

*For Immediate Release*

## **MPACT Delivers 84.0% and 76.8% Growth in Gross Revenue and Net Property Income for 3Q FY22/23**

- Boosted by full quarter contribution from properties acquired through the merger<sup>1</sup> and increased contribution from the Singapore portfolio
- Positive rental reversion recorded in all markets except Greater China
- Renewed lease of second largest tenant, BMW, for five years till 2028 despite COVID impact in China
- VivoCity continued positive performance and the asset enhancement initiative (“AEI”) on Level 1 remains on track for progressive opening from mid-2023
- Vast removal of COVID measures and reopening of border with mainland China to open path for recovery for Festival Walk
- Maintained sound financial indicators with ample liquidity amid rising interest rates

**Singapore, 31 January 2023** – MPACT Management Ltd., as manager of Mapletree Pan Asia Commercial Trust (“MPACT” and as manager of MPACT, the “Manager”), reports that gross revenue and net property income (“NPI”) for 3Q FY22/23 grew 84.0% and 76.8% on a year-on-year basis to S\$239.8 million and S\$179.4 million respectively. The growth was mostly driven by the full quarter contribution from the properties acquired through the merger and higher earnings from the Singapore portfolio. Distribution per Unit (“DPU”) was however dampened by higher finance costs and stayed at 2.42 Singapore cents for the quarter.

Ms Sharon Lim, Chief Executive Officer of the Manager, said, “Global economic uncertainties have heightened and have affected overall leasing activities. Notwithstanding, we closed the quarter by locking in positive rental uplifts across all markets except Greater China, and achieved a healthy portfolio committed occupancy of 95.5%.”

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<sup>1</sup> Refers to the merger with Mapletree North Asia Commercial Trust that was completed on 21 July 2022.

Note: Where “Hong Kong” is mentioned, it refers to the Hong Kong Special Administrative Region.

## Summary of MPACT's Results

	3Q FY22/23	3Q FY21/22	Variance (%)
Gross revenue (S\$'000)	239,752 <sup>2</sup>	130,277	84.0
Property operating expenses (S\$'000)	(60,363) <sup>2</sup>	(28,827)	(109.4)
Net property income (S\$'000)	179,389 <sup>2</sup>	101,450	76.8
Amount available for distribution (S\$'000)	128,335	80,347	59.7
- to Unitholders	127,038	80,347	58.1
- to Perpetual securities holders	1,297	-	N.M.
Distribution per Unit (Singapore cents)	2.42	2.42	-

	YTD FY22/23	YTD FY21/22	Variance (%)
Gross revenue (S\$'000)	592,914 <sup>2</sup>	373,999	58.5
Property operating expenses (S\$'000)	(138,350) <sup>2</sup>	(82,694)	(67.3)
Net property income (S\$'000)	454,564 <sup>2</sup>	291,305	56.0
Amount available for distribution (S\$'000)	330,315	226,803	45.6
- to Unitholders	328,008	226,803	44.6
- to Perpetual securities holders	2,307	-	N.M.
Distribution per Unit (Singapore cents)	7.36 <sup>3</sup>	6.81	8.1

N.M.: Not meaningful

“Our Singapore portfolio demonstrated its strength by delivering higher gross revenue and NPI during the quarter. Our core asset, VivoCity, continued to ride on a positive momentum, registering 7.9% rental uplift on a year-to-date (“YTD”) FY22/23 basis. Driven by strong festive spending, 3Q FY22/23 tenant sales reached S\$300.1 million, well surpassing pre-COVID levels. The AEI on Level 1 is on track for progressive opening from mid-2023, and will further enhance VivoCity’s long-term competitiveness.”

Ms Lim continued, “However, protracted COVID restrictions have continued to affect our properties in China and Hong Kong. Despite the challenges, our team pressed on with their

<sup>2</sup> Gross revenue, property operating expenses and NPI do not include contribution from The Pinnacle Gangnam. MPACT will share profit after tax of The Pinnacle Gangnam based on its 50% interest.

<sup>3</sup> This includes MCT Clean-up Distribution of 3.04 Singapore cents per Unit for the period from 1 April 2022 to 20 July 2022 paid on 25 August 2022.

rigorous leasing efforts and we successfully renewed the lease of our second largest tenant, BMW, for five years till 2028. At Festival Walk, 3Q FY22/23 footfall and tenant sales continued to be impacted by the effects of shifts in COVID measures. Although headwinds remain in the near term, the vast lifting of COVID measures in Greater China and the long-awaited reopening of borders are expected to pave way for an eventual upturn.”

“In conclusion, delivering long-term sustainable returns to our unitholders remains our utmost priority. Looking ahead, the operating environment is likely to remain rough with weaker global economic outlook, elevated energy prices and volatile interest rates. We will continue to forge ahead with our proactive asset management approach, implement measures to protect our financial well-being, and seize the right opportunities to achieve a balance of risks and costs.”

## **OPERATIONAL PERFORMANCE**

Portfolio NPI for 3Q FY22/23 increased 76.8% year-on-year to S\$179.4 million, with a healthy 74.8% NPI margin. This was driven by contribution from properties acquired through the merger as well as higher contribution from the Singapore portfolio.

For YTD FY22/23, a total of close to 1.9 million square feet of net lettable area was renewed or re-let. All markets except Greater China registered positive rental uplifts, with VivoCity and The Pinnacle Gangnam achieving respectable reversion rates of 7.9% and 14.2% respectively.

As at 31 December 2022, the portfolio committed occupancy was 95.5%. The weighted average lease expiry (“WALE”) for MPACT’s retail and office/business park leases was 2.1 years and 2.9 years respectively, translating into an overall portfolio WALE of 2.6 years.

## **CAPITAL MANAGEMENT**

The debt maturity profile remains well-spread with no more than 22% of debt expiring in any financial year. Where practicable, the Manager maintains natural hedge by matching MPACT’s debt mix with the geographical composition of the AUM.

To mitigate the effects of volatilities in interest and foreign exchange rates, approximately 78.3% of the total gross debt of S\$6,865.6 million was fixed by way of fixed rate debt or interest rate swaps. Approximately 92% of MPACT’s distributable income (based on rolling four quarters) was also derived from or hedged into Singapore dollar.

As at 31 December 2022, the aggregate leverage ratio was 40.2% and the average term to maturity was 2.8 years. The weighted average all-in cost of debt was at 2.57% per annum and the adjusted interest coverage ratio was approximately 3.8 times on a 12-month trailing basis. To ensure financial flexibility to meet any working capital and financial obligations, approximately S\$1.2 billion of cash and undrawn committed facilities have been put in place.

## **DISTRIBUTION TO UNITHOLDERS**

DPU for 3Q FY22/23 is 2.42 Singapore cents. Unitholders can expect to receive the distribution on Wednesday, 15 March 2023. The Transfer Books and Register of Unitholders of MPACT will be closed at 5.00 p.m. on Wednesday, 8 February 2023.

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### **About Mapletree Pan Asia Commercial Trust**

Mapletree Pan Asia Commercial Trust (“MPACT”) is a real estate investment trust (“REIT”) positioned to be the proxy to key gateway markets of Asia. Listed on the Singapore Exchange Securities Limited, it made its public market debut as Mapletree Commercial Trust on 27 April 2011 and was renamed MPACT on 3 August 2022 following the merger with Mapletree North Asia Commercial Trust. Its principal investment objective is to invest 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, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong, Japan and South Korea).

MPACT’s portfolio comprises 18 commercial properties across five key gateway markets of Asia – five in Singapore, one in Hong Kong, two in China, nine in Japan and one in South Korea. They have a total NLA of 11.0 million square feet and independently valued at S\$17.1 billion (as at 31 March 2022). For more information, please visit [www.mapletreepact.com](http://www.mapletreepact.com).

### **About the Manager – MPACT Management Ltd.**

MPACT is managed by MPACT Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. The Manager’s main responsibility is to manage MPACT’s assets and liabilities for the benefit of Unitholders. The Manager is also responsible for setting the strategic direction of MPACT on the acquisition, divestment and/or enhancement of assets of MPACT in accordance with its stated investment strategy. The Manager’s key objectives are to provide Unitholders of MPACT 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 MPACT.

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

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

MIPL manages three Singapore-listed real estate investment trusts (“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”). As at 31 March 2022, Mapletree owns and manages S\$78.7 billion of office, retail, logistics, industrial, data centre, residential and student accommodation properties.

MIPL’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, MIPL has established an extensive network of offices in these countries.

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

### **IMPORTANT NOTICE**

This release is for information only and does not constitute an offer or solicitation of an offer to sell or invitation to subscribe for or acquire any units in Mapletree Pan Asia Commercial Trust (“MPACT”, and the units in MPACT, the “Units”).

The past performance of MPACT and MPACT Management Ltd., in its capacity as manager of MPACT (the “Manager”), is not indicative of the future performance of MPACT 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.

Nothing in this release should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors. Neither the Manager nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. This release shall be read in conjunction with MPACT's financial results for Third Quarter and Financial Period from 1 April 2022 to 31 December 2022 in the SGXNET announcement dated 31 January 2023.

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