between the scheme consideration and the acquired net assets (collectively "discount over net assets acquired") were initially capitalised/allocated to the investment properties and investment in joint venture, which were subsequently re-measured at fair value.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

17. INVESTMENTS IN SUBSIDIARIES AND ACQUISITION OF NET ASSETS ARISING FROM THE MERGER (continued)

The scrip component of the scheme consideration was based on $2.0039 per consideration unit, being the scheme issue price. In determining the fair value of the scheme consideration, the 1-day Volume-Weighted Average Price ("VWAP") of $1.804 per consideration unit was used. The movement in unit price resulted in a discount over net assets acquired of $146,993,000, of which $142,175,000 and $4,818,000 were attributable to the investment properties acquired and investment in joint venture respectively.

The following table summarises the recognised amounts of assets and liabilities assumed as at the date of acquisition after the allocation of the discount over the net assets acquired.

	Group
	2023
	$'000
Assets acquired	
Cash and bank balances	206,862
Trade and other receivables	15,093
Other assets	5,742
Inventories	544
Derivative financial instruments	125,095
Investment properties	7,747,580
Plant and equipment	2,504
Investment in a joint venture	121,846
	8,225,266
Liabilities assumed	
Trade and other payables	(286,878)
Borrowings	(3,411,825)
Lease liabilities	(194)
Current income tax liabilities	(41,691)
Deferred tax liabilities	(162,842)
Derivative financial instruments	(2,518)
	(3,905,948)
Total identifiable net assets	4,319,318
Less: Non-controlling interest	(12,416)
Less: Perpetual securities	(248,434)
Identifiable net assets acquired	4,058,469[1]
Consideration transferred	
Cash paid	2,454,538
Fair value of consideration units issued	1,597,865
Total consideration	4,052,404[1]

[1] Total does not sum up due to rounding differences.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

17. INVESTMENTS IN SUBSIDIARIES AND ACQUISITION OF NET ASSETS ARISING FROM THE MERGER (continued)

	Group
	2023
	$'000
Effect of the Merger on cash flows	
Cash and bank balances acquired	206,862
Less: Cash paid	(2,454,538)
Less: Acquisition costs incurred and paid	(6,473)
	(2,254,149)

The Group has the following significant subsidiaries as at 31 March 2024 and 2023:

Name of company	Principal activities	Country of business/ incorporation	Effective interest held by Group		Effective interest held by MPACT	
			31 March		31 March	
			2024	2023	**2024**	2023
			%	%	**%**	%
Mapletree Business City LLP[(a)]	Property development and investment	Singapore/ Singapore	**100**	100	**99.9**	99.9
MNACT[(b)]	Investment holding	Singapore/ Singapore	**100**	100	**100**	100
Festival Walk (2011) Limited[(c)]	Property investment	Hong Kong/ Hong Kong	**100**	100	**–**	–
HK Gateway Plaza Company Limited[(d)]	Property investment	China/ Hong Kong	**100**	100	**–**	–
Shanghai Zhan Xiang Real Estate Company Limited[(d)]	Property investment	China/China	**100**	100	**–**	–
Tsubaki Tokutei Mokuteki Kaisha[(e)]	Property investment	Japan/Japan	**98.47**	98.47	**–**	–
Godo Kaisha Makuhari Blue[(e)]	Property investment	Japan/Japan	**98.47**	98.47	**–**	–

(a) There is no statutory requirement for the financial statements of Mapletree Business City LLP to be audited.
(b) Audited by PricewaterhouseCoopers LLP, Singapore
(c) Audited by PricewaterhouseCoopers, Hong Kong
(d) Audited by PricewaterhouseCoopers Zhong Tian LLP, China
(e) Audited by PricewaterhouseCoopers Aarata LLC, Japan

As at 31 March 2024, the Group had only two subsidiaries with non-controlling interest of 1.53% (2023: 1.53%). The non-controlling interest is not material to the Group. Accordingly, no summarised financial information of subsidiaries with non-controlling interest is presented.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

18. INVESTMENT IN A JOINT VENTURE

	Group	
	31 March	
	2024	2023
	$'000	$'000
Beginning of financial year	**119,943**	–
Additions through Merger (Note 17)	**–**	121,846
Share of net profit after tax[1]	**6,380**	4,607
Excess of fair value of investment property acquired over fair value of consideration transferred (Note 17)	**–**	4,818
Share of profit	**6,380**	9,425
Share of other comprehensive income	**(1,820)**	(5,755)
Dividends received/receivable	**(5,913)**	(5,573)
End of financial year	**118,590**	119,943

[1] Includes the Group's share of net change in fair value of investment property of $357,000 (2023: $612,000).

The Group's investment in a joint venture owns a freehold high-performing office building with retail amenities, The Pinnacle Gangnam ("TPG"), located in Gangnam Business District, Seoul.

The Group's interest in the joint venture is as follows:

Name of joint venture	**Principal activities**	**Country of business/ incorporation**	**Proportion of shares held by Group**	
			2024	2023
			%	%
IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6*	Property investment	South Korea/ South Korea	**50.0**	50.0

* Audited by Hanil Accounting Corporation

There is no joint venture as at 31 March 2024 and 2023 which is individually material to the Group. Thus, summarised financial information of the joint venture is not presented.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

19. TRADE AND OTHER PAYABLES

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current				
Trade payables				
– non-related parties	**9,828**	5,159	**4,981**	2,775
– related parties	**8,982**	9,447	**5**	33
Accrued capital expenditure	**6,321**	11,395	**5,531**	11,013
Accrued operating expenses	**56,037**	70,793	**27,081**	35,725
Interest payable				
– subsidiary	**–**	–	**9,403**	6,603
– non-related parties	**25,708**	22,733	**6,141**	6,414
Tenancy related deposits	**72,076**	57,859	**20,338**	18,790
Other deposits	**1,465**	1,807	**252**	312
Rental received in advance	**18,859**	25,748	**3,893**	4,656
Net Goods and Services Tax payable	**9,848**	7,836	**7,132**	5,748
Other payables	**9,770**	10,719	**3,109**	4,630
	218,894	223,496	**87,866**	96,699
Non-current				
Tenancy related deposits	**124,226**	139,076	**55,609**	53,445
	343,120	362,572	**143,475**	150,144

The amounts due to related parties and subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

20. BORROWINGS AND LOANS FROM A SUBSIDIARY

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
<u>**Borrowings**</u>				
Current				
Bank loans (secured)	**282,221**	–	**–**	–
Bank loans (unsecured)	**596,585**	602,561	**100,000**	115,000
Medium term notes (unsecured)	**120,000**	152,762	**–**	–
TMK bonds (secured)	**28,804**	–	**–**	–
Transaction costs to be amortised	**(1,358)**	(958)	**(108)**	(162)
	1,026,252	754,365	**99,892**	114,838
Non-current				
Bank loans (secured)	**366,116**	722,188	**–**	–
Bank loans (unsecured)	**4,351,399**	4,447,758	**1,770,000**	1,835,000
Medium term notes (unsecured)	**894,156**	814,299	**–**	–
TMK bonds (secured)	**28,804**	64,169	**–**	–
Transaction costs to be amortised	**(16,384)**	(19,221)	**(8,368)**	(8,856)
	5,624,091	6,029,193	**1,761,632**	1,826,144
<u>**Loans from a subsidiary**</u>				
Current				
Loans from a subsidiary	**–**	–	**120,000**	85,000
Transaction costs to be amortised	**–**	–	**(6)**	(26)
	–	–	**119,994**	84,974
Non-current				
Loans from a subsidiary	**–**	–	**875,000**	795,000
Transaction costs to be amortised	**–**	–	**(2,314)**	(1,168)
	–	–	**872,686**	793,832
	6,650,343	6,783,558	**2,854,204**	2,819,788

The above bank loans and borrowings are unsecured except for the TMK bonds and certain bank loans amounting to $705,945,000 (2023: $786,357,000) which are secured over the Japan Properties. In accordance with the various facility agreements, VivoCity, MBC I, MBC II, Mapletree Anson, Festival Walk and Gateway Plaza (2023: VivoCity, MBC I, MBC II and Mapletree Anson, Festival Walk and Gateway Plaza) are subject to a negative pledge.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(a) Maturity of borrowings

Group

The non-current bank loans mature between 2025 and 2029 (2023: 2024 and 2028). The non-current medium term notes will mature between 2026 and 2034 (2023: 2024 and 2030). The non-current TMK bonds mature in 2025 (2023: between 2024 and 2025).

MPACT

The non-current bank loans mature between 2025 and 2029 (2023: 2024 and 2028). The non-current loans from a subsidiary will mature between 2026 and 2034 (2023: 2024 and 2030).

(b) Medium term notes

In August 2012, the Group established a $1,000,000,000 MTN Programme ("2012 MTN Programme") via its subsidiary, MPACT TCo. The Programme limit has been increased to $3,000,000,000 with effect from 29 June 2018.

In May 2013, MNACT established a USD1,500,000,000 Euro Medium Term Securities Programme ("2013 EMTN Programme") via its subsidiaries, Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd. ("MPACT Spore-TCo") and Mapletree North Asia Commercial Treasury Company (HKSAR) Limited ("MPACT HK-TCo").

In September 2022, the Group established a $5,000,000,000 Euro Medium Term Securities Programme ("2022 EMTN Programme") via its subsidiaries, MPACT TCo, MPACT Spore-TCo and MPACT HK-TCo.

Under the 2012 MTN Programme, 2013 EMTN Programme and 2022 EMTN Programme, the issuers may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes ("Notes") and senior or subordinated perpetual securities ("Perpetual Securities" and, together with the Notes, the "Securities") in series or tranches in SGD or any other currency.

Each series of Securities may be issued in various amounts and tenors, and may bear fixed, floating, variable or hybrid rates of interest or may not bear interest.

The Securities shall constitute at all times direct, unconditional, unsecured and unsubordinated obligations of the issuers ranking pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations of the issuers. All sums payable in respect of the Securities issued by the issuers will be unconditionally and irrevocably guaranteed by the Trustee.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(b) Medium term notes (continued)

Total notes outstanding as at 31 March 2024 under the 2012 MTN Programme, 2013 EMTN Programme and 2022 EMTN Programme was $1,014,156,000 (2023: $967,061,000), consisting of:

	Maturity date	Interest rate per annum	Interest payment in arrears	31 March 2024 '000	31 March 2023 '000
2012 MTN Programme					
(i)	24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(ii)	15 November 2023[1]	2.795%	Semi-annually	**–**	$85,000
(iii)	27 August 2027	3.045%	Semi-annually	**$100,000**	$100,000
(iv)	23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(v)	22 November 2029	3.05%	Semi-annually	**$250,000**	$250,000
2013 EMTN Programme					
(vi)	20 April 2023[2]	3.25%	Semi-annually	**–**	HKD69,000
(vii)	20 September 2023[3]	3.00%	Semi-annually	**–**	HKD326,000
(viii)	11 March 2027	3.65%	Semi-annually	**HKD112,500**	HKD112,500
2022 EMTN Programme					
(ix)	29 March 2030	4.25%	Semi-annually	**$150,000**	$150,000
(x)	7 March 2034	3.90%	Semi-annually	**$200,000**	–

[1] The $85,000,000 notes maturing on 15 November 2023 were fully redeemed on the maturity date.
[2] The HKD69,000,000 notes maturing on 20 April 2023 were fully redeemed on the maturity date.
[3] The HKD326,000,000 notes maturing on 20 September 2023 were fully redeemed on the maturity date.

(c) TMK Bonds

The TMK bonds bear floating interest rate of 3 Month JPY Tibor plus spread (0.32% and 0.36%) per annum and mature between 2024 and 2025 (2023: between 2024 and 2025).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(d) Loans from a subsidiary

MPACT TCo has on-lent the proceeds from the issuance of the notes to MPACT, which has in turn used the proceeds to re-finance its floating rate borrowings.

The loans are unsecured and repayable in full, consisting of:

Maturity date	Interest rate per annum	Interest payment in arrears	**31 March 2024 '000**	31 March 2023 '000
2012 MTN Programme				
(i) 24 August 2026	3.11%	Semi-annually	**$175,000**	$175,000
(ii) 15 November 2023[1]	2.795%	Semi-annually	**–**	$85,000
(iii) 27 August 2027	3.045%	Semi-annually	**$100,000**	$100,000
(iv) 23 September 2024	3.28%	Semi-annually	**$120,000**	$120,000
(v) 22 November 2029	3.05%	Semi-annually	**$250,000**	$250,000
2022 EMTN Programme				
(vi) 29 March 2030	4.25%	Semi-annually	**$150,000**	$150,000
(vii) 7 March 2034	3.90%	Semi-annually	**$200,000**	–

[1] The $85,000,000 notes maturing on 15 November 2023 were fully redeemed on the maturity date.

(e) Effective interest rates

The weighted average all-in cost of borrowings, including amortised cost charged on the outstanding loans as at 31 March 2024 and 2023 were as follows:

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
Bank loans (secured)	**0.77%**	0.96%	**–**	–
Bank loans (unsecured)	**3.71%**	3.73%	**3.93%**	3.78%
Medium term notes (unsecured)	**3.44%**	3.30%	**–**	–
TMK bonds (secured)	**0.42%**	0.72%	**–**	–
Loans from a subsidiary	**–**	–	**3.44%**	3.30%

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

20. BORROWINGS AND LOANS FROM A SUBSIDIARY (continued)

(f) Carrying amount and fair value

The carrying amounts of the current and non-current borrowings and TMK bonds, which are at variable market rates, approximate their fair values at balance sheet date.

The carrying amounts of the fixed rate current borrowings approximate their fair values at balance sheet date. The carrying amount and fair value of the fixed rate non-current borrowings are as follows:

	Carrying amount		Fair value	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Group				
Medium term notes (non-current)	**891,842**	813,131	**887,647**	781,329
MPACT				
Loans from a subsidiary (non-current)	**872,686**	793,832	**869,151**	763,078

The fair value above is determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the balance sheet date at which the Manager expects to be available to the Group and MPACT as follows:

	31 March	
	2024	2023
Group		
Medium term notes (non-current)	**3.62% – 5.35%**	4.19% – 5.26%
MPACT		
Loans from a subsidiary (non-current)	**3.62% – 3.72%**	4.19% – 4.32%

The fair values are within Level 2 of the fair value hierarchy.

(g) Undrawn committed borrowing facilities

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Expiring beyond one year	**1,408,625**	1,380,229	**653,245**	752,000

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

21. DEFERRED TAX LIABILITIES

	Group	
	31 March	
	2024	2023
	$'000	$'000
Beginning of financial year	**182,379**	24,974
Additions through Merger (Note 17)	**–**	162,842
Tax charge to profit or loss (Note 8(a))	**286**	6,229
Tax credit to other comprehensive income (Note 8(d))	**(396)**	(4,264)
Translation difference on consolidation	**(4,889)**	(7,402)
End of financial year	**177,380**	182,379

The movement in deferred income tax liabilities is as follows:

	Accelerated tax depreciation	**Change in fair value of investment properties**	**Change in fair value of derivative financial instruments**	**Unremitted earnings**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
2024					
Beginning of the financial year	**124,582**	**45,168**	**3,099**	**9,530**	**182,379**
Tax charge/(credit) to profit or loss	**10,577**	**(9,360)**	**–**	**(931)**	**286**
Tax credit to other comprehensive income	**–**	**–**	**(396)**	**–**	**(396)**
Translation difference on consolidation	**(2,135)**	**(2,093)**	**–**	**(661)**	**(4,889)**
End of the financial year	**133,024**	**33,715**	**2,703**	**7,938**	**177,380**
2023					
Beginning of the financial year	24,974	–	–	–	24,974
Additions through Merger	96,133	55,184	7,363	4,162	162,842
Tax charge/(credit) to profit or loss	7,309	(6,672)	–	5,592	6,229
Tax credit to other comprehensive income	–	–	(4,264)	–	(4,264)
Translation difference on consolidation	(3,834)	(3,344)	–	(224)	(7,402)
End of the financial year	124,582	45,168	3,099	9,530	182,379

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

22. UNITS IN ISSUE AND PERPETUAL SECURITIES

(a) Units in issue

	Note	Group and MPACT	
		2024	2023
		'000	'000
Units at beginning of financial year		**5,239,332**	3,323,514
Units issued as settlement of Manager's management fees	(i)	**13,653**	11,702
Units issued pursuant to preferential offering	(ii)	**–**	1,018,383
Units issued pursuant to settlement of Scheme Consideration	(iii)	**–**	885,735
Units at end of financial year	(iv)	**5,252,985**	5,239,332

(i) During the financial year, 13,652,549 new units (2023: 11,701,705 new units) were issued at the issue price range of $1.4489 to $1.7667 (2023: $1.6526 to $1.8989) per unit, in respect of the payment of management fees to the Manager in units. The issue prices were determined based on the VWAP for all trades done on SGX-ST in the ordinary course of trading for the last 10 business days of the relevant period on which the fees were accrued. These issuances represent non-cash transactions.

(ii) On 28 July 2022, 1,018,382,531 new units were issued at an issue price of $2.0039 per unit pursuant to the preferential offering.

(iii) On 29 July 2022, 885,734,587 new units were issued at an issue price of $2.0039 per unit, being the scheme issue price, pursuant to settlement of scheme consideration in relation to the Merger. In determining the fair value of the scheme consideration, the 1-day VWAP of $1.804 per consideration unit was used.

(iv) Total does not sum up due to rounding differences.

Each unit in MPACT represents an undivided interest in MPACT. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the units held;
- Participate in the termination of MPACT by receiving a share of all net cash proceeds derived from the realisation of the assets of MPACT less any liabilities, in accordance with their proportionate interests in MPACT. However, a Unitholder does not have the right to require that any assets (or part thereof) of MPACT be transferred to him; and
- Attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10.0% of the total units issued) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of MPACT in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem his units while the units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in MPACT. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of MPACT exceed its assets.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

22. UNITS IN ISSUE AND PERPETUAL SECURITIES (continued)

(b) Perpetual securities

Perpetual securities are issued by MNACT on 8 June 2021 to partially finance the purchase of a property in Japan.

Key terms of the perpetual securities are as follows:

- These perpetual securities have no fixed redemption date;
- Redemption is at the discretion of MNACT ("issuer redemption option") with the first issuer redemption option being exercisable on 8 June 2026 and thereafter semi-annually on 8 June and 8 December;
- The perpetual securities shall confer a right to the holders to receive a distribution at a rate of 3.50%* per annum with the first distribution reset on 8 June 2026 and subsequent resets every five years thereafter;
- The distribution will be payable semi-annually at the discretion of MNACT and will be non-cumulative; and
- MNACT shall not declare or pay any distributions to the Unitholders, or make redemption, unless MNACT declares or pays any distributions to the holders of the perpetual securities.

In the event of winding-up of MNACT:

- These perpetual securities rank pari passu with the holders of preferred units (if any) and rank ahead of the Unitholders of MNACT, but junior to the claims of all other present and future creditors of MNACT.

These perpetual securities are classified as equity instruments and recorded in equity in the Statements of Movements in Unitholders' Funds. The carrying amount of $249,282,000 (2023: $249,437,000) in the Statements of Financial Position represents the perpetual securities issued net of issue costs plus profit attributable to perpetual securities holders from the last distribution date to the balance sheet date.

* MNACT has entered into cross currency interest rate swaps whereby it will pay fixed JPY amounts and receive fixed SGD amounts to fund the distributions to the perpetual security holders in SGD.

23. GENERAL RESERVE

Shanghai Zhan Xiang Real Estate Company Limited, an entity incorporated in China, is required to transfer 10% of its profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders. This general reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

24. HEDGING RESERVE

	Group					
	2024			2023		
	Interest rate/ foreign exchange risk	**Interest rate risk**	**Total**	Interest rate/ foreign exchange risk	Interest rate risk	Total
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Beginning of financial year	**5,288**	**32,740**	**38,028**	–	26,599	26,599
Fair value (loss)/gain	**(4,875)**	**10,936**	**6,061**	(9,257)	24,303	15,046
Tax credit (Note 8(d))	**210**	**186**	**396**	2,943	1,321	4,264
Reclassification to profit or loss						
– Finance expenses (Note 5)	**(43,301)**	**(33,651)**	**(76,952)**	(15,889)	(19,468)	(35,357)
– Foreign exchange	**36,404**	**–**	**36,404**	27,491	–	27,491
Less: non-controlling interest	**–**	**14**	**14**	–	(15)	(15)
End of financial year	**(6,274)**	**10,225**	**3,951**	5,288	32,740	38,028

	MPACT	
	Interest rate risk	
	2024	2023
	$'000	$'000
Beginning of financial year	**20,456**	13,978
Fair value gain	**9,151**	15,330
Reclassification to profit or loss		
– Finance expenses (Note 5)	**(19,081)**	(8,852)
End of financial year	**10,526**	20,456

Hedging reserve is non-distributable.

25. FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2024	2023
	$'000	$'000
Beginning of financial year	**(228,077)**	–
Translation differences relating to:		
– foreign subsidiaries and quasi equity loans	**(138,866)**	(228,226)
– a foreign joint venture	**(1,820)**	(5,755)
– hedges of net investment in foreign operation	**28,819**	3,684
Reclassification to profit or loss	**–**	2,174
Less: non-controlling interest	**211**	46
End of financial year	**(339,733)**	(228,077)

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

25. FOREIGN CURRENCY TRANSLATION RESERVE (continued)

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities and the translation of foreign currency loans used to hedge or form part of the Group's net investments in foreign entities. The Group's foreign currency translation reserve arises from HKD, RMB, JPY and KRW.

As at 31 March 2024, $32,503,000 (2023: $3,684,000) of the foreign currency translation reserve relates to continuing hedges. None of the foreign currency translation reserve relates to hedging relationships for which hedge accounting is no longer applied.

26. COMMITMENTS

Capital commitments

Capital expenditures contracted for by the Group and MPACT at the balance sheet date but not recognised in the financial statements amounted to $26,872,000 (2023: $23,016,000) and $24,987,000 (2023: $15,833,000) respectively.

27. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates and foreign exchange rates. The Group uses financial instruments such as currency forwards, cross currency interest rate swaps, interest rate swaps and foreign currency borrowings to hedge certain financial risk exposures.

Risk management is carried out under policies approved by the Manager. The Manager provides written principles for overall risk management as well as policies covering specific areas, such as interest rate risk, currency risk, credit risk and liquidity risk. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Market risk – cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable rate bank borrowings, medium term notes and TMK bonds. The Group is exposed mainly to SORA, SOFR, HIBOR, LPR and JPY TIBOR (2023: SORA, SOR, SOFR, HIBOR, LPR, JPY TONA and JPY TIBOR). The Group manages these cash flow interest rate risks using floating-to-fixed interest rate swaps. The interest rate swaps and cross currency interest rate swaps have reference rates that are indexed to SORA, SOFR, HIBOR and JPY TIBOR (2023: SORA, SOR, SOFR, HIBOR, JPY TONA and JPY TIBOR), which are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s Master Agreement.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk – cash flow and fair value interest rate risks (continued)

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet dates after excluding borrowings for which hedge accounting is applied are as follows:

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
6 months or less:				
Revolving credit facilities	**–**	270,179	**–**	–
Term loans	**137,978**	1,433,121	**–**	691,000
TMK bonds	**28,804**	–	**–**	–
	166,782	1,703,300	**–**	691,000

During the financial year, the Group has hedged its exposure to changes in interest rates on its variable rate borrowings by entering into the following contracts:

(i) Interest rate swaps, with notional contract amounts of $2,024,000,000 (2023: $1,909,000,000) whereby it receives variable rates equal to the Singapore swap offer rate or SORA on the notional amounts and pays fixed interest rates ranging from 0.39% to 4.09% (2023: 0.36% to 4.09%) per annum.

(ii) Interest rate swaps, with notional contract amounts of HKD7,114,000,000 (2023: HKD6,665,000,000) whereby it receives variable rates equal to the Hong Kong swap offer rate or HIBOR on the notional amounts and pays fixed interest rates ranging from 0.32% to 4.42% (2023: 0.32% to 4.42%) per annum.

(iii) Interest rate swaps, with notional contract amounts of JPY18,000,000,000 (2023: JPY64,340,000,000) whereby it receives variable rates equal to the Japan swap offer rate or JPY TIBOR on the notional amounts and pays fixed interest rates ranging from 0.13% to 0.35% (2023: 0.10% to 0.34%) per annum.

(iv) Cross currency interest rate swap, with a notional contract amount of JPY8,158,343,000 (2023: JPY8,158,343,000) whereby it receives a variable rate of HKD HIBOR + 1.20% (2023: HKD HIBOR + 1.50%) per annum on the notional amount.

(v) Cross currency interest rate swap, with a notional contract amount of HKD623,200,000 (2023: HKD623,200,000) whereby it receives a variable rate of USD SOFR + 1.36% (2023: USD SOFR + 1.36%) per annum on the notional amount and pays a fixed rate of 2.49% (2023: 2.49%) per annum.

(vi) Cross currency interest rate swaps, with notional contract amounts of RMB2,532,553,000 (2023: Nil) whereby it receives variable rates ranging from HKD HIBOR + 0.90% to HKD HIBOR + 1.43% (2023: Nil) per annum on the notional amounts and pays fixed interest rates ranging from 3.96% to 4.45% (2023: Nil) per annum.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk – cash flow and fair value interest rate risks (continued)

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedging relationship, and through periodic prospective effective assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition. For the financial years ended 31 March 2024 and 2023, there are no such mismatch and hence no material hedge ineffectiveness recognised.

Sensitivity analysis

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD, HKD, RMB and JPY. If the interest rates increase/(decrease) by 50 basis points ("b.p.") (2023: 50 b.p.) with all other variables including tax rate being held constant, the profit after tax and hedging reserve attributable to Unitholders will (decrease)/increase by the amounts as follows, as a result of higher/lower interest expenses and higher/lower fair value of interest rate swaps and cross currency interest rate swaps respectively.

	Increase/(decrease)			
	Profit after tax		**Hedging reserve**	
	Increase by 50 b.p. $'000	**Decrease by 50 b.p. $'000**	**Increase by 50 b.p. $'000**	**Decrease by 50 b.p. $'000**
Group				
31 March 2024				
Interest bearing borrowings	**(11,831)**	**11,831**	**–**	**–**
Interest rate swaps	**–**	**–**	**22,201**	**(22,212)**
Cross currency interest rate swaps	**(5)**	**5**	**(126)**	**130**
31 March 2023				
Interest bearing borrowings	(13,696)	13,696	–	–
Interest rate swaps	–	–	32,657	(29,653)
Cross currency interest rate swaps	(10)	10	–	–

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk – cash flow and fair value interest rate risks (continued)

Sensitivity analysis (continued)

	Increase/(decrease)			
	Profit after tax		Hedging reserve	
	Increase by 50 b.p. $'000	Decrease by 50 b.p. $'000	Increase by 50 b.p. $'000	Decrease by 50 b.p. $'000
MPACT				
31 March 2024				
Interest bearing borrowings	**(3,460)**	**3,460**	**–**	**–**
Interest rate swaps	**–**	**–**	**12,437**	**(12,452)**
31 March 2023				
Interest bearing borrowings	(3,455)	3,455	–	–
Interest rate swaps	–	–	11,250	(11,267)

(b) Market risk – currency risk

The Manager's investment strategy includes investing in the key gateway markets of Asia. In order to manage the currency risk involved in investing in assets outside Singapore, the Manager adopts strategies that may include:

- the use of foreign currency denominated borrowings to match the currency of the investment asset as a natural currency hedge;
- the use of cross currency interest rate swaps to swap a portion of borrowings and interest in another currency into the currency of the investment asset to reduce the underlying currency exposure on the borrowings and interest; and
- entering into currency forward contracts to hedge the foreign currency income receivables from the offshore assets back into SGD.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk (continued)

The Group's currency exposure to financial assets and financial liabilities is as follows:

	SGD $'000	HKD $'000	RMB $'000	JPY $'000	USD $'000	KRW $'000	Total $'000
Group							
31 March 2024							
Financial assets							
Cash and bank balances	20,078	6,921	75,620	54,614	2	–	157,235
Trade and other receivables	3,440	370	175	6,627	–	2,862	13,474
Other current assets[1]	161	46	–	–	–	–	207
Derivative financial instruments	80,224	15,574	–	15,825	–	–	111,623
	103,903	22,911	75,795	77,066	2	2,862	282,539
Financial liabilities							
Trade and other payables[2]	(159,846)	(79,171)	(28,269)	(46,880)	(247)	–	(314,413)
Lease liabilities	–	(75)	–	–	–	–	(75)
Derivative financial instruments	(16,062)	(387)	–	(59)	–	–	(16,508)
Borrowings	(3,640,996)	(1,993,331)	(20,527)	(889,035)	(106,454)	–	(6,650,343)
	(3,816,904)	(2,072,964)	(48,796)	(935,974)	(106,701)	–	(6,981,339)
Net financial (liabilities)/ assets	(3,713,001)	(2,050,053)	26,999	(858,908)	(106,699)	2,862	(6,698,800)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	3,663,441	1,505,704	(26,065)	859,027	–	–	
Currency forwards	–	(20,713)	(22,315)	(14,279)	–	(6,601)	
Cross currency interest rate swaps[3]	50,000	544,470	–	–	106,553	–	
Net currency exposure	440	(20,592)[4]	(21,381)[4]	(14,160)[4]	(146)	(3,739)[4]	

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk (continued)

	SGD $'000	HKD $'000	RMB $'000	JPY $'000	USD $'000	KRW $'000	Total $'000
Group							
31 March 2023							
Financial assets							
Cash and bank balances	68,585	8,831	74,328	64,298	105	–	216,147
Trade and other receivables	3,089	947	196	6,392	–	2,735	13,359
Other current assets[1]	131	51	–	–	–	–	182
Derivative financial instruments	76,702	22,706	–	46,541	–	–	145,949
	148,507	32,535	74,524	117,231	105	2,735	375,637
Financial liabilities							
Trade and other payables[2]	(164,922)	(79,629)	(31,338)	(52,909)	(190)	–	(328,988)
Lease liabilities	–	(142)	–	–	–	–	(142)
Derivative financial instruments	(5,155)	(4,355)	–	(751)	–	–	(10,261)
Borrowings	(3,852,169)	(2,017,464)	(22,073)	(784,387)	(107,465)	–	(6,783,558)
	(4,022,246)	(2,101,590)	(53,411)	(838,047)	(107,655)	–	(7,122,949)
Net financial (liabilities)/ assets	(3,873,739)	(2,069,055)	21,113	(720,816)	(107,550)	2,735	(6,747,312)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	3,577,537	1,989,048	(20,917)	749,666	–	–	
Currency forwards	–	(49,083)	(55,941)	(31,384)	–	(4,500)	
Cross currency interest rate swaps[3]	297,000	80,200	–	–	107,686	–	
Net currency exposure	798	(48,890)[4]	(55,745)[4]	(2,534)[4]	136	(1,765)[4]	

1 Excludes prepayment.

2 Excludes rental received in advance and net Goods and Service Tax payable.

3 At 31 March 2024, the Group had cross currency interest rate swaps to swap borrowings of HKD467,500,000, USD80,000,000, $50,000,000 and HKD2,730,000,000 to JPY8,158,343,000, HKD623,200,000, JPY5,016,700,000 and RMB2,532,553,000 respectively (2023: HKD467,500,000, USD80,000,000 and $297,000,000 to JPY8,158,343,000, HKD 623,200,000 and JPY25,190,170,000 respectively).

4 Net currency exposure of $20,592,000, $21,381,000, $14,160,000 and $3,739,000 for HKD, RMB and JPY (subsidiaries) and KRW (joint venture) respectively (2023: $48,890,000, $55,745,000, $2,534,000 and $1,765,000 respectively) mainly relates to currency forward contracts entered into to hedge future foreign currency income receivable in FY2024/2025 back into SGD.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk – currency risk (continued)

The Group's main foreign currency exposure to financial assets and financial liabilities is in HKD, RMB, JPY and KRW. If the HKD, RMB change against the SGD by 3.5% (2023: 3.5%), JPY change against the SGD by 7.0% (2023: 7.0%) and KRW change against the SGD by 7.0% (2023: 3.5%) with all other variables including tax being held constant, the effects on profit after tax for the year arising from the net financial asset/liability position will be as follows:

	Group	
	Increase/(decrease)	
	2024	2023
	$'000	$'000
HKD against SGD		
– strengthened	**(721)**	(1,711)
– weakened	**721**	1,711
RMB against SGD		
– strengthened	**(748)**	(1,951)
– weakened	**748**	1,951
JPY against SGD		
– strengthened	**(991)**	(177)
– weakened	**991**	177
KRW against SGD		
– strengthened	**(262)**	(62)
– weakened	**262**	62

MPACT has insignificant foreign currency exposure as at 31 March 2024 and 2023.

(c) Credit risk

Credit risk refers to the risk that tenants or counterparties of the Group will default on its contractual obligations resulting in a financial loss to the Group. The major classes of financial assets of the Group and MPACT are cash and bank balances and trade receivables. Cash and bank deposits are placed with financial institutions which are regulated. For trade receivables, the Group's credit risk policy is to deal only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing with high credit quality counterparties.

As at 31 March 2024 and 2023, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statements of Financial Position, except for the guarantees provided by the Trustee in relation to certain borrowings of MPACT's subsidiaries (Note 20) amounting $1,633,000,000 (2023: $1,518,000,000).

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The expected credit losses also incorporate forward looking information such as forecast of macro-economic conditions. In computing the expected credit loss rate, the Group has considered the volatility of the forward-looking macroeconomic factors affecting the ability of the debtors to settle the receivables. The loss allowance for trade receivables as at 31 March 2024 and 2023 was assessed as not material.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. The Group considers a financial asset as impaired (net of security deposits and bankers' guarantee) when the counterparty fails to make payments in accordance with the contractual terms of agreement. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. When recoveries are made, these are recognised in profit or loss.

The ageing of trade receivables at the balance sheet date was:

	Gross carrying amount $'000	Loss allowance $'000
Group		
31 March 2024		
Past due 3 months or less	**1,192**	**–**
Past due over 3 months	**18**	**–**
	1,210	**–**
31 March 2023		
Past due 3 months or less	1,381	–
Past due over 3 months	30	–
	1,411	–
MPACT		
31 March 2024		
Past due 3 months or less	**430**	**–**
Past due over 3 months	**–**	**–**
	430	**–**
31 March 2023		
Past due 3 months or less	592	–
Past due over 3 months	–	–
	592	–

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The movement in allowance for expected credit losses of trade receivables computed based on lifetime expected credit losses are as follows:

	Group		MPACT	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Expected credit loss allowance				
Beginning of financial year	**–**	80	**–**	80
Allowance made	**151**	14	**152**	3
Allowance utilised	**(151)**	(94)	**(152)**	(83)
End of financial year	**–**	–	**–**	–

Cash and bank balances

The Group and MPACT held cash and bank balances of $157,235,000 and $13,373,000 respectively (2023: $216,147,000 and $54,597,000). The Group and MPACT considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Financial guarantee contracts

The Trustee has issued financial guarantees in relation to certain borrowings of MPACT's subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. MPACT has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

The Group and MPACT adopt prudent liquidity risk management by maintaining sufficient cash to fund their working capital and financial obligations.

The following table analyses non-derivative financial liabilities of the Group and MPACT into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date (including extension periods where applicable). The amounts disclosed in the table are the contractual undiscounted cash flows of non-derivative financial liabilities, including interest payments. Balances due within 12 months approximate their carrying amounts as the impact of discounting is not significant.

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group			
As at 31 March 2024			
Trade and other payables	**164,479**	**119,222**	**5,004**
Lease liabilities	**33**	**42**	**–**
Borrowings and interest payable	**1,317,438**	**5,235,124**	**1,032,505**
	1,481,950	**5,354,388**	**1,037,509**
As at 31 March 2023			
Trade and other payables	167,179	135,765	3,311
Lease liabilities	66	76	–
Borrowings and interest payable	1,018,060	5,507,895	1,142,252
	1,185,305	5,643,736	1,145,563
MPACT			
As at 31 March 2024			
Trade and other payables	**61,297**	**55,107**	**502**
Borrowings and interest payable	**190,767**	**1,836,402**	**176,577**
Loans from a subsidiary	**152,175**	**377,189**	**649,702**
	404,239	**2,268,698**	**826,781**
As at 31 March 2023			
Trade and other payables	73,278	51,913	1,532
Borrowings and interest payable	205,294	1,367,054	714,270
Loans from a subsidiary	113,872	477,243	427,982
	392,444	1,896,210	1,143,784

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Group's and MPACT's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000
Group			
As at 31 March 2024			
Net-settled interest rate swaps			
– Net cash outflows	**1,341**	**2,340**	**–**
Gross-settled cross currency interest rate swaps			
– Cash inflows	**(22,027)**	**(19,751)**	**–**
– Cash outflows	**15,085**	**13,540**	**–**
Gross-settled currency forwards			
– Cash inflows	**(20,427)**	**–**	**–**
– Cash outflows	**20,713**	**–**	**–**
	(5,315)	**(3,871)**	**–**
As at 31 March 2023			
Net-settled interest rate swaps			
– Net cash outflows	4,197	6,551	–
Gross-settled cross currency interest rate swaps			
– Cash inflows	(1,771)	(1,589)	–
– Cash outflows	498	447	–
Gross-settled currency forwards			
– Cash inflows	(5,839)	–	–
– Cash outflows	5,942	–	–
	3,027	5,409	–
MPACT			
As at 31 March 2024			
Net-settled interest rate swaps			
– Net cash outflows	**1,316**	**2,340**	**–**
	1,316	**2,340**	**–**
As at 31 March 2023			
Net-settled interest rate swaps			
– Net cash outflows	771	1,968	–
	771	1,968	–

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(e) Capital risk

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits set out in the CIS Code to fund acquisitions and asset enhancement works at the Group's properties. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group is subject to the aggregate leverage limit as defined in the Appendix 6 of the CIS Code ("Property Funds Appendix"). The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund on or after 1 January 2022 should not exceed 45% of its Deposited Property. The Aggregate Leverage may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowing. As at the balance sheet date, the Group's corporate family rating is Baa1 (negative) (2023: Baa1) by Moody's Investors Service.

The Group has complied with the Aggregate Leverage requirements for the financial years ended 31 March 2024 and 2023.

	Group	
	31 March	
	2024	2023
	$'000	$'000
Total gross borrowings[1]	**6,792,154**	6,928,724
Total deposited property[1]	**16,788,617**	16,954,665
Aggregate leverage ratio	**40.5%**	40.9%
Interest coverage ratio[2] ("ICR")	**3.0 times**	3.5 times
Adjusted ICR[3]	**2.9 times**	3.5 times
Percentage of the Group's total borrowings (Note 20) to the Group's net asset value	**70.2%**	71.5%

[1] Excludes share attributable to non-controlling interest and includes the Group's proportionate share of joint venture's gross borrowings and deposited property value.
[2] Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation) ("EBITDA"), by the trailing 12 months interest expense and borrowing-related fees.
[3] Computed by dividing the trailing 12 months EBITDA, by the trailing 12 months interest expense and borrowing-related fees and distribution of hybrid securities.

There were no changes in the Group's approach to capital management during the financial year.

The Group is in compliance with the borrowing limit requirement imposed by the CIS Code and all externally imposed capital requirements for the financial years ended 31 March 2024 and 2023.

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(f) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Level 2				
Assets				
Derivative financial instruments				
– Interest rate swaps	**34,689**	62,878	**22,187**	43,176
– Cross currency interest rate swaps	**75,000**	77,608	**–**	–
– Currency forwards	**1,934**	5,463	**–**	–
	111,623	145,949	**22,187**	43,176
Liabilities				
Derivative financial instruments				
– Interest rate swaps	**(4,133)**	(9,605)	**(11,661)**	(22,720)
– Cross currency interest rate swaps	**(12,088)**	(553)	**–**	–
– Currency forwards	**(287)**	(103)	**–**	–
	(16,508)	(10,261)	**(11,661)**	(22,720)

The fair value of the derivative financial instruments not traded in an active market is determined by using valuation techniques based on market conditions existing at each balance sheet date. The fair values of currency forwards are determined using banks' quoted forward rates and foreign exchange spot rates at the balance sheet date. The fair value of interest rate swaps are calculated as the present value of the estimated future cash flows. The fair value of the cross currency interest rate swap is determined using quoted currency rates as at the balance sheet date.

The carrying values of trade and other receivables, other current assets and trade and other payables (including non-current tenancy related deposits) approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate except for the fixed rate medium term notes as disclosed in Note 20(f) to the financial statements.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

27. FINANCIAL RISK MANAGEMENT (continued)

(g) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the Statements of Financial Position and in Note 13 to the financial statements, except for the following:

	Group		MPACT	
	31 March		31 March	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial assets at amortised cost	**170,916**	229,688	**69,899**	64,088
Financial liabilities at amortised cost	**6,964,831**	7,112,688	**2,986,654**	2,959,528

28. INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

For financial reporting purposes in accordance with SFRS(I) 10 *Consolidated Financial Statements*, MPACT is regarded as a subsidiary of Mapletree Investments Pte Ltd.

Consequentially, the intermediate and ultimate holding companies are Mapletree Investments Pte Ltd and Temasek Holdings (Private) Limited respectively. The intermediate and ultimate holding companies are incorporated in Singapore.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals and entities. The Manager and the Property Managers are indirect wholly-owned subsidiaries of the intermediate holding company.

During the financial year, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2024	2023
	$'000	$'000
Manager's management fees paid/payable to the Manager	**45,590**	45,625
Japan asset management fee paid/payable to Mapletree Investments Japan Kabushiki Kaisha	**4,258**	3,008
Acquisition of MNACT Group through Trust Scheme from related entities	**–**	1,460,034
Project management fees paid/payable to the Manager	**327**	861
Property management fees paid/payable to the Property Managers	**36,945**	32,126
Staff costs paid/payable to the Manager and Property Managers	**25,543**	21,384
Rental and other related income received/receivable from related parties	**41,078**	33,229
Finance income received/receivable from a related company of the Manager	**911**	562
Professional fees, other products and service fees paid/payable to related parties	**3,908**	6,514
Interest expenses, financing fees and fees related to the issue of units paid/payable to a related party	**87,784**	48,485

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

30. FINANCIAL RATIOS

	Group	
	2024	2023
	%	%
Ratio of expenses to weighted average net assets[1]		
– including performance component of asset management fees	**0.59**	0.61
– excluding performance component of asset management fees	**0.59**	0.55
Ratio of total operating expenses to net asset value[2]	**3.02**	2.61
Portfolio Turnover Ratio[3]	**–**	–

[1] The ratios are computed in accordance with the guidelines of Investment Management Association of Singapore dated 25 May 2005. The expenses used in the computation relate to expenses of the Group, excluding property expenses, borrowing costs, net foreign exchange differences and income tax expense.

[2] The ratio is computed based on the total operating expenses expressed as a percentage of net asset value as at the end of the financial year. The operating expenses include property operating expenses, manager's management fees, trustee's fee and other trust expenses amounting to $285,759,000 for the financial year ended 31 March 2024 (2023: $247,351,000).

[3] The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value in accordance with the formulae stated in the CIS Code. There were no sales of investment properties for the financial years ended 31 March 2024 and 2023.

31. SEGMENT REPORTING

For the purpose of making resource allocation decisions and the assessment of segment performance, the Manager reviews internal/management reports of its investment properties.

The Manager monitors and assesses the performance of the individual property within the Group's portfolio. This forms the basis of identifying the operating segments of the Group.

Segment revenue comprises mainly of income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the management for the purpose of assessment of segment performance. In addition, the management monitors the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees, trust expenses, finance income and finance expenses.

Information regarding the Group's reportable segments is presented in the following tables.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

31. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2024 is as follows:

Geographical Market	Singapore			Hong Kong	China	Japan	Korea	
Property	**VivoCity**	**MBC**	**Other Singapore Properties[1]**	**Festival Walk[2]**	**China Properties[2]**	**Japan Properties**	**TPG**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Gross revenue	**233,929**	**234,020**	**106,776**	**204,907**	**87,102**	**91,354**	**–**	**958,088**
Property operating expenses	**(61,021)**	**(48,020)**	**(25,270)**	**(51,950)**	**(15,561)**	**(28,337)**	**–**	**(230,159)**
Segment net property income	**172,908**	**186,000**	**81,506**	**152,957**	**71,541**	**63,017**	**–**	**727,929**
Finance income								**2,512**
Finance expenses								**(227,994)**
Manager's management fees								**(49,848)**
Trustee's fees								**(1,819)**
Other trust expenses								**(3,933)**
Foreign exchange gain								**4,923**
Net change in fair value of financial derivative								**2,598**
Profit before tax and fair value change in investment properties and share of profit of a joint venture								**454,368**
Net change in fair value of investment properties	**112,724**	**49,903**	**54,317**	**(11,320)**	**(28,351)**	**(35,469)**	**–**	**141,804**
Share of profit of a joint venture	**–**	**–**	**–**	**–**	**–**	**–**	**6,380**	**6,380**
Profit for the financial year before tax								**602,552**
Income tax expense								**(19,482)**
Profit for the financial year after tax before distribution								**583,070**

Major tenant

There was no tenant (2023: Nil) that contributed more than 10% of the gross revenue of the Group.

1 Include mTower, Mapletree Anson and BOAHF.
2 Include Sandhill Plaza and Gateway Plaza.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

31. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2024 is as follows:

Geographical Market	Singapore			Hong Kong	China	Japan	Korea	
Property	**VivoCity**	**MBC**	**Other Singapore Properties**	**Festival Walk**	**China Properties**	**Japan Properties**	**TPG**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Segment assets								
– Investment properties	3,358,000	3,855,000	1,905,000	4,270,622	1,575,837	1,284,396	–	16,248,855
– Plant and equipment	29	15	12	1,343	6	–	–	1,405
– Investment in a joint venture	–	–	–	–	–	–	118,590	118,590
– Trade and other receivables	2,189	1,004	245	370	518	6,285	2,863	13,474
– Inventories	–	–	–	110	–	–	–	110
	3,360,218	3,856,019	1,905,257	4,272,445	1,576,361	1,290,681	121,453	16,382,434
Unallocated assets[1]								279,857
Total assets								16,662,291
Segment liabilities	69,047	37,555	28,596	83,550	32,343	58,036	1,798	310,925
Unallocated liabilities[2]								6,880,164
Total liabilities								7,191,089
Other segmental information								
Additions to:								
– Investment properties[3]	13,336	5,200	4,751	14,750	676	17,719	–	56,432
– Plant and equipment	10	9	–	299	–	–	–	318

1 Unallocated assets include cash and bank balances, other receivables, tax recoverable, other assets and derivative financial instruments.
2 Unallocated liabilities include trade and other payables, borrowings, current income tax liabilities, deferred tax liabilities and derivative financial instruments.
3 Additions to investment properties include capitalised expenditure and amortisation of capitalised expenditure during the financial year.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

31. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2023 is as follows:

Geographical Market		**Singapore**		**Hong Kong**	**China**	**Japan**	**Korea**	
Property	**VivoCity**	**MBC**	**Other Singapore Properties**[1]	**Festival Walk**[2]	**China Properties**[2,3]	**Japan Properties**[2]	**TPG**[2]	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Gross revenue	220,248	225,522	99,460	146,172	66,667	68,116	–	826,185
Property operating expenses	(54,335)	(45,503)	(23,675)	(36,714)	(11,732)	(22,284)	–	(194,243)
Segment net property income	165,913	180,019	75,785	109,458	54,935	45,832	–	631,942
Finance income								1,603
Finance expenses								(163,762)
Manager's management fees								(48,633)
Trustee's fees								(1,652)
Other trust expenses								(2,823)
Foreign exchange loss								(3,746)
Net change in fair value of financial derivative								19,159
Profit before tax and fair value change in investment properties and share of profit of a joint venture								432,088
Net change in fair value of investment properties	21,735	2,820	(523)	(12,746)	11,685	20,540	–	43,511
Share of profit of a joint venture	–	–	–	–	–	–	9,425	9,425
Profit for the financial year before tax								485,024
Income tax credit								1,725
Profit for the financial year after tax before distribution								486,749

1 Include mTower, Mapletree Anson and BOAHF.
2 The contributions from these properties are from 21 July 2022 to 31 March 2023.
3 Include Sandhill Plaza and Gateway Plaza.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

31. SEGMENT REPORTING (continued)

The segment information for the reportable segments for the financial year ended 31 March 2023 is as follows:

Geographical Market	**Singapore**			**Hong Kong**	**China**	**Japan**	**Korea**	
Property	**VivoCity**	**MBC**	**Other Singapore Properties**	**Festival Walk**	**China Properties**	**Japan Properties**	**TPG**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Segment assets								
– Investment properties	3,232,000	3,802,000	1,845,000	4,299,043	1,694,325	1,449,075	–	16,321,443
– Plant and equipment	34	21	19	2,115	6	–	–	2,195
– Investment in a joint venture	–	–	–	–	–	–	119,943	119,943
– Trade and other receivables	2,385	509	173	947	196	6,392	2,735	13,337
– Inventories	–	–	–	392	18	–	–	410
	3,234,419	3,820,530	1,845,192	4,302,497	1,694,545	1,455,467	122,678	16,457,328
Unallocated assets[1]								371,492
Total assets								16,828,820
Segment liabilities	58,386	22,219	20,082	85,739	33,522	63,863	1,670	285,481
Unallocated liabilities[2]								7,060,959
Total liabilities								7,346,440
Other segmental information								
Additions to:								
– Investment properties[3]	28,325	2,083	6,730	3,788	(139)	11,954	–	52,741
– Plant and equipment	20	–	16	423	–	–	–	459

1 Unallocated assets include cash and bank balances, other receivables, tax recoverable, other assets and derivative financial instruments.
2 Unallocated liabilities include trade and other payables, borrowings, deferred tax liabilities and derivative financial instruments.
3 Additions to investment properties include capitalised expenditure and amortisation of capitalised expenditure during the financial year.

32. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Subsequent to the balance sheet date, the Manager announced a distribution of 2.29 cents per unit for the period 1 January 2024 to 31 March 2024.

NOTES TO **THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2024

33. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATION

Below are the mandatory amendments to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2024 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the balance sheet date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The amendments clarify that covenants of loan arrangements which an entity must comply with only after the balance sheet date would not affect classification of a liability as current or non-current at the balance sheet date. However, those covenants that an entity is required to comply with on or before the balance sheet date would affect the classification as current or non-current, even if the covenant is only assessed after the entity's balance sheet date.

The amendments also introduce additional disclosure requirements to enable users to understand the risk that the liability could be repayable within twelve months of the reporting period, when an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the balance sheet date.

The Group does not expect any significant impact arising from applying these amendments.

34. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager and the Trustee on 16 May 2024.

INTERESTED PERSON **TRANSACTIONS**

For the financial year ended 31 March 2024

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than S$100,000 each) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Temasek Holdings (Private) Limited and its related companies	Subsidiaries and Associates of MPACT's controlling unitholder		
– Manager's management fees		45,590	–
– Lease related income		34,329	–
– Property and lease management fees		31,970	–
– Staff costs		25,543	–
– Interest expenses		780	–
– Operating related expenses		428	–
– Project management fees		327	–
DBS Group Holdings Ltd and its related companies	Trustee of MPACT		
– Interest expenses		3,122	–
– Lease related income		2,230	–
– Trustee's fees		1,819	–
Singapore Power Limited and its related companies	Associates of MPACT's controlling unitholder		
– Lease related income		108	–

For the purpose of the disclosure, the full contract sum was used where an interested person transaction had a fixed term and contract value, while the annual amount incurred and/ or accrued was used where an interested person transaction had an indefinite term or where the contract sum was not specified.

Save as disclosed above, there were no interested person transactions (excluding transactions of less than S$100,000 each) nor material contracts entered into by MPACT and its subsidiaries that involved the interests of the CEO or Director of the Manager, or any controlling unitholder of MPACT, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

INTERESTED PERSON **TRANSACTIONS**

For the financial year ended 31 March 2024

As set out in MPACT's Prospectus dated 18 April 2011, fees and charges payable by MPACT to the Property Manager under the Property Management Agreement are not subject to Rule 905 and 906 of the SGX-ST's Listing Manual. The Property Management Agreement was renewed with effect from 27 April 2021 and accordingly, the renewed Property Management Agreement constitutes an interested person transaction under Chapter 9 of the SGX-ST's Listing Manual.

As set out in MNACT's Prospectus dated 27 February 2013, fees and charges payable by Festival Walk (2011) Limited, HK Gateway Plaza Company Limited and Shanghai Zhan Xiang Real Estate Company Limited to the Property Manager under the Property Management Agreement are not subject to Rule 905 and 906 of the Listing Manual. The Property Management Agreement was renewed with effect from 7 March 2023 and accordingly, the renewed Property Management Agreement constitutes an interested person transaction under Chapter 9 of the SGX-ST's Listing Manual.

MPACT Group has not obtained a general mandate from Unitholders pursuant to Rule 920 for any interested person transaction for the financial year under review.

Please also see Significant Related Party Transactions in Note 29 to the financial statements.

MANAGER'S MANAGEMENT FEES PAID AND PAYABLE IN UNITS

A summary of Units issued and issuable for payment of the Manager's management fees during or in respect of the financial year are as follows:

For Period	Issue Date	Units Issued	Issue Price* (S$)
Manager's Base Management Fee			
1 April 2023 to 30 June 2023	14 August 2023	2,947,294	1.6568
1 July 2023 to 30 September 2023	8 November 2023	3,466,604	1.4489
1 October 2023 to 31 December 2023	14 February 2024	3,225,051	1.5208
1 January 2024 to 31 March 2024	8 May 2024	4,061,324	1.2628

* Based on the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten business days of the relevant period in which the management fees accrued.

STATISTICS OF **UNITHOLDINGS**

As at 31 May 2024

ISSUED AND FULLY PAID UNITS

5,257,046,281 units (voting rights: one vote per unit)
Market Capitalisation: S$6,413,596,462.82 (based on closing price of S$1.22 per unit on 31 May 2024)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	464	1.47	20,820	0.00
100 – 1,000	4,187	13.25	3,199,858	0.06
1,001 – 10,000	18,028	57.05	86,529,403	1.65
10,001 – 1,000,000	8,875	28.09	354,210,714	6.74
1,000,001 and above	43	0.14	4,813,085,486	91.55
Total	**31,597**	**100.00**	**5,257,046,281**	**100.00**

LOCATION OF UNITHOLDERS

Country	No. of Unitholders	%	No. of Units	%
Singapore	30,923	97.87	5,185,596,661	98.64
Malaysia	459	1.45	8,126,908	0.16
Others	215	0.68	63,322,712	1.20
Total	**31,597**	**100.00**	**5,257,046,281**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1.	Sienna Pte. Ltd.	1,055,831,233	20.08
2.	Citibank Nominees Singapore Pte Ltd	559,944,034	10.65
3.	Kent Assets Pte. Ltd.	464,449,105	8.83
4.	HarbourFront Place Pte. Ltd.	442,846,329	8.42
5.	DBS Nominees (Private) Limited	364,881,496	6.94
6.	HarbourFront Eight Pte Ltd	352,238,977	6.70
7.	HSBC (Singapore) Nominees Pte Ltd	277,504,805	5.28
8.	Raffles Nominees (Pte.) Limited	246,618,759	4.69
9.	DBSN Services Pte. Ltd.	182,570,393	3.47
10.	Suffolk Assets Pte. Ltd.	164,129,263	3.12
11.	The HarbourFront Pte Ltd	137,699,999	2.62
12.	MPACT Management Ltd.	133,381,780	2.54
13.	Mapletree North Asia Commercial Trust Management Ltd.	121,127,133	2.30
14.	Mapletree North Asia Property Management Limited	59,625,815	1.13
15.	BPSS Nominees Singapore (Pte.) Ltd.	40,218,735	0.77
16.	United Overseas Bank Nominees (Private) Limited	27,028,120	0.51
17.	iFAST Financial Pte. Ltd.	16,931,787	0.32
18.	Phillip Securities Pte Ltd	16,597,793	0.32
19.	ABN AMRO Clearing Bank N.V.	13,775,661	0.26
20.	OCBC Nominees Singapore Private Limited	12,369,343	0.24
	Total	**4,689,770,560**	**89.19**

STATISTICS OF **UNITHOLDINGS**

As at 31 May 2024

SUBSTANTIAL UNITHOLDINGS AS AT 31 MAY 2024

No.	Name of Company	No. of Units: Direct Interest	No. of Units: Deemed Interest	% of Total Issued Capital
1.	Temasek Holdings (Private) Limited[1]	–	2,974,318,415	56.57
2.	Fullerton Management Pte Ltd[1]	–	2,931,329,634	55.76
3.	Mapletree Investments Pte Ltd[2]	–	2,931,329,634	55.76
4.	Sienna Pte. Ltd.	1,055,831,233	–	20.08
5.	The HarbourFront Pte Ltd[3]	137,699,999	795,085,306	17.74
6.	Kent Assets Pte. Ltd.	464,449,105	–	8.83
7.	HarbourFront Place Pte. Ltd.	442,846,329	–	8.42
8.	HarbourFront Eight Pte Ltd	352,238,977	–	6.70

Notes:

1 Each of Temasek Holdings (Private) Limited ("**Temasek**") and Fullerton Management Pte Ltd ("**Fullerton**") is deemed to be interested in the 1,055,831,233 units held by Sienna Pte. Ltd. ("**Sienna**"), 137,699,999 units held by The HarbourFront Pte Ltd ("**THFPL**"), 442,846,329 units held by HarbourFront Place Pte. Ltd. ("**HFPlace**"), 352,238,977 units held by HarbourFront Eight Pte Ltd ("**HF8**"), 464,449,105 units held by Kent Assets Pte. Ltd. ("**Kent Assets**"), 164,129,263 units held by Suffolk Assets Pte. Ltd. ("**Suffolk Assets**"), 121,127,133 units held by Mapletree North Asia Commercial Trust Management Ltd. ("**MNACTM**"), 59,625,815 units held by Mapletree North Asia Property Management Limited ("**MNAPM**") and 133,381,780 units held by MPACT Management Ltd. ("**MPACTM**"). In addition, Temasek is deemed to be interested in the 42,988,781 units in which its other subsidiaries and associated companies have direct or deemed interests. Sienna, THFPL, HFPlace, HF8, Kent Assets, Suffolk Assets, MNACTM, MNAPM and MPACTM are wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("**MIPL**"). MIPL is a wholly-owned subsidiary of Fullerton which is in turn a wholly-owned subsidiary of Temasek. Each of MIPL and such other subsidiaries and associated companies referred to above is an independently-managed Temasek portfolio company. Neither Temasek nor Fullerton are involved in their business or operating decisions, including those regarding their unitholdings.

2 MIPL is deemed to be interested in the 1,055,831,233 units held by Sienna, 137,699,999 units held by THFPL, 442,846,329 units held by HFPlace, 352,238,977 units held by HF8, 464,449,105 units held by Kent Assets, 164,129,263 units held by Suffolk Assets, 121,127,133 units held by MNACTM, 59,625,815 units held by MNAPM and 133,381,780 units held by MPACTM.

3 THFPL as holding company of HFPlace and HF8, is deemed to be interested in the 442,846,329 units held by HFPlace and 352,238,977 units held by HF8.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER AS AT 21 APRIL 2024

No.	Name	No. of Units: Direct Interest	No. of Units: Deemed Interest
1.	Samuel Tsien	–	–
2.	Tan Su Shan	–	–
3.	Premod Thomas	–	–
4.	Chua Kim Chiu	–	–
5.	Lawrence Wong	100,000	–
6.	Wu Long Peng	–	–
7.	Lilian Chiang	–	64,000
8.	Kan Shik Lum	–	–
9.	Pascal Lambert	–	–
10.	Mak Keat Meng	–	–
11.	Alvin Tay	–	–
12.	Chua Tiow Chye	–	3,585,596
13.	Wendy Koh	–	1,128,699
14.	Sharon Lim	–	20,200

FREE FLOAT

Based on the information made available to the Manager as at 31 May 2024, approximately 43.32% of the units in MPACT were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

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Mr Samuel Tsien
Non-Executive Chairman and Director

Ms Tan Su Shan
Lead Independent Non-Executive Director

Mr Premod Thomas[1]
Independent Non-Executive Director

Ms Lilian Chiang
Independent Non-Executive Director

Mr Kan Shik Lum
Independent Non-Executive Director

Mr Chua Kim Chiu
Independent Non-Executive Director

Mr Lawrence Wong
Independent Non-Executive Director

Mr Wu Long Peng[2]
Independent Non-Executive Director

Mr Pascal Lambert
Independent Non-Executive Director

Mr Mak Keat Meng[3]
Independent Non-Executive Director

Mr Alvin Tay
Independent Non-Executive Director

Mr Chua Tiow Chye
Non-Executive Director

Ms Wendy Koh
Non-Executive Director

Ms Sharon Lim
Executive Director and Chief Executive Officer

Nominating and Remuneration Committee
Ms Tan Su Shan
Chairperson

Ms Lilian Chiang

Mr Kan Shik Lum

Mr Chua Tiow Chye

Audit and Risk Committee
Mr Premod Thomas[1]
Chairman

Mr Chua Kim Chiu

Mr Lawrence Wong

Mr Wu Long Peng[2]

Management
Ms Sharon Lim
Chief Executive Officer

Ms Janica Tan
Chief Financial Officer

Mr Chow Mun Leong
Co-Head, Investments & Asset Management

Mr Koh Wee Leong
Co-Head, Investments & Asset Management

Corporate Services
Mr Wan Kwong Weng
Joint Company Secretary

Ms See Hui Hui
Joint Company Secretary

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Ms Rebekah Khan
Partner-in-charge
(since financial year ended 31 March 2020)

[1] Mr Thomas retired as an Independent Non-Executive Director and Chairman of the Audit and Risk Committee with effect on 14 June 2024 after fully serving a nine-year term as an Independent Director of the Company.
[2] Mr Wu was appointed as Chairman of the Audit and Risk Committee effective on 15 June 2024.
[3] Mr Mak was appointed as a Member of the Audit and Risk Committee effective on 15 June 2024.

mapletree
pan asia commercial

MPACT Management Ltd.
(as Manager of Mapletree Pan Asia Commercial Trust)
Co. Reg. No.: 200708826C

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