

## RESPONSES TO THE QUESTIONS RECEIVED FROM UNITHOLDERS FOR THE ANNUAL GENERAL MEETING ON 29 JULY 2022

27 July 2022 – Mapletree Commercial Trust Management Ltd., as manager (the “**MCT Manager**”) of Mapletree Commercial Trust (“**MCT**”), wishes to thank all unitholders of MCT (the “**Unitholders**”) who have submitted their questions in advance of the 11<sup>th</sup> Annual General Meeting of MCT (“**AGM**”), which will be conducted at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439 and by way of electronic means at 11.00 a.m. on Friday, 29 July 2022. All references to dates and times in this Announcement are to Singapore dates and times.

The MCT Manager had reviewed all the questions from Unitholders received by 11.00 a.m. on Tuesday, 26 July 2022 and had provided its responses to the questions which were relevant to the agenda for the AGM. Broadly, the questions encompass the following three areas:

- A. Merger with Mapletree North Asia Commercial Trust (“**MNACT**”)
- B. Portfolio and Asset Performance
- C. Strategy and Outlook
- D. Capital Management

Please refer to Annex A for the list of the relevant questions, and the MCT Manager’s responses to these questions. Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the circular dated 29 April 2022 issued by the MCT Manager to the Unitholders in relation to the merger with MNACT (the “**Circular**”). For brevity, similar and overlapping questions have been grouped together and will not be responded individually; some questions have also been edited for clarity.

**Mapletree Commercial Trust Management Ltd.**

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By Order of the Board

Wan Kwong Weng

Joint Company Secretary

Mapletree Commercial Trust Management Ltd.

(Company Registration No. 200708826C)

As Manager of Mapletree Commercial Trust

#### **IMPORTANT NOTICE**

This release is for information only and does not constitute or form part of an offer or solicitation of an offer to sell or invitation to subscribe for or acquire any units in Mapletree Commercial Trust ("**MCT**", and the units in MCT, the "**Units**").

The past performance of MCT and Mapletree Commercial Trust Management Ltd., in its capacity as manager of MCT (the "**MCT Manager**"), is not necessarily indicative of the future performance of MCT and the MCT 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 MCT Manager or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the MCT 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 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), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the MCT Manager's 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 MCT 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 release or its contents or otherwise arising in connection with this release.

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## Annex A

A. Merger with MNACT									
<b>1</b>	<p><b>Please provide an update on the merger with MNACT.</b></p> <ul style="list-style-type: none"> <li>The Trust Scheme (as defined below) became effective on 21 July 2022 and MNACT is on track to be delisted on 3 August 2022. The change of name from MCT to Mapletree Pan Asia Commercial Trust (“<b>MPACT</b>”) is also expected to take place and be reflected on the website of the SGX-ST on 3 August 2022.</li> <li>Below table summarises the progress of the Merger to-date:</li> </ul> <table border="1"> <tbody> <tr> <td style="background-color: #d3d3d3;"><b>Unitholders’ approvals</b></td> <td> <ul style="list-style-type: none"> <li>Merger approved by MCT Unitholders on 23 May 2022</li> </ul> </td> </tr> <tr> <td style="background-color: #d3d3d3;"><b>Court hearing to sanction Trust Scheme</b></td> <td> <ul style="list-style-type: none"> <li>Trust Scheme sanctioned by Court on 7 June 2022</li> </ul> </td> </tr> <tr> <td style="background-color: #d3d3d3;"><b>Election Period (in respect of the Scheme Consideration) for MNACT Unitholders</b></td> <td> <ul style="list-style-type: none"> <li>Election period from 15 June 2022 to 29 June 2022</li> <li>Based on the results of the elections for the Scheme Consideration made by the MNACT Unitholders in relation to the Trust Scheme, the cash component payable by MCT for the Scheme Consideration is approximately S\$2,454.5 million in aggregate.</li> <li>Accordingly, 1,018,382,531 Preferential Offering Units will be issued by the MCT Manager, on the basis of 306 Preferential Offering Units for every 1,000 existing MCT Units held by Eligible Unitholders, at the issue price of S\$2.0039 per Preferential Offering Unit, to raise gross proceeds of approximately S\$2,040.7 million pursuant to the Preferential Offering. The remaining amount of approximately S\$413.8 million required for the cash component of the Scheme Consideration will be funded through debt.</li> </ul> </td> </tr> <tr> <td style="background-color: #d3d3d3;"><b>Application Period (in respect of the Preferential Offering) for MCT Unitholders</b></td> <td> <ul style="list-style-type: none"> <li>Application period from 12 July 2022 to 20 July 2022</li> <li>Expected date of commencement of trading of Preferential Offering Units: 28 July 2022</li> <li>Pursuant to the MIPL Undertaking, Sienna Pte. Ltd. (“<b>Sienna</b>”), being an MIPL Entity, has accepted and subscribed for 1,008,629,340<sup>1</sup> of the 1,018,382,531 Preferential Offering Units as part of its commitment and conviction in MPACT</li> </ul> </td> </tr> </tbody> </table>	<b>Unitholders’ approvals</b>	<ul style="list-style-type: none"> <li>Merger approved by MCT Unitholders on 23 May 2022</li> </ul>	<b>Court hearing to sanction Trust Scheme</b>	<ul style="list-style-type: none"> <li>Trust Scheme sanctioned by Court on 7 June 2022</li> </ul>	<b>Election Period (in respect of the Scheme Consideration) for MNACT Unitholders</b>	<ul style="list-style-type: none"> <li>Election period from 15 June 2022 to 29 June 2022</li> <li>Based on the results of the elections for the Scheme Consideration made by the MNACT Unitholders in relation to the Trust Scheme, the cash component payable by MCT for the Scheme Consideration is approximately S\$2,454.5 million in aggregate.</li> <li>Accordingly, 1,018,382,531 Preferential Offering Units will be issued by the MCT Manager, on the basis of 306 Preferential Offering Units for every 1,000 existing MCT Units held by Eligible Unitholders, at the issue price of S\$2.0039 per Preferential Offering Unit, to raise gross proceeds of approximately S\$2,040.7 million pursuant to the Preferential Offering. The remaining amount of approximately S\$413.8 million required for the cash component of the Scheme Consideration will be funded through debt.</li> </ul>	<b>Application Period (in respect of the Preferential Offering) for MCT Unitholders</b>	<ul style="list-style-type: none"> <li>Application period from 12 July 2022 to 20 July 2022</li> <li>Expected date of commencement of trading of Preferential Offering Units: 28 July 2022</li> <li>Pursuant to the MIPL Undertaking, Sienna Pte. Ltd. (“<b>Sienna</b>”), being an MIPL Entity, has accepted and subscribed for 1,008,629,340<sup>1</sup> of the 1,018,382,531 Preferential Offering Units as part of its commitment and conviction in MPACT</li> </ul>
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<sup>1</sup> This represents the aggregate of Sienna’s valid acceptances of *pro rata* provisional allotments and excess applications.

	<ul style="list-style-type: none"> <li>MIPL has further agreed to a voluntary 6-month lock-up of the unitholdings of the MIPL Entities in the Merged Entity following the completion of the Preferential Offering</li> </ul>
<b>Record date for clean-up distribution in respect of the period from 1 April 2022 up to the day immediately before the Effective Date to MCT Unitholders</b>	<ul style="list-style-type: none"> <li>5.00 p.m. on 20 July 2022</li> <li>Clean-up distribution to MCT Unitholders in respect of the period from 1 April 2022 up to 20 July 2022 (being the day immediately before the Effective Date) (the “<b>MCT Clean-up Distribution</b>”)</li> <li>The actual quantum and further details will be announced on a later date</li> </ul>
<b>Effective Date</b>	<ul style="list-style-type: none"> <li>21 July 2022</li> <li>The date on which the Trust Scheme became effective in accordance with its terms.</li> </ul>
<b>Expected date of commencement of trading of Preferential Offering Units</b>	<ul style="list-style-type: none"> <li>28 July 2022</li> <li>The Preferential Offering Units will be entitled to any distributions which may be declared, paid or made in respect of any period commencing on or after 21 July 2022. For the avoidance of doubt, the Preferential Offering Units will not be entitled to the MCT Clean-up Distribution.</li> </ul>
<b>Payment of Scheme Consideration to MNACT Unitholders and date of commencement of trading of Consideration Units</b>	<ul style="list-style-type: none"> <li>29 July 2022</li> <li>It is expected that the MNACT Unitholders will, as unitholders of the Merged Entity, be able to commence trading of the Consideration Units on the SGX-ST with effect from 9.00 a.m. on the Scheme Settlement Date of 29 July 2022. Upon completion of the Merger, the Merged Entity is expected to have total units outstanding of 5,232,164,608.</li> <li>The Consideration Units will be entitled to any distributions which may be declared, paid or made in respect of any period commencing on or after 21 July 2022. For the avoidance of doubt, the Consideration Units will not be entitled to the MCT Clean-up Distribution.</li> </ul>
<b>Expected date of delisting of MNACT</b>	<ul style="list-style-type: none"> <li>3 August 2022</li> </ul>

2	<p><b>When can MNACT Unitholders receive payment of the Cash-Only Consideration and/or the cash component of the Cash-and-Scrip Consideration?</b></p>
	<ul style="list-style-type: none"> <li>• The expected date of payment of the Cash-Only Consideration and/or the cash component of the Cash-and-Scrip Consideration (as the case may be) to MNACT Unitholders is Friday, 29 July 2022.</li> </ul>
3	<p><b>What are the next steps forward after the Merger and the plans for integration? What is the plan to enhance shareholder value in the long run?</b></p>
	<ul style="list-style-type: none"> <li>• We have announced that the immediate focus is to harness the best of both teams to capture efficiencies, optimise the portfolio and capitalise on market trends to provide attractive financial returns to unitholders.</li> <li>• The enlarged scale and stronger financial muscles will enable MPACT to undertake capital recycling opportunities, take on value-enhancing asset enhancement, and pursue larger acquisitions in Asia’s key gateway markets (including but not limited to Singapore, Hong Kong SAR, China, Japan and South Korea).</li> <li>• All these will be firmly rooted to a prudent capital management approach that continues to be disciplined and forward-looking.</li> <li>• The Merged Entity will have a “4R” Asset and Capital Management Strategy – Recharge, Refocus, Reconstitute and Resilience – with the Merged Entity’s geographic scope covering the key gateway markets of Singapore, Hong Kong SAR, China, Japan and South Korea. This proactive and tailored strategy will include: <ul style="list-style-type: none"> <li>○ Driving NPI and DPU growth through cross-pollination of teams and active asset management while capitalising on market recovery;</li> <li>○ Unlocking value through selective strategic divestments at an opportune time; and</li> <li>○ Focusing on accretive acquisitions of office and office-like business park assets in key gateway cities, anchored by tenants in high growth sectors and leveraging the enlarged balance sheet and enhanced financial flexibility.</li> </ul> </li> <li>• By coming together as MPACT, we are confident that we can provide more flexibility to reposition the portfolio in driving DPU growth, and delivering sustainable value and return for all unitholders. Backed by the strong support of our sponsor (“<b>Sponsor</b>”) – MIPL, MPACT will be well-placed to ride on the recovery and long-term growth of Asia to deliver long-term sustainable value to all unitholders.</li> </ul>

4	<p><b>Why was the offer price of the MCT Preferential Offering at S\$2.0039 per Preferential Offering Unit? This is higher than prevailing market price. Are the Preferential Offering Units different from the present MCT Units?</b></p>
	<ul style="list-style-type: none"> <li>• The issue price of the Preferential Offering is S\$2.0039 per Preferential Offering Unit, and is the same as the Scheme Issue Price of S\$2.0039, being the 1-day volume weighted average price per MCT Unit as at the last trading day immediately prior to the announcement of the Merger (the “<b>Last Trading Day</b>”), being 27 December 2021. This demonstrates the MCT Manager’s commitment to the original terms of the Merger and Trust Scheme, which was based on the implied Scheme Consideration of S\$1.1949 per MNACT Unit and the Scheme Issue Price of S\$2.0039 per Consideration Unit.</li> <li>• The “Scheme Issue Price” refers to the issue price of the Consideration Units to be issued by MCT as full or part of the consideration for the proposed Merger with MNACT by way of a trust scheme of arrangement (“<b>Trust Scheme</b>”). The Merger has been approved by MCT Unitholders at the EGM on 23 May 2022.</li> <li>• The Preferential Offering Units rank <i>pari passu</i> in all respects with the MCT Units in issue on the day immediately prior to the date on which the Preferential Offering Units are issued pursuant to the Preferential Offering, including the right to any distributions which may accrue prior to the issuance of the Preferential Offering Units pursuant to the Preferential Offering. For the avoidance of doubt, the Preferential Offering Units are not entitled to distributions with a record date falling before the date of issuance of the Preferential Offering Units on 28 July 2022, including the clean-up distribution in respect of the period from 1 April 2022 up to 20 July 2022 (being the day immediately before the date on which the Trust Scheme became effective in accordance with its terms)<sup>2</sup>.</li> </ul>
5	<p><b>What would happen if MCT Unitholders choose not to participate in the Preferential Offering? How does the MCT Manager ensure that the interests of the MCT Unitholders are protected?</b></p>
	<ul style="list-style-type: none"> <li>• MIPL, as the sponsor of MCT and MNACT, has via the MIPL Undertaking agreed to subscribe for the Maximum Preferential Offering Units of up to S\$2.2 billion at an issue price of S\$2.0039 per Preferential Offering Unit. Furthermore, MIPL has agreed to a voluntary six-month lock-up of its unitholdings in the Merged Entity held through the MIPL Entities following the completion of the Trust Scheme and the Preferential Offering (whichever is earlier) to reinforce its commitment for MPACT and increase alignment with unitholders. Accordingly, Sienna, being an MIPL Entity, has accepted and subscribed for 1,008,629,340<sup>3</sup> of the 1,018,382,531 Preferential Offering Units. Immediately after the issuance of the</li> </ul>

<sup>2</sup> For further details, please refer to the announcements dated 31 May 2022 and 7 June 2022 issued by the MCT Manager in relation to, among others, the MCT Clean-up Distribution and the record date for the MCT Clean-up Distribution.

<sup>3</sup> This represents the aggregate of Sienna’s valid acceptances of *pro rata* provisional allotments and excess applications.

	<p>Preferential Offering Units, the MIPL Entities will have an aggregate interest of approximately 48.2% of the total number of 4,346,430,021 MCT Units then in issue.</p> <ul style="list-style-type: none"> <li>• On 29 July 2022, it is expected that a total of 885,734,587 Consideration Units will be issued as part of the settlement of the Scheme Consideration and that such Consideration Units will be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on the same day. As 809,331,316 Consideration Units will be issued to the MIPL Entities, immediately after the issuance of the Consideration Units, the MIPL Entities will have an aggregate deemed interest in 2,906,447,961 MCT Units, representing approximately 55.5% of the total number of 5,232,164,608 MCT Units in issue immediately after the issuance of the Consideration Units.</li> <li>• The Merger remains DPU and NAV accretive to MCT Unitholders on a historical pro forma basis.</li> <li>• Irrespective of MIPL's resultant unitholding, the Merged Entity will maintain a free float equivalent to or greater than MCT's current free float size, valued at approximately S\$4.5 billion as at the Last Trading Day of 27 December 2021, and is the fifth largest free float size among S-REITs.<sup>4</sup></li> <li>• Currently, MCT is a constituent in key representative indices including the FTSE EPRA Nareit Developed Index and Developed Asia Index, the MSCI Singapore Index and the Straits Times Index.</li> <li>• The Merged Entity is expected to continue to be a constituent in the same indices. Based on the developed markets classification in the FTSE EPRA Nareit Developed Index and Developed Asia Index, the Merged Entity is expected to remain a constituent in the FTSE EPRA Nareit Developed Index and Developed Asia Index as the pro forma earnings before interest and tax contribution of the Merged Entity will continue to be primarily from the developed markets, estimated at approximately 88.1%. In addition, the Merged Entity will maintain or expand its representation in both the MSCI Singapore Index and Straits Times Index depending on the uplift in free float (if any).</li> </ul>
6	<p><b>Beyond Singapore, which countries are the MCT Manager looking at for potential acquisitions? Are you also actively looking for Singapore assets? Are there any asset recycling planned?</b></p>
	<ul style="list-style-type: none"> <li>• In evaluating any acquisition opportunities, the MCT Manager focuses primarily on the following investment criteria: <ul style="list-style-type: none"> <li>○ Value accretions;</li> </ul> </li> </ul>

<sup>4</sup> Based on the top 10 S-REITs by free float market capitalisation (excluding the Merged Entity) as at the Last Trading Day. Top 10 REITs by free float market cap: AREIT, CICT, MLT, MIT, MCT, FLCT, FCT, Keppel DC REIT, MNACT, KREIT. Free float calculated as total units excluding Sponsor-held units.



	<ul style="list-style-type: none"> <li>○ Yield thresholds; and</li> <li>○ Quality of the asset, including <ul style="list-style-type: none"> <li>- Location;</li> <li>- Asset enhancement potential;</li> <li>- Building and facilities specification; and</li> <li>- Tenant mix and occupancy characteristics.</li> </ul> </li> <li>● Singapore will remain a core market to provide underlying portfolio stability during our next phase of growth. We actively explore acquisition opportunities, including third-party assets, on an ongoing basis. MCT currently has six right-of-first-refusal (“ROFR”) assets from the Sponsor for potential acquisitions, some of which are located in the attractive Greater Southern Waterfront precinct. These six ROFR assets will continue to remain available to MPACT.</li> <li>● The “4R” Asset and Capital Management Strategy includes strategic divestments and accretive acquisitions. Such portfolio rebalancing will be conducted in a manner that ensures diversification across geographies and maximises value for the Merged Entity’s unitholders.</li> <li>● Please refer to paragraph 4.2 of the Circular for details on the Merged Entity’s “4R” Asset and Capital Management Strategy, including the views of the MCT Manager in relation to each of the key gateway markets of Singapore, Hong Kong SAR, China, Japan and South Korea.</li> </ul>
<b>7</b>	<p><b>After the Merger, what is the composition of commercial and retail properties? Will the Management focus on retail more than office buildings?</b></p>
	<ul style="list-style-type: none"> <li>● MPACT will have an expanded investment mandate to invest on a long-term basis 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 SAR, Japan and South Korea). The Expanded Investment Mandate takes into account the geographic focus of the Merged Entity portfolio post-Merger.</li> <li>● Our post-Merger strategy for the individual markets is as follows: <ul style="list-style-type: none"> <li>○ <u>Singapore:</u> <ul style="list-style-type: none"> <li>- Singapore will remain a core market to provide underlying portfolio stability</li> <li>- Potential to acquire ROFR assets from the Sponsor to entrench market leadership position in the attractive Greater Southern Waterfront precinct</li> </ul> </li> <li>○ <u>Hong Kong SAR:</u></li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- To focus on putting Festival Walk back on track towards its pre-COVID-19 and pre-social incidents levels before considering further expansion in Hong Kong SAR</li> <li>- Stabilise and improve Festival Walk such as by maintaining high occupancy and enhancing attractiveness of the mall</li> <li>- Unlikely to increase retail and office exposure without exceptional catalysts</li> <li>○ <u>China:</u> <ul style="list-style-type: none"> <li>- Maintain high occupancy levels through further diversifying its current tenant base and enhancing its leasing strategies</li> <li>- Review assets in the context of the enlarged portfolio</li> <li>- Merged Entity will continue to leverage local expertise to seek opportunistic acquisitions in office and office-like business park assets, anchored by tenants in high growth sectors</li> </ul> </li> <li>○ <u>Japan:</u> <ul style="list-style-type: none"> <li>- Japan properties provide lower cost of funding for the Merged Entity and act as a hedge against volatility</li> <li>- Endeavour to maintain performance of the Japan properties before making selective strategic divestments at an opportune time</li> </ul> </li> <li>○ <u>South Korea:</u> <ul style="list-style-type: none"> <li>- Given South Korea's favourable market dynamics, the market remains primed for targeted expansion which the MCT Manager will focus on</li> <li>- Identify and pursue acquisitions of prime office assets, including the remaining stake in The Pinnacle Gangnam, with the aim of benefitting particularly from growth sectors</li> </ul> </li> </ul>
<p><b>8</b></p>	<p><b>Since the announcement of the Merger, the share price of MCT has dropped and has never recovered in spite of all the positives mentioned by management. What are some of the reasons for this?</b></p>
	<ul style="list-style-type: none"> <li>• The current market dislocations have resulted from multiple factors including geopolitical uncertainties, rising energy prices, interest rate hikes and risk of slowing economic growth. Whilst we acknowledge the ongoing geopolitical uncertainties globally, such uncertainties will continue to exist in one form or another.</li> <li>• At MCT, our business is built to withstand difficult periods. Against the backdrop of challenges inflicted by COVID-19, we have delivered a set of steady results. We have also delivered long-term consistent performance through economic cycles since IPO.</li> </ul>

	<ul style="list-style-type: none"> <li>• Post-Merger, we will focus on executing the “4R” Asset and Capital Management Strategy to drive growth in MPACT.</li> </ul>
<b>9</b>	<p><b>How does the MCT Manager foresee the impact of Hong Kong’s zero-COVID policy on Festival Walk and its potential rental recovery?</b></p> <p><b>How will the merger with MNACT bring about improvement in DPU when its greatest asset in Hong Kong is facing COVID-19 challenges even up to now?</b></p>
	<ul style="list-style-type: none"> <li>• We have articulated before that Hong Kong SAR is a recovery story.</li> <li>• Borders are expected to re-open gradually and COVID-19 measures are being gradually relaxed by the Hong Kong SAR government. The loosened measures are encouraging, and we expect that the Hong Kong SAR economy will recover as more restrictions are eased. We believe in the fundamentals of Festival Walk and our focus is to continue working the asset. This focus will be placed on the stabilisation and improvement of Festival Walk such as by maintaining high occupancies and enhancing the attractiveness of the mall.</li> <li>• Festival Walk is a highly regarded property in the Hong Kong SAR market that is popular among local consumers, particularly within the residential catchment around the property. Festival Walk is directly linked to the Kowloon Tong MTR station of Kwun Tong line and the overland East Rail line that links Hong Kong SAR directly to the Shenzhen border. In addition, Festival Walk is in close vicinity to two universities and schools, easily accessible by bus and road networks, providing the mall with multiple sources of shopper footfall.</li> <li>• Performance reached peak levels in FY18/19 but has been affected by COVID-19 and social incidents since then. The MCT Manager will focus on recharging the asset to realise its maximum potential.</li> <li>• The property is expected to benefit from any potential reopening of borders which will have a positive impact on footfall and sales, driving rental improvements.</li> <li>• Although short- to medium-term challenges remain amidst uncertainties in recovery, the MCT Manager continues to see value in Festival Walk and in the long-term prospects of Hong Kong SAR. The property is well-positioned for growth when the impact of COVID19 recedes and when the Hong Kong SAR retail market recovers.</li> </ul>
<b>10</b>	<p><b>MNACT has registered growth in its latest 1Q FY22/23 business update. Has this impacted the pro-forma estimates of the combined group?</b></p>
	<ul style="list-style-type: none"> <li>• As disclosed in paragraph 3.5 of the Circular, the pro forma financial effects of the Merger on MCT and the Merged Entity are based on the MCT FY21/22 Unaudited Financial Statements and the MNACT FY21/22 Unaudited Financial Statements. Assuming that the</li> </ul>

	<p>Merger had been completed on 1 April 2021<sup>5</sup>, the pro forma FY21/22 DPU accretion is approximately 6.8% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or Cash-Only Consideration).</p> <ul style="list-style-type: none"> <li>The Scheme Consideration pursuant to the Merger is backed by the independent full valuations of MNACT's underlying properties as at 31 March 2022. In determining the fair market value of the properties, the MNACT Independent Valuers have considered the potential recovery of the Greater China markets. The Scheme Consideration was determined by taking into consideration, among other factors, the short- to medium-term uncertainties of the respective property portfolios and the resulting potential benefits to be derived from the Merger of MCT and MNACT. For further details, please refer to paragraph 1.3 of the Circular.</li> </ul>
<p><b>B. Portfolio and Asset Performance</b></p>	
<p><b>1</b></p>	<p><b>Vacancy at mTower was the highest. While the pre-termination compensation was paid in 1Q FY21/22 (close to a year ago) and stated to be sufficient to cover more than a year of backfilling, can the MCT Manager provide a leasing update for mTower since the compensation would presumably fall away soon?</b></p> <p><b>The commercial/office sector is experiencing a shift in office space with the new way of working. Is this going to be a concern for Mapletree Anson?</b></p> <p><b>Has work-from-home arrangements affected leasing demand for office space generally, and what are some strategies which the MCT Manager will be adopting to ensure properties remain at high occupancy?</b></p>
	<ul style="list-style-type: none"> <li>As disclosed in various announcements including the Annual Report 2021/22, good progress was made in backfilling mTower during the financial year ended 31 March 2022, resulting in the actual occupancy of mTower improving to 84.7% (in March 2022) from 75.5% (in March 2021), closing the financial year with 88.0% committed occupancy (as at 31 March 2022). While there were some transitional vacancies, Mapletree Anson closed the financial year with full commitment (as at 31 March 2022).</li> <li>The protracted nature of COVID-19 and the shift to work-from-home and hybrid work arrangements have led to the recalibration of workspace requirements by businesses. In response, we have stepped up our tenant engagement efforts to anticipate businesses' changing needs and to bring in new tenants.</li> <li>Although uncertainties posed by work-from-home directives will continue to exist in the immediate term, workspace will still be relevant in the long run. Especially in the context of Singapore where sizes of apartments are relatively small, many may prefer to return to the office to work more comfortably and efficiently. In</li> </ul>

<sup>5</sup> The pro forma financial effects of the Merger on MCT and all references to the pro forma financial information of MCT are for illustrative purposes only; they are not intended to be nor shall they constitute profit forecasts.

	<p>addition, while employees may desire greater flexibility of work schedule, they, together with employers in general, also recognise the cultural, organisation and productivity benefits of being in a workspace.</p> <ul style="list-style-type: none"> <li>• We are mindful of such shifts taking place and will continue our proactive asset management strategy, focussing on maintaining occupancy and stable rental income. We will also seek to improve efficiency and manage costs through optimising various aspects of the operations.</li> <li>• Please refer to the “Strategy” and “Operations Review” sections of MCT’s Annual Report 2021/22 for more details.</li> </ul>
<p><b>C. Strategy and Outlook</b></p>	
<p><b>1</b></p>	<p><b>How is the performance of the commercial portfolio vs the retail portfolio? Are there any underperforming assets in the Singapore portfolio? How does the MCT Manager propose to improve occupancy rates, usage and yield?</b></p>
	<ul style="list-style-type: none"> <li>• Against a backdrop of continued challenges arising from COVID-19, MCT’s FY21/22 gross revenue and NPI topped S\$499.5 million and S\$388.7 million, up by 4.3% and 3.1% respectively as compared to FY20/21. This was driven by higher revenue from all properties except for Mapletree Anson due to its transitional vacancy.</li> <li>• For FY21/22, MCT achieved a high retention rate of 86.0%. As at 31 March 2022, the committed and actual occupancy rates of the portfolio remained high at 97.0% and 94.3% respectively.</li> <li>• <u>VivoCity</u> <ul style="list-style-type: none"> <li>○ FY21/22 gross revenue and NPI were up 8.6% and 8.1% respectively.</li> <li>○ Achieved 2.5% rental reversion for FY21/22 with 20.9% of the mall’s NLA being renewed and re-let.</li> <li>○ Tenant sales and shopper traffic rose 15.6% and 4.5% respectively for FY21/22. Specifically, 4Q FY21/22 tenant sales were 10.3% higher than 4Q FY20/21 levels and had recovered to pre-COVID levels (comparison against 4Q FY18/19).</li> <li>○ Going forward, we will continue to revitalise and re-imagine the mall, refresh retail mix, and create the most welcoming space that can meet the evolving needs of shoppers while enabling retailers to showcase their offerings to the fullest.</li> </ul> </li> <li>• <u>Office and Business Park assets</u> <ul style="list-style-type: none"> <li>○ FY21/22 gross revenue was up 1.9% year-on-year, driven by higher contribution from MBC, mTower and Bank of America HarbourFront<sup>6</sup>.</li> </ul> </li> </ul>

<sup>6</sup> Formerly known as Bank of America Merrill Lynch HarbourFront.

	<ul style="list-style-type: none"> <li>○ Achieved 1.7% rental reversion for FY21/22 with 25.5% of NLA being renewed and re-let.</li> <li>○ The MCT Manager remains mindful of changing shifts in the office market environment, such as a pivot to work-from-home and hybrid arrangements. We will continue with our active asset management and leasing strategy, engage our tenants early, so as to anticipate their needs, retain quality tenants and secure early renewals.</li> <li>● Please refer to the “Strategy” and “Operations Review” sections of MCT’s Annual Report 2021/22 for more details.</li> </ul>
<b>2</b>	<p><b>Under a high interest rate and high inflation environment in the upcoming years, will the performance of the REIT be affected?</b></p> <p><b>Will margins be eroded by inflationary pressures and increase in interest rates?</b></p> <p><b>What is the action taken by MCT to manage this situation?</b></p>
	<ul style="list-style-type: none"> <li>● Notwithstanding easing COVID-19 measures and the resumption of economic activities and international travel in Singapore, global economic recovery remains uncertain and uneven due to the prolonged Russia-Ukraine conflict and COVID-19 pandemic. Increasing inflationary pressures especially from rising energy prices and interest rate hikes could weigh down further on an already fragile global economy. These factors affect the entire market and will erode margins.</li> <li>● Electricity cost for the MCT portfolio had been locked in till October 2022. We expect rates to increase after the expiry of existing contracts, with five months of impact expected for the financial year ending 31 March 2023.</li> <li>● In FY21/22, approximately S\$7.4 million of the total property operating expenses of S\$110.8 million was for utility costs. On this same basis with all other variables being held constant, every 100% increase in utility costs is estimated to affect DPU by approximately 2% (on a full year basis).</li> <li>● Should the increase in costs continue for a protracted period, it may become inevitable to pass some of them on to tenants, where possible.</li> <li>● Based on 80.3% of fixed rate borrowings as at 31 March 2022, the DPU would be lower by 0.09 cents p.a. or approximately 1% of FY21/22 DPU of 9.53 cents if interest rates increase by 50 basis points, with all other variables being held constant.</li> <li>● We remain committed to deliver long-term sustainable returns to Unitholders through proactive asset management, supported by prudent capital management efforts. We also have a tailored post-Merger plan to drive growth for MPACT.</li> <li>● Please refer to Question A3 for more details on the post-Merger strategy and Questions D1 and D2 for more details on capital management approach with respect to interest rate and forex hedging.</li> </ul>

<b>3</b>	<b>The asset portfolio for Singapore remained unchanged for the past 5 years. Was it due to a lack of opportunity to acquire new assets or was there no pipeline of assets to be acquired?</b>
	<ul style="list-style-type: none"> <li>• Since MCT's IPO, we have made accretive acquisitions that also further enhanced portfolio diversification: <ul style="list-style-type: none"> <li>○ Completed the acquisition of Mapletree Anson on 4 February 2013<sup>7</sup></li> <li>○ Completed the acquisition of MBC I on 25 August 2016<sup>8</sup></li> <li>○ Completed the acquisition of MBC II on 1 November 2019<sup>8</sup></li> </ul> </li> <li>• In particular, with the acquisitions of MBC I and MBC II, we have uplifted MCT's portfolio quality and MCT's income stream has benefitted from a more diversified tenant mix.</li> <li>• We actively explore acquisition opportunities, including third party assets, on an ongoing basis. However, opportunities for growth are limited if we remain confined to Singapore due to its relatively limited transaction volumes for office and retail assets as compared to other key gateway markets in Asia.</li> <li>• Having considered these points, we believe that the Merger with MNACT will put MCT on the best path forward. MCT has a track record of stability while MNACT has existing footholds in key gateway cities of Asia. Thus, by coming together as MPACT, we can better unlock the upside potential of a multiple-geography platform and put the REIT onto a new growth trajectory.</li> <li>• Singapore will remain a core market to provide underlying portfolio stability during our next phase of growth. MCT currently has six ROFR assets from the Sponsor for potential acquisitions, some of which are located in the attractive Greater Southern Waterfront precinct. These six ROFR assets will continue to remain available to MPACT.</li> <li>• Please refer to Questions A6 and A7 for more details on the post-Merger strategy.</li> </ul>

<sup>7</sup> Mapletree Anson was acquired from Mapletree Anson Pte. Ltd., which is a direct and indirect wholly-owned subsidiaries of MIPL.

<sup>8</sup> MBC I was acquired from Mapletree Business City Pte. Ltd. on 25 August 2016 and MBC II was acquired from Heliconia Realty Pte Ltd on 1 November 2019. Mapletree Business City comprises MBC I and MBC II. MBC is on a single leasehold land title, with MBC I on strata lease from 25 August 2016 to 29 September 2096.

## D. Capital Management

**1 What are management's thoughts on interest rates and forex hedging? I understand that 80.3% of debt is fixed (as at 31 March 2022). Will the management continue to keep the fixed rate debt at the same level?**

**How will rising interest rates affect DPU in the years to come?**

- In managing the balance sheet, we actively manage the REIT's capital structure for risks management purposes, while keeping the overall costs in sight.
- Historically, the percentage of fixed rate debts of MCT has been kept at above 70% to mitigate fluctuations in interest rates. We aim to keep the percentage of fixed rate debt to above 70% and will continue to monitor the market and seize suitable opportunities to fortify the REIT's balance sheet.
- Based on 80.3% of fixed rate borrowings as at 31 March 2022, the DPU would be lower by 0.09 cents p.a. or approximately 1% of FY21/22 DPU of 9.53 cents if interest rates increase by 50 basis points, with all other variables being held constant.

**2 How will foreign exchange exposures be managed or hedged?**

- Post-Merger, MPACT will receive foreign currency denominated income from its overseas portfolio. Foreign exchange forward contracts will be used to mitigate the impact of foreign exchange rate volatility on distributable income.
- As at 30 June 2022, approximately 74% of MNACT's expected distributable income for FY22/23 was hedged into Singapore Dollars through foreign exchange forward contracts.
- Going forward, we will continue to monitor currency markets and progressively utilise suitable currency hedges to protect cashflow in foreign currencies and provide certainty over future distributions.