

ANNOUNCEMENT

UPDATE ON FESTIVAL WALK AND IMPACT ON MNACT

04 December 2019 – Mapletree North Asia Commercial Trust Management Ltd. (“**MNACTM**” or the “**Manager**”), the Manager of Mapletree North Asia Commercial Trust (“**MNACT**”), wishes to update on Festival Walk and the impact on MNACT.

Update on Festival Walk

As announced on 13 November 2019, there was extensive damage incurred arising from the incidents that started from 12 November 2019 (“**Festival Walk Incidents**”). The mall has been closed since 13 November 2019. There are major recovery and repair works to be carried out on multiple levels and locations within the mall. These include repairs and/or replacements to the glass entrances, glass curtain walls, portion of the skylight, escalators, lifts, and glass balustrades along the common areas. All efforts are being made to re-open the mall as soon as possible and we are working closely with our consultants and contractors to re-open, either partially or fully, in the first quarter of calendar year 2020¹. The re-opening is also subject to approvals to be obtained from the relevant authorities (where required). With the mall closure, rental from the retail tenants at Festival Walk (the “**Festival Walk Retail Revenue**”) will not be collected over the duration that the mall remains closed.

For the office tower, it was closed from 13 to 25 November 2019 due to damage sustained at the office lobby. Rental was not collected from the office tenants during the aforementioned period. Since 26 November 2019, the office tower has re-opened and rental collection from the office tenants has also resumed.

The insurance coverage for Festival Walk includes property damage and loss of revenue due to business interruptions. While the loss of retail and office revenue as well as property damage are

¹ Some of the repair and replacement works are expected to continue within the mall after it re-opens, and will be carried out in accordance with approvals by the relevant authorities.

covered under the insurance policies, the assessment of the quantum of revenue loss and property damage recoverable by insurance claims is currently underway and the timing of receiving the claims has yet to be determined.

The Manager will provide further updates in due course.

Impact on MNACT's Distribution Policy

Distributions are made to unitholders of MNACT ("**Unitholders**") on a quarterly basis and the source of the distributable income is from the revenues of the properties in MNACT's portfolio.

Subject to the quantum of revenue loss recoverable and until such time the same is received by MNACT and payable to Unitholders, MNACT's distribution per Unit ("**DPU**") for the six-month period from 1 October 2019 to 31 March 2020 ("**2H FY19/20**") is expected to be significantly lower compared to the same period last year ("**2H FY18/19**") and the six-month period from 1 April 2019 to 30 September 2019 ("**1H FY19/20**").

To mitigate the above impact on the distributable income payable to Unitholders, the Manager will implement a top-up to the distributable income ("**Distribution Top-Up**") for the quarter from 1 October to 31 December 2019 ("**3Q FY19/20**")¹, the quarter from 1 January to 31 March 2020 ("**4Q FY19/20**") and the quarter from 1 April to 30 June 2020 ("**1Q FY20/21**")² respectively. The Distribution Top-Up is to enable a certain level of distributable income to be made until such time the loss of revenue is recovered through the insurance claims. The Distribution Top-Up amount, based on approximately 40% of the Festival Walk Retail Revenue, will be included in the capital component of the distributable income payable for each of the aforementioned distribution periods and funded by external borrowings.

Once the insurance claims proceeds are received, the same will be used to repay the external borrowings incurred to fund the Distribution Top-Up and the balance will be distributed as part of the distributable income payable to Unitholders, in the payment period following the receipt of the insurance claims proceeds.

Proposed Acquisitions to Reduce the Income and Asset Concentration of Festival Walk and Accelerate Income Diversification of MNACT

To reduce the income and asset concentration of Festival Walk and accelerate the income diversification of MNACT, the Manager has announced the proposed acquisition of two office properties in Greater Tokyo (the "**Proposed Acquisitions**") on 4 December 2019. The Proposed Acquisitions are in line with

¹ As retail rental ceased from November 2019, the Distribution Top-Up will only be made for the period starting from 1 November 2019 to 31 December 2019.

² As the mall is expected to re-open in the first quarter of calendar year 2020, retail rental and operations are expected to ramp-up gradually during this quarter.

the Manager's proactive strategy to continuously reduce MNACT's income or geographical concentration in any one market or asset.

For details on the Proposed Acquisitions, please refer to MNACT's media release and announcement in the SGX-NET on "The Proposed Acquisitions of Two Office Properties in Greater Tokyo" dated 4 December 2019.

Distribution Reinvestment Plan ("DRP")

As part of the Manager's proactive capital management efforts to maintain an optimal overall aggregate leverage for MNACT, the Manager will be applying for the DRP for MNACT's distribution for the quarter starting from 1 October 2019 to 31 December 2019 ("**3Q FY19/20**"). The DRP provides Unitholders with the option to receive their distributions declared, either in the form of units or cash or a combination of both. The issue of units in lieu of cash distributions under the DRP will strengthen MNACT's balance sheet and lower the gearing level progressively.

In the meantime, Unitholders and potential investors are advised to exercise caution when dealing in the units of MNACT. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

Should Unitholders have any queries in relation to the announcement, please do not hesitate to contact:

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By Order of the Board

Wan Kwong Weng
Joint Company Secretary
Mapletree North Asia Commercial Trust Management Ltd.
(Company Registration No. 201229323R)
As Manager of Mapletree North Asia Commercial Trust

IMPORTANT NOTICE

The value of units in MNACT ("**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 of MNACT ("**Unitholders**") may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of MNACT is not necessarily indicative of the future performance of MNACT.

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

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. There will be no public offering of the securities referred to herein in the United States.