

For Immediate Release:

A) MNACT's YTD FY21/22 NPI higher by 14.9% compared to YTD FY20/21

- Higher retail sales and footfall, with lower rental reliefs granted to retail tenants at Festival Walk
- Contribution from the newly acquired Hewlett-Packard Japan Headquarters Building in Tokyo
- Portfolio occupancy continues to be high at 97.5% as at 31 December 2021

B) Proposed merger with Mapletree Commercial Trust to form one of Asia's ten largest REITs

27 January 2022 – Mapletree North Asia Commercial Trust Management Ltd. (“MNACTM” or the “Manager”), the Manager of Mapletree North Asia Commercial Trust (“MNACT”), reported that the net property income (“NPI”) for the nine-month period from 1 April 2021 to 31 December 2021 (“YTD FY21/22”) was S\$247.4 million, an increase of 14.9% compared to the same period last year (“YTD FY20/21”).

Financial Highlights	YTD FY21/22	YTD FY20/21	Variance %	3Q FY21/22	3Q FY20/21	Variance %
Gross Revenue ¹ (S\$'000)	328,021	290,822	12.8	112,580	100,723	11.8
NPI ¹ (S\$'000)	247,449	215,411	14.9	85,570	75,671	13.1

The growth in NPI for YTD FY21/22 was mainly due to the lower rental reliefs of S\$4.7 million granted to retail tenants at Festival Walk during YTD FY21/22 compared to the corresponding period last year (YTD FY20/21: S\$43.9 million) and the contribution from the Hewlett-Packard Japan Headquarters Building (“HPB”) acquired on 18 June 2021.

For the quarter from 1 October 2021 to 31 December 2021 (“3Q FY21/22”), NPI improved by 13.1% compared to the same quarter last year (“3Q FY20/21”). In addition to the full-quarter contribution from HPB, there was an absence of rental relief in 3Q FY21/22 (3Q FY20/21: S\$8.7 million).

¹ 1H FY21/22 Gross Revenue and NPI do not include the contribution from The Pinnacle Gangnam, acquired on 30 October 2020. MNACT will share profit after tax of The Pinnacle Gangnam based on its 50% interest.

Ms. Cindy Chow, Chief Executive Officer of the Manager, said, “MNACT’s YTD FY21/22 revenue and NPI continued to grow year-on-year, with higher retail sales and footfall resulting in a lower quantum of rental reliefs granted to retail tenants at Festival Walk, contribution from HPB and a high portfolio occupancy rate of 97.5% as at 31 December 2021. On the capital management front, the impact of rising interest rates to MNACT is expected to be mitigated as the interest cost on 82% of MNACT’s debt has been fixed as at 31 December 2021. With our active refinancing activities and lower benchmark interest rates, finance costs in YTD FY21/22 decreased by S\$5.6 million compared to YTD FY20/21, notwithstanding the incremental borrowings to fund the acquisition of HPB. MNACT’s exposure to foreign exchange volatility has also been mitigated, with approximately 89% of the expected distributable income for FY21/22 hedged into SGD.”

“Looking ahead, the emergence of the Omicron variant and potentially other new variants may temper the recovery momentum of the various markets in which we operate. Nevertheless, we remain focused on safeguarding the long-term value for unitholders through proactive asset management, effective cost control and prudent capital management.”

“For Festival Walk, initiatives are constantly adopted to reposition the mall for sustainable growth. We are gradually shifting our focus from apparel to lifestyle and family-related trades, introducing new services and lifestyle brands such as Jumpin Gym, Twinkle Dance Company, Simmons, O.N.S. kapok and Maskology Living during the quarter. A series of exciting promotional events was also held to herald the Christmas festive season and boost shopper spending. These initiatives, along with the government’s consumption voucher scheme and the completion of repair works at the mall, have led to an improvement in retail sales and footfall for YTD FY21/22. Full occupancy level was also achieved as at the end of December 2021.”

“On 31 December 2021, we had announced the proposed merger between Mapletree Commercial Trust (“**MCT**”) and MNACT to become Mapletree Pan Asia Commercial Trust (“**MPACT**”), an enlarged Asian-focused flagship commercial REIT. The proposed merger will harness and combine the strengths of both REITs to create a more resilient and diversified platform. Over the years, we have been focused on growing and enhancing the resilience of MNACT’s portfolio through accretive acquisitions that provide both geographical and income diversification. MPACT will have an even higher financial capability and flexibility to pursue value-creating acquisitions and fast-track its growth trajectory. The enlarged platform, with both stability and scale, will have more optionality to undertake asset recycling, asset enhancements and development opportunities.”

Operational Update

Portfolio Update by Asset	Festival Walk	Gateway Plaza	Sandhill Plaza	Japan Properties	The Pinnacle Gangnam
Average rental reversion ^a for leases that expired (and were renewed or re-let) by 31 December 2021	Retail: -32% ^b Office: n.a.	-25% ^c	5%	1%	28% ^d
Committed occupancy level as at 31 December 2021	Portfolio level: 97.5%				
	100.0%	94.5%	98.6%	97.8% ^e	97.7%
Percentage of leases (by lettable area) with expiries in FY21/22 that were renewed or re-let as at 31 December 2021	Portfolio level: 91%				
	85%	82%	93%	93%	100%

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

^b There were 49 retail leases (renewed or relet for YTD FY21/22) with an average rental reversion of negative 32%.

^c There were 18 leases (renewed or relet for YTD FY21/22) with an average rental reversion of negative 25%.

^d There were 3 leases (renewed or relet for YTD FY21/22) that contributed to the rental reversion of 28%.

^e All Japan Properties except mBAY POINT Makuhari ("MBP") registered full occupancy as at 31 December 2021. The occupancy rate of MBP was 92.6%.

For Festival Walk, footfall and tenants' sales recorded an increase of 27.7% and 20.9%, respectively, from 1 April 2021 to 31 December 2021 over the same period last year, as consumption sentiment remained positive amid an economic recovery in Hong Kong SAR and from the government's consumption voucher scheme to boost spending. Gross revenue and NPI for YTD FY21/22 improved by 18.8% and 21.6%, respectively, as compared with YTD FY20/21, due mainly to lower rental reliefs granted, partially offset by a lower average retail rental rate.

For Gateway Plaza, gross revenue and NPI for YTD FY21/22 increased by 4.3% and 3.8%, respectively, as compared to YTD FY20/21 due mainly to a stronger RMB against SGD, partially offset by a lower average rental rate. Sandhill Plaza, the Japan Properties and The Pinnacle Gangnam recorded higher revenue and NPI for YTD FY21/22, contributing a steady income stream to MNACT.

Outlook

The phased roll out of the government's consumption voucher scheme, together with celebrations for Christmas and the New Year, have brought optimism and an upsurge in business for the Hong Kong retail sector during the last quarter of 2021. However, the new Omicron variant reported in Hong Kong SAR at the beginning of January 2022 triggered an almost immediate implementation of short-term tightening measures by the government to bring infection rates under control. While we recognise that the COVID-19 situation remains fluid and is expected to affect the performance of retail businesses in the interim, we will remain nimble in executing our strategies.

While the average renewal or re-let rental rate for Festival Walk mall is expected to be lower in FY21/22 compared to FY20/21, the Manager's initiatives to strengthen the mall's appeal as a lifestyle hub, together with the continued focus in keeping the mall's occupancy high, will bolster the resilience of the mall. With these ongoing efforts, Festival Walk will be well-positioned for growth when the impact of COVID-19 recedes and when the Hong Kong SAR retail market recovers.

In November 2021¹, the Manager entered into a settlement agreement with the insurers on the claims for property damage and revenue loss due to business interruption. The amount of S\$3.5 million, in excess of the distribution top-ups of S\$32.9 million paid to unitholders in 3Q FY19/20 and 4Q FY19/20, will be distributed to unitholders as part of the semi-annual distribution for the period from 1 October 2021 to 31 March 2022.

Growth industries and sectors less affected by COVID-19 such as technology and medical focused industries are expected to spur leasing demand for offices in the markets that MNACT's properties are located in. Rents for Beijing office districts, such as Lufthansa where Gateway Plaza is located and which are nearer to the central business district areas where high levels of new supply exist, are expected to remain stable in the near-term and will likely rise in late 2022 or early 2023². For Sandhill Plaza, occupancy is expected to remain stable. The office properties in Greater Tokyo and Seoul are expected to remain resilient with high occupancy levels.

The Manager remains focused on maintaining a high portfolio occupancy rate and will continue to adopt flexible leasing strategies to retain existing tenants and to attract new tenants. We will also undertake active capital management to strengthen the balance sheet, and mitigate interest rate and forex risks.

Capital Management Update

Key metrics as at 31 December 2021, compared with the preceding quarter, are shown in the table below. The aggregate leverage ratio edged up to 42.1% as at 31 December 2021, mainly due to the lower portfolio value³. The adjusted interest cover ratio⁴ improved to 4.2 times on the back of higher

¹ Please refer to MNACT's SGX announcement dated 24 November 2021 titled "Update on Festival Walk Insurance Claim".

² Colliers International (Hong Kong) Limited, 30 December 2021.

³ Independent valuations of the properties in MNACT have been conducted as at 31 October 2021 for the proposed merger of MCT and MNACT by way of a trust scheme of arrangement and for purposes of corporate and financial reporting. Please refer to the SGX Announcement dated 31 December 2021 titled "Valuation of Properties in Mapletree North Asia Commercial Trust".

⁴ In accordance with the guidance from the Monetary Authority of Singapore, the adjusted interest coverage ratio is calculated 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, foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees, and distributions for perpetual securities. Excluding the distributions for perpetual securities, the interest cover ratio on a trailing 12-month basis (as at 31 December 2021) was 4.4 times.

NPI and lower net finance costs.

	As at 31 December 2021	As at 30 September 2021
Aggregate Leverage Ratio (%)	42.1	41.4
Average Term to Maturity for Debt (years)	2.76	2.99
Annalised Effective Interest Rate for the Period (% per annum)	1.84	1.84
Adjusted Interest Cover Ratio on a Trailing 12-month Basis (times)	4.2	4.1
Percentage of Debt with Fixed Interest Cost	82	79
Total Credit Facilities (Including Committed and Uncommitted) (S\$ million)	723.2	621.6

Proposed Merger¹ with MCT to Form Mapletree Pan Asia Commercial REIT, Asia's Top Ten Largest REIT

The proposed merger with MCT (the “**Merger**”) will be effected by a trust scheme of arrangement (the “**Trust Scheme**”), with MCT acquiring all MNACT Units in exchange for new units in MCT (“**MCT Units**”) or a combination of cash and MCT Units.

Post-merger, MPACT will become one of Asia's ten largest REITs, with a market capitalisation of approximately S\$10.5 billion². It will hold a diversified and high quality portfolio of 18 commercial assets across Singapore, China, Hong Kong SAR, Japan and South Korea, with assets under management (“**AUM**”) of approximately S\$17.1 billion³.

Subject to, among other things, approvals by MCT and MNACT unitholders and the Singapore Court, the Merger is currently expected to be completed around June 2022. More details on the Merger will be available in the scheme document to unitholders which will be despatched in due course.

¹ Please refer to MNACT's SGX announcement dated 31 December 2021 titled “Proposed Merger Of Mapletree Commercial Trust and Mapletree North Asia Commercial Trust By Way Of A Trust Scheme Of Arrangement (“**Joint Announcement**”)”.

² Illustrative market capitalisation of the Merged Entity is calculated based on the scheme issue price of S\$2.0039 and the pro forma total number of units outstanding for the Merged Entity of 5,217.8 million, assuming all MNACT unitholders except for Mapletree Investments Pte Ltd (“**MIPL**” or the “**Sponsor**”) elect to receive the Cash-and-Scrip Consideration (as defined in the Joint Announcement). Assuming all MNACT unitholders elect to receive the Scrip-Only Consideration (as defined in the Joint Announcement), the market capitalisation for Merged Entity would be S\$10.9 billion.

³ AUM based on the latest available independent valuations. MCT's AUM is based on MCT's valuation as at 30 September 2021 and MNACT's AUM is based on MNACT's valuation as at 31 October 2021.

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About Mapletree North Asia Commercial Trust

Listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 7 March 2013, Mapletree North Asia Commercial Trust ("**MNACT**") is the first real estate investment trust ("**REIT**") that offers investors the opportunity to invest in high-quality commercial properties situated in China, Hong Kong SAR, Japan and South Korea.

MNACT consists of 13 properties in China, Hong Kong SAR, Japan and South Korea:

- Beijing, China: Gateway Plaza, a Grade-A office building with a podium area;
- Hong Kong SAR: Festival Walk, a landmark territorial retail mall with an office component;
- Shanghai, China: Sandhill Plaza, a Grade-A business park development situated in Zhangjiang Science City, Pudong;
- Japan: five office buildings in Tokyo (IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building, TS Ikebukuro Building, Omori Prime Building and Hewlett-Packard Japan Headquarters); an office building in Yokohama (ABAS Shin-Yokohama Building) and three office buildings in Chiba (SII Makuhari Building, Fujitsu Makuhari Building and mBAY POINT Makuhari) (collectively the "**Japan Properties**"); and
- Seoul, South Korea: The Pinnacle Gangnam, a freehold office building with retail amenities located in Gangnam business district.

As at 31 December 2021, MNACT's total AUM was S\$8.4 billion (including MNACT's 50% interest in The Pinnacle Gangnam).

MNACT is managed by Mapletree North Asia Commercial Trust Management Ltd., a wholly owned subsidiary of Mapletree Investments Pte Ltd. For more information, please visit www.mapletreenorthasiacommercialtrust.com.

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The directors of the MNACT Manager (including those who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release which relate to MNACT and/or the MNACT Manager (excluding those relating to MCT and/or the MCT Manager) are fair and accurate and that there are no other material facts not contained in this press release the omission of which would make any statement in this press release misleading. The directors of the MNACT Manager jointly and severally accept responsibility accordingly.

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Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that

unitholders of MNACT 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.

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