

*For immediate release*

## **MCT Offers Cash-Only Consideration Alternative to MNACT Unitholders with Full Backing from Mapletree of up to S\$2.2 Billion for MCT's Preferential Offering<sup>1</sup>**

- Adds to existing options of Scrip-Only Consideration and Cash-and-Scrip Consideration
- Value of Scheme Consideration remains unchanged at S\$1.1949, equivalent to the Net Asset Value per MNACT Unit<sup>2</sup> for all three options
- Additional cash requirement of up to S\$2.2 billion to be funded by Preferential Offering of MCT Units at issue price of S\$2.0039 per MCT Unit<sup>3</sup> and fully backed by the Sponsor as a demonstration of commitment and support for the Merger
- Post-Merger, the MCT Manager will adopt a tailored "4R" asset and capital management strategy to drive growth for the Merged Entity

**Singapore, 21 March 2022** – Unitholders of Mapletree North Asia Commercial Trust ("**MNACT**") will now be provided with an alternative option to elect to receive the entire Scheme Consideration in cash (the "**Cash-Only Consideration**"), in addition to the existing options of the Scrip-Only Consideration and Cash-and-Scrip Consideration. Jointly announced by Mapletree Commercial Trust Management Ltd., as manager of Mapletree Commercial Trust ("**MCT**" and as manager of MCT, the "**MCT Manager**"), and Mapletree North Asia Commercial Trust Management Ltd., as manager of MNACT (the "**MNACT Manager**"), the inclusion of the Cash-Only Consideration as an alternative Scheme Consideration option in the Trust Scheme relating to the proposed merger of MCT and MNACT (the "**Merger**"), provides MNACT Unitholders greater flexibility to elect the form of Scheme Consideration that is most suited to their investment needs.

<sup>1</sup> Capitalised terms not defined herein shall have the meaning given to them in the joint announcement issued by the MCT Manager and the MNACT Manager on the revision of the Trust Scheme on 21 March 2022, a copy of which is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com). This press release should be read in conjunction with the said joint announcement.

<sup>2</sup> Based on MNACT's NAV per unit as of 30 September 2021 and applying the following adjustments: (i) excludes MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents paid on 24 December 2021 and (ii) assumes valuation of MNACT's investment properties and joint venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

<sup>3</sup> The issue price of S\$2.0039 per MCT Unit under the Preferential Offering is the same as the Scheme Issue Price of each Consideration Unit of S\$2.0039 (being the 1-day VWAP per MCT Unit as at the last trading day immediately prior to 31 December 2021).

The decision to include the Cash-Only Consideration came after a request from the MNACT Manager in light of the prevailing market conditions and feedback from MNACT Unitholders. The Cash-Only Consideration is advantageous to MNACT Unitholders as it provides greater flexibility in terms of the form of the Scheme Consideration receivable in respect of the Merger. Furthermore, it safeguards the interests of MCT Unitholders as the pro forma financial effects of the Merger remain unchanged from the original terms of the Trust Scheme.

The inclusion of the Cash-Only Consideration will result in an additional cash requirement of up to S\$2.2 billion which will be funded via a Preferential Offering to MCT Unitholders at the issue price of S\$2.0039 per MCT Unit, which will be fully backed by Mapletree Investments Pte Ltd (“**MIPL**”, the “**Sponsor**” or “**Mapletree**”). Thus, there will be no incremental debt financing requirements nor impact on the aggregate leverage of MCT and the Merged Entity. The new capital to be raised from the Preferential Offering is in addition to the approximately S\$417.3 million to be funded through the issuance of perpetual securities and/or debt funding, which were required under the original terms of the Trust Scheme.

For the Preferential Offering, the MCT Manager has sought the support of MIPL, being the Sponsor of both MCT and MNACT. In response, MIPL has provided an undertaking<sup>4</sup> (the “**MIPL Undertaking**”) to subscribe for the Preferential Offering for an amount of up to S\$2.2 billion at the issue price of S\$2.0039 per MCT Unit, which is the same as the Scheme Issue Price of each Consideration Unit. To reinforce its commitment to the Merged Entity and increase alignment with unitholders, MIPL has further agreed to a voluntary six (6)-month lock-up of its unitholdings in the Merged Entity held through the MIPL Entities following the completion of the Trust Scheme or the Preferential Offering (whichever is earlier) (the “**Sponsor Lock-Up Undertaking**”).

The MIPL Undertaking and Sponsor Lock-Up Undertaking are in addition to the Sponsor’s support of the MCT Manager’s waiver of its acquisition fees entitlement under the deed of trust constituting MCT, and its undertaking to receive 100.0% Scrip-Only Consideration.

**Ms. Sharon Lim, Chief Executive Officer of MCT Manager, said,** “The addition of the alternative Cash-Only Consideration to MNACT Unitholders gives them complete flexibility in electing the form of Scheme Consideration. This does not change the Merger’s previous terms and we continue to believe in its strategic and financial rationale. To drive the future growth of the Merged Entity, we

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<sup>4</sup> Further details on the terms of the MIPL Undertaking can be found in the joint announcement on the revision of the Trust Scheme dated 21 March 2022.

have charted a tailored “Recharge, Reconstitute, Refocus and Resilience” or “4R” asset and capital management strategy.”

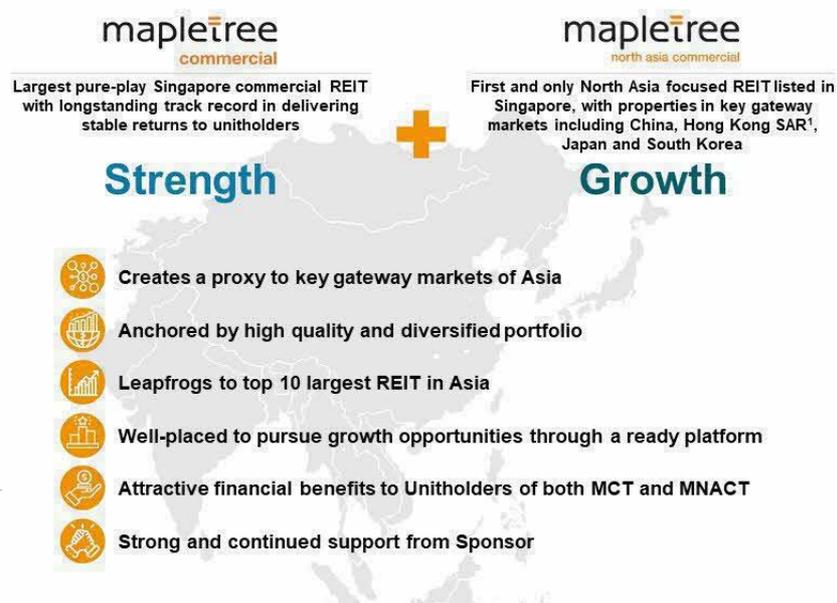
“As a definite show of its commitment to MPACT and its future prospects, MIPL will be fully backing MCT’s S\$2.2 billion Preferential Offering. We are grateful for MIPL’s unwavering support, and we are now more ready than ever to embark on this transformative Merger.”

**Ms. Cindy Chow, Chief Executive Officer of MNACT Manager, said,** “The MCT Manager has agreed to our request to include an alternative option for the MNACT Unitholders to receive the Scheme Consideration of S\$1.1949 per MNACT unit at NAV wholly in cash. We continue to believe in the strategic rationale for the Merger and the benefits to MNACT Unitholders who now have three Scheme Consideration options. MNACT Unitholders can choose to remain invested in a larger and more diversified platform that has a compelling growth strategy ahead through the Scrip-Only Consideration and the Cash-and-Scrip Consideration. The alternative Cash-Only Consideration will provide additional optionality and enhanced flexibility to MNACT Unitholders who wish to fully realise their investment, giving higher certainty amidst prevailing market conditions.”

**Mr. Hiew Yoon Khong, Group Chief Executive Officer of MIPL, said,** “MIPL’s commitment to fully subscribe for the S\$2.2 billion Preferential Offering at the announced issue price of S\$2.0039 per MCT Unit demonstrates our support for the Merger, as well as our strong conviction in the MCT Manager’s ability to drive long-term value, and both organic as well as inorganic growth to the unitholders of MPACT.”

“The Merger represents an exceptional opportunity in terms of unlocking value for unitholders through the creation of a flagship Asian commercial REIT. As the Sponsor of both MCT and MNACT with a meaningful long term ownership stake, we are strongly aligned with unitholders in the success and growth of MPACT.”

## Rationale for the Merger



The managers of MCT and MNACT, together with the Sponsor, reiterate their belief in the strategic rationale of the Merger which is expected to be a transformative merger combining strength and growth potential to create a flagship Asian commercial REIT with stability and scale.

From a financial perspective, the Merger will be beneficial to both MCT Unitholders and MNACT Unitholders. For MCT Unitholders, the transaction translates to a DPU and NAV per unit accretion of 8.9% and 6.5% respectively (pro forma 1H FY21/22 basis), based on the Cash-and-Scrip Consideration or the Cash-Only Consideration<sup>5</sup>. For MNACT Unitholders, the Scheme Consideration is at a premium to MNACT's average historical trading prices over varying periods and in line with its NAV per unit<sup>6</sup>, providing an attractive and immediate cash benefit, and offering superior total returns as compared to benchmark instruments.

<sup>5</sup> Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Merged Entity's pro forma 1H FY21/22 DPU and NAV per unit accretion is 7.5% and 7.1% respectively. The MCT Manager made capital allowance claims and retained capital distribution totalling S\$15.7 million in FY19/20 to conserve liquidity in view of the uncertainty due to the COVID-19 pandemic. Of this, S\$28.0 million was released to MCT Unitholders in FY20/21. Assuming that the balance retained cash of S\$15.7 million is distributed in FY21/22, the amount distributed in the half-year ended 30 September 2021 would have been S\$7.9 million, and MCT's 1H FY21/22 DPU before Merger is 4.65 Singapore cents. Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Merged Entity's pro forma 1H FY21/22 DPU is 4.83 Singapore cents and the pro forma 1H FY21/22 DPU accretion is 3.9%. Assuming all MNACT Unitholders except for MIPL Entities elect to receive the Cash-and-Scrip or Cash-Only Consideration, the Merged Entity's pro forma 1H FY21/22 DPU is 4.90 Singapore cents and the pro forma 1H FY21/22 DPU accretion is 5.4%.

<sup>6</sup> MNACT's NAV per unit as of 30 September 2021 is S\$1.1949 after applying the following adjustments: (i) excluding MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents paid on 24 December 2021; and (ii) assuming the valuation of MNACT's investment properties and joint venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

## **Post-Merger Strategy of the MCT Manager in Respect of the Merged Entity**

Following the Merger, the MCT Manager intends to implement the following post-Merger strategies in order to achieve its key objectives and to realise benefits from the Merger.

### **“4R” Asset and Capital Management Strategy**



#### **1. Recharge**

The MCT Manager will seek to drive NPI and DPU growth by incorporating best practices across the Merged Entity’s portfolio to maximise operational performance, together with, among others, the optimisation of tenant mix and the pursuit of active asset management, accretive asset enhancement and redevelopment opportunities.

#### **2. Reconstitute**

The MCT Manager will seek to optimise the Merged Entity’s portfolio by pursuing selective strategic divestments at an opportune time. The MCT Manager will also look to redeploy capital into higher yielding quality properties or other asset enhancement and redevelopment opportunities to drive returns.

#### **3. Refocus**

The MCT Manager will pursue accretive strategic acquisitions and participate in strategic developments, leveraging the local market expertise of the Merged Entity’s “on-the-ground” teams as well as the Sponsor’s strong Asia network and extensive pipeline.

For future growth, the Merged Entity will focus on adding office and office-like business park assets anchored by tenants in high growth sectors, including tech-enabled and biomedical tenants, to its portfolio. Key markets for growth include South Korea, Singapore and select cities in China.

#### **4. Resilience**

The MCT Manager will adopt a comprehensive capital management strategy to maintain a strong balance sheet, maximise liquidity and minimise risk. The MCT Manager will employ an appropriate capital structure while optimising cost of debt. This strategy is supported by securing access to diversified funding sources across financial institutions and capital markets. Appropriate hedging strategies to manage interest rate and forex exposure will continue to be implemented to address risks posed by market volatility.

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#### **Approvals required**

The following approvals are required from MCT Unitholders:

- (i) the Proposed Merger;
- (ii) the allotment and issuance of the Consideration Units as part or all of the consideration for the Merger; and
- (iii) the waiver of the requirement for MIPL and its Concert Parties to make a mandatory general offer for MCT as a result of the increase in its unitholding in MCT pursuant to the Trust Scheme and the Preferential Offering (the “**Whitewash Resolution**”),

with each of the above resolution requiring the approval of MCT Unitholders holding more than 50% of the total number of votes cast for and against such resolution at the MCT Extraordinary General Meeting (“**MCT EGM**”).

The proposed amendments to MCT’s management fee structure (“**MCT Trust Deed Amendment**”) will also be tabled to MCT Unitholders, and requires the approval of MCT Unitholders holding 75% or more of the total number of votes cast for and against the resolutions at the MCT EGM.

The Sponsor and its concert parties will abstain from voting in respect of all of the resolutions tabled at the MCT EGM.<sup>7</sup> For good corporate governance, the non-independent directors of the MCT Manager will also abstain from voting.

The following approvals are required from MNACT Unitholders:

- (a) the amendments to the MNACT Trust Deed to facilitate the implementation of the Scheme, which requires the approval of MNACT Unitholders holding in aggregate 75% or more of the total number of votes cast for and against the resolutions at the MNACT Extraordinary General Meeting (“**MNACT EGM**”); and
- (b) the approval of the Trust Scheme by a majority in number of MNACT Unitholders present and voting in person or by proxy (headcount condition) representing at least 75% in value of the MNACT Units held by MNACT Unitholders (value condition) at the Trust Scheme Meeting.

The MCT Trustee, MCT Manager and its concert parties, as well as the common substantial MCT Unitholders/MNACT Unitholders (i.e. those holding 5.0% or more interests in both MCT and MNACT, including the Sponsor), and the MNACT Manager will abstain from voting on the Trust Scheme at the Trust Scheme Meeting.

In addition to the approvals required from both MCT Unitholders and MNACT Unitholders, the sanction of the Trust Scheme by an order of the High Court of the Republic of Singapore will be required.

It is contemplated that in the event the Merger is implemented, applications would be made to the relevant regulatory authorities to withdraw the authorisation of MNACT as an authorised collective investment scheme and to delist the MNACT Units from the Official List of the Singapore Exchange Securities Trading Limited. On completion of the Merger, the delisted and de-authorised MNACT would be wholly owned by MCT.

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<sup>7</sup> The Sponsor and its concert parties and parties not independent of them will abstain from voting on the Whitewash Resolution.

## **Financial Advisers**

DBS Bank Ltd. is the sole financial adviser to the MCT Manager in respect of the Merger.

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch is the sole financial adviser to the MNACT Manager in respect of the Merger.

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### **About Mapletree Commercial Trust**

Mapletree Commercial Trust is a Singapore-focused real estate investment trust (“REIT”) that invests on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, in Singapore, as well as real estate related assets. MCT’s portfolio comprises VivoCity, MBC, mTower, Mapletree Anson and MLHF. These five assets have a total NLA of 5.0 million square feet with a total value of S\$8.8 billion.

For more information, please visit [www.mapletreecommercialtrust.com](http://www.mapletreecommercialtrust.com).

### **About MCT 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 MCT Manager’s main responsibility is to manage MCT’s assets and liabilities for the benefit of Unitholders. The MCT 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 MCT 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 Mapletree North Asia Commercial Trust**

Listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 7 March 2013, Mapletree North Asia Commercial Trust is the 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: total of nine properties comprising 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 Building); 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 assets under management is S\$8.4 billion (including MNACT's 50% interest in The Pinnacle Gangnam).

For more information, please visit [www.mapletreenorthasiacommercialtrust.com](http://www.mapletreenorthasiacommercialtrust.com).

### **About MNACT Manager – Mapletree North Asia Commercial Trust Management Ltd.**

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### **About the Sponsor – Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd 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 2021, Mapletree has assets under management of S\$66.3 billion, comprising office, retail, logistics, industrial, data centre, residential, and lodging properties. The Group manages four Singapore-listed REITs and seven 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](http://www.mapletree.com.sg).

## Responsibility Statements

### **Mapletree Commercial Trust Management Ltd. (as manager of Mapletree Commercial Trust) (“MCT Manager”)**

The directors of the MCT 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 MCT and/or the MCT Manager (excluding those relating to the Sponsor, MNACT and/or the MNACT 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 MCT Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including the Sponsor, MNACT and/or the MNACT Manager), the sole responsibility of the directors of the MCT Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release. The directors of the MCT Manager do not accept any responsibility for any information relating to the Sponsor, MNACT and/or the MNACT Manager or any opinion expressed by the Sponsor, MNACT and/or the MNACT Manager.

### **Mapletree North Asia Commercial Trust Management Ltd. (as manager of Mapletree North Asia Commercial Trust) (“MNACT Manager”)**

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 the Sponsor, 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.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including the Sponsor, MCT and/or the MCT Manager), the sole responsibility of the directors of the MNACT Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release. The directors of the MNACT Manager do not accept any responsibility for any information relating to the Sponsor, MCT and/or the MCT Manager or any opinion expressed by the Sponsor, MCT and/or the MCT Manager.

## **IMPORTANT NOTICE**

The value of the MCT Units and the MNACT Units and the income derived from them may fall as well as rise. The MCT Units and the MNACT Units are not obligations of, deposits in, or guaranteed by, the MCT Manager or the MNACT Manager (as the case may be) or any of their respective affiliates.

An investment in the MCT Units or the MNACT Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the MCT Manager or the MNACT Manager to redeem their MCT Units or MNACT Units while the MCT Units or the MNACT Units are listed. It is intended that MCT Unitholders and MNACT Unitholders may only deal in their MCT Units and MNACT Units through trading on the SGX-ST. Listing of the MCT Units and MNACT Units on the SGX-ST does not guarantee a liquid market for the MCT Units and MNACT Units.

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This press release is for information purposes only and does not constitute an offer or solicitation of an offer to sell or invitation to subscribe for or acquire MCT Units or MNACT Units.

The past performance of MCT, the MCT Manager, MNACT and the MNACT Manager is not necessarily indicative of their respective future performances.

This press release may contain forward-looking statements that 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 factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. None of MCT, the MCT Manager, MNACT and the MNACT Manager undertakes any obligation to update publicly or revise any forward-looking statements.

Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the MCT Manager and/or the MNACT Manager current view on future events.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the MCT Manager and the MNACT Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release. The directors of the MCT Manager do not accept any responsibility for any information relating to the Sponsor, MNACT and/or the MNACT Manager

or any opinion expressed by the Sponsor, MNACT and/or the MNACT Manager. The directors of the MNACT Manager do not accept any responsibility for any information relating to the Sponsor, MCT and/or the MCT Manager or any opinion expressed by the Sponsor, MCT and/or the MCT Manager.

