

For Immediate Release

VivoCity welcomes exciting flagship stores Rebound in shopper traffic and tenant sales boosted by festivities

- YTD FY20/21 gross revenue and net property income (“NPI”) down 1.9% and 1.2% respectively mainly due to COVID-19 rental rebates for eligible tenants but offset by contribution from Mapletree Business City (“MBC”) II
- Progressive recovery of shopper traffic and tenant sales at VivoCity since Phase Two of Singapore’s re-opening, further boosted by festivities in 3Q FY20/21
- Revitalised F&B cluster on Level 1 well-received by shoppers
- Existing tenant, adidas, expanded its footprint to introduce adidas Originals’ largest flagship store in Southeast Asia
- Mapletree Business City (“MBC”) continues to be an anchor of stability

Singapore, 27 January 2021 – Mapletree Commercial Trust Management Ltd. (“MCTM”), as manager of Mapletree Commercial Trust (“MCT” and as manager of MCT, the “Manager”), reported that the NPI for YTD FY20/21 was S\$275.9 million, down 1.2% year-on-year. This was mostly due to rental rebates granted to eligible retail tenants affected by COVID-19 but offset by contribution from MBC II which was acquired on 1 November 2019.

Summary of MCT’s Results

	YTD FY20/21	YTD FY19/20	Variance %
Gross revenue (S\$’000)	348,698	355,505	(1.9)
Property operating expenses (S\$’000)	(72,798)	(76,136)	4.4
Net property income (S\$’000)	275,900	279,369	(1.2)

Mapletree Commercial Trust Management Ltd.

10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438
tel 65 6377 6111 fax 65 6274 3185 www.mapletrerecommercialtrust.com
Co. Reg. No. 200708826C

Ms Sharon Lim, Chief Executive Officer of the Manager, said, “Notwithstanding the COVID-19 disruptions to-date, we persisted in our efforts to enhance VivoCity. We are pleased that the revitalised promenade-facing F&B cluster on Level 1, that houses names like Shake Shack and Hoshino Coffee, has been completed and warmly received by shoppers.”

“We are very excited to have existing tenant, adidas, expand its footprint in VivoCity. During the quarter, it launched its adidas Originals’ flagship store on Basement 1. Spanning 6,000 square feet, this is the largest in Southeast Asia and carries the most extensive selection including exclusive and limited edition pieces. It is also the first in Singapore to have a sneakers collectors lounge where fans can showcase their collections. Work is also in progress to introduce adidas’ second flagship store on Level 1, slated to open in 1Q FY21/22. These additions will further define VivoCity’s position as a key destination mall.”

Ms Lim continued, “Although Singapore has moved into Phase Three easing of circuit breaker, we will remain vigilant as various health protocols continue to hinder full recovery. MCT’s well-diversified portfolio and stable cashflows from quality tenants give us confidence about our future prospects and performance.”

OPERATIONAL PERFORMANCE

Portfolio NPI for YTD FY20/21 dropped 1.2% year-on-year, with a 79.1% NPI margin. This was largely due to rental rebates granted to eligible retail tenants impacted by COVID-19, but mitigated by contribution from MBC II which was acquired on 1 November 2019.

As at 31 December 2020, the committed occupancy of the portfolio was 98.1%.

Performance at VivoCity

Both shopper traffic and tenant sales have recovered progressively since Phase Two of re-opening from 19 June 2020 with the rebound in tenant sales continuing to outpace shopper traffic.

Largely boosted by festivities, VivoCity recorded S\$232.2 million of tenant sales in 3Q FY20/21, or approximately 85.9% of 3Q FY19/20. This is an improvement from both 2Q FY20/21 and 1Q FY20/21, which recorded sales amounting to 78.0% and 36.6% respectively over the comparable periods last year.

Mainly due to rental rebates granted to eligible tenants impacted by COVID-19, YTD FY20/21 gross revenue and NPI contracted 29.1% and 30.1% respectively from a year ago.

As at 31 December 2020, VivoCity was 99.5% committed.

Resilience from the Office/Business Park Assets

YTD FY20/21 gross revenue and NPI from the office/business park assets were 21.8% and 22.6% higher respectively as compared to YTD FY19/20. This was mainly due to MBC II's full period contribution in YTD FY20/21, as well as higher contribution from Mapletree Anson due to higher occupancy and the effects of step-up rents in existing leases.

As at 31 December 2020, mTower¹, MBC I and MBC II were 88.4%, 98.2% and 100% committed respectively. Mapletree Anson and Bank of America Merrill Lynch HarbourFront ("MLHF") reported full occupancy.

CAPITAL MANAGEMENT

In navigating the uncertain environment, MCT's capital management approach continues to be disciplined. As at 31 December 2020, the Manager has put in place sufficient facilities to refinance all borrowings due in FY21/22, with more than S\$500.0 million of cash and undrawn committed facilities to meet working capital and financial obligations. MCT maintained a well-distributed debt maturity profile with no more than 24% of debt due in any financial year.

As at 31 December 2020, the average term to maturity was 4.4 years and the aggregate leverage was 34.0%. Approximately 71.4% of the total debt of S\$3,002.9 million was fixed by way of fixed rate debt or interest rate swaps. As at 31 December 2020, the weighted average all-in cost of debt was 2.51% per annum and the interest coverage ratio was approximately 4.2 times on a 12-month trailing basis.

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¹ Former PSA Building

About Mapletree Commercial Trust

Mapletree Commercial Trust is a Singapore-focused real estate investment trust (“REIT”) that invests on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, in Singapore, as well as real estate related assets. MCT’s portfolio comprises VivoCity, Mapletree Business City, mTower, Mapletree Anson and MLHF. These five assets have a total NLA of 5.0 million square feet with a total value of S\$8.7 billion. For more information, please visit www.mapletreecommercialtrust.com.

About the Manager – Mapletree Commercial Trust Management Ltd.

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

About the Sponsor – Mapletree Investments Pte Ltd

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

As at 31 March 2020, Mapletree has assets under management of S\$60.5 billion, comprising office, retail, logistics, industrial, data centre, residential and lodging properties. The Group manages four Singapore-listed real estate investment trusts (“REITs”) and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom (“UK”) and the United States (“US”).

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

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

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The past performance of MCT and Mapletree Commercial Trust Management Ltd., in its capacity as manager of MCT (the “Manager”), is not indicative of the future performance of MCT and the Manager. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

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For further information, please contact:

Mapletree Commercial Trust Management Ltd.

Teng Li Yeng
Investor Relations
Tel: +65 6377 6836
Email: teng.liyeng@mapletree.com.sg
Website: www.mapletreecommercialtrust.com