

**Mapletree Investments and  
Mapletree North Asia  
Commercial Trust to  
Acquire S\$528 million  
Freehold Office Property in  
South Korea**

25 September 2020

# Disclaimer

This presentation shall be read in conjunction with Mapletree North Asia Commercial Trust's ("MNACT") Singapore Exchange Securities Trading Limited ("SGX-ST")'s announcement dated 25 September 2020 titled "A) Acquisition of 50.0% Interest in an Office Building Known as "The Pinnacle Gangnam" located In Seoul, Korea and B) Manager to Waive Entitlement to Performance Fees".

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# Overview of the Co-investment and the Acquisition



# Overview of the Co-investment and the Acquisition

Co-investment with Mapletree Investments Pte Ltd (“MIPL” or the “Sponsor”) in an office building located at 119, Nonhyeon-dong, Gangnam-gu, Seoul known as “The Pinnacle Gangnam” (the “Property”) (the “Acquisition”).

## Rationale

- ✓ Further accelerates diversification of MNACT’s portfolio.
- ✓ South Korea has emerged as one of the most resilient economies in Asia Pacific amid COVID-19<sup>1</sup>.
- ✓ Broadening the mandate into South Korea will widen MNACT’s access into another scalable new market with quality commercial assets and freehold land tenure.
- ✓ A timely opportunity to tap into the increasing office demand from the high-growth technology-based industries, as MNACT’s maiden entry into Seoul.

1. Korea Defies COVID: A Low Volatility-high Growth Bet (JLL, July 2020).

2. Weighted average lease expiry (“WALE”) by monthly gross rental income (“GRI”).

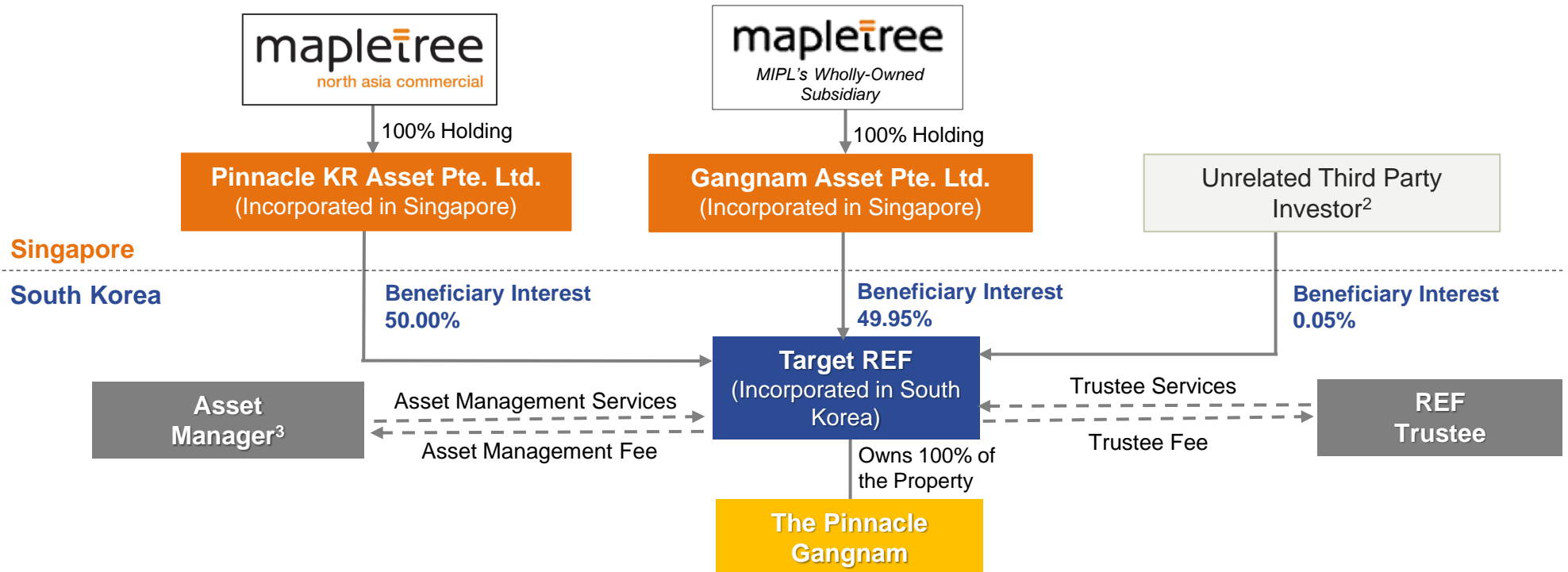


The Pinnacle Gangnam, Seoul

<b>Description</b>	A 20-storey freehold office building with six underground floors and direct access to an underground subway station (Gangnam-gu Office Station)
<b>Building Completion</b>	2011
<b>Gross Floor Area (“GFA”)</b>	44,444 sqm
<b>Occupancy</b>	89.6% (as of 31 July 2020)
<b>WALE<sup>2</sup></b>	2.8 years (as of 31 July 2020)

# Investment Structure

- MNACT will hold a 50.0% interest in an IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6 (the “Target REF”) which beneficially owns the Property<sup>1</sup>, while MIPL will hold a 49.95% interest, with the remaining 0.05% interest to be held by an unrelated third-party investor<sup>2</sup>.
- The 49.95% interest in the Target REF held by the Sponsor is subject to the right of first refusal granted by the Sponsor to MNACT, which MNACT could consider as an investment opportunity in future.



1. The Property comprises 40 strata units (out of 41 total strata units) in the office building that is beneficially owned by the Target REF. The one strata unit not owned by the Target REF represents 2.07% of the building's total gross floor area.
2. The South Korean Financial Investment Services & Capital Markets Act (“FSCMA”) requires that there must be a minimum of two bona-fide investors to qualify for a real estate investment fund structure or “REF”.
3. The incumbent asset manager of the Target REF is IGIS Asset Management Co., Ltd. (“IGIS”), which is a licensed asset management company in South Korea.

# Total Acquisition Cost

- Agreed Property Value of **KRW 452.0 billion (approximately S\$528.4 million<sup>1</sup>)** is 1.5% lower than the independent valuation by Colliers International (Hong Kong) Limited and Colliers International (Korea) Limited (collectively, the “Valuer”)<sup>2</sup>.
- DPU accretive acquisition with initial **net property income (“NPI”) yield of 3.2%**, and with upside potential to improve occupancy and yield.
- Acquisition is expected to **complete in 3Q FY20/21** and will be **funded by debt**.



	Amount <sup>1</sup>	
	KRW billion	S\$ million
<b>Independent Valuation by the Valuer</b>	458.8	536.4
<b>Agreed Property Value</b>	452.0	528.4
<b>Agreed Property Value payable by MNACT<sup>3</sup> (a)</b>	226.0	264.2
<b>Estimated Professional Fees and Expenses (b)</b>	0.7	0.8
<b>Acquisition Fee Payable to the Manager<sup>4</sup> (c)</b>		S\$2.6
<b>Estimated Total Acquisition Cost [(a) + (b) + (c)]</b>	<b>228.9</b>	<b>267.6</b>

1. Unless otherwise stated, an illustrative exchange rate of KRW 855.37 to S\$1.00 is used in this presentation.

2. Commissioned by the Manager.

3. Based on 50.0% interest in the Property.

4. Acquisition Fee to be paid in cash.

# Manager to Waive Entitlement of Performance Fees

- ✓ The broadening of the investment mandate to include South Korea reflects the Manager's continued strategy to diversify MNACT's portfolio and to deliver sustainable value to the Unitholders.
- ✓ The DPU-accretive Acquisition helps to mitigate the impact of COVID-19 on the performance of MNACT.

- Separately, in consideration of the impact of COVID-19 on MNACT's distributions to the Unitholders and to demonstrate the Manager's commitment to align its interest with the Unitholders, the Manager will **waive its entitlement to any performance fee** as provided under the Trust Deed ("Performance Fee") **until such time that the DPU exceeds 7.124 cents ("Threshold DPU")**, which was the DPU achieved in FY19/20, prior to the full year impact of COVID-19

As an illustration:

a) Year 2 DPU > Year 1 DPU, but **lower than Threshold DPU** → No Performance Fee for the Manager

b) Year 2 DPU > Year 1 DPU, and **higher than Threshold DPU** → Manager is entitled to Performance Fee from Year 2 and thereafter

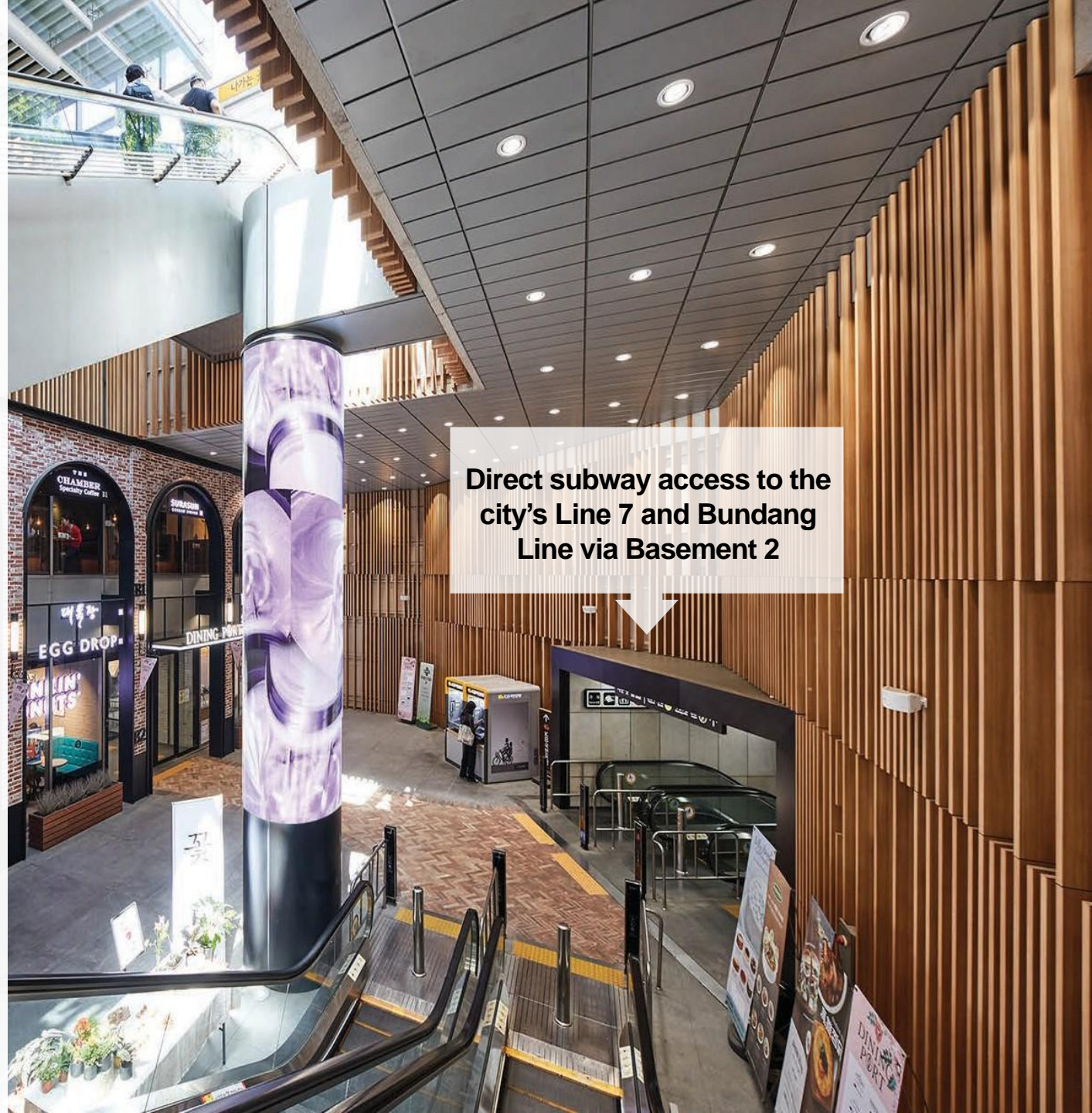
- While the Performance Fee formula<sup>1</sup> is intrinsically aligned with the Unitholders' interest and provides for payment of a Performance Fee to the Manager only upon the Manager delivering an increase in DPU year-on-year, a "low base" effect from a preceding year may result in a significant increase in Performance Fee payable to the Manager in the following year.
- The proposed Threshold DPU would eliminate the "low base" effect, and would benefit the Unitholders.

**Upon MNACT's DPU performance exceeding the Threshold DPU, the waiver will cease (and the Threshold DPU will no longer be applicable) in subsequent years, and the Manager will continue to be entitled to receive the Performance Fee in accordance with the Trust Deed.**

1. Under the trust deed dated 14 February 2013 (as amended) constituting MNACT (the "Trust Deed"), the Manager shall be entitled to receive a performance fee of 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 in each financial year), multiplied by the weighted average number of Units in issue for such financial year (the "Performance Fee"). The Performance Fee is payable if the DPU in respect of any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such relevant financial year may be less than the DPU in the financial year prior to the preceding financial year.



# Rationale and Key Benefits of the Acquisition



Direct subway access to the city's Line 7 and Bundang Line via Basement 2

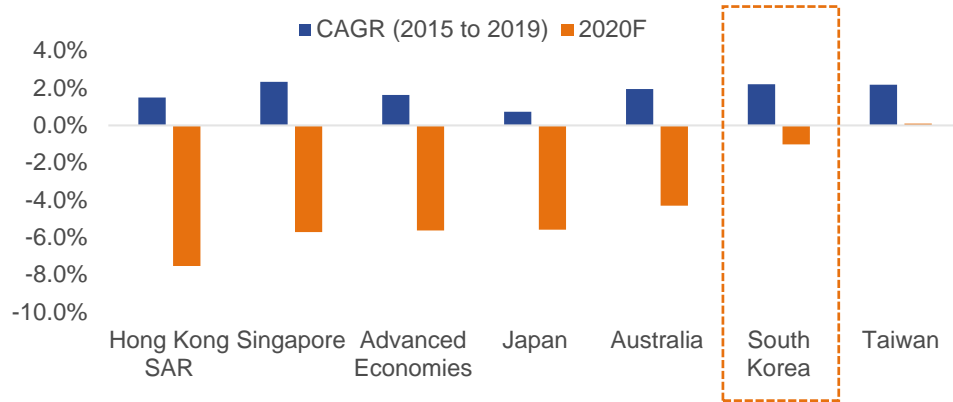
# Rationale and Key Benefits of the Acquisition

- 1 Exposure to Growth in Seoul Office Market**
- 2 Desirable Office Location with Quality Grade-A Building Specifications, Offering Seamless Connectivity**
- 3 Quality Tenant Profile and Leases with Steady Rental Growth**
- 4 Attractive Value Proposition for Prime Grade-A Office Property**
- 5 Enhances Resilience, Diversity and Quality of MNACT's Portfolio**
- 6 Leverage on the Sponsor's On-the-ground Resources and Experience in South Korea**

# Exposure to Growth in Seoul Office Market

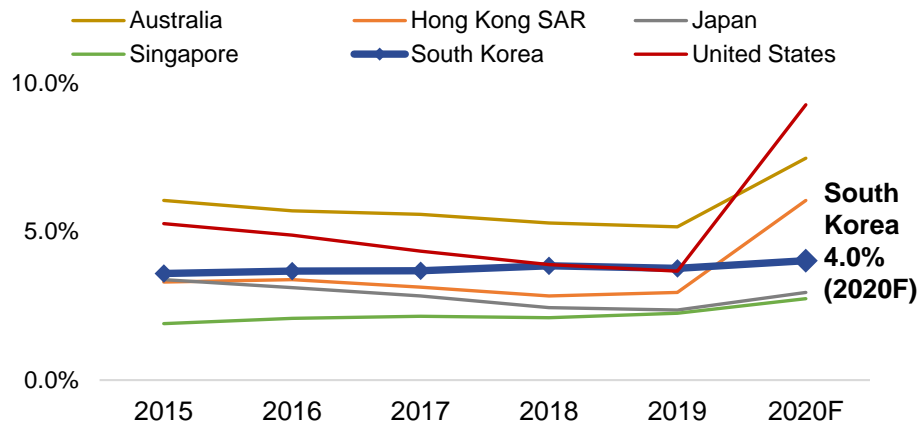
## Resilient Economy Despite COVID-19, Compared to Other Asia Pacific Markets

### 2015 – 2019 Real GDP Growth and 2020 GDP Outlook



Source: Oxford Economics, 2020

### Unemployment Rate from 2015 to 2020F



Source: Oxford Economics, 2020

### South Korea:

- Asia's fourth-largest economy<sup>1</sup>.
- While GDP is forecasted to contract slightly by 1.0%<sup>2</sup> in 2020, South Korea's economy has performed relatively better than most other economies in Asia Pacific<sup>3</sup>.
- GDP expected to grow by 2.9% in 2021<sup>2</sup>.
- Ranked the 2<sup>nd</sup> most innovative nation globally<sup>4</sup> and houses the headquarters of large Korean corporations such as Samsung Group, LG Corporation and Hyundai Motors.
- Unemployment rate, moderated by strict labour guidelines, is expected to remain relatively stable<sup>3</sup>.

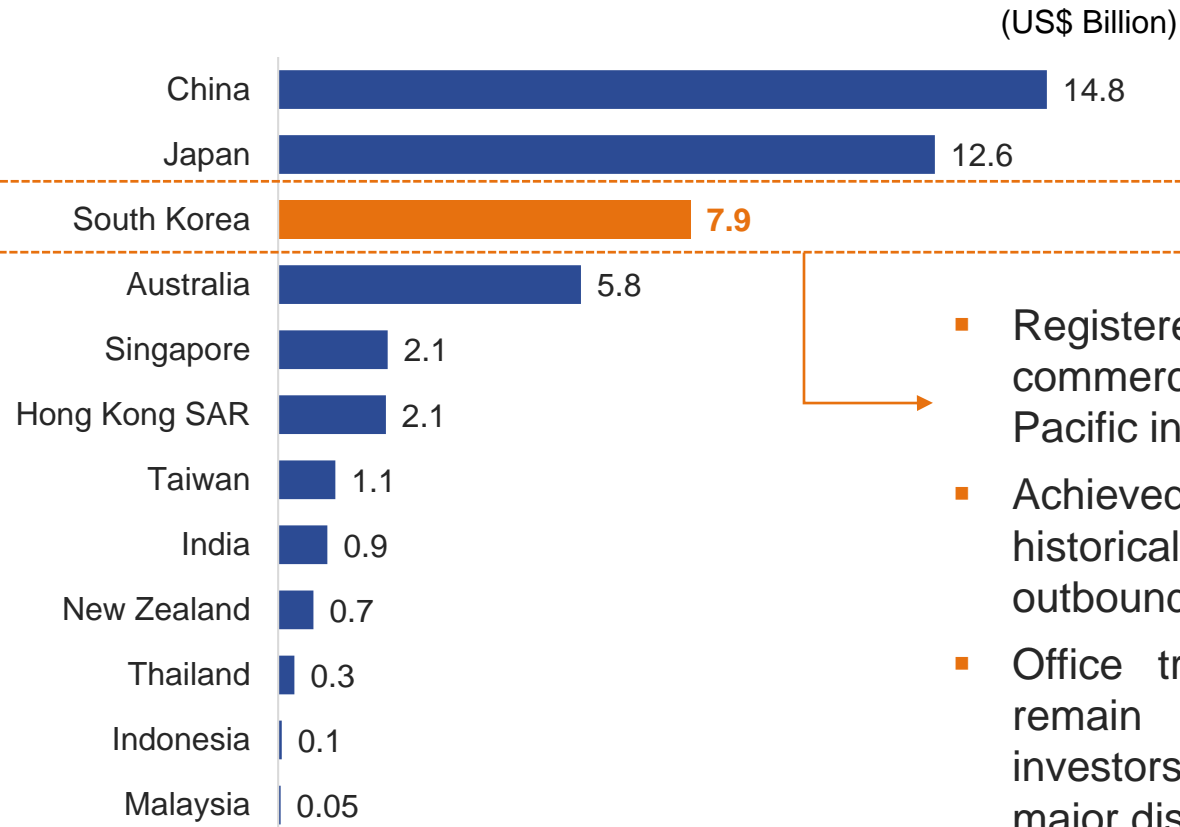
- International Monetary Fund ("IMF"), June 2020.
- Oxford Economics, 2020.
- Korea Defies COVID: A Low Volatility-high Growth Bet (JLL, July 2020).
- Bloomberg Innovation Index, 2020.

## 1

# Exposure to Growth in Seoul Office Market

## Established Active and Scalable Investment Grade Real Estate Market

### Commercial Property Transaction Volume in Asia Pacific (1H 2020)



- Registered the third highest volume of commercial real estate investment in Asia Pacific in 1H 2020.
- Achieved on the back of ample liquidity, historically low interest rates, and limited outbound investment opportunities<sup>1</sup>.
- Office transaction volume is expected to remain solid amid stable demand from investors seeking core assets in Seoul's major districts<sup>2</sup>.

Source: Real Capital Analytics, 1H 2020.

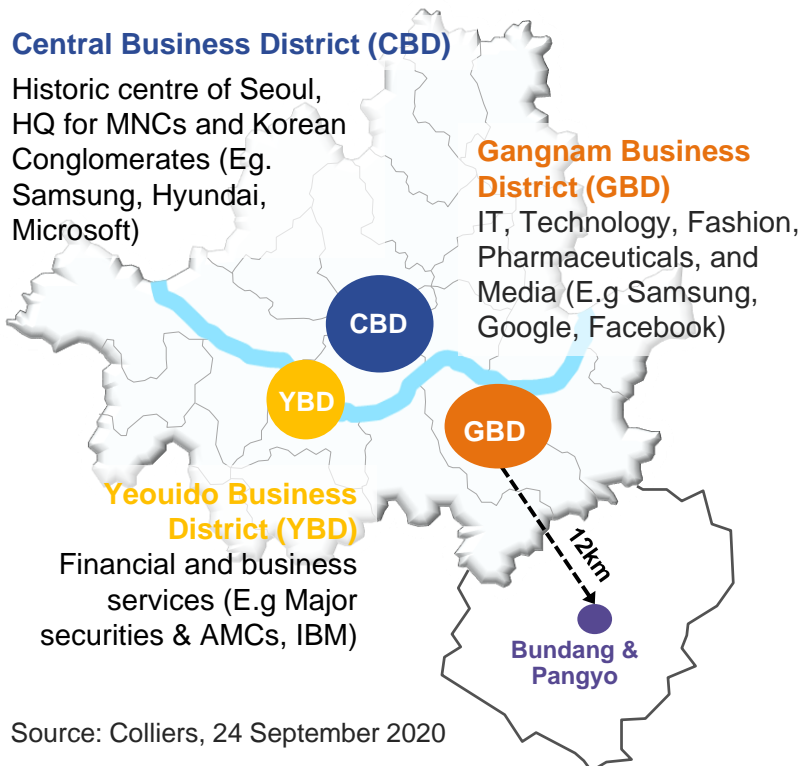
1. Seoul Prime Office (Savills, 2Q 2020).

2. Marketview, Seoul, 2Q 2020 (CBRE)

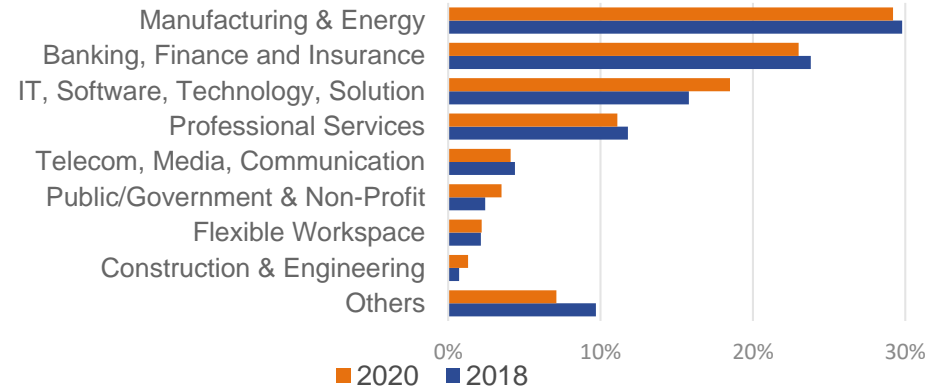
# Exposure to Growth in Seoul Office Market

## Leasing Demand in GBD Driven by High-Growth Sectors

### Key Demand Drivers (by District)



### GBD Tenant Profile (2020 vs 2018)



Source: Colliers, 24 September 2020

- GBD is a base for information technology (“IT”), and pharmaceuticals, a center for digital banking, cloud computing, game and mobile applications and a well-established ecosystem for start-ups<sup>1</sup>.
- Demand from the rapidly growing number of start-ups and requirements from larger companies seeking short-term office space as a solution to social distancing (eg. by locating staff across different locations) have also attracted flexible office operators, another source of growing demand, to seek expansion space within the GBD<sup>2</sup>.

### It will take some time for remote working culture in Korea<sup>2</sup> due to:

- Strong work-in-office culture and a relatively small residential space per capita in Korea may not support remote working arrangements in the long term.
- More space per employee may be warranted to take into account the need for social distancing.
- Important benefits of having a physical office as a hub to facilitate collaboration, innovation and inspire employees.



1. Korea Defies COVID: A Low Volatility-high Growth Bet (JLL, July 2020).

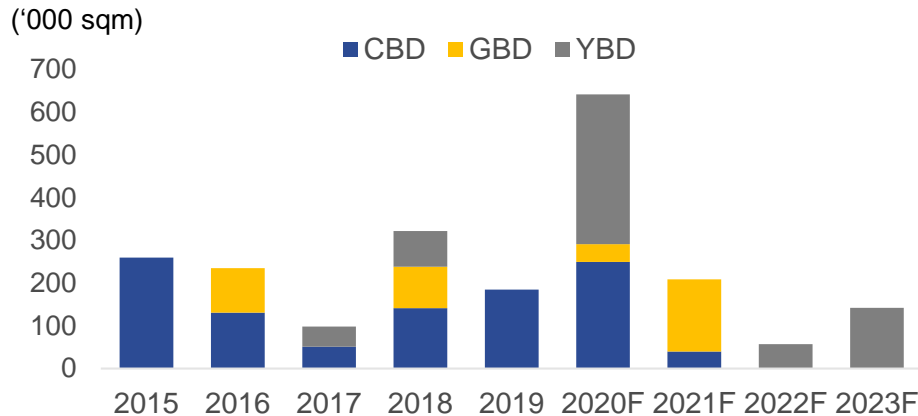
2. The Future is Flexible: The Evolution of Work and the Office in Korea (CBRE Research, July 2020).

## 1

# Exposure to Growth in Seoul Office Market

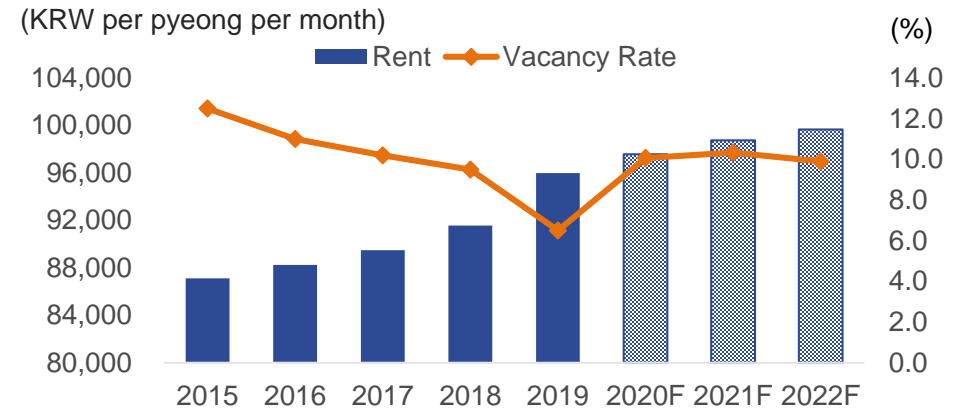
Rental Rates and Vacancy Rates are Expected to Remain Resilient with No Immediate Impact from COVID-19

## Supply by District, 2015 – 2023F



Source: Colliers, 24 September 2020

## Overall Grade-A Office Asking Rent and Vacancy Rate, 2015- 2022F



Source: Colliers, 24 September 2020

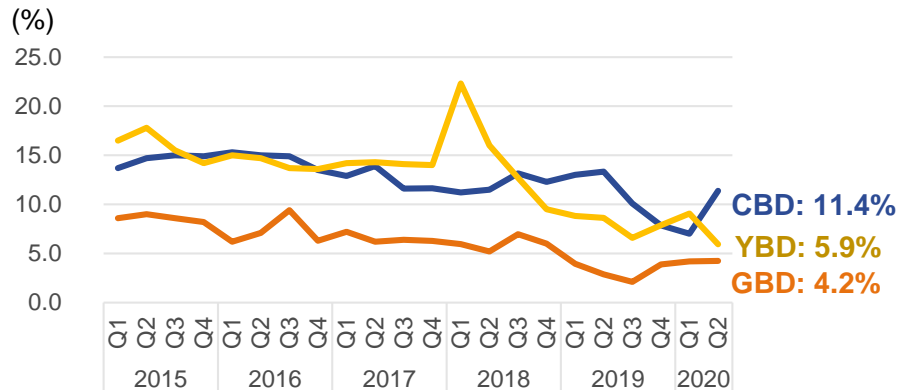
- Net absorption of the three key business districts, namely CBD, GBD and YBD, continued to maintain in positive territory, aided by robust leasing demand<sup>1</sup>.
- Supply of new offices will be limited from 2021 to 2023<sup>2</sup>, which is expected to be the lowest level in the Asia-Pacific region<sup>3</sup>.
- Rents are expected to increase over the next few years<sup>2</sup>.

1. Asia Pacific Property Digest, 2Q 2020 (JLL).  
 2. Colliers, 24 September 2020.  
 3. Korea Property Digest, 2Q 2020 (JLL).

# 1 Exposure to Growth in Seoul Office Market

## Limited Supply in GBD will Continue to Underpin Resilient Rental Rates

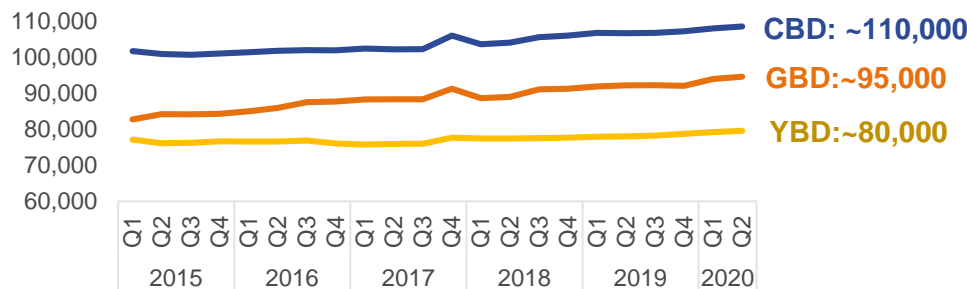
Vacancy Rate by District, 2015 – Q2 2020



Source: Colliers, 24 September 2020.

Net Effective Rent by District (by GFA), 2015 – Q2 2020

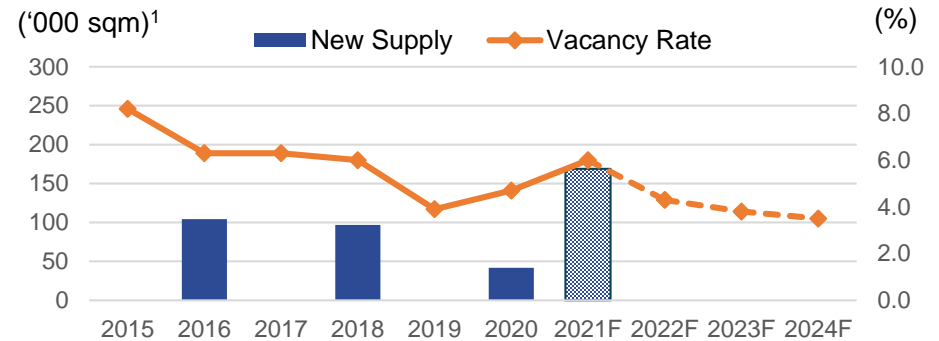
(KRW per pyeong per month)



Source: Colliers, 24 September 2020.

- 1 sqm = 0.3025 pyeong
- Colliers, 24 September 2020.
- Korea Property Digest, 2Q 2020 (JLL).

GBD Supply and Vacancy, 2015 – 2024F



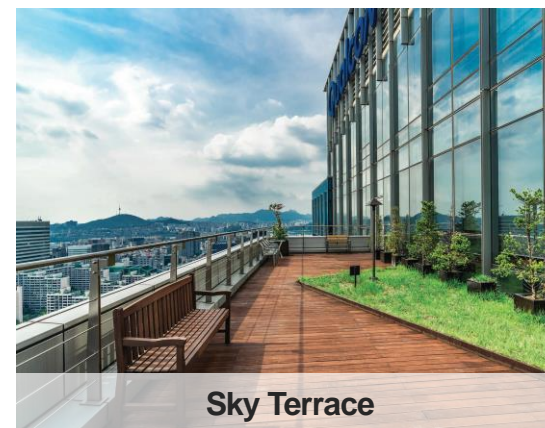
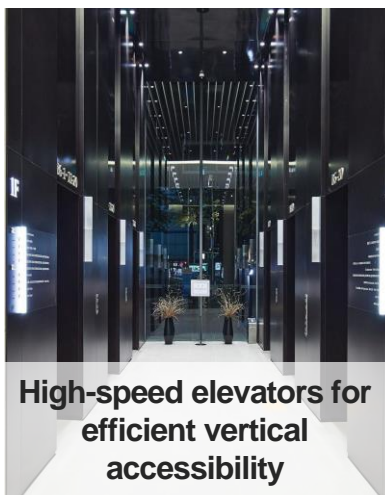
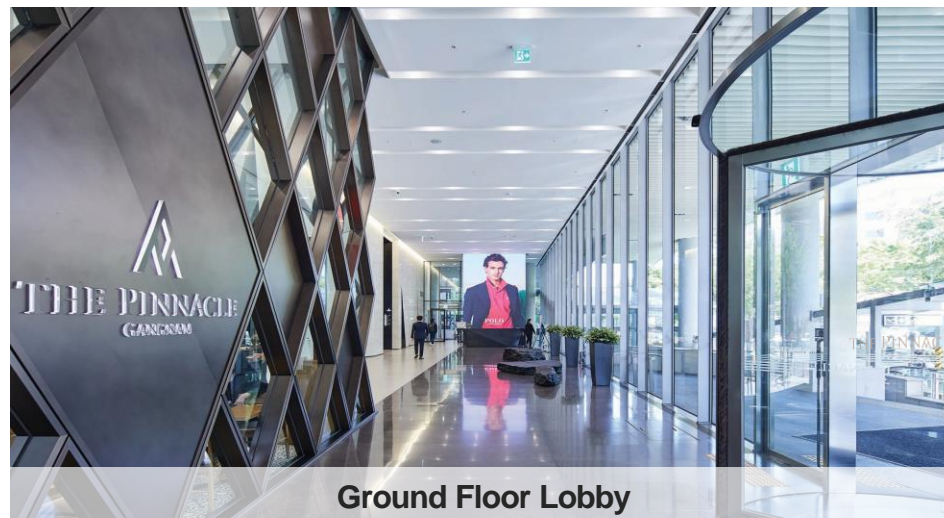
Source: Colliers, 24 September 2020.

- GBD has the lowest vacancy rate at 4.2%<sup>2</sup> in 2Q 2020 among the three major office submarkets.
- With the notable exceptions of HJ Tower (~42,000 sqm) and Renaissance Parc (~170,000 sqm)<sup>2</sup>, no additional large-scale supply is scheduled in GBD until 2024<sup>3</sup>.
- With demand underpinned by the technology, media and telecommunications (“TMT”) sector, GBD’s rental rates are expected to edge up in 2020 and 2021<sup>2</sup>.

2

# Desirable Office Location with Quality Grade-A Building Specifications, Offering Seamless Connectivity

Freehold Property with Quality Grade-A Specifications





2

## Desirable Office Location with Quality Grade-A Building Specifications, Offering Seamless Connectivity

Two Basement Levels Offering a Wide Range of Food and Lifestyle Options



B1 Open Dining Concept



B2 Restaurants

Food Options include:

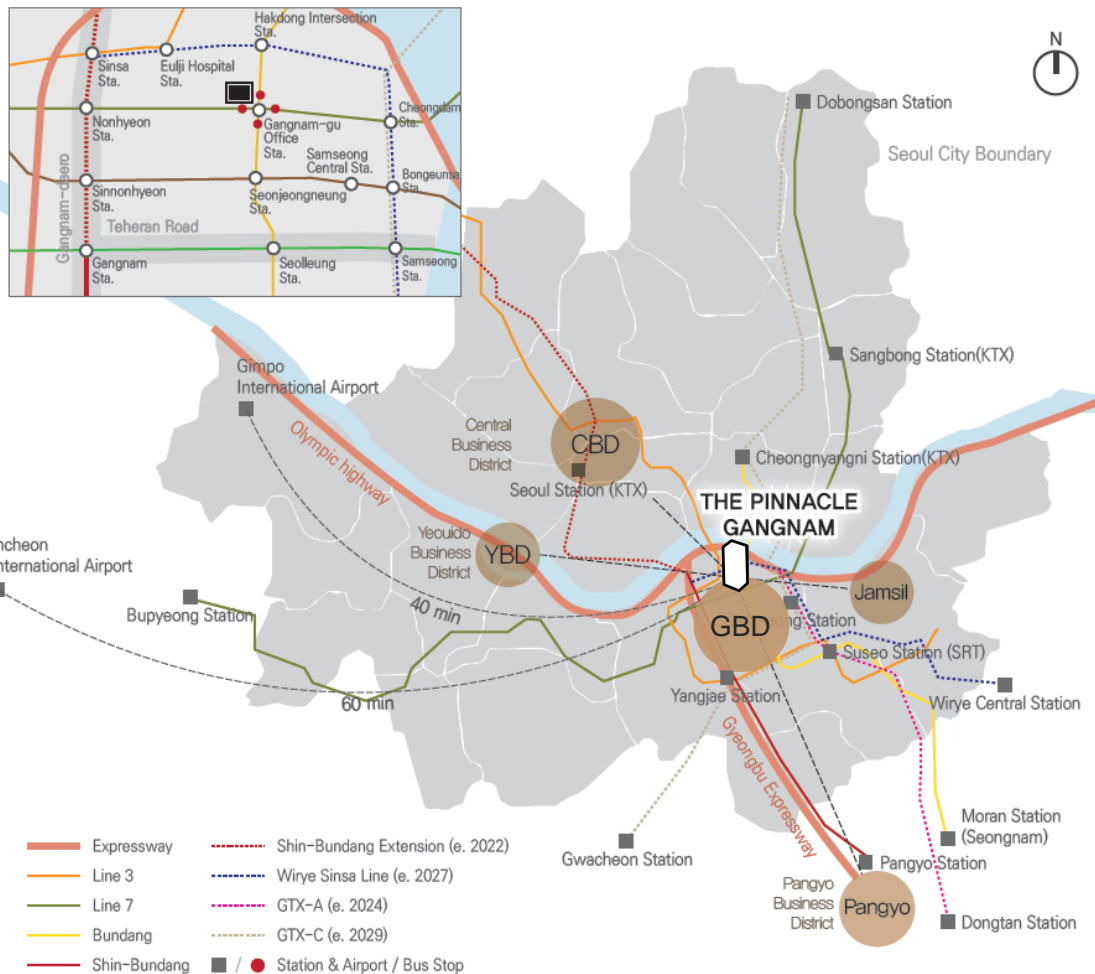
- artisee café
- BongChe Braised Chicken
- Rice Chef
- Daedogjang
- Surasun Korean Dining
- Wine Bistro Chacha

2

# Desirable Office Location with Quality Grade-A Building Specifications, Offering Seamless Connectivity

## Excellent Accessibility and Connectivity

Zoom in Site



Subway access to Gangnam-gu Office station (with two train lines, Line 7 and the Bundang Line) via ground and basement levels

### Within 10 Mins by Car

to Gangnam's high-end retail district (Cheongdam), COEX Convention & Exhibition Center and the core GBD office cluster along Teheran Road

### Within 30 Mins by Train

to Seoul's CBD and YBD

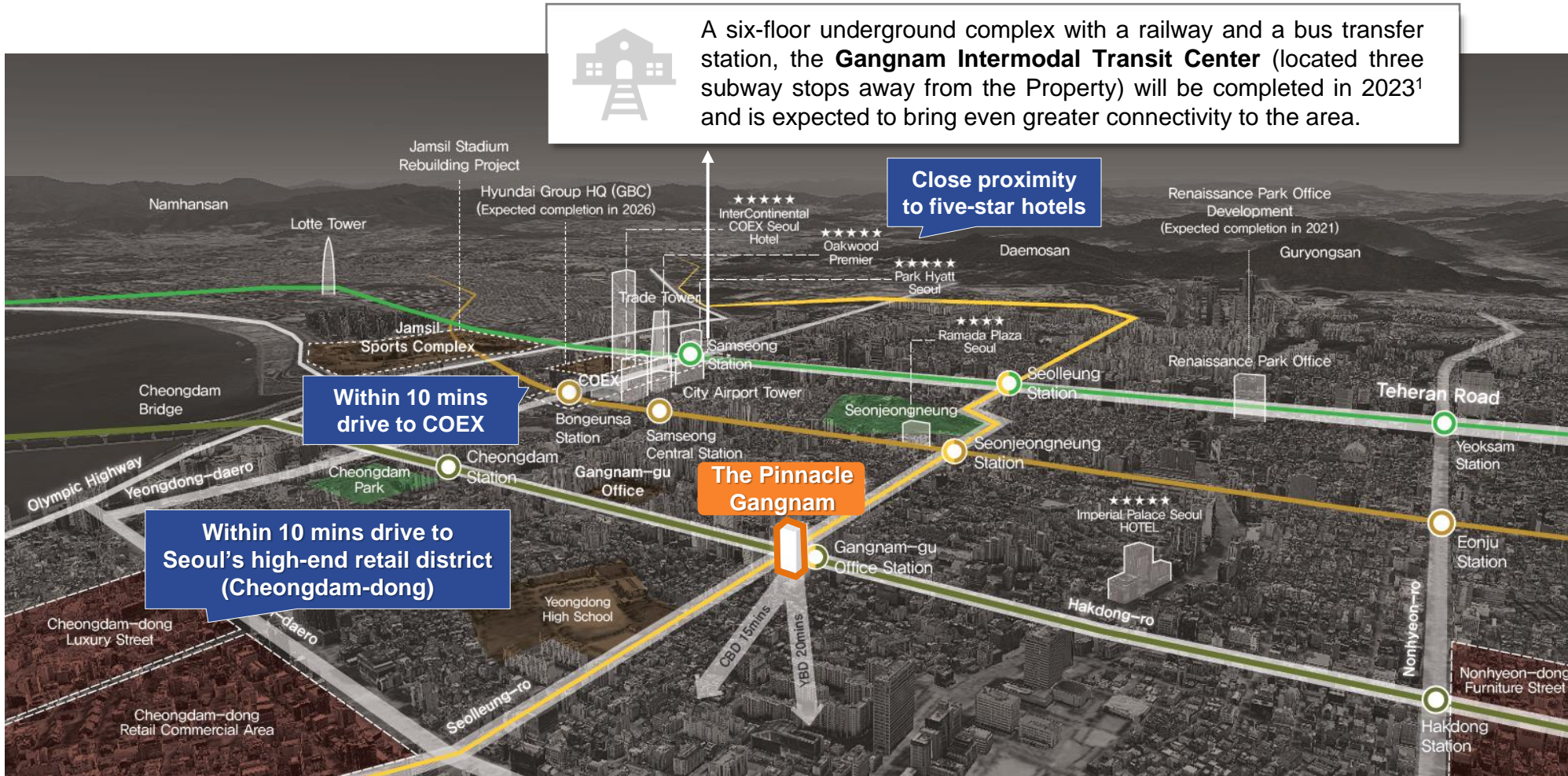
### Within 1 hour by Car

to Gimpo International Airport and Incheon International Airport

2

## Desirable Office Location with Grade-A Building Specifications, Offering Seamless Connectivity

Close Proximity to a Diverse Range of Amenities and Five-star Hotels



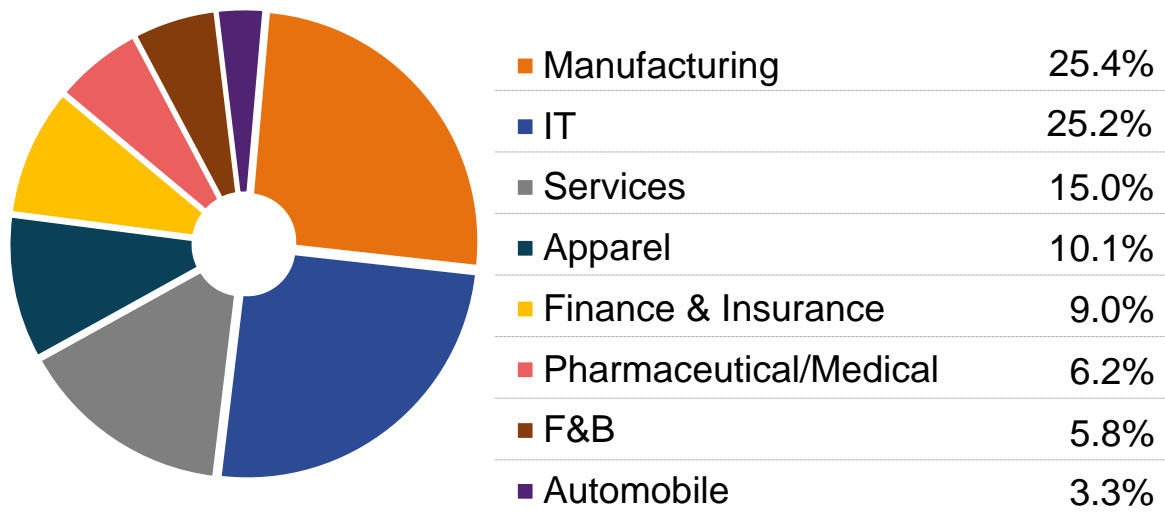
Map Source: Savills

1. Korea Times, 12 June 2020: "Enormous underground transit terminal to be built in Gangnam".

# Quality Tenant Profile and Leases with Steady Rental Growth

## Quality Domestic and International Tenants

Trade Sector by Monthly GRI (as of 31 July 2020)



- Established blue-chip tenant base from the IT, manufacturing, services and apparel sectors.
- Growing IT sector contributing to slightly over a quarter of the monthly GRI<sup>2</sup>.
- Top five tenants represents **55.4%** of monthly GRI<sup>2</sup>.

1. NICE Investors Service (“NICE”), a credit rating agency in Korea.

2. As of 31 July 2020.

### Top Five Tenants

#### Qualcomm

- Multinational manufacturer of semiconductor and telecommunications equipment
- Listed on NASDAQ (US)
- Credit Rating: A2 (Moody's)

#### Huvis

- Local manufacturer of fiber and industrial materials
- Listed on KOSPI
- Credit Rating: A- (NICE<sup>1</sup>)

#### JustCo

- Foreign company
- Credit Rating: N/A

#### Ralph Lauren

- International premium lifestyle design brand
- Listed on NYSE
- Credit Rating: A3- (Moody's)

#### Echo Marketing

- Local company
- Listed on KOSDAQ
- Credit Rating: BBB+ (NICE<sup>1</sup>)

## Quality Tenant Profile and Leases with Steady Rental Growth

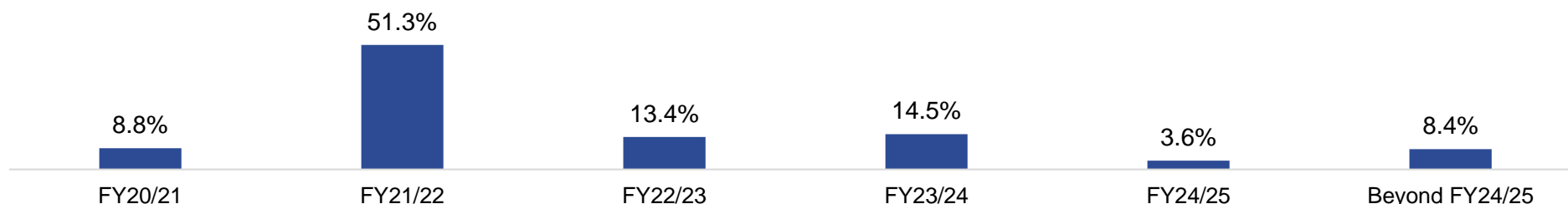
### Well-positioned to Enjoy Rental Upside from Organic Growth and Higher Occupancy

- The occupancy rate of the Property was 89.6% (as of 31 July 2020).
- Potential opportunity to lease up progressively at market rates, given the average vacancy rate for GBD of 4.2%<sup>1</sup> at the end of 2Q 2020.

- Office lease contracts in South Korea generally include 2% to 3% annual rent escalation<sup>2</sup>.
- About 97% of the leases in the Property have fixed annual rental escalations of approximately 2-3%, providing stable and reliable revenue growth over the term of the leases.



### Lease Expiry Profile by Percentage of Monthly GRI (as of 31 July 2020)



1. Colliers, 24 September 2020.

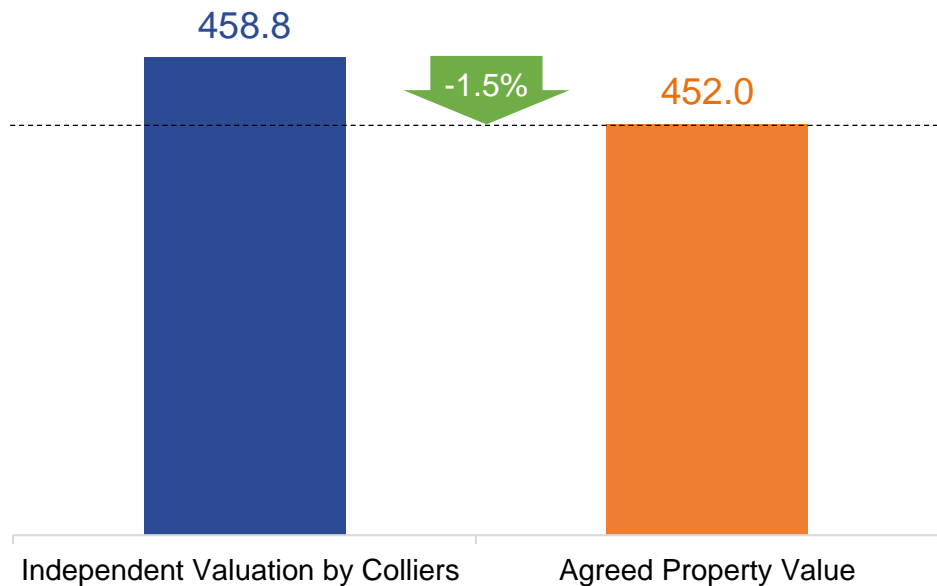
2. Korea Defies COVID: A Low Volatility-high Growth Bet (JLL, July 2020).

# 4 Attractive Value Proposition for Prime Grade-A Office Property

Agreed Property Value is Lower than Independent Valuation and Acquisition is DPU-accretive

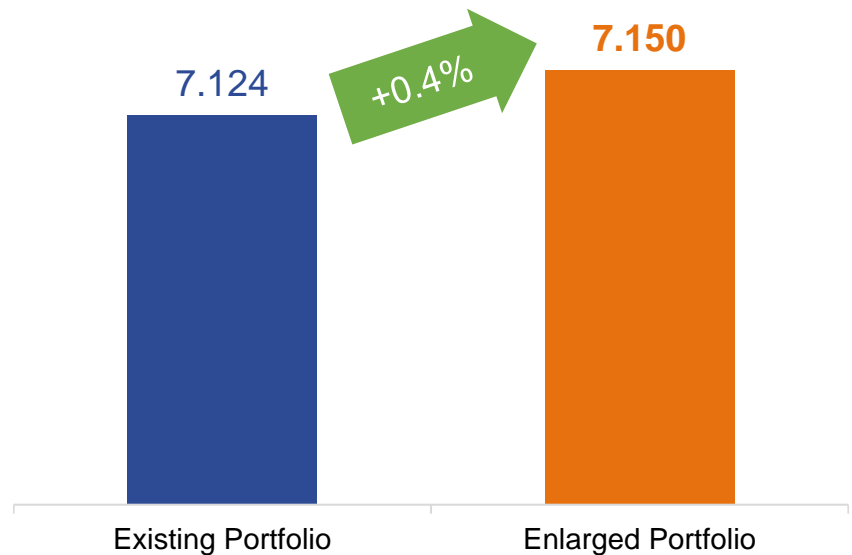
**Agreed Property Value Relative to Independent Valuation** (as of 15 September 2020)

(KRW Billion)



**Pro forma FY19/20 DPU for the Enlarged Portfolio<sup>1</sup>**

(Singapore Cents)

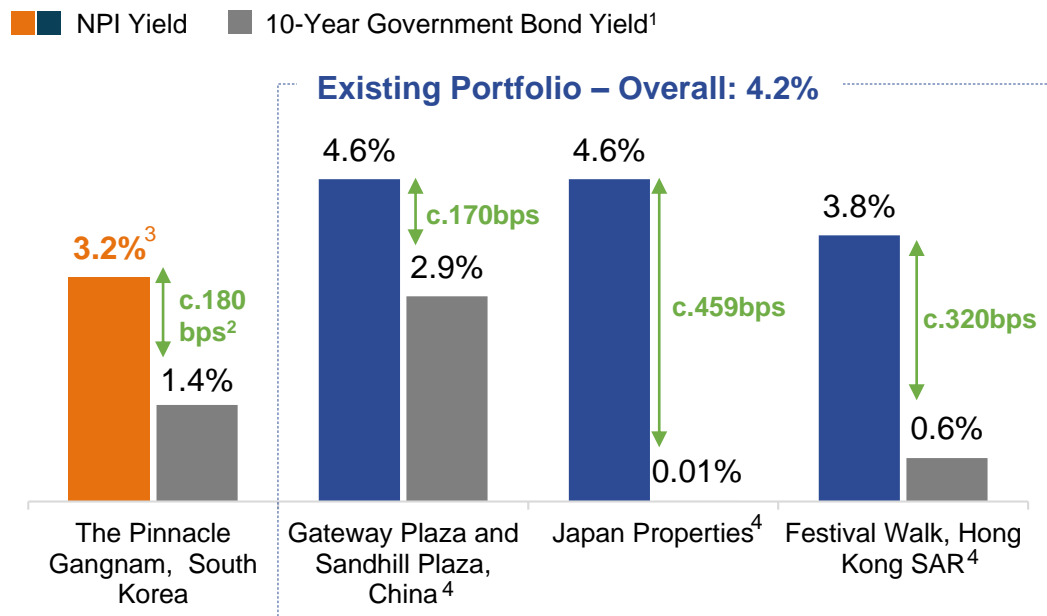


1. The pro forma financial effects of the Acquisition on MNACT's DPU based on the FY19/20 Audited Financial Statements, as if the Acquisition and drawdown of the debt financing were completed on 1 April 2019, and MNACT had held and operated the Property through to 31 March 2020.

# Attractive Value Proposition for Prime Grade-A Office Property

## Initial Net Property Income (“NPI”) Yield Has Upside Potential

### NPI Yield Spread to 10-Year Government Bonds (%)



### Upside potential for NPI yield due to:

- Compared to the average office vacancy rate of 4.2% for GBD<sup>5</sup> as of 30 June 2020, the Manager believes that there is potential to increase the occupancy rate of the Property progressively through active leasing efforts, benefitting from the low vacancy rates and limited new supply of office space within the GBD.
- Further, there is an embedded annual rental escalation of approximately 2% to 3% within 97% of the leases.

- 10-Year government bond yield for South Korea, Japan, Hong Kong SAR and China respectively. Source: Bloomberg as of 30 June 2020.
- Represents the current risk premium of the Acquisition and is an indication of the relative value of the Property against South Korea's 10-year government bond yield.
- Annualised for the month of July 2020.
- NPI yield for the Existing Portfolio is computed based on the annualised NPI for 1Q FY20/21 (excluding rental reliefs granted for the quarter) and divided by the property values based on consolidated accounts for the quarter ended 30 June 2020, in local currency terms and valuation as of 31 March 2020. The figures for Japan Properties, Gateway Plaza and Sandhill Plaza are on an aggregated basis.
- Colliers, 24 September 2020.

5

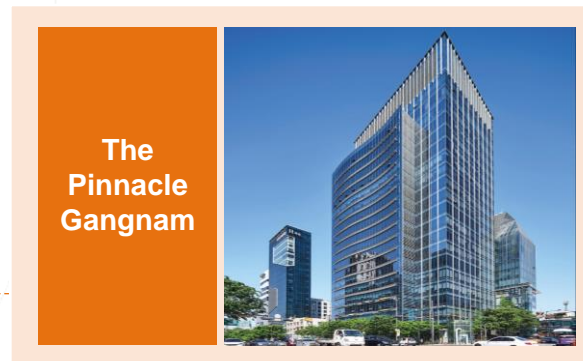
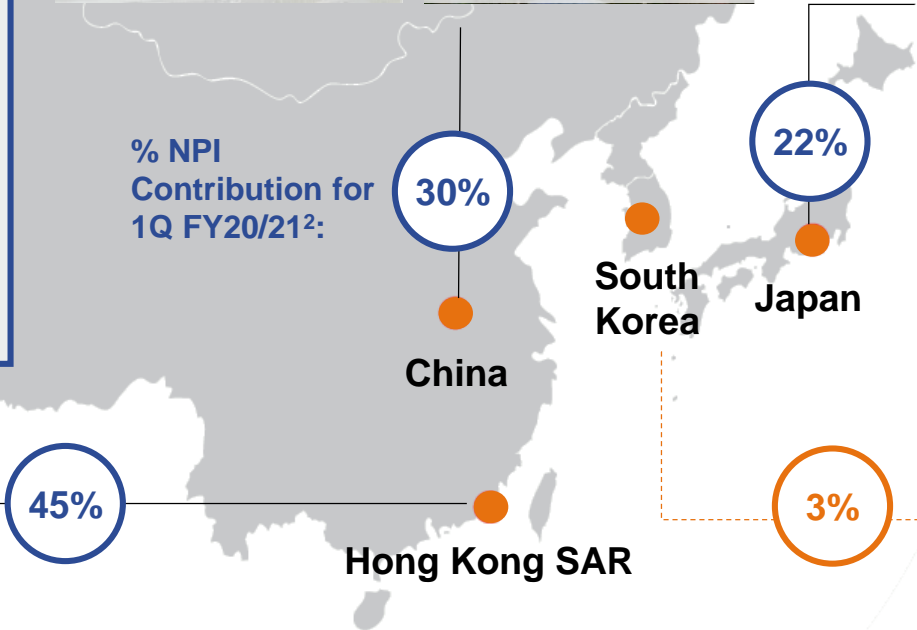
# Enhances Resilience, Diversity and Quality of MNACT's Portfolio

Further Reduces Geographical and Income Concentration, as well as Provides Greater Stability in the Long Term

**The Enlarged Portfolio would comprise:**  
 (on a pro-forma basis, as of 30 June 2020)

**12 Properties**  
 in Beijing, Hong Kong SAR, Japan, Shanghai and Seoul

**\$8.5 billion**  
 Portfolio Value<sup>1</sup>



1. Based on MNACT's consolidated accounts for the quarter ended 30 June 2020 and 50.0% interest in the Property.
2. Based on MNACT's consolidated accounts for the quarter ended 30 June 2020 and the Property's unaudited management account from the period of 1 April to 30 June 2020 (in respect of MNACT's 50.0% interest in the Property).



# 5

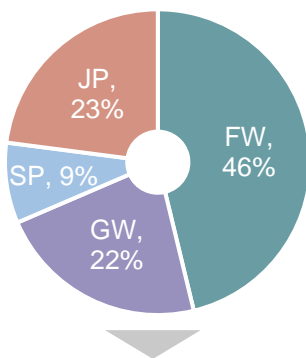
## Enhances Resilience, Diversity and Quality of MNACT's Portfolio

**Reduces the Income Contribution from Any Single Property and Increases Percentage of Freehold Assets**

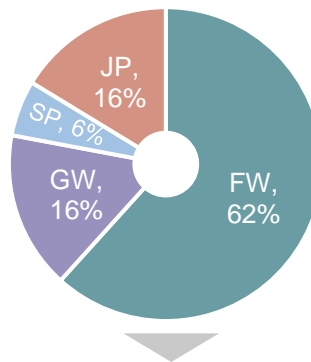
- No single property will contribute more than 45% and 60% of MNACT's Enlarged Portfolio by NPI and property value respectively.

Existing Portfolio<sup>1</sup>

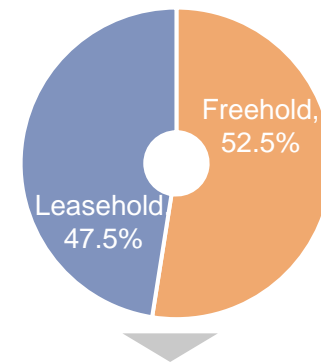
**NPI Contribution<sup>3</sup> by Asset**  
(for 1Q FY20/21)  
**S\$68.5 mil**



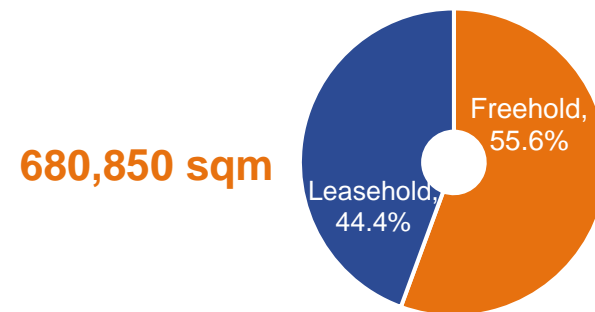
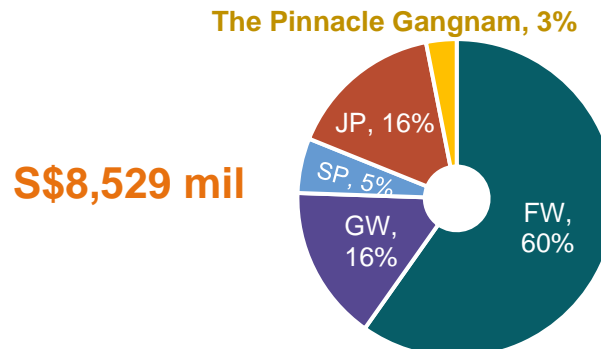
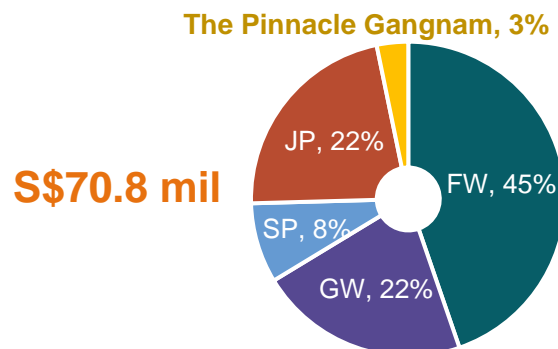
**Property Value<sup>4</sup> by Asset**  
(as of 30 June 2020)  
**S\$8,265 mil**



**Land Tenure by GFA**  
(as of 30 June 2020)  
**636,406 sqm**



Enlarged Portfolio<sup>2</sup>



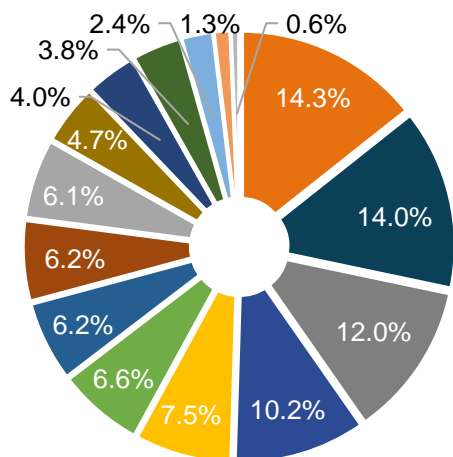
- The "Existing Portfolio" comprises: Festival Walk (FW), Gateway Plaza (GW), Sandhill Plaza (SP) and the Japan Properties (JP).
- The "Enlarged Portfolio" comprises (i) the Existing Portfolio and (ii) the Property.
- Based on MNACT's consolidated accounts for the quarter ended 30 June 2020 and the Property's unaudited management account from the period of 1 April to 30 June 2020 (in respect of MNACT's 50.0% interest in the Property).
- Based on MNACT's consolidated accounts for the quarter ended 30 June 2020 and 50.0% interest in the Property.

# 5

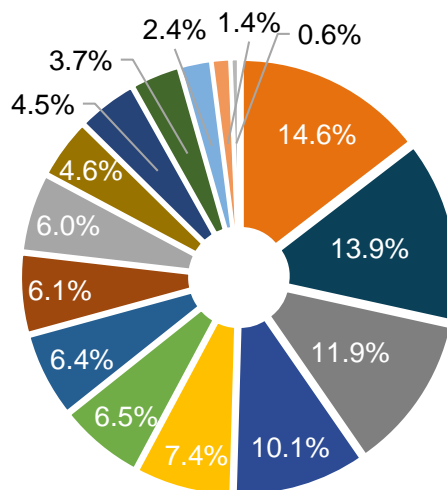
## Enhances Resilience, Diversity and Quality of MNACT's Portfolio

### Greater Diversification in Trade Sector Exposure and Enhances Tenant Diversification

Existing Portfolio Trade Sector by monthly GRI<sup>1,2</sup>



Enlarged Portfolio Trade Sector by monthly GRI<sup>1,2</sup>



- Machinery / Equipment / Manufacturing
- Financial Institution / Insurance / Banking / Real Estate
- Automobile
- Services
- Leisure & Entertainment
- Information Technology
- Luxury Jewellery, Watches & Accessories
- Others

- Apparel & Fashion Accessories
- Food & Beverages
- Departmental Store & Supermarket
- Professional & Business Services
- Personal Cosmetics
- Electronics, Houseware & Furnishings
- Pharmaceutical / Medical

1. Existing Portfolio's GRI is as of 30 June 2020 while the Property's GRI is as of 31 July 2020 (in respect of MNACT's 50.0% interest in the Property).  
 2. Others include Natural Resources (0.2%) and Other Sectors (0.4%).

#### On a pro-forma basis<sup>1</sup>,

- Representation from IT, manufacturing and services will increase from 24.5% to **25.5%**.
- GRI contribution from MNACT's top 10 tenants will be lowered from 35.3% to **34.4%**.
- Maximum exposure to any single tenant by monthly GRI will reduce from 7.4% to **7.2%**.

6

## Leverage on the Sponsor's On-the-ground Resources and Experience in South Korea



Sponsor's Assets under Management in South Korea  
(as of 31 March 2020)

**S\$490 million<sup>1</sup>**

- ✓ The Manager will be able to leverage on the Sponsor's local network, market experience and resources in South Korea.
- ✓ The 49.95% interest in the Target REF held by the Sponsor is subject to a right of first refusal granted by the Sponsor to MNACT, which MNACT could consider as an investment opportunity in future.

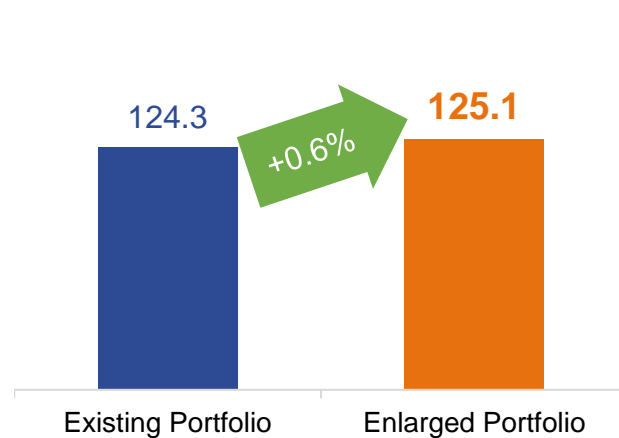
1. MIPL Annual Report FY19/20.

# Transaction Summary

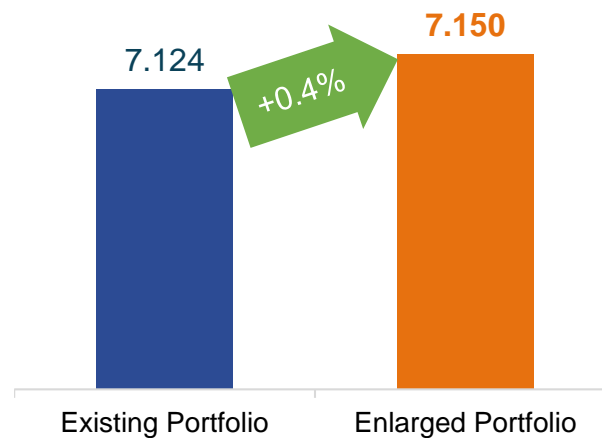


# MNACT After the Acquisition (Financials)

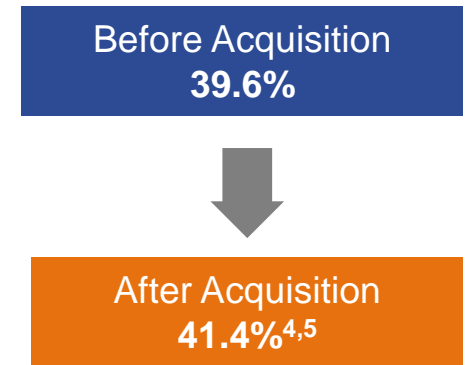
## Pro forma FY19/20 Profit for the Financial Year for the Enlarged Portfolio<sup>1,2</sup> (Singapore cents)



## Pro forma FY19/20 DPU for the Enlarged Portfolio<sup>2</sup> (Singapore cents)



## Aggregate Leverage<sup>3</sup> (As of 30 June 2020)



1. Includes MNACT's proportionate share of 50.0% of profit for the financial year of The Pinnacle Gangnam.
2. The pro forma financial effects of the Acquisition on MNACT's Profit and DPU for the FY19/20 Audited Financial Statements, as if the Acquisition was completed on 1 April 2019 and MNACT held and operated the Property through to 31 March 2020 (in respect of MNACT's 50.0% interest in the Property).
3. Aggregate Leverage means the ratio of the value of the borrowings of MNACT (inclusive of MNACT's proportionate share of borrowings of jointly controlled entities) and deferred payments (if any), to the value of the Deposited Property; and "Deposited Property" means the gross assets of MNACT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed.
4. Assuming the Acquisition was funded by debt.
5. With effect from 16 April 2020, the Monetary Authority of Singapore had raised the aggregate leverage limit for REITs listed on the Singapore Exchange from 45% to 50% and deferred to 1 January 2022, the requirement to have a minimum adjusted interest coverage ratio of 2.5 times before the aggregate leverage limit can be increased from the then prevailing 45% limit (up to a maximum of 50%).

# MNACT After the Acquisition (Metrics)

	Existing Portfolio	+	The Pinnacle Gangnam	→	Enlarged Portfolio	Enlarged Portfolio vs Existing Portfolio
<b>GFA (sq m)</b>	636,406		44,444		680,850	↑7.0%
<b>Property Value(\$ mil)</b>	8,265 <sup>1</sup>		264 <sup>2</sup>		8,529	↑3.2%
<b>WALE<sup>3</sup> (years)</b>	2.6 years		2.8 years		2.6 years	No Change
<b>Occupancy<sup>4</sup></b>	96.4%		89.6%		95.8%	↓0.6ppts

1. Based on MNACT’s consolidated accounts for the quarter ended 30 June 2020.
2. Based on MNACT’s 50.0% interest in the Property.
3. By monthly GRI. Existing Portfolio’s GRI is as of 30 June 2020 while the Property’s GRI is as of 31 July 2020 (in respect of MNACT’s 50.0% interest in the Property).
4. Based on NLA and committed leases. Existing Portfolio’s occupancy is as of 30 June 2020 while the Property’s occupancy is as of 31 July 2020.

# Value-Creating Acquisition

## Attractive Investment Proposition



- Resilient fundamentals of the Seoul office market.
- Rare opportunity to tap into increasing office demand from high-growth tech-based industries attracted to the GBD office market, as MNACT's maiden entry into Seoul.
- Attractive yield spread, and "in-built" organic growth which provides steady revenue growth over time.

## Enhances Resilience and Quality of MNACT Portfolio



- Comprises quality domestic and international tenants.
- DPU accretive for MNACT's portfolio.
- The Acquisition is aligned with MNACT's strategy to accelerate the diversification of its portfolio.

## Strong Support from Sponsor



- Leverage on the Sponsor's local network, market experience and resources in South Korea.

# Appendix



The Pinnacle Gangnam



# Overview of Mapletree North Asia Commercial Trust (“MNACT”)

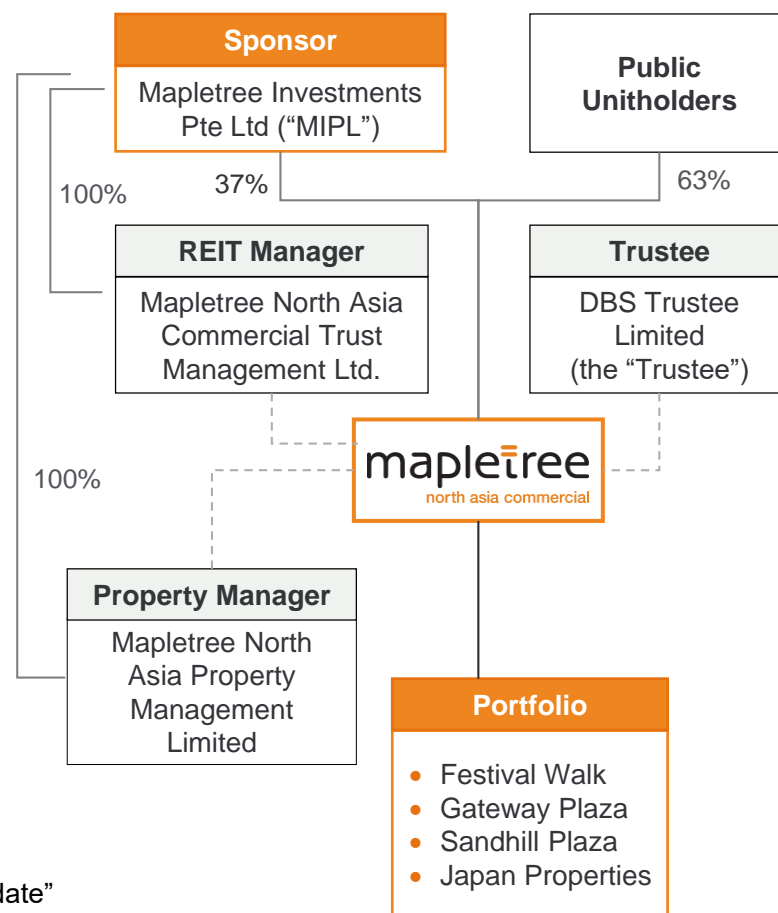
Singapore’s first commercial REIT with properties in China, in Hong Kong SAR and in Japan (listed since 7 March 2013)

## Investment Mandate

- To invest in a diversified portfolio of income-producing real estate used primarily for commercial purposes located in Greater China and Japan.
- Key markets include Tier-1 cities (Beijing, Shanghai, Guangzhou and Shenzhen) and key Tier-2 cities in China, in Hong Kong SAR, in Japan.
- Mandate to be expanded to include South Korea<sup>1</sup>.



## Trust Structure



**S\$3.1b**  
Market Capitalisation<sup>2</sup>

**S\$8.3b**  
Portfolio Value<sup>3</sup>

**~5.2m sqft**  
Total Lettable Area

**37%**  
Unitholdings held by Sponsor<sup>4</sup>

1. Please refer to MNACT’s SGX-ST Announcement titled “Expansion of Investment Mandate” dated 25 September 2020.

2. Based on unit closing price of S\$0.925 on 30 June 2020.

3. Based on exchange rates of S\$1= HK\$ 5.595, S\$1 = RMB 5.1010 and S\$1 = JPY 77.4431.

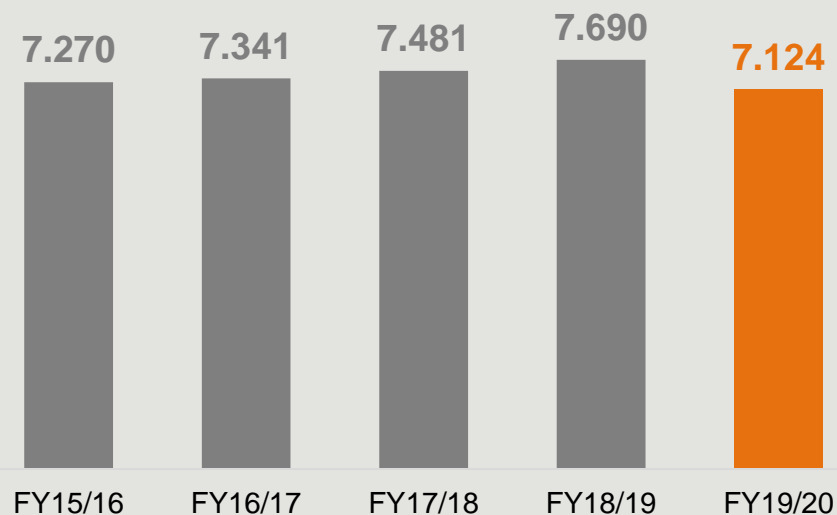
4. As of 30 June 2020.

# Five-Year Financial Summary

## NPI (\$ mil)



## DPU (cents)



1. For FY18/19 and FY19/20, full-year DPU is the sum of the 1Q, 2Q, 3Q and 4Q available DPU based on the number of issued units as at the end of the respective quarters. Prior to FY18/19, MNACT's distribution policy was on a semi-annual basis. From FY15/16 to FY17/18, full-year DPU is the sum of the first-half and second-half DPU paid to the Unitholders for the financial year based on the number of issued units as at the end of the respective half-year periods ending 30 September and 31 March. Full-year DPU, as shown in the full-year results announcements from FY15/16 to FY16/17 (FY15/16: 7.248 cents, FY16/17: 7.320 cents), was computed based on the income available for distribution for the year over the number of issued units as at the end of the year.

# Strong Alignment with Unitholders

Management is incentivised to deliver sustainable and quality DPU growth.

- First S-REIT with no AUM-based fee structure
- Performance-based feature incentivises the Manager to grow DPU

## Management Fee Structure

<b>REIT Management Fee</b>	<ul style="list-style-type: none"><li>▪ <b>Base Fee:</b> 10.0% of Distributable Income<sup>1</sup></li><li>▪ <b>Performance Fee:</b> 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year<sup>2</sup> multiplied by the weighted average number of Units in issue for such financial year. <p>The Performance Fee is payable if the DPU in respect of any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such relevant financial year may be less than the DPU in the financial year prior to the preceding financial year.</p><ul style="list-style-type: none"><li>➢ <b>As announced on 25 September 2020<sup>3</sup>, the Manager will waive its entitlement to any performance fee as provided under the Trust Deed (“Performance Fee”) until such time that the DPU exceeds 7.124 cents (“Threshold DPU”), which was the DPU achieved in FY19/20, prior to the full year impact of COVID-19</b></li><li>➢ <b>Upon MNACT’s DPU performance exceeding the Threshold DPU, the waiver will cease (and the Threshold DPU will no longer be applicable) in subsequent years, and the Manager will continue to be entitled to receive the Performance Fee in accordance with the Trust Deed.</b></li></ul></li><li>▪ 100% paid in units since listing</li></ul>
<b>Property Management Fee</b>	<ul style="list-style-type: none"><li>▪ 2.0% of Gross Revenue</li><li>▪ 2.0% of Net Property Income</li><li>▪ PM fees relating to Festival Walk and Gateway Plaza: 100% paid in units since listing</li><li>▪ PM fees relating to Sandhill Plaza and Japan Properties: 100% paid in cash from date of acquisition<sup>4</sup></li></ul>
<b>Acquisition Fee</b>	<ul style="list-style-type: none"><li>▪ 0.75% for acquisitions from Related Parties</li><li>▪ 1.0% for all other acquisitions</li></ul>

1. In relation to the Japan Properties, the asset management services are provided by the Japan Asset Manager. In view of the fees payable in cash to the Japan Asset Manager for the Japan Properties, the Manager has elected to waive the Base Fee (which it is otherwise entitled to under the Trust Deed) for as long as the Manager and the Japan Asset Manager are wholly-owned by Mapletree Investments Pte Ltd and the Japan Asset Manager continues to receive the Japan Asset Management Fee in respect of the Japan Properties.

2. Calculated before accounting for the performance fee in each year.

3. Please refer to MNACT’s SGX-ST announcement dated 25 September 2020 titled “A) Acquisition of 50.0% Interest in an Office Building Known as “The Pinnacle Gangnam” located In Seoul, Korea and B) Manager to Waive Entitlement to Performance Fees”.

4. For Sandhill Plaza, the Manager has elected to pay the Property Manager the Property Management Fee in cash from the date of acquisition on 17 June 2015. For six of the Japan Properties (MON, HNB, TSI, ASY, SMB and FJM) acquired on 25 May 2018 and two of the Japan Properties (Omori and MBP) acquired on 28 February 2020, the Property Management Fee is payable in cash to the Japan Property Manager from the date of their acquisitions.