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north asia commercial

For Immediate Release:

A) FY20/21 DPU was lower by 13.3% compared to FY19/20 due to COVID-19 impact, cushioned by acquisitions in Japan and South Korea

B) Value of MNACT's portfolio[1] based on independent valuation as of 31 March 2021 declined by 8.1% compared to 31 March 2020

C) Portfolio occupancy held steady at 97% as of 31 March 2021

22 April 2021 – Mapletree North Asia Commercial Trust Management Ltd. ("**MNACTM**" or the "**Manager**"), the Manager of Mapletree North Asia Commercial Trust ("**MNACT**"), announced today MNACT's financial results for the full year from 1 April 2020 to 31 March 2021 ("**FY20/21**").

Financial Highlights

	FY20/21	FY19/20	Variance %	2H FY20/21	2H FY19/20	Variance %
Gross Revenue[2,3] (S$'000)	391,415	354,478	10.4	201,316	144,084	39.7
Net Property Income[3] (S$'000)	292,040	277,487	5.2	152,300	107,693	41.4
Distributable Income (S$'000)	210,150	227,928	(7.8)	113,318	104,140	8.8
DPU (cents)	6.175[4]	7.124	(13.3)	3.299	3.237	1.9
Annualised Distribution Yield[5]	5.8%	8.8%	(34.2)	6.2%	8.0%	(22.6)
Closing Unit Price for period	S$1.06	S$0.805	31.7	S$1.06	S$0.805	31.7

[1] The portfolio valuation as of 31 March 2021 and as of 31 March 2020 refers to the valuation of MNACT's 11 properties (Festival Walk, Gateway Plaza, Sandhill Plaza and the eight Japan Properties). It does not include the valuation of The Pinnacle Gangnam, where MNACT had acquired an effective interest of 50% on 30 October 2020.

[2] Gateway Plaza and Sandhill Plaza revenue is presented net of applicable value added tax. Japan Properties revenue is presented net of consumption tax.

[3] FY20/21 Gross Revenue and NPI do not include the contribution from The Pinnacle Gangnam, acquired on 30 October 2020. MNACT will share profit after tax of The Pinnacle Gangnam based on its 50% interest.

[4] MNACT has amended its distribution policy to make distributions on a half-yearly basis starting from 1H FY20/21. Consequently, DPU for FY20/21 is calculated based on the income available for distribution for 1H and 2H FY20/21 over the number of units in issue as at the end of the period of 3,366,891,945 units and 3,434,336,938 units respectively. The number of units in issue as at the end of 2H FY20/21 does not include the payment of Manager's base fee and the property manager's management fees (collectively known as "**Fees**") in units of 13,428,409 for 2H FY20/21. The units for payment of Fees for 2H FY20/21, to be issued in May 2021, will be included in the computation of the DPU payable for first half of FY21/22.

[5] Defined as annualised DPU for the respective periods, divided by the closing unit price for the period.

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For FY20/21, gross revenue and NPI increased by 10.4% and 5.2% respectively, compared to FY19/20. For the half-year from 1 October 2020 to 31 March 2021 ("**2H FY20/21**"), gross revenue and NPI improved by 39.7% and 41.4%, respectively, compared to the same period last year ("**2H FY19/20**"). The growth in gross revenue and NPI was mainly due to the full-year contributions from mBAY POINT Makuhari ("**MBP**") and Omori Prime Building ("**Omori**") acquired on 28 February 2020, and a low base effect as no rentals were collected in 2H FY19/20 during the temporary closure of Festival Walk mall from 13 November 2019 to 15 January 2020 and its office tower from 13 to 25 November 2019 ("**Festival Walk Temporary Closure**"). Additionally, there were lower rental reliefs granted to the retail tenants at Festival Walk during 2H FY20/21 compared to the same period last year. However, the increase was partially offset by lower average rental rates at Festival Walk mall and Gateway Plaza in FY20/21.

DPU in FY20/21 was 13.3% lower than that in FY19/20. This was because while there were no rentals collected during the period of Festival Walk Temporary Closure, there were top-ups to the distributable income ("**Festival Walk Top-ups**[1]") in FY19/20 to mitigate the decline in DPU and to enable a certain level of distributable income to the Unitholders (until such time the loss of revenue is recovered through the insurance claims). For 2H FY20/21, DPU increased moderately by 1.9% compared to that in 2H FY19/20, due to the full half-year contributions from MBP and Omori acquired on 28 February 2020 and contribution from The Pinnacle Gangnam acquired on 30 October 2020, as well as lower rental reliefs granted to retail tenants at Festival Walk.

Ms. Cindy Chow, Chief Executive Officer of the Manager, said, "While the DPU for the full year FY20/21 declined by 13.3% compared to the previous year, we are encouraged by the 14.7% increase in DPU for 2H FY20/21 over 1H FY20/21. This was achieved primarily with a lower quantum of rental reliefs granted to our retail tenants at Festival Walk mall during this period given the improvement in retail sales and footfall, and the progressive easing of restrictive COVID-19 measures in Hong Kong SAR. Our diversification strategy with the acquisitions of MBP and Omori and the joint venture that acquired The Pinnacle Gangnam also added to MNACT's resilience. The overall environment continued to be challenging, but we managed to maintain a high portfolio occupancy of 97% at the end of March 2021."

"For Festival Walk, retail sales have shown a year-on-year improvement of 6.4% during 2H FY20/21[2], compared to a year-on-year decline of 36.2% in 1H FY20/21. A sustained recovery of retail sales at Festival Walk mall is expected to take time and will depend on the pace of improvement in the COVID-19 situation, the consequential relaxation of restrictive measures and the pace of economic recovery.

[1] Please refer to MNACT's SGX-ST Announcement dated 17 January 2020 titled "3Q FY19/20 – Media Release" and SGX-ST Announcement dated 29 April 2020 dated "4Q FY19/20 – Media Release".

[2] To provide the same basis of comparison, the period of mall closure from 13 November 2019 to 15 January 2020 and the corresponding period in FY20/21 were not taken into account.

To remain appealing to shoppers, we will continue to refresh and adjust the tenant mix by increasing exposure to resilient trades such as F&B, services and lifestyle trades. Further digitalisation initiatives will also be implemented to enhance our shoppers' experience."

"At Gateway Plaza, in view of increased supply in the Beijing office market and weaker leasing demand, we will continue to prioritise occupancy and stabilise rents. For Sandhill Plaza, the technology and biomedical sectors, which are relatively less impacted by the COVID-19 situation, should underpin the demand for business park space. Supported by stable demand for office space, the Japan Properties are expected to continue to maintain a high level of occupancy. The Pinnacle Gangnam is expected to provide a growing earnings stream to MNACT, backed by built-in rental escalations in most of the leases and healthy demand from high-growth industries such as the information technology ("**IT**") sector."

"Moving forward, our focus remains on active asset management and accretive acquisitions to achieve greater diversification of MNACT's portfolio, while keeping an active and prudent approach on capital management."

Operational Update

Portfolio Update by Asset	Festival Walk	Gateway Plaza	Sandhill Plaza	Japan Properties	The Pinnacle Gangnam
Average rental reversion[a] for expired leases that were renewed or re-let in FY20/21	Retail: -21%[b] Office: n.a.[c]	- 7%	5%	2%	n.m.[d]
Committed occupancy level as of 31 March 2021	*Portfolio level: 97.0%*				
	99.9%	92.9%	97.9%	97.8%[e]	96.5%
Percentage of leases (by lettable area) with expiries in FY20/21 that were renewed or re-let as of 31 March 2021	*Portfolio level: 96%*				
	99%	81%	98%	100%	100%

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

[b] Taking into account the short-term leases at Festival Walk mall, the average rental reversion for leases that were renewed or re-let in FY20/21 would have been lower at -27%.

[c] There were no office leases with expiry dates in FY20/21 at Festival Walk.

[d] n.m – not meaningful. During the period from 30 October 2020 (date of completion of acquisition) to 31 March 2021, there was only one lease that expired and was renewed at a rental reversion of 16%.

[e] All Japan Properties except MBP registered full occupancy as of 31 March 2021. The occupancy rate for MBP was 93.9%.

Festival Walk

Gross revenue and NPI for FY20/21 were lower by 5.1% and 6.9%, respectively, compared with FY19/20[1] as a result of higher quantum of rental reliefs granted and a lower average retail rental rate, partially mitigated by a higher average rate of HKD against SGD. Shopper traffic[2] in FY20/21 decreased by 30.9% year-on-year due to the social distancing measures and dine-in bans imposed by the authorities to contain the spread of COVID-19. This, together with lower spending by the locals during the year, had affected tenants' sales[2] which were lower in FY20/21 by 23.1% compared to the same period last year.

During the quarter, the Manager continued to enhance Festival Walk's tenant mix, strengthening its positioning as the preferred social gathering venue for families and friends. F&B outlets featuring an exciting variety of culinary delights, a gift shop and a new educational toy store were among the latest brands to establish their presence at the mall. Going forward, interesting F&B, services and wellness concepts will be progressively introduced into the mall to inject freshness and to capture more sales.

During FY20/21, the Manager received interim payments of HK$263 million (S$46 million[3]) from the insurers, as partial payments on account of the estimated insurance claims for property damage and revenue loss due to business interruption during Festival Walk's closure. Finalisation of the insurance claims remains in progress.

Office Properties in Beijing, Shanghai, Greater Tokyo and Seoul

Gateway Plaza registered a decline in gross revenue and NPI for FY20/21 of 2.5% and 3.4%, respectively, as compared to FY19/20 mainly due to a lower average occupancy and lower average rental rate, partially mitigated by a higher average rate of RMB against SGD.

For Sandhill Plaza, gross revenue and NPI were higher by 2.2% and 2.6%, respectively, for FY20/21 compared to a year ago. This was mainly due to a higher average rental rate and average occupancy rate, as well as a higher average rate of RMB against SGD.

For the Japan Properties, mainly due to the full-year contributions from MBP and Omori, FY20/21 gross revenue was higher by 91.2% while NPI increased by 66.1% compared to FY19/20.

The Pinnacle Gangnam, acquired on 30 October 2020, increased MNACT's profit by S$3.4 million. On a pro-forma basis, The Pinnacle Gangnam would have contributed 1.2% and 1.3% to the portfolio's

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[1] For FY19/20, there was no rental collection during the temporary closure of Festival Walk's mall from 13 November 2019 to 15 January 2020 and its office tower from 13 to 25 November 2019.

[2] To provide the same basis of comparison, the period of mall closure from 13 November 2019 to 15 January 2020 and the corresponding period in FY20/21 were not taken into account.

[3] Please refer to MNACT's SGX-ST Announcement dated 14 October 2020 titled "Update on Festival Walk".

gross revenue and NPI, respectively.

Update on Portfolio Valuation

The valuation of MNACT's 11 properties (Festival Walk, Gateway Plaza, Sandhill Plaza and the eight Japan Properties) was S$7,674.1 million as of 31 March 2021[1], 8.1% lower compared to 31 March 2020. This was largely due to lower market rents assumed by the valuers for Festival Walk and Gateway Plaza as a result of the impact of COVID-19 on the properties' performance, as well as the net translation loss (against SGD) of S$212.0 million from the weaker HKD and JPY against SGD partially offset by the stronger RMB.

When compared with the interim valuation of S$7,948.3 million as of 30 September 2020, the valuation of MNACT's 11 properties (Festival Walk, Gateway Plaza, Sandhill Plaza and the eight Japan Properties) was lower by 3.5% as of 31 March 2021.

The Pinnacle Gangnam, located in Seoul, South Korea, was acquired on 30 October 2020. The valuation of the property as of 31 March 2021 was S$543.5 million[2], where MNACT's 50% effective interest in The Pinnacle Gangnam was at S$271.7 million. MNACT's portfolio valuation, including its 50% effective interest in The Pinnacle Gangnam, amounted to S$7,945.8 million as of 31 March 2021.

The net fair value losses of S$481.0 million[3] is unrealised and has no impact on the distributable income to the unitholders.

Taking into account the loss for the period mainly attributable to the lower portfolio valuation, the Net Asset Value ("NAV") per Unit was lower at S$1.274 as of 31 March 2021, compared to S$1.412 as of 31 March 2020.

Capital Management

As of 31 March 2021, aggregate leverage ratio increased marginally to 41.5% (from 41.3% as of 31 December 2020) mainly due to the lower portfolio value. During the quarter, the Manager entered into a green loan[4] to refinance an existing loan relating to Festival Walk. As of 31 March 2021, MNACT's

[1] The valuations on Festival Walk, Gateway Plaza and Sandhill Plaza were carried out by Cushman and Wakefield Limited as of 31 March 2021 and the valuations on the Japan Properties were carried out by CBRE K.K. as of 31 March 2021.

[2] The valuation on The Pinnacle Gangnam as of 31 March 2021 was carried out by Colliers International (Hong Kong) Limited, Colliers International (Korea) Limited and Daeil Appraisal Board.

[3] The net fair value losses comprised the fair value losses of S$428.7 million for Festival Walk and S$79.0 million for Gateway Plaza, partially offset by the fair value gains of S$0.2 million for Sandhill Plaza, and S$26.5 million for the Japan Properties.

[4] The green loan was entered into on 1 March 2021 to refinance an existing loan relating to Festival Walk, which has been certified a Final Platinum rating under Hong Kong Green Building Council's Building Environmental Assessment Method (BEAM) Plus – Existing Buildings V1.2. Please refer to MNACT's SGX-ST Announcement dated 1 March 2021 titled "Disclosure Pursuant to Rule 704(31) of the Listing Manual of the Singapore Exchange Securities Trading Limited".

liquidity position remains healthy as of 31 March 2021, with committed and uncommitted undrawn credit facilities of S$513.8 million.

Notwithstanding the incremental finance costs on borrowings to fund the acquisitions of MBP, Omori and The Pinnacle Gangnam, finance costs in FY20/21 decreased by S$3.3 million compared to FY19/20, due to lower benchmark interest rates and lower interest rates from the refinancing of borrowings. The effective interest rate for FY20/21 was reduced to 1.99% per annum, as compared to 2.43% per annum for FY19/20. The interest cover ratio, on a trailing 12-month basis, improved from 3.4 times as of 31 December 2020 to 3.7 times[1] as of 31 March 2021.

To enhance the stability of MNACT's distributions, approximately 73% of MNACT's interest cost has been hedged into fixed rates, and about 90% of the expected distributable income for the period from 1 April 2021 to 30 September 2021 ("1H FY21/22") has been hedged into SGD as of 31 March 2021.

Distribution to Unitholders

Unitholders will receive a distribution of 3.299 cents per unit (being 100% of MNACT's distributable income for the period) on Monday, 21 June 2021 for 2H FY20/21. The closure of MNACT's Transfer Books and Register of Unitholders is on Friday, 30 April 2021 at 5.00pm.

Distribution Reinvestment Plan ("DRP")

As part of the Manager's proactive capital management efforts to maintain an optimal overall aggregate leverage for MNACT, the Manager will continue to apply the DRP for MNACT's distribution for the period from 1 October 2020 to 31 March 2021. The issue of units in lieu of cash distributions under the DRP will strengthen MNACT's balance sheet and lower the gearing level progressively.

Outlook

While a global economic recovery is underway, the pace of recovery will depend on the progress of vaccine deployment, a decline in global infection rates as well as geopolitical developments.

Festival Walk, Hong Kong SAR

In Hong Kong SAR, low consumption demand[2] will continue to weigh on retail sales, with prospects of a recovery dependent upon the effectiveness of the mass vaccination programme and the re-opening of the border. Rental rates[3] are expected to drop further in 2021 as the pandemic takes its toll on the

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[1] The interest cover ratios as of 31 March 2021 and 31 December 2020 are based on a trailing 12-month basis and do not take into account the interim insurance proceeds.
[2] CBRE, Hong Kong Retail, 4Q 2020.
[3] Savills, Hong Kong Retail, 4Q 2020.

economy, before bouncing back in 2022 and 2023.

For Festival Walk, the average renewal or re-let rental rate for FY21/22 is expected to be lower compared to FY20/21[1]. The Manager will remain focused on maintaining a high occupancy rate, and will work closely with our tenants on exciting marketing and promotional events to stimulate sales. While the restrictive COVID-19 measures, which limit capacity and operating hours, have been relaxed since 1 April 2021, the impact on the sales performance of our retail tenants remains to be seen and will be monitored. We remain committed to support our retail tenants with rental reliefs where necessary. We will continue to enhance the mall's retail proposition as a lifestyle hub through our ongoing repositioning of tenant mix, initiatives to boost retail sales, various shopping and dining marketing programmes and further digitalisation initiatives.

Recovery works resulting from the Festival Walk Incident [2], which include the installation of permanent balustrades within the mall, are underway. These are being carried out progressively and expected to be completed within the second half of 2021.

China, Japan and South Korea Properties

For Beijing office market[3], supply completions are set to surge while demand is expected to remain sluggish. Rents are expected to drop further in view of increasing competition in the market. For Gateway Plaza, we will continue to focus on maintaining occupancy levels and retaining tenants.

In Shanghai[4], due to the lingering impact from COVID-19, some office tenants are expected to remain cost sensitive. For Sandhill Plaza, its rental performance FY21/22 is expected to remain resilient.

In Tokyo[5], many corporations remain cautious about capital expenditures, leading to a decrease in new office openings or expansions. In line with office decentralisation plans that were put in place as a result of COVID-19, office buildings in non-core areas whose rental levels are lower, are expected to attract certain level of demand from companies looking to either cut costs or set up satellite offices. The Manager will focus on tenant retention to maintain a high level of occupancy for the Japan Properties which are located at the fringe of the city centre or suburban areas.

For the Seoul office market[6], despite lower office demand among some construction and international consumer companies, demand from the IT, gaming, biotech and pharmaceutical industries is expected to grow going forward. The full-year contribution from The Pinnacle Gangnam is expected to increase

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[1] For FY20/21, the average rental reversion at Festival Walk mall was negative 21%.
[2] Please refer to MNACT's SGX-ST Announcement dated 4 December 2019 titled "Update on Festival Walk and Impact on MNACT".
[3] JLL, Asia Property Digest, 4Q 2020.
[4] JLL, Asia Property Digest, 4Q 2020.
[5] CBRE, Japan Market Outlook 2021.
[6] Savills, Seoul Prime Office, 4Q 2020.

MNACT's income stream. Its average rental reversion rate is expected to remain healthy due to the high proportion of leases with rent escalation clauses and continued demand for expansion and relocation from office users.

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About Mapletree North Asia Commercial Trust

Listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 7 March 2013, Mapletree North Asia Commercial Trust ("**MNACT**") is the first real estate investment trust ("**REIT**") that offers investors the opportunity to invest in best-in-class commercial properties situated in prime locations in China, in Hong Kong SAR, in Japan and in South Korea[1].

MNACT consists of 12 properties in China, in Hong Kong SAR, in Japan and in South Korea:

- Beijing, China: Gateway Plaza, a premier 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 premium quality business park development situated in Zhangjiang Hi-tech Park, Pudong;
- Japan: four office buildings in Tokyo (IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building, TS Ikebukuro Building and Omori Prime Building ("**Omori**")); 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 ("**MBP**")) (collectively the "Japan Properties"); and
- Seoul, South Korea: The Pinnacle Gangnam, a freehold office building with retail amenities located in Gangnam business district.

As of 31 March 2021, MNACT's total assets under management is S$7.9 billion (including MNACT's 50% interest in The Pinnacle Gangnam).

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

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Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of MNACT may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of MNACT is not necessarily indicative of the future performance of MNACT.

This announcement may contain forward-looking statements that involve 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

[1] Please refer to MNACT's SGX-ST Announcement titled "Expansion of Investment Mandate" dated 25 September 2020.

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), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

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