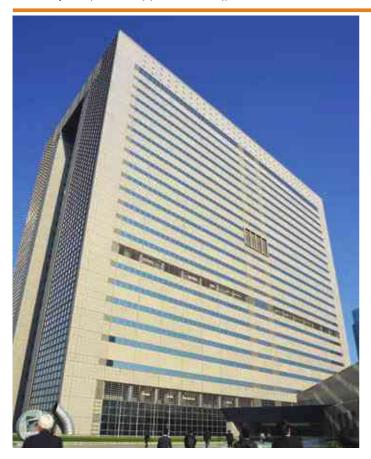


MAPLETREE NORTH ASIA COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 14 February 2013 (as amended) (the "Trust Deed"))

CIRCULAR DATED 3 JANUARY 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION





- THE PROPOSED ACQUISITIONS OF TWO OFFICE PROPERTIES IN GREATER TOKYO, AS AN INTERESTED PERSON TRANSACTION:
- THE PROPOSED ISSUANCE OF THE TRANSACTION UNITS TO THE SPONSOR'S NOMINEE, AS AN INTERESTED PERSON TRANSACTION; AND
- THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE SPONSOR'S NOMINEE.

Singapore Exchange Securities Trading Limited (the "SGX-ST") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of up to 138,571,000 Transaction Units (as defined herein) on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not an indication of the merits of the issuance of Transaction Units, the Transaction Units, the Proposed Acquisitions (as defined herein), Mapletree North Asia Commercial Trust ("MNACT") and/or its subsidiaries.

If you have sold or transferred all your units in MNACT (the "Units"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular does not constitute an offer of securities in the United States or any other jurisdiction. The securities of MNACT have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and any such securities may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Manager does not intend to conduct a public offering of any securities of MNACT in the United States.

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgment of Proxy Forms: (Friday) at 2.30 p.m.

17 January 2020

Date and time of **Extraordinary General** Meeting ("EGM"):

20 January 2020 (Monday) at 2.30 p.m.

Place of EGM:

20 Pasir Panjang Road, Mapletree Business City, Town Hall - Auditorium, Singapore 117439

Managed by

MAPLETREE NORTH ASIA COMMERCIAL TRUST MANAGEMENT LTD. ("THE MANAGER")

Independent Financial Adviser to the Independent Directors and the Audit and Risk Committee of the Manager and DBS Trustee Limited in its capacity as trustee of MNACT **DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD**

(Incorporated in the Republic of Singapore) (Company Registration Number: 200200144N)

Proposed Acquisitions of Effective Interest of 98.47% in Two Office Properties in Greater Tokyo (the "Properties")

Rationale for and Key Benefits of the Proposed Acquisitions

- ✓ Accelerates the income diversification of MNACT
- Reduces asset and income concentration of Festival Walk¹
- ✓ Provides higher yield spread² against the local cost of funds and freehold land tenure

Key Facts

4.5% **NPI Yield**

JPY38.110 million

(S\$477.0 million) **Aggregate Agreed Property Value**

91,583 sq m Net Lettable Area ("NLA")

Occupancy Rate³

3.4 years

Key Benefits of the Proposed Acquisitions

- Proactive and Strategic Diversification of MNACT's Portfolio by Deepening Footprint in Attractive Japan Market
- **High-Quality Freehold Office Assets Strengthen MNACT's Position in Greater Tokyo**
- Stable and Quality Cashflows
- **Enhances Portfolio Diversification**
- **Attractive Value Proposition**

While MNACT will hold a 98.47% effective interest in the Properties upon completion of the Proposed Acquisitions (the "Completion") and currently holds a 98.47% effective interest in its Existing Japan Properties (as defined herein), all property and financial-related figures (e.g. gross rental income ("GRI"), net property income ("NPI"), weighted average lease expiry ("WALE"), occupancy, trade sector breakdown, valuation, gross floor area ("GFA") and net lettable area ("NLA")) stated in this Circular for the Properties and the Enlarged Portfolio (as defined herein) are based on 100.0% effective interest in the Properties, unless otherwise stated. For the purposes of this Circular, WALE and occupancy are based on committed leases (which include existing leases). The balance 1.53% effective interest in the Properties will be held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ"), an indirect wholly-owned subsidiary of the Sponsor. For illustrative purposes, certain Japanese Yen amounts have been translated into Singapore dollars based on the exchange rate on 23 December 2019 of S\$1.00 = JPY79.89 and rounded off to one decimal place (unless otherwise stated). Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Glossary on pages 68 to 76 of the Circular. The "Enlarged Portfolio" comprises (i) the existing nine commercial properties located in China, Hong Kong SAR and Japan (the "Existing Portfolio") and (ii) the Properties. The "Existing Japan Properties" refers to IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building, TS İkebukuro Building, ABAS Shin-Yokohama Building, SI Makuhari Building and Fujitsu Makuhari Building.

- (1) Please refer to MNACT's SGX-ST announcement dated 13 November 2019 titled "Festival Walk Incident" for further details on the Festival Walk Incident and the announcement dated 4 December 2019 titled "Update on Festival Walk and Impact on MNACT" for an update
- Represents the current risk premium of the Properties and the Existing Japan Properties and is an indication of the relative value of the Properties and Existing Japan Properties against the Japan 10-year government bond yield.
- (3) Based on NLA as at 30 September 2019.
- (4) Based on monthly GRI as at 30 September 2019.

(A) mBay Point Makuhari Building ("MBP")



Property Description:

26-storey office building with one basement level

NLA:

84,785 sq m

WALE by monthly GRI:

(as at 30 September 2019)

3.6 years

Committed Occupancy:

(based on NLA as at 30 September 2019)

84.8%, Multi-Tenanted

Agreed property value:

JPY31,500.0 million (S\$394.3 million)





Strategically Located in Two Major Office Hubs in Greater Tokyo



(B) Omori Prime Building ("OPB") 13-storey office building **Property Description:** with one basement level NLA: 6,798 sq m WALE by monthly GRI: 1.7 years (as at 30 September 2019) **Committed Occupancy:** 100.0%, Multi-Tenanted (based on NLA as at 30 September 2019) JPY6,610.0 million Agreed property value: (S\$82.7 million) Office Interior

Rationale for and Key Benefits of the Proposed Acquisitions



Proactive and Strategic Diversification of MNACT's Portfolio by Deepening Footprint in Attractive Japan Market



Japan is One of the World's Largest Economies and Continues to Enjoy Stable Macroeconomic Fundamentals



Seventh consecutive year of positive GDP growth



Japan has high credit ratings with stable or positive outlook



Interest rates remain low



Low unemployment rate of 2.4% (September 2019)



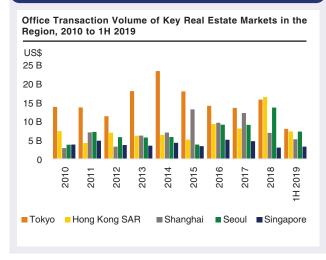
Key growth contributors to GDP: Medical, Healthcare and Welfare, Finance and Insurance, Information and Communications, and Business-related Services



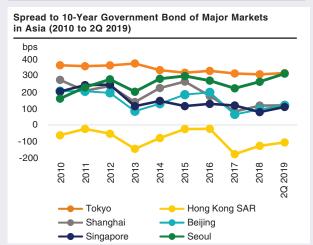
Expansion and opening of new offices by corporates amidst the sustained economic growth environment



Established Active and Scalable Investment Grade Office Real Estate Market



Japan Offers Highest Yield
Spread against Local Cost of
Funds



Source: Real Capital Analytics, Independent Market Research Report.

Interior Photos of the Properties









High-Quality Freehold Office Assets Strengthen MNACT's Position in Greater Tokyo



Well-established Office Hubs with Attractive Micro-location Characteristics

Omori



Close proximity to Haneda airport and Central 5 Wards, with good connectivity via major highways, roads and subways



Has cluster of firms in manufacturing, wholesale and retail sectors



Close to the Shinagawa Station, which is developing into a new transport gateway of Japan with new infrastructure projects including a maglev train terminal station

Chiba/Makuhari



Close proximity to Narita Airport and Port of Chiba, with good connectivity via roads and subways



Home to large enterprises in manufacturing, wholesale and retail, IT and telecommunication sectors



Meeting and convention venues are well-provided with Makuhari Messe, Japan's second largest convention centre, and the hotel clusters nearby



A new station near the AEON shopping mall is expected to be ready in 2024 and this would bring more visitors, residents and vibrancy to the area

Stable Rental and Vacancy Rates

- All-grade office asking rents and office vacancy rates are expected to remain steady in the Omori/Kamata and Chiba/Makuhari areas.
- New supply in both areas are expected to be limited.

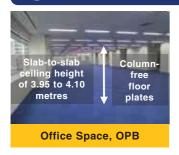
All-Grade Office Asking Rent and Vacancy Rate, 2014 - 2020F







Freehold Properties with Good Specifications









Source: Sanko Estate, Independent Market Research Report.

- Available market data on Omori covers both Omori and the adjacent Kamata area. Rent and vacancy data includes both wide-ranging office sizes and building specifications.
- (2) Available market data on Makuhari covers both Makuhari and the adjacent Chiba and Funabashi areas. Rent and vacancy data includes both wide-ranging office sizes and building specifications.



Backed by Strong Tenant Base in High Growth Sectors

- The Properties are multi-tenanted, many of which are high quality names with strong credit profiles, including companies or subsidiaries of companies listed on the Tokyo Stock Exchange.
- · Many tenants are in the high growth sectors such as:
 - Medical, healthcare and welfare
 - Finance and insurance
 - Information and communications
 - Business-related services
- Top 2 tenants of the Properties are from the Financial Institution/Insurance/Banking/Real Estate sectors and have good credit ratings¹:
 - NTT Urban Development
 - AEON Credit Service



Opportunity to Improve Occupancy and Capture Positive Rental Reversion

Average Passing Rents (for the Month of September 2019) and Range of Current Market Rent Comparables²



- · Some of the leases may offer positive rental reversion
- MBP has an occupancy rate of 84.8% as at 30 September 2019, which offers a potential opportunity to lease up progressively at market rates, given that the average vacancy rate for the area was 7.2% at the end of 2018.



Enhances Portfolio Diversification



Enhances Geographical, Asset and Sector Diversification

 After the Proposed Acquisitions, no single property will contribute more than 58.1% and 62.1% of MNACT's Enlarged Portfolio by NPI and property value respectively.

Enlarged Portfolio: 1H FY19/20 NPI³ by Asset

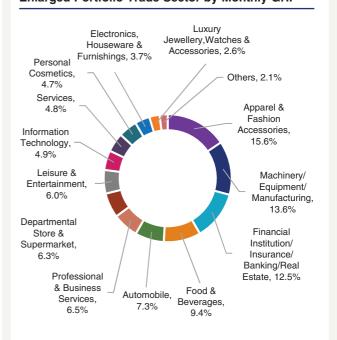






 Representation from the highest contributing trade sector by monthly GRI⁵ will be reduced after the Proposed Acquisitions.

Enlarged Portfolio Trade Sector by Monthly GRI^{5,6}



- (1) Based on Teikoku Databank score for the contracted tenants.
- (2) Market Rents and Average Passing Rents are rounded to the nearest hundred.
- 3) Based on MNACT's latest announced financial statements for the half year ended 30 September 2019 and NPI of the Properties' unaudited financial statements for the half year ended 30 September 2019.
- 4) Based on MNACT's consolidated accounts for the half year ended 30 September 2019 and the Aggregate Agreed Property Value of the Properties.
- (5) As at 30 September 2019.
- (6) Others include Pharmaceutical / Medical (1.4%), Natural Resources (0.3%) and Other Sectors (0.4%).

Attractive Value Proposition



Discount to Independent Valuations



Aggregate Agreed Property Value represents:

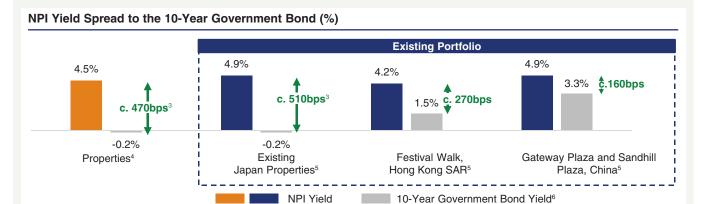
- approximately 1.8% discount to C&W's aggregated valuation and
- approximately 3.1% discount to CBRE's aggregated valuation



by the Manager)

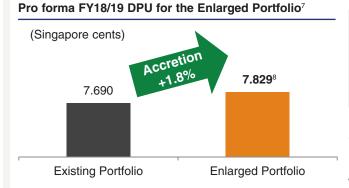
Attractive NPI Yield Spread to Risk-free Rate

by the Trustee)





Proposed Acquisitions are Expected to be DPU Accretive



Key Drivers

- Attractive NPI vield of 4.5%
- Funding cost at low rates
- Competitive tax rates

(The Enlarged Portfolio's Pro-forma FY18/19 DPU is based on an illustrative issue price of \$\$1.15 per Transaction Unit to the Sponsor's Nominee. Please refer to section 4.5 of this Circular for the expected DPU accretion based on various illustrative issue prices for the Transaction Units)

- (1) Valuation of the Properties as at 1 November 2019.
- Based on C&W's aggregated valuation of JPY38,800.0 million (approximately S\$485.7 million) and CBRE's aggregated valuation of JPY39,330.0 million (approximately S\$492.3 million) as at 1 November 2019.
- Represents the current risk premium of the Properties and the Existing Japan Properties and is an indication of the relative value of the Properties and Existing Japan Properties against the Japan 10-year government bond yield.
- NPI yield for the Properties is computed based on its annualised 1H FY19/20 NPI (occupancy rate of 85.9% as at 30 September 2019), assuming MNACT
- held and operated the Properties from 1 April 2019 to 30 September 2019 and divided by the Aggregate Agreed Property Value.

 NPI yield for the Existing Portfolio is computed based on each property's annualised NPI for 1H FY19/20 and divided by its respective property value based on MNACT's consolidated accounts for the half year ended 30 September 2019, based on local currency terms and valuation as at 31 March 2019. The figures for Existing Japan Properties, Gateway Plaza and Sandhill Plaza are on an aggregated basis.
- 10-Year government bond yield for Japan, Hong Kong SAR and China, respectively. Source: Bloomberg as at 31 October 2019.
- The pro forma financial effects of the Proposed Acquisitions on MNACT's DPU based on the FY18/19 Audited Financial Statements, as if the Proposed Acquisitions, issuance of Transaction Units and drawdown of the Debt Financing were completed on 1 April 2018, and MNACT had held and operated the Properties through to 31 March 2019.
- Includes approximately 124,442,000 Transaction Units issuable to the Sponsor's Nominee at an illustrative issue price of S\$1.15 per unit.

Total Acquisition Cost and Method of Financing

Total Acquisition Cost [(a) + (b)]	S\$474.5 million
(a) Aggregate Consideration ¹	S\$469.7 million
(b) Estimated professional fees and expenses ²	S\$4.8 million

Manager to Waive Acquisition Fee

To demonstrate its support for the Proposed Acquisitions, the Manager has waived its acquisition fee entitlement

Method of Financing

- (a) Issuance of Transaction Units³ to the Sponsor's Nominee
 - Approximately S\$143.1 million
- (b) Debt Financing and/or Internal Cash Resources
 - Approximately S\$331.4 million

Rationale for Issuance of Transaction Units

- To align the interests of the Sponsor with that of MNACT and its other Unitholders
- Demonstrates the Sponsor's commitment to support MNACT's growth and diversification strategy

MNACT After the Proposed Acquisitions

	Existing Portfolio	The Properties	Enlarged Portfolio	Enlarged Portfolio vs Existing Portfolio
GFA (sq ft)	4,902,584	1,947,624	6,850,208	1 39.7%
NLA (sq ft)	4,223,400	985,784	5,209,184	1 23.3%
Property Value (S\$ million)	7,6654	4775	8,142	1 6.2%
WALE (years) (by Monthly GRI)	2.7	3.4	2.8	↑ 0.1 year
Occupancy (%) ⁶	98.9	85.9	96.4	♣ 2.5 ppts
Aggregate Leverage (%) (as at 30 September 2019)	37.1	-	39.07,8	1 .9 ppts

Enlarged Portfolio of 11 Properties with Enhanced Geographical & Income Diversification













(Left to right) IXINAL Monzen-nakacho Building (Tokyo), Higashi-nihonbashi 1-chome Building (Tokyo), TS Ikebukuro Building (Tokyo), ABAS Shin-Yokohama Building (Yokohama), SII Makuhari Building (Chiba), Fujitsu Makuhari Building (Chiba)

- (1) The final Aggregate Consideration will be 98.47% of the Aggregate Agreed Property Value of JPY38,110.0 million (approximately S\$477.0 million), subject to net working capital adjustments post Completion.
- (2) Refers to the estimated professional and other fees and expenses incurred or to be incurred by MNACT in relation to the Proposed Acquisitions, the issuance of Transaction Units and Debt Financing.
- The number of Transaction Units will be determined based on the Aggregate Agreed Property Value and the issue price of the Transaction Units. The issue price, at no discount, is based on the volume weighted average price for a unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units
- Based on MNACT's consolidated accounts for the half year ended 30 September 2019.
- (5) Based on Aggregate Agreed Property Value.
- Based on NLA and committed leases.
- Pro forma as at 30 September 2019 adding MNACT's proportionate share of incremental borrowings as a result of the Proposed Acquisitions at the transacting gearing and MNACT's effective interest in the incremental gross assets of MNACT including all its authorised investments held or deemed to be held upon the trust under the Trust Deed as a result of the Proposed Acquisitions.
- (8) Should the Proposed Acquisitions be fully funded by debt, the Aggregate Leverage of MNACT would have been higher at 40.8%.



mBay Point Makuhari Building (Chiba)

Omori Prime Building

(Tokyo)

TABLE OF CONTENTS

			Page
COI	RPORATE I	NFORMATION	ii
OVE	ERVIEW		1
IND	ICATIVE TI	METABLE	16
LET	TER TO U	NITHOLDERS	
1.	Summary	of Approvals Sought	17
2.	The Propo	osed Acquisitions	17
3.	The Propo	osed Issuance of the Transaction Units	32
4.	Rationale	for and Key Benefits of the Proposed Acquisitions	35
5.	Details an	d Financial Information of the Proposed Acquisitions	54
6.	The Propo	osed Whitewash Resolution in relation to the Sponsor's Nominee	60
7.	7. Recommendations		
8.	8. Extraordinary General Meeting		
9.	Abstention	ns from Voting	64
10.	Action to I	be Taken by Unitholders	65
11.	Directors'	Responsibility Statement	65
12.	Consents		66
13.	Document	s on Display	66
IMP	ORTANT N	OTICE	67
GLO	DSSARY		68
APF	PENDICES		
App	endix A	Details of the Properties, the Existing Portfolio and the Enlarged Portfolio	A-1
Арр	endix B	Valuation Certificates	B-1
Арр	endix C	Independent Market Research Report	C-1
Арр	endix D	Independent Financial Adviser's Letter	D-1
NOTICE OF EXTRAORDINARY GENERAL MEETING			E-1
PRO	OXY FORM		

CORPORATE INFORMATION

Directors of Mapletree North Asia Commercial Trust

Management Ltd.

(the manager of MNACT)

(the "Manager")

Mr. Paul Ma Kah Woh (Non-Executive Chairman and

Director)

Mr. Lok Vi Ming (Lead Independent Non-Executive

Director)

Mr. Kevin Kwok (Independent Non-Executive Director)
Mr. Lawrence Wong Liang Ying (Independent

Non-Executive Director)

Mr. Michael Kok Pak Kuan (Independent

Non-Executive Director)

Ms. Tan Su Shan (Independent Non-Executive Director)

Mr. Chua Tiow Chye (Non-Executive Director)
Ms. Koh Mui Ai Wendy (Non-Executive Director)¹

Ms. Cindy Chow Pei Pei (Executive Director and Chief

Executive Officer)

Joint Company Secretaries : Mr. Wan Kwong Weng

Ms. See Hui Hui

Registered Office of

the Manager

10 Pasir Panjang Road

#13-01 Mapletree Business City

Singapore 117438

Trustee of MNACT (the "Trustee")

DBS Trustee Limited
12 Marina Boulevard

Level 44

DBS Asia Central@

Marina Bay Financial Centre Tower 3

Singapore 018982

Legal Adviser to the Manager for the Proposed Acquisitions

as to Singapore Law

Allen & Gledhill LLP

One Marina Boulevard #28-00

Singapore 018989

Legal Adviser to the Manager for the Proposed Acquisitions

as to Japanese Law

Morrison & Foerster LLP

Shin-Marunouchi Building, 29th Floor

5-1, Marunouchi 1-Chome

Chiyoda-ku, Tokyo Japan 100-6529

Legal Adviser to the Trustee for the Proposed Acquisitions

as to Singapore Law

Shook Lin & Bok LLP

1 Robinson Road #18-00 AIA Tower Singapore 048542

Unit Registrar and Unit

Transfer Office

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

¹ Appointment effective as at 15 December 2019.

Independent Financial Adviser to the Independent Directors of the Manager, the Audit and Risk Committee of the Manager and the Trustee (the "IFA") Deloitte & Touche Corporate Finance Pte Ltd 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809

Independent Valuers (the "Independent Valuers")

CBRE K.K., Valuation & Advisory Services ("CBRE") (appointed by the Manager)
18/F, Meiji Yasuda Seimei Building
2-1-1 Marunouchi, Chiyoda-ku, Tokyo
100-0005, Japan

Cushman and Wakefield K.K. ("C&W") (appointed by the Trustee)
Sanno Park Tower 13F
2-11-1 Nagatacho, Chiyoda-ku, Tokyo
100-6113 Japan

Independent Market Research Consultant (the "Independent Market Research Consultant") Cushman and Wakefield K.K. Sanno Park Tower 13F 2-11-1 Nagatacho, Chiyoda-ku, Tokyo 100-6113 Japan



OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 68 to 76 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

For illustrative purposes, certain Japanese Yen amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the exchange rate on 23 December 2019 of \$\$1.00 = JPY79.89 and rounded off to one decimal place. Such translations should not be construed as representations that the Japanese Yen amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.

Unless otherwise stated, the property information contained in this Circular on the Existing Portfolio (as defined herein) and the Enlarged Portfolio (as defined herein) is as at 30 September 2019.

All fees payable in this Circular are exclusive of consumption taxes and goods and services tax.

OVERVIEW

Mapletree North Asia Commercial Trust ("MNACT") is a real estate investment trust established in Singapore and was listed on the SGX-ST on 7 March 2013.

As at 30 September 2019, MNACT had a market capitalisation of approximately S\$4.2 billion¹. MNACT's portfolio currently comprises nine commercial properties located in China, Hong Kong SAR² and Japan (the "**Existing Portfolio**"). As at 30 September 2019, its assets under management are approximately S\$7.7 billion. The Existing Portfolio comprises:

- (a) Festival Walk ("FW"), a landmark territorial retail mall with an office component, consisting of a seven-storey retail mall with a four-storey office tower and three underground car park levels and located in Kowloon Tong, Hong Kong SAR;
- (b) Gateway Plaza ("**GW**"), a premier office building with a retail atrium, consisting of two 25-storey towers connected by a three-storey retail atrium and three underground floors, and located in the Lufthansa area in Beijing, China;
- (c) Sandhill Plaza ("**SP**"), a premium quality business park development comprising one 20-storey tower, seven blocks of three-storey buildings and two basement levels of car park situated in the mature area of Zhangjiang Hi-tech Park in Pudong, Shanghai, China;
- (d) IXINAL Monzen-nakacho Building ("MON"), a five-storey office building located at the fringe of Tokyo's central business district ("CBD") in Tokyo, Japan;
- (e) Higashi-nihonbashi 1-chome Building ("**HNB**"), an eight-storey office building located in Chuo-ku, one of the central five wards in Tokyo, Japan;

¹ Based on the price of S\$1.32 per Unit as at 30 September 2019.

² Refers to the Hong Kong Special Administrative Region ("Hong Kong SAR").

- (f) TS Ikebukuro Building ("**TSI**"), a nine-storey office building located at the fringe of Tokyo's CBD in Tokyo, Japan;
- (g) ABAS Shin-Yokohama Building ("**ASY**"), a nine-storey office building with two basement levels located in Yokohama City, Kanagawa, Japan;
- (h) SII Makuhari Building ("SMB"), a 26-storey office building with a basement level located at the fringe of the Tokyo Metropolitan Prefecture in Chiba, Japan; and
- (i) Fujitsu Makuhari Building ("**FJM**"), a 21-storey office building located at the fringe of the Tokyo Metropolitan Prefecture in Chiba, Japan.

MNACT is proposing to acquire an effective interest of 98.47% in two freehold, multi-tenanted office properties located in Greater Tokyo, Japan (collectively, the "**Properties**", and the proposed acquisitions by MNACT of the 98.47% effective interest in the Properties, the "**Proposed Acquisitions**").

While MNACT will hold a 98.47% effective interest in the Properties upon completion of the Proposed Acquisitions (the "Completion") and currently holds a 98.47% effective interest in its Existing Japan Properties¹, all property and financial-related figures (e.g. GRI², net property income ("NPI"), weighted average lease expiry ("WALE"), occupancy, trade sector breakdown, valuation, gross floor area ("GFA") and net lettable area ("NLA")) stated in this Circular for the Properties and the Enlarged Portfolio (as defined herein) are based on 100.0% effective interest in the Properties, unless otherwise stated. For the purposes of this Circular, WALE and occupancy rates are based on committed leases (which include existing leases).

SUMMARY OF APPROVALS SOUGHT

The Manager is seeking approval from the unitholders of MNACT (the "Unitholders") for the resolutions stated below:

- (a) **Resolution 1:** the Proposed Acquisitions, as an interested person transaction (Ordinary Resolution);
- (b) **Resolution 2:** the proposed issuance of the Transaction Units (as defined herein), as an interested person transaction (Ordinary Resolution); and
- (c) **Resolution 3:** the proposed Whitewash Resolution (as defined herein) in relation to the Sponsor's Nominee (as defined herein) (Ordinary Resolution).

Unitholders should note that Resolution 1, Resolution 2 and Resolution 3 are inter-conditional. In the event any of Resolution 1, Resolution 2 or Resolution 3 is not passed, the Manager will not proceed with the Proposed Acquisitions.

^{1 &}quot;Existing Japan Properties" refers to MON, HNB, TSI, ASY, SMB and FJM, collectively.

^{2 &}quot;GRI" shall mean gross rental income which consists of fixed rent (comprising base rent, service charges, chilled water charges and promotional levy, where applicable) and turnover rent (which is rent calculated by reference to a pre-determined percentage of the tenant's sales turnover, where applicable).

RESOLUTION 1: THE PROPOSED ACQUISITIONS, AS AN INTERESTED PERSON TRANSACTION (ORDINARY RESOLUTION)

Description of the Properties

The Properties comprise two freehold, multi-tenanted office properties located in Greater Tokyo, Japan. A brief description of the Properties are set out below.

(i) mBay Point Makuhari Building ("MBP")

MBP is a 26-storey office building with one basement level and 680 car park lots, located at 6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan, at the fringe of the Tokyo Metropolitan Prefecture. It is located within an eight-minute walk from the Kaihin Makuhari JR train station, which is a 30-minute train ride away from Tokyo Station, the heart of Tokyo's CBD.

MBP has a GFA of 170,499 square metres ("**sqm**") and a NLA of 84,785 sqm. It is multi-tenanted and has an occupancy rate of 84.8%, with a WALE of 3.6 years by monthly GRI as at 30 September 2019. The key tenants are NTT Urban Development, AEON Credit Service and Ministop.

(ii) Omori Prime Building ("OPB")

OPB is a 13-storey office building with one basement level, 36 mechanical car park lots and one open car park lot, located at 21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan, at the fringe of the central five wards in Tokyo. The building is located within a four-minute walk from the JR Omori train station, which is a 16-minute train ride away from Tokyo Station, the heart of Tokyo's CBD.

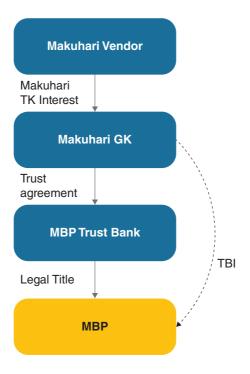
OPB has a GFA of 10,442 sqm and a NLA of 6,798 sqm. It is multi-tenanted and has an occupancy rate of 100.0%, with a WALE of 1.7 years by monthly GRI as at 30 September 2019. The key tenants are Eighting, Isuzu Linex and Brillnics.

For the purposes of this Circular, the "**Enlarged Portfolio**" comprises (i) the Existing Portfolio and (ii) the Properties.

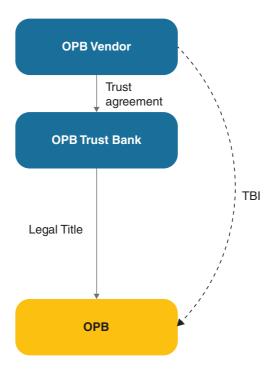
(See paragraph 2.1 of the Letter to Unitholders and Appendix A of this Circular for further details.)

Acquisition Structure

Currently, the legal title of MBP has been entrusted to Sumitomo Mitsui Trust Bank, Limited, a licensed trust bank (the "MBP Trust Bank"), with the trust beneficial interest ("TBI") of MBP being held by GK Makuhari Blue (the "Makuhari GK"). The *Tokumei Kumiai* interest of Makuhari GK (the "Makuhari TK Interest") is held by Higashikoujiya Shugogatakojo TMK (the "Makuhari Vendor"), an indirect wholly-owned subsidiary of Mapletree Investments Pte Ltd ("MIPL" or the "Sponsor").



Additionally, the legal title of OPB has been entrusted to Mizuho Trust & Banking Co., Ltd., a licensed trust bank (the "OPB Trust Bank"), with the TBI of OPB currently held by Satsuki TMK (the "OPB Vendor", and together with the Makuhari Vendor, the "Vendors"), an indirect wholly-owned subsidiary of MIPL.



Both the *Godo Kaisha* ("**GK**") and the *Tokutei Mokuteki Kaisha* ("**TMK**") are common structures adopted for investment in real estate under Japanese law and the *Tokumei Kumiai* interest and the TBI are means by which the holder is entitled to the economic interest of the underlying assets.

The TMK structure is a tax-efficient structure specifically designed for the purpose of issuing asset-backed securities under TMK laws. The GK corporate structure is similar to that of a limited liability company, with the members of the GK both owning and managing the GK (or certain member(s) owning but not managing the GK, as specified in its articles of incorporation).

On 4 December 2019, Tsubaki 1 Pte. Ltd. ("SGCo1"), a private limited company incorporated in Singapore which is wholly-owned by MNACT, entered into:

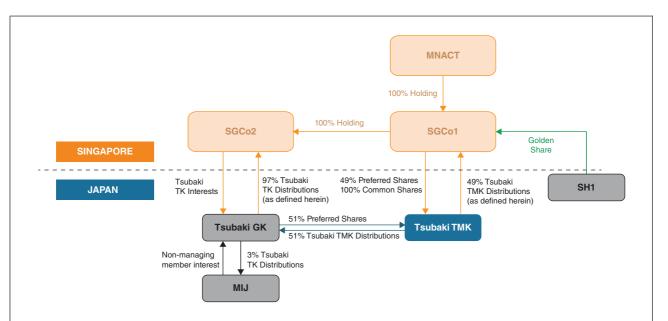
- (a) a conditional *Tokumei Kumiai* interest transfer agreement with the Makuhari Vendor to acquire the interest in MBP (the "**TK Interest Transfer Agreement**"); and
- (b) a conditional TBI sale and purchase agreement with the OPB Vendor to acquire the interest in OPB (the "TBI SPA", and together with the TK Interest Transfer Agreement, the "Sale and Purchase Agreements").

Each of the Sale and Purchase Agreements contains a right which allows SGCo1 to novate its rights and obligations in the Sale and Purchase Agreements to a third party designated by SGCo1. It is currently intended that the rights and obligations of SGCo1 in the Sale and Purchase Agreements will be novated to Tsubaki Tokutei Mokuteki Kaisha ("Tsubaki TMK", and the novation, the "Sale and Purchase Agreements Novation"), its wholly-owned subsidiary, prior to Completion, such that after Completion, MNACT will hold the interest in the Properties through Tsubaki TMK.

SGCo1 currently holds an issued share capital of JPY100,000 (approximately S\$1,251.7) represented by two specified shares (also known as common shares) of Tsubaki TMK (the "Specified Shares"). SGCo1 also holds 49.0% of the total issued preferred share capital of Tsubaki TMK. Ippan Shadan Houjin Tsubaki 1 ("SH1"), a non-profit association established under Japanese law, known as an "Ippan Shadan Houjin", holds a golden share in SGCo1 and thus has voting rights in relation to certain matters, including liquidation and changes to Tsubaki TMK's and SGCo1's constitution, for the purposes of making SGCo1 and Tsubaki TMK bankruptcy-remote vehicles.

The remaining 51.0% of the total issued preferred share capital of Tsubaki TMK is held by Godo Kaisha Tsubaki 3 ("Tsubaki GK"), in which Tsubaki 2 Pte. Ltd. ("SGCo2"), a private limited company incorporated in Singapore which is wholly-owned by SGCo1, will hold the *Tokumei Kumiai* interests relating to the Properties (the "Tsubaki TK Interests") pursuant to the two silent partnership agreements (*Tokumei Kumiai* Agreements) which will be entered into between Tsubaki GK and SGCo2 (the "Tsubaki Silent Partnership Agreements").

Pursuant to the Tsubaki Silent Partnership Agreements, with subsequent agreed-upon capital contributions from SGCo2, SGCo2 will be entitled to 97.0% of the economic interest in Tsubaki GK in relation to the Properties. The balance 3.0% of the economic interest will be retained by Tsubaki GK through the non-managing member interest which Mapletree Investments Japan Kabushiki Kaisha ("MIJ" or the "Japan Asset Manager"), an indirect wholly-owned subsidiary of MIPL, will be subscribing for in Tsubaki GK at or around the same time that SGCo2 contributes the Tsubaki TK Investment (as defined herein). MIJ will be entitled to the balance 3.0% of the economic interest retained by Tsubaki GK.



(See section on "Tokumei Kumiai Structure" in the Overview and paragraph 2.2 of the Letter to Unitholders for further details).

To partly fund the TMK Consideration, MNACT will, through:

- (i) SGCo1, contribute JPY9,459.6 million (approximately S\$118.4 million) (the "SGCo1 Subscription Price") into Tsubaki TMK by subscribing for a total of 1,640.7 million Series 2 preferred shares and 7,818.9 million Series 3 preferred shares such that SGCo1 will hold 49.0% of the total issued preferred share capital of Tsubaki TMK (the "New SGCo1 TMK Preferred Shares", and together with SGCo1's existing preferred shares in Tsubaki TMK, the "SGCo1 TMK Preferred Shares") post subscription, pursuant to two subscription agreements which will be entered into between SGCo1, Tsubaki GK and Tsubaki TMK (the "Preferred Shares Subscription Agreements"); and
- (ii) SGCo2, contribute JPY9,550.0 million (approximately S\$119.5 million) (the "Tsubaki TK Investment") into Tsubaki GK pursuant to the Tsubaki Silent Partnership Agreements, and together with the proportionate contribution of JPY295.4 million (approximately S\$3.7 million) from MIJ into Tsubaki GK, Tsubaki GK will enter into the Preferred Shares Subscription Agreements and will subscribe for a total of 1,656.4 million Series 2 preferred shares and 7,893.6 million Series 3 preferred shares such that Tsubaki GK will hold 51.0% of the total issued preferred share capital of Tsubaki TMK post subscription (the "New GK TMK Preferred Shares").

For the purposes of this Circular, the "New Preferred Shares" comprise (i) the New SGCo1 TMK Preferred Shares and (ii) the New GK TMK Preferred Shares; "Preferred Shares" comprise (i) the SGCo1 TMK Preferred Shares and (ii) the GK TMK Preferred Shares; and "Preferred Shares" refers to SGCo1 and Tsubaki GK, as holders of Preferred Shares.

Through SGCo2's 97.0% economic interest in Tsubaki GK and Tsubaki GK's 51.0% preferred shareholding in Tsubaki TMK, MNACT (through SGCo2) will effectively have an economic interest in 49.47% of Tsubaki TMK and hence the Properties. Together with SGCo1's 49.0% preferred shareholding in Tsubaki TMK, MNACT has an effective economic interest of 98.47% in Tsubaki TMK and hence, the Properties, upon Completion. The balance 1.53% effective interest will be held by MIJ through its non-managing member interest in Tsubaki GK.

Pursuant to the Sale and Purchase Agreements and the Sale and Purchase Agreements Novation, Tsubaki TMK will acquire the interest in the Properties for an aggregate purchase consideration which is based on the aggregate agreed property value of JPY38,110.0 million¹ (approximately S\$477.0 million) (the "Aggregate Agreed Property Value", and the purchase consideration payable by Tsubaki TMK, the "TMK Consideration"). MNACT will be liable to pay 98.47% of the TMK Consideration for its effective interest in the Properties (the "Aggregate Consideration"). The TMK Consideration (and consequently the Aggregate Consideration) will be subject to net working capital adjustments post Completion.

Following Completion, the MBP Trust Bank will continue to act as trustee of MBP and will hold the legal title to MBP. The TBI will continue to be held by Makuhari GK and Tsubaki TMK will hold the Makuhari TK Interest.

In relation to OPB, following Completion, the OPB Trust Bank will continue to act as trustee of OPB and will hold the legal title to OPB and Tsubaki TMK will hold the TBI in OPB.

For the purposes of this Circular, the term "**Proposed Acquisitions**" shall include all the steps taken directly or indirectly by MNACT to acquire the effective interest of 98.47% in the Properties through the acquisitions of the Makuhari TK Interest and the TBI in OPB, including (a) the Tsubaki TK Investment by SGCo2; (b) the subscription for the New SGCo1 TMK Preferred Shares by SGCo1; and (c) the subscription for the New GK TMK Preferred Shares by Tsubaki GK.

(See **paragraphs 2.5 to 2.7** of the Letter to Unitholders for details of the Tsubaki Silent Partnership Agreements, the Preferred Shares Subscription Agreements, and the Sale and Purchase Agreements.)

Valuation

The Aggregate Agreed Property Value of JPY38,110.0 million² (approximately S\$477.0 million), for the purposes of the TMK Consideration, was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of the Properties commissioned by the Trustee and the Manager for the Proposed Acquisitions.

In this respect, the Trustee has commissioned C&W as an independent property valuer and the Manager has commissioned CBRE as an independent property valuer to value the Properties. C&W, in its report dated 12 November 2019, stated that the open market value of the Properties as at 1 November 2019 were JPY38,800.0 million³ (approximately S\$485.7 million). CBRE, in its report dated 12 November 2019, stated that the open market value of the Properties as at 1 November 2019 were JPY39,330.0 million⁴ (approximately S\$492.3 million). In arriving at the open market value, CBRE and C&W relied on the discounted cash flow method.

The Aggregate Agreed Property Value of JPY38,110.0 million (approximately S\$477.0 million) is at a discount of approximately 1.8% to C&W's valuations and approximately 3.1% to CBRE's valuations on an aggregated basis.

(See paragraph 2.4 of the Letter to Unitholders for further details.)

¹ Consisting of the agreed property value of JPY31,500 million for MBP and JPY6,610 million for OPB.

² Consisting of the agreed property value of JPY31,500 million for MBP and JPY6,610 million for OPB.

³ Consisting of a valuation of JPY31,700.0 million for MBP and a valuation of JPY7,100.0 million for OPB as at 1 November 2019.

⁴ Consisting of a valuation of JPY32,200.0 million for MBP and a valuation of JPY7,130.0 million for OPB as at 1 November 2019.

(See also **Appendix A** of this Circular for the independent valuations for the each Property.)

Rationale For and Key Benefits of the Proposed Acquisitions

- (i) Proactive and Strategic Diversification of MNACT's Portfolio by Deepening Footprint in Attractive Japan Market
 - a. Japan is one of the world's largest economies and continues to enjoy stable macroeconomic fundamentals
 - b. Established active and scalable investment grade office real estate market
 - c. Japan offers highest yield spread against local cost of funds
- (ii) High-Quality Freehold Office Assets Strengthen MNACT's Position in Greater Tokyo
 - a. Reinforces MNACT's foothold in Greater Tokyo in well-established office hubs with attractive micro-location characteristics
 - b. Stable rental and vacancy rates
 - c. Excellent connectivity from Tokyo's CBD
 - d. Freehold Properties with good specifications and managed by an experienced and dedicated team
- (iii) Stable and Quality Cashflows
 - a. Multi-tenanted properties backed by strong tenant base in high-growth sectors
 - b. Opportunity to improve occupancy and capture positive rental reversion
- (iv) Enhances Portfolio Diversification
 - a. Enhances geographical, asset, tenant and sector diversification
 - b. Increases percentage of freehold assets
 - c. Improves Portfolio WALE
- (v) Attractive Value Proposition
 - a. Discount to independent valuations
 - b. Attractive NPI yield spread to risk-free rate
 - c. Proposed Acquisitions are expected to be distribution per Unit ("DPU") accretive
 - d. Potential improvement in market index representation

(See paragraph 4 of the Letter to Unitholders for further details.)

Total Acquisition Cost

The total acquisition cost (the "**Total Acquisition Cost**") is currently estimated to be approximately S\$474.5 million (approximately JPY37,907.8 million), comprising:

- (i) the Aggregate Consideration which is estimated to be approximately S\$469.7 million (approximately JPY37,524.3 million)¹; and
- (ii) the estimated professional and other fees and expenses of approximately \$\$4.8 million incurred or to be incurred by MNACT in connection with the Proposed Acquisitions, the issuance of Transaction Units (as defined herein) and the debt financing to be obtained in relation to the Proposed Acquisitions (the "**Debt Financing**").

(See paragraph 2.12 of the Letter to Unitholders for further details.)

Payment of Aggregate Consideration

In order to facilitate the payment of the Aggregate Consideration, the Manager and Suffolk Assets Pte. Ltd. (the "Sponsor's Nominee"), which is a wholly-owned subsidiary of MIPL, have on 4 December 2019 entered into an agreement under which the Manager agrees to issue and the Sponsor's Nominee agrees to pay for new Units (the "Transaction Units", and the agreement, the "Transaction Units Agreement") amounting to a value equivalent to 30.0% of the Aggregate Agreed Property Value, being approximately \$\$143.1 million (approximately JPY11,433.0 million), which will be fully used to make part payment of the Total Acquisition Cost. The number of Transaction Units to be issued to the Sponsor's Nominee will be determined based on the Aggregate Agreed Property Value and the issue price of the Transaction Units. The issue price, at no discount, is based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units.

The balance of the Total Acquisition Cost of approximately S\$331.4 million (approximately JPY26,475.5 million) (the "Remaining Consideration Value") will be funded through cash from Debt Financing and/or internal cash resources.

The Aggregate Leverage² of MNACT is expected to increase from 37.1% as at 30 September 2019 to 39.0% based on the abovementioned funding structure. Should the Proposed Acquisitions be fully funded by debt, the Aggregate Leverage of MNACT would have been higher at 40.8%.

(See paragraph 2.13 of the Letter to Unitholders for further details.)

Payment of Acquisition Fee in Units

To demonstrate its support for the Proposed Acquisitions, the Manager has waived its acquisition fee entitlement under the Trust Deed which would have been at the rate of 0.75% of 98.47% of the Aggregate Agreed Property Value.

(See paragraph 2.14 of the Letter to Unitholders for further details.)

¹ The final Aggregate Consideration will be 98.47% of the TMK Consideration which will be arrived at by deducting the post completion net working capital adjustments from the Aggregate Agreed Property Value.

[&]quot;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.

Method of Financing for the Proposed Acquisitions

The Manager intends to finance the Total Acquisition Cost with (i) the issuance of the Transaction Units; (ii) Debt Financing; and/or (iii) internal cash resources.

The table below sets out the changes to the Aggregate Leverage of MNACT and its subsidiaries assuming that the Remaining Consideration Value of approximately S\$331.4 million is funded by Debt Financing.

Debt Financing (S\$ million)	331.4
Aggregate Leverage of MNACT before the Proposed Acquisitions ⁽¹⁾	37.1%
Aggregate Leverage of MNACT after the Proposed Acquisitions ⁽²⁾	39.0%

Notes:

- (1) As at 30 September 2019.
- (2) Pro forma as at 30 September 2019 adding the MNACT's proportionate share of incremental borrowings as a result of the Proposed Acquisitions at the transacting gearing and the MNACT's effective interest in the incremental gross assets of MNACT including all its authorised investments held or deemed to be held upon the trust under the Trust Deed as a result of the Proposed Acquisitions.

(See paragraph 2.15 of the Letter to Unitholders for further details.)

Supplemental Japan Property Management Agreements

As legal title holders, the MBP Trust Bank and the OPB Trust Bank will be responsible for the management of the Properties, and in this regard, pursuant to the existing property management agreements entered into in relation to each of the Properties between Mapletree Management Services Japan Kabushiki Kaisha ("MMSJ" or "Japan Property Manager"), an indirect wholly-owned subsidiary of the Sponsor, and each of MBP Trust Bank and the OPB Trust Bank (the "Japan Property Management Agreements"), MMSJ has been appointed as the property manager. It is intended that, following Completion, the Japan Property Manager will continue to manage the Properties with the property management fee structure amended to align with MNACT's property management fee structure pursuant to two supplemental property management agreements (the "Supplemental Japan Property Management Agreements") to be entered into on the date of Completion (the "Completion Date").

Under the terms of the Supplemental Japan Property Management Agreements, the Japan Property Manager will be entitled to certain fees (the "Japan Property Management Fees") for property management and lease management services rendered in respect of the Properties. The Japan Property Manager will be subject to the overall supervision of Tsubaki TMK with advice from the Japan Asset Manager.

(See **paragraph 2.8** of the Letter to Unitholders for details of the Supplemental Japan Property Management Agreements.)

Japan Asset Management Agreements

Currently, Makuhari GK has entered into an asset management agreement (the "MBP Asset Management Agreement") with MIJ in relation to MBP and Tsubaki TMK has entered into an asset management agreement (the "Tsubaki Asset Management Agreement") with MIJ in relation to the Existing Japan Properties. The MBP Asset Management Agreement will be taken over by MNACT post Completion. On the Completion Date, the Tsubaki Asset Management Agreement will be amended and restated to make available the asset management services (including sourcing and recommending investments) by the Japan Asset Manager to Tsubaki TMK

in respect of the Makuhari TK Interest and OPB (the "Amended Tsubaki Asset Management Agreement", and together with the MBP Asset Management Agreement, the "Japan Asset Management Agreements").

Pursuant to the Japan Asset Management Agreements, Makuhari GK and Tsubaki TMK have sub-contracted their respective day-to-day operations, including, in the case of Tsubaki TMK, issuing instructions to the OPB Trust Bank, to the Japan Asset Manager which is registered to engage in the investment advisory business under the Financial Instruments and Exchange Law of Japan. In consideration of the asset management services provided to Makuhari GK and Tsubaki TMK, the Japan Asset Manager will be entitled to receive a fee payable on a quarterly basis in arrears on or before the last day of each quarter (save that the first payment shall be paid on a pro-rated basis if applicable), amounting to 10.0% per annum of Makuhari GK's or Tsubaki TMK's distributable income as the case may be (the "Japan Asset Management Fee").

Under the Trust Deed, the Manager is entitled to receive a base fee of 10.0% per annum of the distributable income of MNACT (the "Base Fee"). In view of the fees payable to the Japan Asset Manager, the Manager has elected to waive the Base Fee which it is otherwise entitled to under the Trust Deed in respect of the Properties for so long as the Manager and the Japan Asset Manager are wholly-owned by MIPL and the Japan Asset Manager continues to receive the Japan Asset Management Fee in respect of the Properties. In the event that the waiver ceases to apply, the Manager will make the necessary announcement on SGXNET and give prior notification to SGX.

(See **paragraph 2.9** of the Letter to Unitholders for details of the Japan Asset Management Agreements.)

MIJ Tenancy Agreement

Upon Completion, MNACT will effectively be taking over the tenancy agreements with respect to the Properties, including, among others, a tenancy agreement entered into by MIJ in respect of OPB (the "MIJ Tenancy Agreement").

Interested Person Transaction and Interested Party Transaction

As at 23 December 2019, being the latest practicable date prior to the printing of this Circular (the "Latest Practicable Date"), MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 1,072,779,154 Units, which is equivalent to approximately 33.58% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MNACT under both the listing manual of the SGX-ST (the "Listing Manual") and Appendix 6 of the Code on Collective Investment Scheme (the "Property Funds Appendix"). In addition, as the Manager is an indirect wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendors, MMSJ and MIJ are indirect wholly-owned subsidiaries of MIPL (each being a wholly-owned subsidiary of a controlling unitholder and a controlling shareholder of the Manager), each of the Vendors, MMSJ and MIJ is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MNACT.

Additionally, as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL (being a wholly-owned subsidiary of a controlling unitholder and a controlling shareholder of the Manager), the Sponsor's Nominee is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MNACT.

Therefore, the Proposed Acquisitions, the issuance of the Transaction Units, the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements in connection with the Proposed Acquisitions and the issuance of the Transaction Units will each constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required pursuant to Rule 906(1)(a) of the Listing Manual.

(See paragraph 5.2.3 of the Letter to Unitholders for further details.)

By approving the Proposed Acquisitions, Unitholders will be deemed to have approved the Amended Tsubaki Asset Management Agreement, the Supplemental Japan Property Management Agreements and all other documents incidental to or required to be executed or assigned by the parties in order to give effect to the Proposed Acquisitions.

UNITHOLDERS SHOULD NOTE THAT RESOLUTION 1 (THE PROPOSED ACQUISITIONS, AS AN INTERESTED PERSON TRANSACTION) IS SUBJECT TO AND CONTINGENT UPON THE PASSING OF RESOLUTION 2 (THE PROPOSED ISSUANCE OF THE TRANSACTION UNITS, AS AN INTERESTED PERSON TRANSACTION) AND RESOLUTION 3 (THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE SPONSOR'S NOMINEE).

RESOLUTION 2: THE PROPOSED ISSUANCE OF THE TRANSACTION UNITS, AS AN INTERESTED PERSON TRANSACTION (ORDINARY RESOLUTION)

Payment of the Aggregate Consideration

In order to facilitate the payment of the Aggregate Consideration, the Manager and the Sponsor's Nominee, which is a wholly-owned subsidiary of MIPL, have on 4 December 2019 entered into the Transaction Units Agreement under which the Manager agrees to issue and the Sponsor's Nominee agrees to pay for the Transaction Units amounting to a value equivalent to 30.0% of the Aggregate Agreed Property Value, being approximately S\$143.1 million (approximately JPY11,433.0 million). Based on an illustrative issue price of S\$1.15 per Transaction Unit, the total number of the Transaction Units will be equivalent to approximately 124,442,000 Transaction Units, representing approximately 3.9% of the total number of Units in issue as at the Latest Practicable Date.

The issue price of the Transaction Units, at no discount, will be determined based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units. The Transaction Units shall be issued on the Completion Date and the number of Transaction Units shall be rounded downwards to the nearest board lot.

(See paragraph 3.1 of the Letter to Unitholders for further details.)

Principal Terms of the Transaction Units Agreement

The principal terms of the Transaction Units Agreement include, among others, the following conditions precedent:

- (i) Unitholders' approval for all the resolutions proposed for approval at the EGM being obtained;
- (ii) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled; and
- (iii) the Securities Industry Council ("SIC") having granted the Whitewash Waiver (as defined herein), there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled.

Five business days before completion under the Transaction Units Agreement (the "Transaction Units Agreement Completion Date"), the Sponsor's Nominee shall pay or procure that payment of the sum of JPY11,433.0 million is made in immediately available funds to the Trustee. On the Transaction Units Agreement Completion Date and against receipt of the funds, the Manager shall deliver the unit issue confirmation in relation to the Transaction Units to The Central Depository (Pte) Limited ("CDP"). The Manager shall as soon as practicable following the Completion Date, procure (i) the crediting of the Transaction Units to the relevant securities account(s) furnished by the Sponsor's Nominee to be credited with the Transaction Units and (ii) the listing of the Transaction Units on the SGX-ST. (See paragraph 3.2 of the Letter to Unitholders for further details.)

Status of the Transaction Units

The Transaction Units will not be entitled to distributions by MNACT for the period preceding the date of issue of the Transaction Units, and will only be entitled to receive distributions by MNACT from the date of their issue to the end of the financial quarter in which the Transaction Units are issued, as well as all distributions thereafter. The Transaction Units will, upon issue, rank *pari passu* in all respects with the existing Units in issue.

(See paragraph 3.3 of the Letter to Unitholders for further details.)

Requirement of Unitholders' Approval for the Proposed Issuance of the Transaction Units

The Manager is seeking Unitholders' approval for the proposed issuance of the Transaction Units pursuant to Rule 805(1) of the Listing Manual.

The proposed issuance of the Transaction Units to the Sponsor's Nominee, which is a wholly-owned subsidiary of MIPL, will constitute a placement to a Substantial Unitholder¹ as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL and MIPL, as at the Latest Practicable Date, has an aggregate interest of (i) approximately 33.58% of the total number of Units in issue and (ii) 100.0% in the Manager. Under Rule 812 of the Listing Manual, any issue of Units must not be placed to a Substantial Unitholder unless Unitholders' approval is obtained.

The proposed issuance of the Transaction Units to the Sponsor's Nominee will also constitute an "interested person transaction" under Chapter 9 of the Listing Manual, in respect of which the approval of Unitholders is required.

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the proposed issuance of the Transaction Units to the Sponsor's Nominee.

(See paragraph 3.4 of the Letter to Unitholders for further details.)

Rationale for the Issuance of the Transaction Units

The Transaction Units are being issued to the Sponsor's Nominee to align the interests of MIPL with that of MNACT and its other Unitholders. This also demonstrates MIPL's commitment to support MNACT's growth and diversification strategy.

As the Transaction Units will only be issued upon Completion, there will be no impact on the DPU for the period from the date of this Circular to the date of issuance of Transaction Units.

(See paragraph 3.5 of the Letter to Unitholders for further details.)

^{1 &}quot;Substantial Unitholder" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

Receipt of Approval In-Principle

On 24 December 2019, the SGX-ST granted its approval in-principle for the listing and quotation of up to 138,571,000 Transaction Units on the Main Board of the SGX-ST, subject to certain conditions which are further set out in paragraph 3.6 of the Letter to Unitholders.

(See paragraph 3.6 of the Letter to Unitholders for further details.)

UNITHOLDERS SHOULD ALSO NOTE THAT RESOLUTION 2 (THE PROPOSED ISSUANCE OF THE TRANSACTION UNITS, AS AN INTERESTED PERSON TRANSACTION) IS SUBJECT TO AND CONTINGENT UPON THE PASSING OF RESOLUTION 1 (THE PROPOSED ACQUISITIONS, AS AN INTERESTED PERSON TRANSACTION) AND RESOLUTION 3 (THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE SPONSOR'S NOMINEE).

RESOLUTION 3: THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE SPONSOR'S NOMINEE (ORDINARY RESOLUTION)

Waiver of the Singapore Code of Take-overs and Mergers

The SIC has on 20 December 2019 granted a waiver (the "Whitewash Waiver") of the requirement for the Sponsor's Nominee to make a mandatory offer ("Mandatory Offer") for the remaining Units not owned or controlled by MIPL and parties acting in concert with it (the "Concert Party Group"), in the event that it incurs an obligation to make a Mandatory Offer pursuant to Rule 14 of the Singapore Code of Take-overs and Mergers (the "Code") as a result of its receipt of approximately 124,442,000 Transaction Units¹, subject to the satisfaction of the conditions specified in the Whitewash Waiver (as set out in paragraph 6.2 of the Letter to Unitholders) including the Independent Unitholders (as defined herein) approving a resolution (the "Whitewash Resolution") by way of a poll to waive their rights to receive a general offer for their Units from the Sponsor's Nominee.

Rule 14.1(b) of the Code states that the Sponsor's Nominee would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MNACT and MIPL, or any person acting in concert with it, acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of MNACT. If the Concert Party Group's percentage unitholding increases by more than 1.0% after the issuance of the Transaction Units to the Sponsor's Nominee, the Sponsor's Nominee would then be required to make a Mandatory Offer unless waived by the SIC. A waiver is accordingly sought by the Sponsor's Nominee and the Whitewash Waiver was granted subject to the satisfaction of the conditions specified in the Whitewash Waiver (as set out in **paragraph 6.2** of the Letter to Unitholders) including the Whitewash Resolution being approved by Independent Unitholders at the EGM.

Accordingly, the Manager is seeking approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Sponsor's Nominee, in the event that it incurs an obligation to make a Mandatory Offer as a result of its receipt of approximately 124,442,000 Transaction Units².

(See paragraph 6 of the Letter to Unitholders for further details.)

¹ This is based on an illustrative issue price of S\$1.15 per Transaction Unit for a total sum of S\$143.1 million.

² This is based on an illustrative issue price of S\$1.15 per Transaction Unit for a total sum of S\$143.1 million.

Rationale of the Whitewash Resolution	
The Whitewash Resolution is to enable the issuance of th Nominee.	e Transaction Units to the Sponsor's
(see paragraph 6.3 of the Letter to Unitholders for further	details.)

INDICATIVE TIMETABLE

Event	Date and Time

Last date and time for lodgement of Proxy : 17 January 2020 (Friday) at 2.30 p.m.

Forms

Date and time of the EGM : 20 January 2020 (Monday) at 2.30 p.m.



north asia commercial

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 14 February 2013 (as amended))

Directors of the Manager

Mr. Paul Ma Kah Woh (Non-Executive Chairman and Director)

Mr. Lok Vi Ming (Lead Independent Non-Executive Director)

Mr. Kevin Kwok (Independent Non-Executive Director)

Mr. Lawrence Wong Liang Ying

(Independent Non-Executive Director)

Mr. Michael Kok Pak Kuan

(Independent Non-Executive Director)

Ms. Tan Su Shan (Independent Non-Executive Director)

Mr. Chua Tiow Chye (Non-Executive Director)

Ms. Koh Mui Ai Wendy (Non-Executive Director)¹

Ms. Cindy Chow Pei Pei (Executive Director and

Chief Executive Officer)

Registered Office

10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438

3 January 2020

To: Unitholders of Mapletree North Asia Commercial Trust

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of Ordinary Resolution² for:

- (i) **Resolution 1:** the Proposed Acquisitions, as an interested person transaction;
- (ii) **Resolution 2:** the proposed issuance of the Transaction Units, as an interested person transaction; and
- (iii) **Resolution 3**: the proposed Whitewash Resolution in relation to the Sponsor's Nominee.

Unitholders should note that Resolution 1, Resolution 2 and Resolution 3 are interconditional. In the event any of Resolution 1, Resolution 2 or Resolution 3 is not passed, the Manager will not proceed with the Proposed Acquisitions.

2. THE PROPOSED ACQUISITIONS

2.1 Description of the Properties

The Properties comprise two freehold, multi-tenanted office properties located in Greater Tokyo, Japan. A brief description of the Properties is set out in the following page.

¹ Appointment effective as at 15 December 2019.

^{2 &}quot;Ordinary Resolution" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

(i) mBay Point Makuhari Building

MBP is a 26-storey office building with one basement level and 680 car park lots, located at 6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan, at the fringe of the Tokyo Metropolitan Prefecture. It is located within an eight-minute walk from the Kaihin Makuhari JR train station, which is a 30-minute train ride away from Tokyo Station, the heart of Tokyo's CBD.

MBP has a GFA of 170,499 sqm and a NLA of 84,785 sqm. It is multi-tenanted and has an occupancy rate of 84.8%, with a WALE of 3.6 years by monthly GRI as at 30 September 2019. The key tenants are NTT Urban Development, AEON Credit Service and Ministop.

(ii) Omori Prime Building

OPB is a 13-storey office building with one basement level, 36 mechanical car park lots and one open car park lot, located at 21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan, at the fringe of the central five wards in Tokyo. The building is located within a four-minute walk from the JR Omori train station, which is a 16-minute train ride away from Tokyo Station, the heart of Tokyo's CBD.

OPB has a GFA of 10,442 sqm and a NLA of 6,798 sqm. It is multi-tenanted and has an occupancy rate of 100.0%, with a WALE of 1.7 years by monthly GRI as at 30 September 2019. The key tenants are Eighting, Isuzu Linex and Brillnics.

(See **Appendix A** of this Circular for further details.)

2.2 Structure of the Proposed Acquisitions and Taxation

Currently, the legal title of MBP has been entrusted to the MBP Trust Bank with the TBI of MBP being held by the Makuhari GK. The Makuhari TK Interest is held by the Makuhari Vendor.

Additionally, the legal title of OPB has been entrusted to the OPB Trust Bank with the TBI of OPB currently held by the OPB Vendor.

Both the GK and the TMK are common structures adopted for investment in real estate under Japanese law and the *Tokumei Kumiai* interest and the TBI are means by which the holder is entitled to the economic interest of the underlying assets.

The TMK structure is a tax-efficient structure specifically designed for the purpose of issuing asset-backed securities under TMK laws. The GK corporate structure is similar to that of a limited liability company, with the members of the GK both owning and managing the GK (or certain member(s) owning but not managing the GK, as specified in its articles of incorporation).

In connection with the Proposed Acquisitions, SGCo1 entered into the following agreements on 4 December 2019:

- (a) the TK Interest Transfer Agreement with the Makuhari Vendor; and
- (b) the TBI SPA with the OPB Vendor.

Each of the Sale and Purchase Agreements contains a right which allows SGCo1 to novate its rights and obligations in the Sale and Purchase Agreements to a third party designated by SGCo1. It is currently intended that the rights and obligations of SGCo1 in the Sale and Purchase Agreements will be novated to Tsubaki TMK prior to Completion such that after Completion, MNACT will hold the interest in the Properties through Tsubaki TMK.

SGCo1 currently holds an issued share capital of JPY100,000 (approximately S\$1,251.7) represented by two Specified Shares (also known as common shares) of Tsubaki TMK. SGCo1 also holds 49.0% of the total issued preferred share capital of Tsubaki TMK. SH1, a non-profit association established under Japanese law, known as an "*Ippan Shadan Houjin*", holds a golden share in SGCo1 and thus has voting rights in relation to certain matters, including liquidation and changes to Tsubaki TMK's and the SGCo1's constitution, for the purposes of making SGCo1 and Tsubaki TMK bankruptcy-remote vehicles.

The remaining 51.0% of the total issued preferred share capital of Tsubaki TMK is held by Tsubaki GK, in which SGCo2, a private limited company incorporated in Singapore which is wholly-owned by SGCo1, will hold the Tsubaki TK Interests pursuant to the Tsubaki Silent Partnership Agreements.

Pursuant to the Tsubaki Silent Partnership Agreements, with subsequent agreed-upon capital contributions from SGCo2, SGCo2 will be entitled to 97.0% of the economic interest in Tsubaki GK in relation to the Properties. The balance 3.0% of the economic interest will be retained by Tsubaki GK through the non-managing member interest which MIJ will be subscribing for in Tsubaki GK at or around the same time that SGCo2 contributes the Tsubaki TK Investment. MIJ will be entitled to the balance 3.0% of the economic interest retained by Tsubaki GK.

(See **paragraph 2.3 and 2.5** of the Letter to Unitholders for further details on the *Tokumei Kumiai* Relationship and the Tsubaki Silent Partnership Agreements respectively.)

To partly fund the TMK Consideration, MNACT will, through:

- (i) SGCo1, contribute the SGCo1 Subscription Price of JPY9,459.6 million (approximately S\$118.4 million) into Tsubaki TMK by subscribing for the New SGCo1 TMK Preferred Shares such that SGCo1 will hold 49.0% of the total issued preferred share capital of Tsubaki TMK post subscription, pursuant to the Preferred Shares Subscription Agreements; and
- (ii) SGCo2, contribute the Tsubaki TK Investment of JPY9,550.0 million (approximately S\$119.5 million) into Tsubaki GK pursuant to the Tsubaki Silent Partnership Agreements, and together with the proportionate contribution of JPY295.4 million (approximately S\$3.7 million) from MIJ into Tsubaki GK, Tsubaki GK will enter into the Preferred Shares Subscription Agreements and will subscribe for the New GK TMK Preferred Shares such that Tsubaki GK will hold 51.0% of the total issued preferred share capital of Tsubaki TMK post subscription.

Through SGCo2's 97.0% economic interest in Tsubaki GK and Tsubaki GK's 51.0% preferred shareholding in Tsubaki TMK, MNACT (through SGCo2) will effectively have an economic interest in 49.47% of Tsubaki TMK and hence the Properties. Together with SGCo1's 49.0% preferred shareholding in Tsubaki TMK, MNACT has an effective economic interest of 98.47% in Tsubaki TMK and hence, the Properties, upon Completion. The balance 1.53% effective interest will be held by MIJ through its non-managing member interest in Tsubaki GK.

Pursuant to the Sale and Purchase Agreements and the Sale and Purchase Agreements Novation, Tsubaki TMK will acquire the interest in the Properties for an aggregate purchase consideration which is based on the Aggregate Agreed Property Value of JPY38,110.0 million¹ (approximately S\$477.0 million). MNACT will be liable to pay 98.47% of the TMK Consideration for its effective interest in the Properties. The TMK Consideration (and consequently the Aggregate Consideration) will be subject to net working capital adjustments post Completion.

Following Completion, the MBP Trust Bank will continue to act as trustee of MBP and will hold the legal title to MBP. The TBI will continue to be held by Makuhari GK and Tsubaki TMK will hold the Makuhari TK Interest.

In relation to OPB, following Completion, the OPB Trust Bank will continue to act as trustee of OPB and will hold the legal title to OPB and Tsubaki TMK will hold the TBI in OPB.

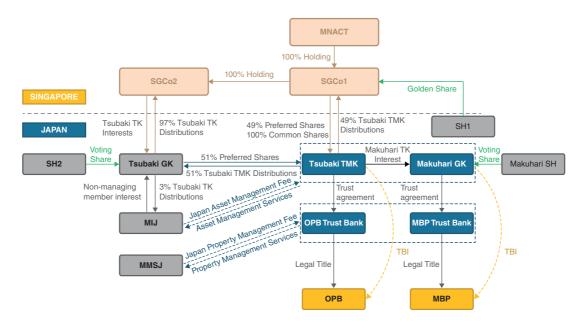
As legal title holders, the MBP Trust Bank and the OPB Trust Bank will be responsible for the management of the Properties, and in this regard, pursuant to the Japan Property Management Agreements, MMSJ, an indirect wholly-owned subsidiary of the Sponsor, has been appointed as the property manager. It is intended that, following Completion, the Japan Property Manager will continue to manage the Properties with the property management fee structure amended to align with MNACT's property management fee structure pursuant to the Supplemental Japan Property Management Agreements to be entered into on the Completion Date.

Currently, Makuhari GK has entered into the MBP Asset Management Agreement with MIJ in relation to MBP and Tsubaki TMK has entered into the Tsubaki Asset Management Agreement with MIJ in relation to the Existing Japan Properties. The MBP Asset Management Agreement will be taken over by MNACT post Completion. On the Completion Date, the Tsubaki Asset Management Agreement will be amended and restated to make available the asset management services (including sourcing and recommending investments) by the Japan Asset Manager to Tsubaki TMK in respect of the Makuhari TK Interest and OPB.

Pursuant to the Japan Asset Management Agreements, Makuhari GK and Tsubaki TMK have sub-contracted their respective day-to-day operations, including, in the case of Tsubaki TMK, issuing instructions to the OPB Trust Bank, to the Japan Asset Manager which is registered to engage in the investment advisory business under the Financial Instruments and Exchange Law of Japan. In consideration of the asset management services provided to Makuhari GK and Tsubaki TMK, the Japan Asset Manager will be entitled to the Japan Asset Management Fee.

¹ Consisting of the agreed property value of JPY31,500 million for MBP and JPY6,610 million for OPB.

The diagram below sets out the relationships between the various parties following Completion¹.



Legend

Makuhari GK: GK Makuhari Blue

Makuhari SH: Ippan Shadan Houjin Makuhari Blue, the *Ippan Shadan Houjin* which holds a voting share in Makuhari GK

MBP Trust Bank: Sumitomo Mitsui Trust Bank, Limited, a licensed trust bank

MIJ: Mapletree Investment Japan Kabushiki Kaisha MMSJ: Mapletree Management Services Japan Kabushiki Kaisha

OPB Trust Bank: Mizuho Trust & Banking Co., Ltd.,

a licensed trust bank

SGCo1: Tsubaki 1 Pte. Ltd., a private limited company incorporated in Singapore

SGCo2: Tsubaki 2 Pte. Ltd., a private limited company incorporated in Singapore which is wholly-owned by SGCo1 **SH1**: Ippan Shadan Houjin Tsubaki 1, the *Ippan Shadan Houjin* which holds a golden share in SGCo1

SH2: Ippan Shadan Houjin Tsubaki 3,

the Ippan Shadan Houjin which holds a golden share

in Tsubaki GK

Tsubaki GK: Godo Kaisha Tsubaki 3

Tsubaki TMK: Tsubaki Tokutei Mokuteki Kaisha

A TMK is a tax efficient structure as it is entitled to deduct dividend distributions made to its shareholders in calculating its taxable income even though it is subject to corporate tax in the same manner as other Japanese domestic corporations. The ability to claim a deduction on the dividend paid is contingent on the TMK satisfying certain conditions set forth under the prevailing Special Taxation Measures Law of Japan. If those conditions are met and Tsubaki TMK is able to distribute 100% of its taxable income, minimal Japanese corporate tax, if any, should be payable by Tsubaki TMK.

For the purpose of facilitating the acquisition of OPB, MNACT may alternatively form a GK entity (the "New GK") to acquire the trust beneficial interest in OPB. In such an event, Tsubaki TMK and the New GK will enter into a silent partnership agreement pursuant to which Tsubaki TMK will be entitled to 100.0% of the Tokumei Kumiai Interest in the New GK. Through this alternative structure, MNACT will be acquiring an effective interest of 98.47% in OPB.

The distributions by Tsubaki TMK ("Tsubaki TMK Distributions") are subject to Japan withholding tax. Provided SGCo1 holds at least 25.0% of the voting shares of Tsubaki TMK during the period of six months immediately before the end of the fiscal period for which the distribution of profits takes place, the dividends it receives from Tsubaki TMK should be eligible for the reduced withholding tax rate of 5.0% as prescribed under the Singapore-Japan double taxation agreement (the "Singapore-Japan DTA").

The Tsubaki TMK Distributions received in Singapore by SGCo1 will be exempt from tax provided:

- (a) in the year the dividend income is received in Singapore, the headline corporate tax rate of the jurisdiction from which it is received is at least 15.0%;
- (b) the dividend has been subjected to tax in the jurisdiction from which it is received;
- (c) the Singapore Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to SGCo1; and
- (d) SGCo1 is a tax resident of Singapore.

The distributions made by Tsubaki GK pursuant to the Tsubaki Silent Partnership Agreements (the "Tsubaki TK Distributions") to SGCo2 are subject to Japan statutory withholding tax, which is currently 20.42%. Unlike the Tsubaki TMK Distributions, the Tsubaki TK Distributions are not eligible for the reduced withholding tax rate of 5.0% under the Singapore-Japan DTA.

On the basis that SGCo2 is a tax resident of Singapore, it will be able to claim foreign tax credit for the tax paid by Tsubaki GK on the profit received or deemed to have been received by it in Singapore against its Singapore tax payable on such income. The amount of foreign tax credit that can be claimed is the lower of the actual foreign tax paid or the amount of Singapore income tax payable on such income. Hence, there ought not to be incremental tax payable by SGCo2 in Singapore in view that the withholding tax of 20.42% is higher than the prevailing Singapore corporate income tax rate.

2.3 Tokumei Kumiai Relationship

The relationship between SGCo2 and Tsubaki GK will be governed by the Tsubaki Silent Partnership Agreements, under which the *Tokumei Kumiai* relationship (the "**Tsubaki TK Relationship**") will be formed.

Tsubaki GK, as the *Tokumei Kumiai* operator, will acquire and hold 51.0% of the economic interest in the Properties (the "**Tsubaki GK Assets**") through its ownership of the New GK TMK Preferred Shares (the "**Tsubaki TK Businesses**"). Pursuant to the Tsubaki Silent Partnership Agreements, SGCo2, which will hold the Tsubaki TK Interests, will be entitled to 97.0% of the Tsubaki TK Distributions from the Tsubaki TB Businesses, and will bear 97.0% of the losses incurred by Tsubaki GK, provided that SGCo2's liability for the losses shall not exceed its contribution and the share of unpaid profits attributable to SGCo2. The balance 3.0% of the economic interest will be retained by Tsubaki GK through the non-managing member interest which MIJ will be subscribing for in Tsubaki GK at or around the same time that SGCo2 contributes the Tsubaki TK Investment. MIJ will be entitled to the balance 3.0% of the economic interest retained by Tsubaki GK. A non-managing member has no right to make any decisions in relation to Tsubaki GK.

Similarly, post Completion, the relationship between Tsubaki TMK and Makuhari GK will be governed by a separate, existing, silent partnership agreement which forms a *Tokumei Kumiai* relation between Tsubaki TMK and Makuhari GK (the "Makuhari Silent Partnership Agreement", and the *Tokumei Kumiai* relation, the "Makuhari TK Relationship"). Pursuant to the TK Interest Transfer Agreement, the Sale and Purchase Agreements Novation and the Makuhari Silent Partnership Agreement, Tsubaki TMK will hold the Makuhari TK Interest and will be entitled to 100.0% of the total income from the acquisition, holding and eventual disposal of the TBI in MBP (the "Makuhari TK Business"), and will bear 100.0% of the losses incurred by the Makuhari GK, provided that Tsubaki TMK's liability for the losses shall not exceed its contribution and the share of unpaid profits attributable to Tsubaki TMK.

In addition, Ippan Shadan Houjin Tsubaki 3, an *Ippan Shadan Houjin* ("SH2"), is a managing member which holds a voting share in Tsubaki GK, and Ippan Shadan Houjin Makuhari Blue, an *Ippan Shadan Houjin* ("Makuhari SH"), is a managing member which holds a voting share in Makuhari GK. SH2 and Makuhari SH are bankruptcy remote entities established solely to act as the holding company of Tsubaki GK and Makuhari GK respectively, and has no potential income, loss or net worth. In general, as a managing member, SH2 and Makuhari SH has the right to make member's decisions in relation to Tsubaki GK and Makuhari GK respectively and SGCo2 and Tsubaki TMK do not have any voting rights as a silent partner. However, through the right of passive veto which will be included in the Tsubaki Silent Partnership Agreements and the Makuhari Silent Partnership Agreement, Tsubaki GK and Makuhari GK cannot proceed with certain key operational matters without first obtaining the prior approval of SGCo2 or Tsubaki TMK (as the case may be) as the *Tokumei Kumiai* investor in compliance with paragraph 6.5 of the Property Funds Appendix.

The distinctive feature of the Tsubaki TK Relationship and the Makuhari TK Relationship is that Tsubaki GK and Makuhari GK, as the Tokumei Kumiai operators, will legally own the Tsubaki GK Assets and the TBI in MBP respectively, and SGCo2 (which, through SGCo1, is wholly-owned and controlled by MNACT) and Tsubaki TMK will be regarded as the silent partner of the Tsubaki TK Relationship and the Makuhari TK Relationship respectively. Given that it is only Tsubaki GK and Makuhari GK, as the legal owner of the Tsubaki GK Assets and the TBI in MBP respectively, which has rights against and obligations to third parties, so long as the Tsubaki TK relationship and the Makuhari TK Relationship is observed and recognised in accordance with the Tsubaki Silent Partnership Agreements and the Makuhari Silent Partnership Agreement respectively, third parties will have no recourse against SGCo2 and Tsubaki TMK, as the silent partner, and the liability of MNACT (through SGCo2 and Tsubaki TMK) is thus limited to the amount invested by SGCo2 and Tsubaki TMK into Tsubaki GK and Makuhari GK and the share of unpaid profits attributable to SGCo2 and Tsubaki TMK). This is similar to a trust structure, whereby the trustee legally owns the trust property for the benefit of the beneficiary. Tsubaki GK and Makuhari GK, as the operator, is placed in a similar position to that of a trustee holding property under a trust whilst SGCo2 and Tsubaki TMK is in a position similar to that of a beneficiary.

2.4 Valuation

The Aggregate Agreed Property Value of JPY38,110.0 million¹ (approximately S\$477.0 million), for the purposes of the TMK Consideration, was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of the Properties commissioned by the Trustee and the Manager for the Proposed Acquisitions.

¹ Consisting of the agreed property value of JPY31,500 million for MBP and JPY6,610 million for OPB.

In this respect, the Trustee has commissioned C&W as an independent property valuer and the Manager has commissioned CBRE as an independent property valuer to value the Properties. C&W, in its report dated 12 November 2019, stated that the open market value of the Properties as at 1 November 2019 were JPY38,800.0 million¹ (approximately S\$485.7 million). CBRE, in its report dated 12 November 2019, stated that the open market value of the Properties as at 1 November 2019 were JPY39,330.0² million (approximately S\$492.3 million). In arriving at the open market value, CBRE and C&W relied on the discounted cash flow method.

The Aggregate Agreed Property Value of JPY38,110.0 million (approximately S\$477.0 million) is at a discount of approximately 1.8% to C&W's valuations and approximately 3.1% to CBRE's valuations on an aggregated basis.

(See Appendix A of this Circular for the independent valuations for each Property.)

2.5 Tsubaki Silent Partnership Agreements

Pursuant to the Tsubaki Silent Partnership Agreements, the Tsubaki TK Relationship will be formed and SGCo2, among others, will agree to make the Tsubaki TK Investment.

The principal terms of the Tsubaki Silent Partnership Agreements shall include, among others, the following conditions precedent to SGCo2's obligation to contribute the Tsubaki TK Investment into Tsubaki GK:

- (i) all representations and warranties of Tsubaki GK are true and accurate in all material respects;
- (ii) Tsubaki GK has performed in all respects, all obligations as required to be performed by it under the Tsubaki Silent Partnership Agreements;
- (iii) the Sale and Purchase Agreements being in full force and effect and there are no material breaches thereof by the Vendors and the Preferred Shares Subscription Agreements being in full force and effect and there are no material breaches thereof by Tsubaki TMK;
- (iv) the approval of Unitholders for all the resolutions proposed for approval at the EGM being obtained;
- (v) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;
- (vi) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled;
- (vii) the fulfilment of all conditions precedent in the Sale and Purchase Agreements (unless otherwise waived), save for any condition precedent requiring the Sale and Purchase Agreements to be unconditional; and
- (viii) financing of the Proposed Acquisitions pursuant to the Sale and Purchase Agreements being obtained.

¹ Consisting of a valuation of JPY31,700.0 million for MBP and a valuation of JPY7,100.0 million for OPB as at 1 November 2019.

² Consisting of a valuation of JPY32,200.0 million for MBP and a valuation of JPY7,130.0 million for OPB as at 1 November 2019.

2.6 Preferred Shares Subscription Agreements

Pursuant to the Preferred Shares Subscription Agreements, SGCo1 and Tsubaki GK will subscribe for the New Preferred Shares.

The principal terms of the Preferred Shares Subscription Agreements shall include, among others, the following conditions precedent:

- the representations and warranties by Tsubaki TMK are true and accurate as of the payment due date for the subscription of the New Preferred Shares by Tsubaki GK and SGCo1;
- (ii) Unitholders' approval for all the resolutions proposed for approval at the EGM being obtained;
- (iii) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;
- (iv) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled;
- (v) financing for the Proposed Acquisitions having been obtained;
- (vi) the Sale and Purchase Agreements being in full force and effect and there are no material breaches thereof by the Vendors;
- (vii) all other conditions precedents in the Sale and Purchase Agreements having been fulfilled or otherwise waived; and
- (viii) the ALP (as defined herein) having been filed with the Local Finance Bureau.

2.7 Sale and Purchase Agreements

In connection with the Proposed Acquisitions, SGCo1 has on 4 December 2019 entered into (a) the TK Interest Transfer Agreement with the Makuhari Vendor to acquire the Makuhari TK Interest and (b) the TBI SPA with the OPB Vendor to acquire the TBI in OPB.

Each of the Sale and Purchase Agreements contains a right which allows SGCo1 to novate its rights and obligations in the Sale and Purchase Agreements to a third party designated by SGCo1. It is currently intended that the rights and obligations of SGCo1 in the Sale and Purchase Agreements will be novated to Tsubaki TMK prior to Completion such that after Completion, MNACT will hold the interest in the Properties through Tsubaki TMK.

The principal terms of the TK Interest Transfer Agreement include, among others, the following conditions precedent:

- (i) all representations and warranties of the Makuhari Vendor and SGCo1 or the party designated by SGCo1 pursuant to the Sale and Purchase Agreements Novation, as applicable (the "**Purchaser**"), are true and accurate in all material respects;
- (ii) the Makuhari Vendor and the Purchaser have performed in material respects all obligations as required to be performed under the TK Interest Transfer Agreement;

- (iii) the Makuhari Silent Partnership Agreement has been validly executed and is duly and validly existing and there are no causes of termination, cancellation or invalidity of the Makuhari Silent Partnership Agreement;
- (iv) no security interests or other legal encumbrances or restrictions have been attached to the Makuhari TK Interest, excluding the case where the Purchaser is satisfied (acting reasonably) that the contractual security interests will be certainly removed by the Makuhari Vendor on the date of transfer by utilising the Purchaser's payment of the TMK Consideration:
- (v) as at the date of the TK Interest Transfer Agreement, the Makuhari Vendor has submitted to the Purchaser the Makuhari Vendor's certified copy of the commercial registration and certificate of seal impression (these are limited to current and issued within three months prior to the execution date of the TK Interest Transfer Agreement);
- (vi) the Makuhari Vendor has obtained the written consent of Makuhari GK pursuant to the Makuhari Silent Partnership Agreement and has shown it to the Purchaser;
- (vii) funding to the Purchaser in relation to the TMK Consideration has been completed;
- (viii) the Purchaser confirming that the Makuhari Vendor is ready to deliver the deliverables to the Purchaser or its designee in accordance with the TK Interest Transfer Agreement;
- (ix) all relevant corporate, governmental and regulatory approvals required by the Purchaser and the Makuhari Vendor for all matters contemplated by, incidental to or necessary to give full effect to, the transactions contemplated in the TK Interest Transfer Agreement have been obtained;
- (x) the approval of Unitholders for all the resolutions proposed for approval at the EGM having been obtained;
- (xi) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;
- (xii) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled;
- (xiii) the Makuhari Silent Partnership Agreement has been amended in a form and with contents reasonably satisfactory to the Purchaser; and
- (xiv) certain condition precedents in the TBI SPA have been fulfilled.

The principal terms of the TBI SPA include, among others, the following conditions precedent:

- (i) all representations and warranties of the OPB Vendor and the Purchaser are true and accurate in all material respects;
- (ii) the OPB Vendor and the Purchaser have performed in material respects all obligations as required to be performed under the TBI SPA;

- (iii) the Trust Agreement (as defined in the TBI SPA) has been validly executed and is duly and validly existing and there are no causes of termination, cancellation or invalidity of the Trust Agreement;
- (iv) no security interests or other legal encumbrances or restrictions have been attached to OPB or the TBI, excluding (i) lease rights and the sub-lease rights under lease agreements and sub-lease agreements with existing tenants of the property (including sub-lessees but limited to such tenants that are described as lessees in Schedule 3-1 of the TBI SPA and those described as sub-lessees in Schedule 3-2 of the TBI SPA) and (ii) excluding the description of the approved matters attached as Schedule 2 of the TBI SPA; and in addition, excluding the case where the Purchaser is convinced that the contractual security interests will be certainly removed by the OPB Vendor on the date of transfer by utilising the Purchaser's payment of the TMK Consideration;
- (v) as at the date of the TBI SPA, the OPB Vendor has submitted to the Purchaser the OPB Vendor's certified copy of the commercial registration and certificate of seal impression (these are limited to current and issued within three months prior to the execution date of the TBI SPA);
- (vi) the OPB Vendor has obtained the written consent of the OPB Trust Bank with a fixed date stamp given by a notary (*Kakutei-Hizuke*) pursuant to the Trust Agreement in relation to the assignment of the TBI from the OPB Vendor to the Purchaser and has shown it to the Purchaser;
- (vii) funding to the Purchaser in relation to the TMK Consideration has been completed;
- (viii) the Purchaser confirming that the OPB Vendor is ready to deliver the deliverables to the Purchaser or its designee in accordance with the TBI SPA;
- (ix) all relevant corporate, governmental and regulatory approvals required by the Purchaser and the OPB Vendor for all matters contemplated by, incidental to or necessary to give full effect to, the transactions contemplated in the TBI SPA have been obtained;
- (x) the approval of Unitholders for all the resolutions proposed for approval at the EGM having been obtained;
- (xi) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;
- (xii) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled; and
- (xiii) certain condition precedents in the TK Interest Transfer Agreement have been fulfilled.

2.8 Supplemental Japan Property Management Agreements

In addition, in connection with the Proposed Acquisitions, it is proposed that the MBP Trust Bank and the OPB Trust Bank will on the Completion Date enter into the Supplemental Japan Property Management Agreements with the Japan Property Manager to provide property management services for the Properties.

Under the terms of the Japan Property Management Agreements, the Japan Property Manager has been appointed as the property manager of the Properties for a term of one year, which will be automatically renewed at the end of each year if neither the MBP Trust Bank or the OPB Trust Bank, as the case may be, nor the Japan Property Manager indicates its intention to terminate the relevant Japan Property Management Agreement.

During the term of the Japan Property Management Agreements, either party may terminate the agreement with one month's prior notice to the counterparty. In addition, the MBP Trust Bank or the OPB Trust Bank may terminate the relevant Japan Property Management Agreement with prior notice of less than one month if the MBP Trust Bank or the OPB Trust Bank pays the Japan Property Manager an amount equivalent to the Japan Property Management Fees for the period of such shortfall equal to one month notice period.

Either party to the Japan Property Management Agreements may terminate the agreement on the occurrence of certain specified events, which include material breaches by the parties, force majeure and the filing of a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings or corporate reorganisation proceedings against the other party.

On the Completion Date, pursuant to the Supplemental Japan Property Management Agreements, the fee structure will be amended to align with MNACT's existing property management fee structure. The Japan Property Management Fees which will be payable by MBP Trust Bank and OPB Trust Bank to the Japan Property Manager under the Supplemental Japan Property Management Agreements are as follows:

- (i) 2.0% per annum of the gross revenue¹ for the property;
- (ii) 2.0% per annum of the NPI² for the property; and
- (iii) 20.0% of all fees paid to third party service providers (for the Japan Property Manager's supervising and overseeing of the services rendered by the third party service providers where any services are provided by the third party service providers).

Refers to, in respect of the property, and in relation to any fiscal year or part thereof, all income accruing or resulting from the operation of such property for that fiscal year or part thereof, including but not limited to base rental income, turnover rental income, licence fees, service charges, car park income, and other sums due from tenants, licensees and concessionaires, business interruption insurance payments and other income earned from the property (comprising recoveries from tenants, licensees and concessionaires for utilities and other services, advertising and other income attributable to the operation of such property) but, shall exclude the following:

⁽a) rebates, refunds, credits or discounts and rebates for rent free periods;

⁽b) goods and services or value added taxes (whether in force at present or in the future) charged to tenants, licensees and users of such property for the sale or supply of goods or services, which taxes are accountable by the assignor (as the case may be) to the tax authorities;

⁽c) proceeds from any insurance policies acquired for the property (but excluding business interruption insurance payments which shall form part of gross revenue);

⁽d) proceeds derived or arising from the sale and/or disposal of such property (or any part thereof) and operating equipment;

⁽e) refundable security deposits (including but not limited to rental deposits, renovation deposits and fitting out deposits); and

⁽f) interest income.

² Refers to gross revenue less property expenses.

2.9 Japan Asset Management Agreements

Currently, Makuhari GK has entered into the MBP Asset Management Agreement with MIJ in relation to MBP and Tsubaki TMK has entered into the Tsubaki Asset Management Agreement with MIJ in relation to the Existing Japan Properties. The MBP Asset Management Agreement will be taken over by MNACT post Completion.

In connection with the Proposed Acquisitions, it is proposed that the Tsubaki Asset Management Agreement will be amended and restated to make available the asset management services (including sourcing and recommending investments) by the Japan Asset Manager to Tsubaki TMK in respect of the Makuhari TK Interest and OPB.

Under the terms of the Japan Asset Management Agreements, the Japan Asset Manager will be appointed as the asset manager commencing from the date on which the relevant Japan Asset Management Agreement is entered into up to the date on which the disposal of the relevant Property, Makuhari TK Interest or TBI by Makuhari GK and/or Tsubaki TMK (as the case may be) is finalised and all the proceeds of such disposal have been disbursed to the shareholders of Makuhari GK or Tsubaki TMK. Makuhari GK and Tsubaki TMK may terminate the appointment of the Japan Asset Manager on the occurrence of certain specified events, which includes:

- (i) the failure by the Japan Asset Manager to perform the services under the relevant Japan Asset Management Agreement in accordance with the care of a good manager and the terms and provisions under the relevant Japan Asset Management Agreement;
- (ii) the filing of a petition in bankruptcy or for an arrangement or for reorganisation pursuant to any bankruptcy law by the Japan Asset Manager, or the adjudication by decree of a court of competent jurisdiction that the Japan Asset Manager is bankrupt, or is declared insolvent, or if the Japan Asset Manager shall admit in writing its inability to pay its debts generally as they become due;
- (iii) the filing of a petition in bankruptcy against the Japan Asset Manager or for reorganisation of the Japan Asset Manager pursuant to any Bankruptcy Law;
- (iv) the loss, failure to maintain, failure to acquire or be granted any material permits or licence required for the Japan Asset Manager to lawfully carry out its obligations under the relevant Japan Asset Management Agreement;
- fraud, gross negligence or wilful misconduct on the part of the Japan Asset Manager in the performance of its obligations under the relevant Japan Asset Management Agreement; or
- (vi) any material breach by the Japan Asset Manager (or any affiliate of the Japan Asset Manager) under the financing documents, if any, to which the Japan Asset Manager (or such affiliate) is a party.

The duties and obligations of the Japan Asset Manager under the Japan Asset Management Agreements shall continue until a replacement manager is appointed by Makuhari GK or Tsubaki TMK at which time such replacement manager shall be and become the Manager hereunder.

The Japan Asset Management Fee payable by Makuhari GK or Tsubaki TMK to the Japan Asset Manager under the relevant Japan Asset Management Agreement will be a fee payable on a quarterly basis in arrears, on or before the last day of each quarter (save that the first payment shall be paid on a pro-rated basis if applicable), amounting to 10.0% per annum of Makuhari GK's or Tsubaki TMK's distributable income as the case may be.

In view of the fees payable to the Japan Asset Manager, the Manager has elected to waive the Base Fee which it is otherwise entitled to under the Trust Deed in respect of the Properties for so long as the Manager and the Japan Asset Manager are wholly-owned by MIPL and the Japan Asset Manager continues to receive the Japan Asset Management Fee in respect of the Properties. In the event that the waiver ceases to apply, the Manager will make the necessary announcement on SGXNET and give prior notification to SGX.

2.10 MIJ Tenancy Agreement

Upon Completion, MNACT will effectively be taking over the tenancy agreements with respect to the Properties, including, among others, the MIJ Tenancy Agreement.

Pursuant to the MIJ Tenancy Agreement, MIJ has leased office space of approximately 603.7 sqm in OPB for a term of three years commencing 1 November 2018. The aggregate value of the MIJ Tenancy Agreement for the period of three years is estimated at approximately JPY107.1 million (approximately S\$1.3 million), which is approximately 0.03% of the latest audited net tangible assets ("NTA") of MNACT as at 31 March 2019.

2.11 Asset Liquidation Plan

When a TMK commences any business related to the liquidation of specified assets, it shall file with the Local Finance Bureau a prior notification to that effect, together with an asset liquidation plan ("ALP"). TMKs are required to strictly comply with their ALPs that are submitted to the relevant authority. In the ALP, the terms of asset liquidation, details of asset-backed securities to be issued, details of specified assets, measures to manage and dispose of the assets and matters concerning borrowing of funds shall be prescribed. Tsubaki TMK's ALP currently provides, among other things, that the specified shareholders of the TMK are not entitled to receive any distributions from Tsubaki TMK on the Specified Shares. Only preferred shareholders of Tsubaki TMK have the right to receive distributions.

In practice, any amendment to an ALP in relation to the assets, with some exceptions, requires prior consent of all contribution-holders, holders of specified bonds which are asset-backed debt securities authorised to be issued by TMKs to procure funds (if such specified bonds have been issued) and lenders of specified loans.

Specifically, the articles of incorporation of Tsubaki TMK provide among other things, that any amendment to the ALP concerning the Properties will require the prior consent of the Preferred Shareholders. Significant amendments to an ALP must be filed with the Local Finance Bureau.

In relation to the Proposed Acquisitions, the ALP will be amended to provide for (i) the acquisition of the TBI in OPB and the Makuhari TK Interest, (ii) the issuance of the New Preferred Shares and (iii) the financing from a third party lender. Tsubaki TMK will be obtaining all necessary consents and making all necessary filings to give effect to the amendment to the ALP.

2.12 Total Acquisition Cost

The Total Acquisition Cost is currently estimated to be approximately S\$474.5 million (approximately JPY37,907.8 million), comprising:

- (i) the Aggregate Consideration which is estimated to be approximately S\$469.7 million (approximately JPY37,524.3 million)¹; and
- (ii) the estimated professional and other fees and expenses of approximately S\$4.8 million incurred or to be incurred by MNACT in connection with the Proposed Acquisitions, the issuance of Transaction Units and the Debt Financing.

2.13 Payment of Aggregate Consideration

In order to facilitate the payment of the Aggregate Consideration, the Manager and the Sponsor's Nominee, which is a wholly-owned subsidiary of MIPL, have on 4 December 2019 entered into the Transaction Units Agreement under which the Manager agrees to issue and the Sponsor's Nominee agrees to pay for the Transaction Units amounting to a value equivalent to 30.0% of the Aggregate Agreed Property Value, being approximately S\$143.1 million (approximately JPY11,433.0 million), which will be fully used to make part payment of the Total Acquisition Cost².

The Remaining Consideration Value of approximately S\$331.4 million (approximately JPY26,475.5 million) will be funded through cash from the Debt Financing and/or internal cash resources.

The Aggregate Leverage of MNACT is expected to increase from 37.1% as at 30 September 2019 to 39.0% based on the abovementioned funding structure. Should the Proposed Acquisitions be fully funded by debt, the Aggregate Leverage of MNACT would have been higher at 40.8%.

2.14 Payment of Acquisition Fee in Units

To demonstrate its support for the Proposed Acquisitions, the Manager has waived its acquisition fee entitlement under the Trust Deed which would have been at the rate of 0.75% of 98.47% of the Aggregate Agreed Property Value.

2.15 Method of Financing for the Proposed Acquisitions

The Manager intends to finance the Total Acquisition Cost with (i) the issuance of the Transaction Units; (ii) Debt Financing; and/or (iii) internal cash resources.

¹ The final Aggregate Consideration will be 98.47% of the TMK Consideration which will be arrived at by deducting the post completion net working capital adjustments from the Aggregate Agreed Property Value.

² The number of Transaction Units to be issued to the Sponsor's Nominee will be determined based on the Aggregate Agreed Property Value and the issue price of the Transaction Units which is based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units.

The table below sets out the changes to the Aggregate Leverage of MNACT and its subsidiaries assuming that the Remaining Consideration Value of approximately S\$331.4 million is funded by Debt Financing.

Debt Financing (S\$ million)	331.4
Aggregate Leverage of MNACT before the Proposed Acquisitions ⁽¹⁾	37.1%
Aggregate Leverage of MNACT after the Proposed Acquisitions ⁽²⁾	39.0%

Notes:

- (1) As at 30 September 2019.
- (2) Pro forma as at 30 September 2019 adding MNACT's proportionate share of incremental borrowings as a result of the Proposed Acquisitions at the transacting gearing and MNACT's effective interest in the incremental gross assets of MNACT including all its authorised investments held or deemed to be held upon trust under the Trust Deed as a result of the Proposed Acquisitions.

2.16 Opinion of the Independent Financial Adviser

The Manager has appointed the IFA to advise the independent directors of the Manager (the "Independent Directors"), the Audit and Risk Committee of the Manager and the Trustee in relation to the Proposed Acquisitions and the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements. A copy of the letter from the IFA to the Independent Directors, members of the Audit and Risk Committee of the Manager and the Trustee (the "IFA Letter"), containing its advice in full, is set out in Appendix D of this Circular and Unitholders are advised to read the IFA Letter carefully.

After carefully considering the information available to it as at the Latest Practicable Date, and based on the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to the qualifications set out in the IFA Letter, the IFA is of the opinion that the Proposed Acquisitions and the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements are on normal commercial terms and will not be prejudicial to the interests of MNACT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors can recommend that Unitholders vote in favour of the resolution in connection with the Proposed Acquisitions to be proposed at the EGM.

3. THE PROPOSED ISSUANCE OF THE TRANSACTION UNITS

3.1 Payment of the Aggregate Consideration

Please refer to paragraph 2.13 for details on the issuance of the Transaction Units and payment of the Aggregate Consideration.

Based on an illustrative issue price of S\$1.15 per Transaction Unit, the total number of the Transaction Units will be equivalent to approximately 124,442,000 Transaction Units, representing approximately 3.9% of the total number of Units in issue as at the Latest Practicable Date.

The issue price of the Transaction Units, at no discount, will be determined based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units. The

Transaction Units shall be issued on the Completion Date and the number of Transaction Units shall be rounded downwards to the nearest board lot.

3.2 Principal Terms of the Transaction Units Agreement

The principal terms of the Transaction Units Agreement include, among others, the following conditions precedent:

- (i) Unitholders' approval for all the resolutions proposed for approval at the EGM being obtained;
- (ii) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled; and
- (iv) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled.

Five business days before the Transaction Units Agreement Completion Date, the Sponsor's Nominee shall pay or procure that payment of the sum of JPY11,433.0 million is made in immediately available funds to the Trustee. On the Transaction Units Agreement Completion Date and against receipt of the funds, the Manager shall deliver the unit issue confirmation in relation to the Transaction Units to CDP. The Manager shall as soon as practicable following the Completion Date, procure (i) the crediting of the Transaction Units to the relevant securities account(s) furnished by the Sponsor's Nominee to be credited with the Transaction Units and (ii) the listing of the Transaction Units on the SGX-ST.

3.3 Status of the Transaction Units

The Transaction Units will not be entitled to distributions by MNACT for the period preceding the date of issue of the Transaction Units, and will only be entitled to receive distributions by MNACT from the date of their issue to the end of the financial quarter in which the Transaction Units are issued, as well as all distributions thereafter. The Transaction Units will, upon issue, rank *pari passu* in all respects with the existing Units in issue.

3.4 Requirement of Unitholders' Approval for the Proposed Issuance of the Transaction Units

The Manager is seeking Unitholders' approval for the proposed issuance of the Transaction Units pursuant to Rule 805(1) of the Listing Manual.

The proposed issuance of the Transaction Units to the Sponsor's Nominee, which is a wholly-owned subsidiary of MIPL, will constitute a placement to a Substantial Unitholder as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL and MIPL, as at the Latest Practicable Date, has an aggregate interest of (i) approximately 33.58% of the total number of Units in issue and (ii) 100.0% in the Manager. Under Rule 812 of the Listing Manual, any issue of Units must not be placed to a Substantial Unitholder unless Unitholders' approval is obtained.

The proposed issuance of the Transaction Units to the Sponsor's Nominee will also constitute an "interested person transaction" under Chapter 9 of the Listing Manual, in respect of which the approval of Unitholders is required.

(See paragraph 5.2.3 of the Letter to Unitholders for further details.)

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the proposed issuance of the Transaction Units to the Sponsor's Nominee.

3.5 Rationale for the Issuance of the Transaction Units

The Transaction Units are being issued to the Sponsor's Nominee to align the interests of MIPL with that of MNACT and its other Unitholders. This also demonstrates MIPL's commitment to support MNACT's growth and diversification strategy.

As the Transaction Units will only be issued upon Completion, there will be no impact on the DPU for the period from the date of this Circular to the date of issuance of Transaction Units.

3.6 Receipt of Approval In-Principle

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of up to 138,571,000 Transaction Units on the Main Board of the SGX-ST. The SGX-ST's approval in-principle is not an indication of the merits of issuance of the Transaction Units, the Transaction Units, the Proposed Acquisitions, MNACT and/or its subsidiaries. The SGX-ST's approval in-principle is subject to the following:

Compliance with the SGX-ST's listing requirements

- (i) independent Unitholders' approval being obtained for the Proposed Acquisitions, the proposed issuance of Transaction Units and the Whitewash Resolution; and
- (ii) a written undertaking from the Manager that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the issuance of Transaction Units and where proceeds are to be used for working capital purposes, MNACT will disclose a breakdown with specific details on the use of proceeds for working capital in MNACT's announcements on use of proceeds and in the annual report.

3.7 Opinion of the Independent Financial Adviser

The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as the IFA to advise the Independent Directors, the Audit and Risk Committee of the Manager and the Trustee in relation to the proposed issuance of the Transaction Units. A copy of the IFA Letter, containing its advice in full, is set out in Appendix D of this Circular and Unitholders are advised to read the IFA Letter carefully.

After carefully considering the information available to it as at the Latest Practicable Date, and based on the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to the qualifications set out in the IFA Letter, the IFA is of the opinion that the proposed issuance of the Transaction Units is based on normal commercial terms and will not be prejudicial to the interests of MNACT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors can recommend that Unitholders vote in favour of the resolution in connection with the issuance of the Transaction Units to be proposed at the EGM.

4. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED ACQUISITIONS

The Proposed Acquisitions are in line with the Manager's proactive strategy to accelerate the income diversification of MNACT, and reduce the asset and income concentration of Festival Walk¹.

Japan offers an attractive proposition due to its stable macroeconomic fundamentals, quality commercial real estate assets that are freehold, and higher yield spread against the local cost of funds.

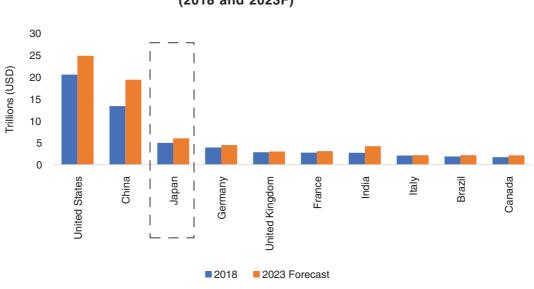
Whilst the commercial real estate market in Japan is highly competitive, through the support of the Sponsor, MNACT has been able to secure sizeable, quality and DPU accretive acquisition opportunities in Japan. This will further enhance the sustainability of MNACT's returns for its Unitholders.

The following are the key benefits of the Proposed Acquisitions to Unitholders.

4.1 Proactive and Strategic Diversification of MNACT's Portfolio by Deepening Footprint in Attractive Japan Market²

(i) Japan is one of the world's largest economies and continues to enjoy stable macroeconomic fundamentals

Japan was the third largest economy in the world in 2018 after the United States and China in terms of nominal Gross Domestic Product ("GDP") and is expected to maintain its ranking in 2023. In addition, Japan has high credit ratings with stable or positive outlook from Standard & Poor's, Moody's and Fitch of A+, A1 and A respectively.



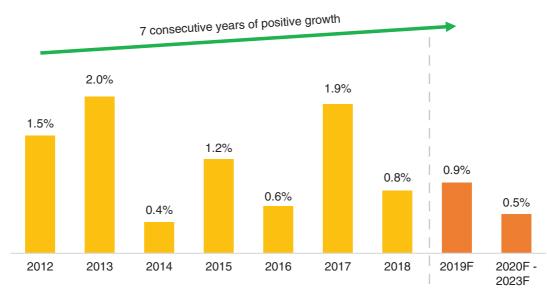
GDP of the Top 10 Economies of the World (2018 and 2023F)

Source: The International Monetary Fund, Independent Market Research Report

Please refer to MNACT's announcement dated 13 November 2019 titled "Festival Walk Incident" for further details on the Festival Walk Incident and the announcement dated 4 December 2019 titled "Update on Festival Walk and Impact on MNACT" for an update.

Source: The independent market research report issued by Cushman & Wakefield K.K. (the "Independent Market Research Report").

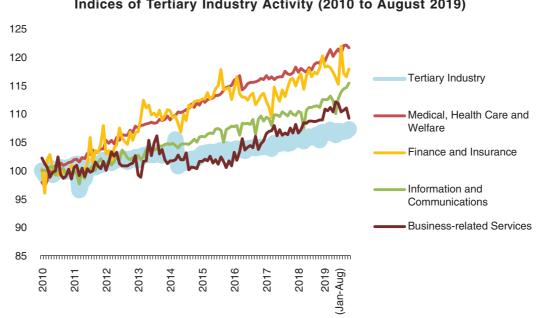
After Shinzo Abe was appointed Prime Minister for the second term in 2012, he introduced a three-pronged economic revitalisation policy dubbed "Abenomics", focusing on fiscal expansion, monetary easing and structural reform. These policies have yielded positive results. Japan's real GDP grew by 0.8% year-on-year in 2018, recording a seventh consecutive year of positive growth. The International Monetary Fund forecasts Japan's economic growth to remain positive, at 0.9% for 2019 and 0.5% per annum between 2020 and 2023 in the post-Olympics period.



Japan Real GDP Growth (year-on-year) (2012 to 2023F)

Source: The Cabinet Office, The International Monetary Fund, Independent Market Research Report

The growth in the Japanese economy has mainly been driven by secondary and tertiary industries. Within the tertiary industry, the four sectors which saw the highest growth in representation in the overall economy since 2012 were (1) medical, health care and welfare, (2) finance and insurance, (3) information and communications and (4) business-related services.

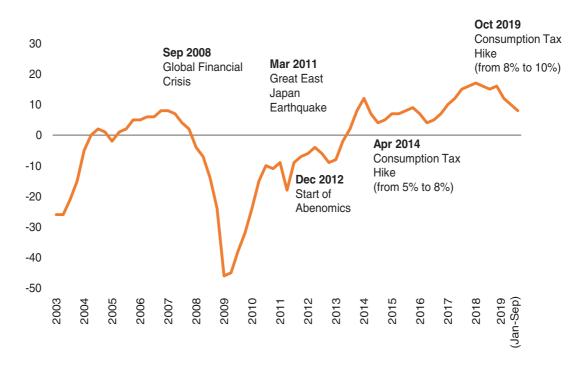


Indices of Tertiary Industry Activity (2010 to August 2019)

Source: Ministry of Economy, Trade and Industry, Independent Market Research Report

In the recent quarterly 'Tankan' survey, or the Short-Term Economic Survey of Enterprises by Bank of Japan (September 2019), business sentiment for the non-manufacturing industry remained at a high level as a result of the sustained domestic economic environment, improved corporate profits and record low number of corporate bankruptcies since 1990. Overall, business sentiment for all industries and all-sized firms edged down slightly but is expected to be underpinned by non-manufacturing industries.

Diffusion Index of BoJ's Tankan Survey (Business Sentiment for All Companies in All Industries) (2003 to September 2019)

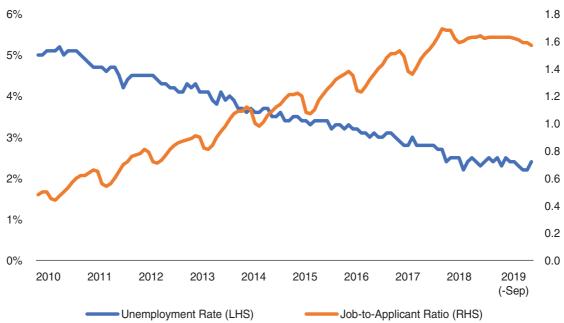


Source: Bank of Japan, Independent Market Research Report

The low unemployment rate has also supported economic growth as the persistently tight labour market conditions place upward pressure on wages, which is a key for Japan to achieve its inflation target. Amid the low interest rate environment, the favourable macroeconomic environment has encouraged companies to spend on investments to achieve business growth and office expansion, which in turn generates office demand.

Japan's labour market remains tight with unemployment rate consistently staying below 3% since February 2017. In addition, job-to-applicant ratio recorded 1.57 times (seasonally adjusted) in September 2019. The tight labour market is a result of the robust macroeconomic fundamentals amid the shrinking workforce caused by the ageing population in Japan.



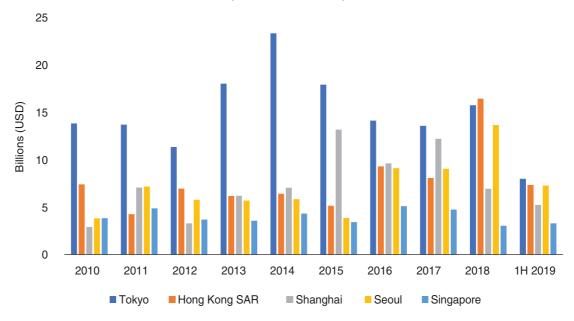


Source: Ministry of Health, Labor and Welfare, Ministry of Internal Affairs and Communications, Independent Market Research Report

(ii) Established active and scalable investment grade office real estate market

Japan has one of the largest and most-established property markets in the world. According to the Independent Market Research Report, since 2010, Tokyo has been consistently ranked top amongst the top five major investment markets for office properties in Asia Pacific, together with Hong Kong SAR, Seoul, Shanghai and Singapore, other than in 2018. For the first half of 2019, Tokyo regained its top spot with investment flows of US\$8.0 billion. Office transaction activity is expected to stay active as Bank of Japan is maintaining its current monetary policy.

Office Transaction Volume of Key Real Estate Markets in the Region (2010 to 1H 2019)



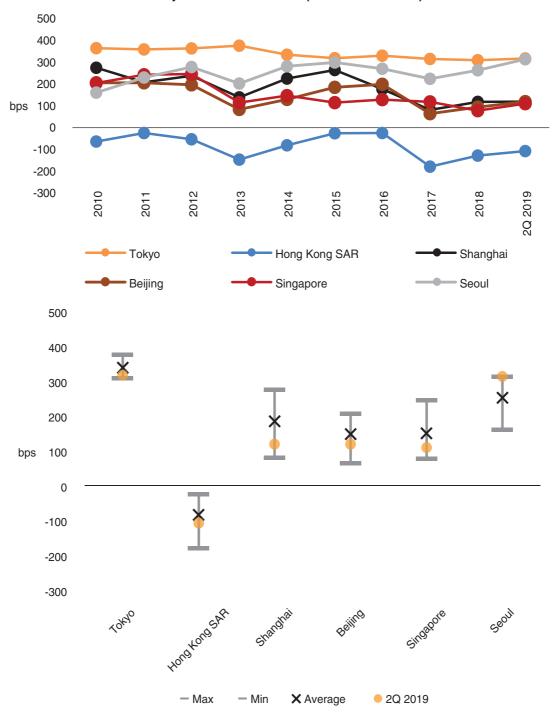
Source: Real Capital Analytics, Independent Market Research Report

(iii) Japan offers highest yield spread against local cost of funds

The average capitalisation rates of prime office in Tokyo Central Five Wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) was 3.1% as of the end of the second quarter of 2019 which is similar to that of Singapore, but lower than that of Shanghai, Beijing and Seoul, and higher than that of Hong Kong SAR.

In terms of the yield spread between the prime office capitalisation rate and the corresponding local 10-year government bond, Tokyo was consistently the highest compared to Singapore, Shanghai, Beijing, Seoul and Hong Kong SAR at approximately 300 basis points ("bps") to 400bps between 2010 and June 2019.

Prime Capitalisation Rates and Spread to 10-Year Government Bond of Major Markets in Asia (2010 to 2Q 2019)

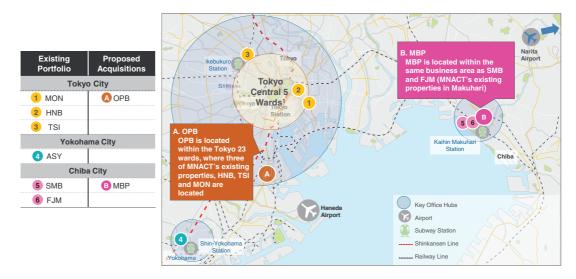


Source: Independent Market Research Report

4.2 High-Quality Freehold Office Assets Strengthen MNACT's Position in Greater Tokyo

(i) Reinforces MNACT's foothold within Greater Tokyo in well-established office hubs with attractive micro-location characteristics

The Proposed Acquisitions are located in major office hubs in the Greater Tokyo¹ area, which is a key economic engine for Japan and one of the world's largest metropolitan area economies. With a total land size of approximately 13,600 sq km and home to over 36.6 million people, the Greater Tokyo area is a major urbanised area connected by an extensive and convenient public transport network. Within the Greater Tokyo area is the Tokyo Central Five Wards which form the economic and political core of Greater Tokyo and have a high-density cluster of office towers in the various commercial zones.



Source: Independent Market Research Report

Note:

(1) Includes Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards.

MBP is located within the same Makuhari business area as SMB and FJM, MNACT's existing properties in Makuhari. OPB is located within the Tokyo 23 wards, where three of MNACT's existing properties, HNB, TSI and MON are located. Between the Properties, MBP contributes 87.2% of the GRI as of 30 September 2019 while OPB contributes the remaining 12.8%.

OPB

Omori, where OPB is located, has a cluster of manufacturing, wholesale and retail companies and traditionally houses large enterprises such as Hitachi and Isuzu Motors due to its proximity to factories and warehouses in the Kawasaki area and Tokyo Bay area via the National Route 15 and Metropolitan Expressway. The area benefits from close proximity to Haneda airport and Central Five Wards, with good connectivity via roads and subway. Omori also provides a great work/live environment in a residential/commercial neighbourhood. The area around OPB features many restaurants, supermarkets, pharmacy stores and other facilities such as post offices.

In addition, the Shinagawa Station (two stops from Omori Station) and currently the nearest Shinkansen "bullet train" stop from OPB, is developing into a new gateway of Japan with new infrastructure projects such as maglev train and ongoing renewal projects. The Omori area is expected to benefit in the mid to long term.

¹ The office market in the Greater Tokyo Area encompasses the 23 wards of Tokyo, as well as Kanagawa, Chiba and Saitama Prefecture.

MBP

MBP is located in Makuhari, Chiba City. Since the opening of Japan's second largest convention centre, Makuhari Messe, in October 1989, many international firms and domestic enterprises in manufacturing, wholesale and retail, IT and telecommunication sectors have set up their headquarters and district offices in Makuhari. Currently, over 460 companies and 40,000 employees are operating and working in Makuhari.

The area is also in close proximity to Narita Airport and Port of Chiba, with good connectivity via roads and subways. Amenities located within walking distance from MBP include AEON Mall, Costco and Mitsui Outlet Park. Meeting and convention venues are well-provided with Makuhari Messe and the hotel clusters nearby. Concerts at Makuhari Messe and baseball games at ZOZO Marine Stadium are also popular after work entertainment for workers and residents in Makuhari. Several universities and high schools can be found north of the Makuhari Bay Area.

Currently, a new train station has been planned in the north-western part of the area near the AEON shopping mall and is expected to be ready in 2024. Alongside with the improvement of bay side area by the government, these projects would bring more visitors, residences and dynamics to the area. In addition, a through service from JR Keiyo line to Rinkai line is currently under study which if implemented, will connect Makuhari to Odaiba, Shibuya, Shinjuku and Haneda Airport.

(ii) Stable rental and vacancy rates

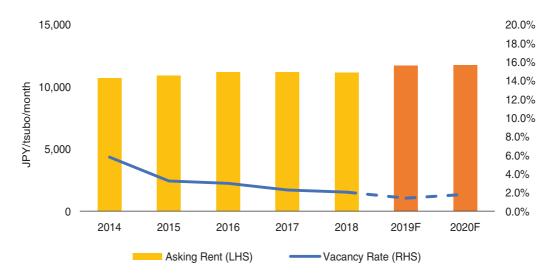
Omori/Kamata¹

Vacancy rates in Omori/Kamata have continued to decrease since 2010. Vacancy rates of the office market was 2.0% in year-end of 2018, compared to 9.4% in year-end of 2012. In addition, the all-grade office asking rent of the Omori/Kamata area was JPY 11,129 per tsubo per month, 4.3% higher than that of year-end of 2012.

It is anticipated that vacancy rates would maintain at a low-level of between 1.4% and 3.2% from 2019 to 2023. While the supply in the Tokyo 23 wards is expected to reach its peak in 2020, asking rents in Omori/Kamata from 2020 to 2023 are expected to remain relatively steady. Future supply is expected to remain limited.

¹ Available market data on Omori covers both Omori and the adjacent Kamata area. Rent and vacancy data includes both wide-ranging office sizes and building specifications.

All-Grade Office Rent and Vacancy (Omori/Kamata)



Source: Sanko Estate, Independent Market Research Report

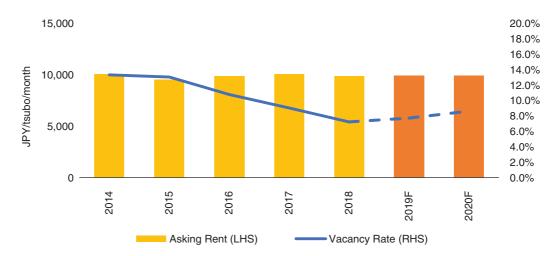
Chiba/Funabashi1

Rents in the Chiba/Funabashi area are relatively low compared to that in Tokyo Central Five Wards, hovering around JPY 10,000 per tsubo per month. In year-end of 2018, the all-grade office asking rent of the Chiba/Funabashi area was JPY 9,853 per tsubo per month. The changes in rent level have been small and the Independent Market Research Report anticipates that it will remain at around JPY 10,000 per tsubo per month.

The tight supply-demand in the Tokyo 23 wards has brought vacancy rates in the Chiba/Funabashi area down from above 10.0% during 2010 and 2016 to 7.2% in year-end of 2018. Vacancy rates in the Chiba/Funabashi area are expected to stay between 7.7% and 9.0% from 2019 to 2023 and new supply in the area is expected to be largely limited.

Available market data on Makuhari covers Makuhari and the adjacent Chiba and Funabashi areas. Rent and vacancy data includes both wide-ranging office sizes and building specifications.

All-Grade Office Rent and Vacancy (Chiba/Funabashi)

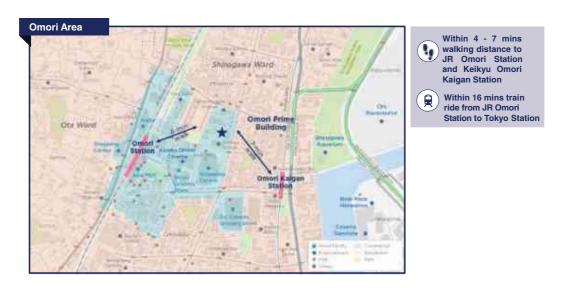


Source: Sanko Estate, Independent Market Research Report

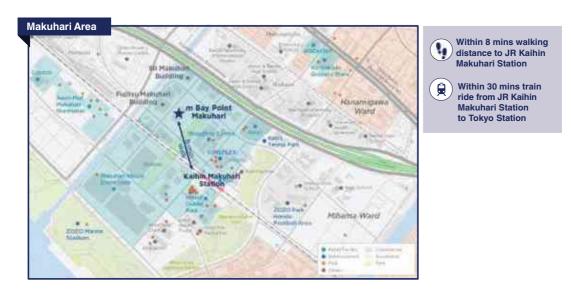
(iii) Excellent connectivity from Tokyo's CBD

The properties benefit from strong connectivity, being located near train stations, public transportation nodes and major arterial roads and are within walking distance to amenities such as convenience stores, restaurants, hotels and retail shops.

Travelling by train, which carries millions of commuters daily, is generally the quickest and most preferred method of getting around Japan. Each of the Properties is located within eight minutes walking distance to the nearest train station, which provides connection to the Tokyo Station in the CBD, Narita and Haneda Airports as well as other regional cities in Japan. The well-established and highly connected train network also cuts down travelling time, reducing most train commute within the Greater Tokyo area to within 30 minutes.



Source: Independent Market Research Report



Source: Independent Market Research Report

(iv) Freehold Properties with good specifications and managed by an experienced and dedicated team

All the Properties are freehold assets and are well-maintained. The Properties are high quality and have good specifications such as column-free floor plates, slab-to-slab ceiling heights of 3.95 to 4.10 metres, modern fixtures and breakout spaces. Tenants at MBP can choose from a wide range of shared conference facilities and meeting rooms which are high quality and well fitted-out.

The Properties will continue to be managed by the local management team and dedicated personnel from MIJ and MMSJ, who have been managing MNACT's Existing Japan Properties. The team has demonstrated strong operational track record with MNACT's Existing Japan Properties achieving 100% occupancy rates and average rental reversion¹ of +6% for the first half of the financial year ended 31 March 2020 ("1H FY19/20").

MIJ was established in 2007 and has an established track record as an active investment and asset manager in Japan having managed assets with cumulative assets under management of S\$3.8 billion² as of 31 March 2019, whilst MMSJ was established in 2012 and is responsible for property and lease management. They are an integrated in-house team with capabilities in deal sourcing, asset management and property management, with strong local relationships and access to institutional owners, tenants, lenders, and other real estate and finance related entities.

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). The rental reversion for the Existing Japan Properties was contributed by five leases that expired in 1H FY19/20.

² Source: MIPL Annual Report for the financial year ended 31 March 2019.

4.3 Stable and Quality Cashflows

(i) Multi-tenanted properties backed by strong tenant base in high growth sectors

The Properties are multi-tenanted, comprising 53 tenants, many of which are high quality names with strong credit profiles, including companies or subsidiaries of companies listed on the Tokyo Stock Exchange. In addition, many of these tenants in the Properties are in the high growth tertiary industry sectors such as (1) medical, health care and welfare, (2) finance and insurance, (3) information and communications and (4) business-related services. The top ten tenants account for 84.3% of the Properties' monthly GRI as at 30 September 2019.

In particular, the top 2 tenants of the Properties are:

- NTT Urban Development ("NTT UD") is the corporate real estate arm of NTT, one
 of the world's largest telecommunications companies with a market capitalisation
 in excess of US\$98 billion¹ listed on the Tokyo Stock Exchange. Various NTT
 related entities are situated in MBP, such as those in the information technology,
 telecommunications services and solutions for data centre, building management
 and solar power businesses.
- AEON Group is headquartered in Makuhari, Chiba, where MBP is located. AEON has a market capitalisation in excess of US\$18 billion² and is listed on the Tokyo Stock Exchange. Certain of AEON's subsidiaries in the financial services, specialty store business and health and wellness business are based in MBP. In addition, there is an AEON convenience store in the building.

Top 10 Tenants of the Properties by Monthly GRI (as at 30 September 2019)⁽¹⁾

No.	Tenant Name	Trade Sector	Building	Credit Rating ⁽²⁾
1.	NTT UD	Financial Institution/Insurance/ Banking/Real Estate	MBP	Good
2.	AEON Credit Service	Financial Institution/Insurance/ Banking/Real Estate	MBP	Good
3.	Eighting	Information Technology	ОРВ	Good
4.	Ministop	Departmental Store & Supermarket	MBP	Very Good
5.	Research Institute for Quality Living	Pharmaceutical/Medical	MBP	Good
6.	AEON Fantasy	Leisure & Entertainment	MBP	Very Good
7.	AEON IBS	Information Technology	MBP	Good
8.	Isuzu Linex	Services	OPB	Good
9.	Brillnics	Information Technology	OPB	NA
10.	Otsuka Corporation	Services	ОРВ	Very Good

Notes:

- (1) MIJ is a tenant in OPB contributing to 1.3% of the monthly GRI of the Properties.
- (2) Based on the Teikoku Databank score for the contracted tenants.

¹ Source: Bloomberg. As at 8 November 2019.

² Source: Bloomberg. As at 8 November 2019.

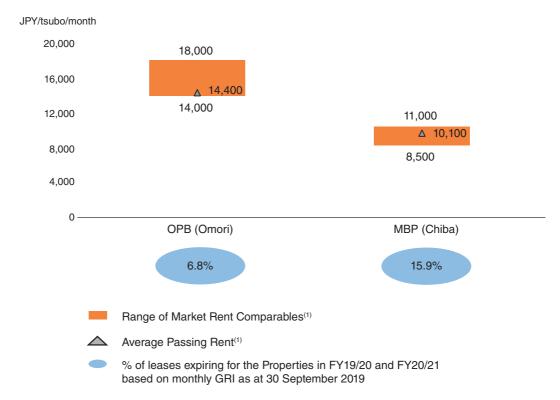
(ii) Opportunity to improve occupancy and capture positive rental reversion

The average occupancy rate of the Properties was 85.9% by NLA as at 30 September 2019 with MBP having an occupancy rate of 84.8% and OPB having an occupancy rate of 100% as at 30 September 2019. MBP offers a potential opportunity to lease up progressively at market rates, given the average vacancy rate for the area of 7.2% at the end of 2018, according to the Independent Market Research Report.

In addition, approximately 22.7% of the leases in the Properties by monthly GRI as at 30 September 2019 are expiring in the financial year ending 31 March 2020 ("FY19/20") and the financial year ending 31 March 2021 ("FY20/21"). The Manager believes that some of these leases are under-rented and may offer positive rental reversion.

The chart below shows the average passing rents and the current range of comparable market rents for the respective Properties according to the Independent Market Research report.





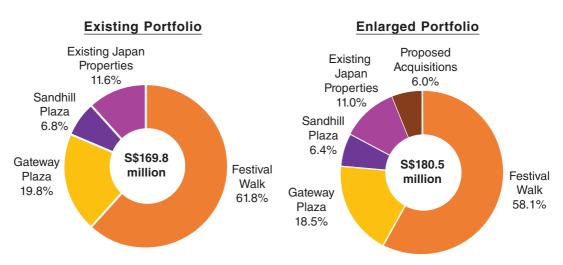
Note:

(1) Market Rents and Average Passing Rents are rounded to the nearest hundred.

4.4 Enhances Portfolio Diversification

(i) Enhances geographical, asset, tenant and sector diversification

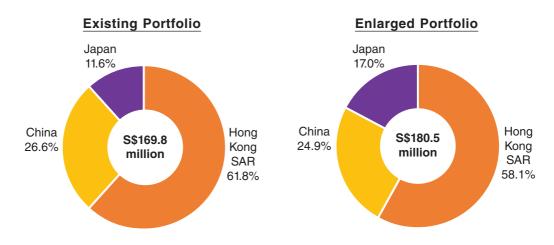
Following the completion of the Proposed Acquisitions, MNACT's Enlarged Portfolio will comprise 11 properties, an increase of two properties from the nine properties in the Existing Portfolio. The occupancy of the Enlarged Portfolio will be 96.4% as at 30 September 2019. The Proposed Acquisitions will reduce the reliance of income contribution from any single property. No single property will contribute more than 58.1% of MNACT's Enlarged Portfolio based on NPI. Following the Proposed Acquisitions, Japan will contribute approximately 17.0% of MNACT's Enlarged Portfolio's NPI¹.



1H FY19/20 NPI by Asset⁽¹⁾

Note:

(1) Based on MNACT's latest announced financial statements for the half year ended 30 September 2019 and NPI of the Properties' unaudited financial statements for the half year ended 30 September 2019.



1H FY19/20 NPI by Geography⁽¹⁾

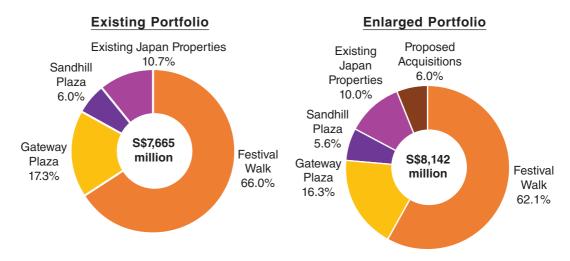
Note:

(1) Based on MNACT's latest announced financial statements for the half year ended 30 September 2019 and NPI of the Properties' unaudited financial statements for the half year ended 30 September 2019.

¹ Based on MNACT's latest announced financial statements for the half year ended 30 September 2019 and NPI of the Properties' unaudited financial statements for the half year ended 30 September 2019.

The property value¹ of the Enlarged Portfolio will stand at approximately S\$8,142 million which represents a 6.2% increase from the property value of the Existing Portfolio of S\$7,665 million. No single property will contribute more than 62.1% of MNACT's Enlarged Portfolio based on property value.

Property Value by Asset⁽¹⁾

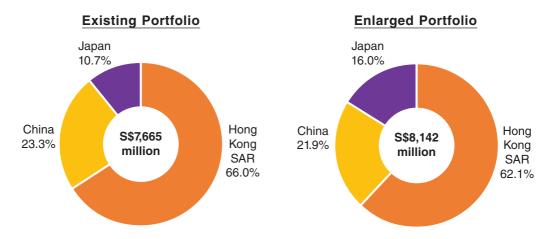


Note:

(1) Based on MNACT's consolidated accounts for the half year ended 30 September 2019 and the Aggregate Agreed Property Value of the Properties.

The acquisition of the Properties will further balance the geographical representation of MNACT's portfolio, with increased contribution from Japan. Of the Enlarged Portfolio, Japan will comprise 16.0% by property value, Hong Kong SAR at 62.1% and China at 21.9%.

Property Value by Geography⁽¹⁾



Note:

(1) Based on MNACT's consolidated accounts for the half year ended 30 September 2019 and the Aggregate Agreed Property Value of the Properties.

¹ Based on MNACT's consolidated accounts for the half year ended 30 September 2019 and the Aggregate Agreed Property Value of the Properties.

Post Completion, the maximum exposure to any single tenant by monthly GRI as at 30 September 2019 on a pro forma basis will reduce from 7.8% to 7.2%. One tenant within the Properties – NTT UD – will be included in the top 10 tenants of the Enlarged Portfolio.

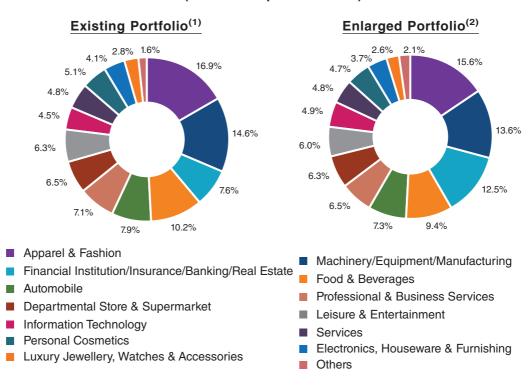
Top 10 Tenants by Monthly GRI (As at 30 September 2019)

Existing Portfolio				
Top 10 tenants account for 34.4% of GRI				
Top 10 Tenants	Property			
BMW	GW			
Seiko Instruments Inc.	SMB			
Arup	FW			
TaSTe	FW			
Fujitsu	FJM			
CFLD	GW			
Festival Grand	FW			
Apple	FW			
I.T	FW			
Japan Information Processing Service	MON			

Enlarged Portfolio				
Top 10 tenants account for 35.1% of GRI				
Top 10 Tenants	Property			
BMW	GW			
Seiko Instruments Inc.	SMB			
NTT UD	MBP			
Arup	FW			
TaSTe	FW			
Fujitsu	FJM			
CFLD	GW			
Festival Grand	FW			
Apple	FW			
I.T	FW			

Furthermore, there will also be greater diversification in trade sector exposure arising from a larger tenant base. Representation from the Apparel & Fashion Accessories sector, as the highest contributing trade sector by monthly GRI as at 30 September 2019, will be reduced from 16.9% to 15.6% on a pro forma basis after the Proposed Acquisitions.

Trade Sector Exposure by Monthly GRI (As at 30 September 2019)



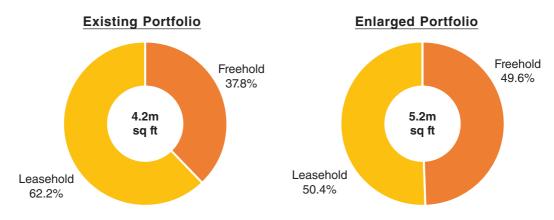
Notes:

- (1) The Others category in the Existing Portfolio include Pharmaceutical/Medical (1.0%), Natural Resources (0.2%) and Other Sectors (0.4%)
- (2) The Others category in the Enlarged Portfolio include Pharmaceutical/Medical (1.4%), Natural Resources (0.3%) Other Sectors (0.4%)

(ii) Increases percentage of freehold assets

As at 30 September 2019, 62.2% by NLA of the Existing Portfolio was leasehold with land use right expiry ranging from approximately 28 years to 41 years. The addition of the Properties will introduce two assets located in Japan which are entirely freehold. Freehold assets will represent 49.6% by NLA of the Enlarged Portfolio.

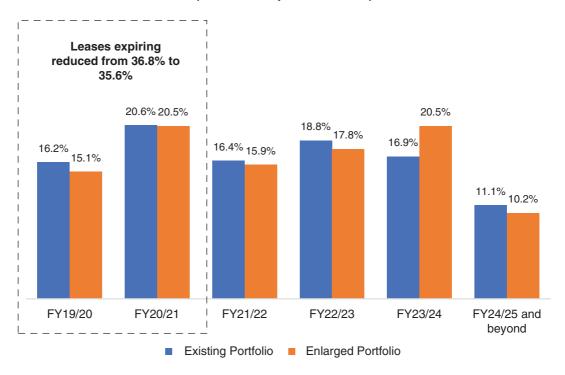
Land Tenure by NLA (As at 30 September 2019)



(iii) Improves Portfolio WALE

The WALE of the Existing Portfolio was 2.7 years and that of the Properties was 3.4 years by monthly GRI as at 30 September 2019. The WALE of the Enlarged Portfolio will be extended to 2.8 years by monthly GRI as at 30 September 2019, offering income certainty over a longer period for Unitholders. Correspondingly, the percentage of leases expiring in FY19/20 and FY20/21 by monthly GRI as at 30 September 2019 will be reduced from 36.8% for the Existing Portfolio to 35.6% for the Enlarged Portfolio.

Portfolio Lease Expiry Profile by Monthly GRI (As at 30 September 2019)



4.5 Attractive Value Proposition

(i) Discount to independent valuations

The Aggregate Agreed Property Value of JPY38,110.0 million (approximately S\$477.0 million), represents a discount of approximately 1.8% to C&W's aggregated valuation of JPY38,800.0 million (approximately S\$485.7 million) and a discount of approximately 3.1% to CBRE's aggregated valuation of JPY39,330.0 million (approximately S\$492.3 million) as at 1 November 2019.

Aggregate Agreed Property Value Relative to Independent Valuations⁽¹⁾



(1) The Manager has commissioned CBRE and the Trustee has commissioned C&W to value the Properties as at 1 November 2019.

(ii) Attractive NPI yield spread to risk-free rate

The Properties have an average NPI yield of approximately 4.5%¹ and represents an attractive NPI yield spread of approximately 470 bps² against the Japan 10-year government bond yield. The NPI yield spread of approximately 470 bps against the Japan 10-year government bond yield³ was also similar to the spread during the announcement of the acquisition of the Existing Japan Properties in May 2018.

For the second quarter of 2019, the capitalisation rate of prime office assets in Tokyo Central Five Wards was 3.1% and that for all grade office assets in Tokyo 23 Wards was 4.0%. The decade-low capitalisation rates are supported by strong macroeconomic conditions and government monetary policy.

The NPI yield spread for the Properties is significantly higher than the corresponding NPI yield spread for MNACT's Existing Portfolio⁴ in Hong Kong SAR and China of approximately 270 bps and approximately 160 bps respectively. The Manager believes that the Properties' relatively higher yield spread against the local cost of funds will enhance long-term returns to Unitholders.

The average NPI yield of the Properties of 4.5% is lower than that of the Existing Japan Properties of 4.9%, and reflects the occupancy rate of MBP of 84.8% as at 30 September 2019. Compared to the average occupancy rate of 100% for the Existing Japan Properties as at 30 September 2019, the Manager believes that there is potential to increase the occupancy rate of MBP progressively. According to the Independent Market Research Report, the average vacancy rate in the Chiba/Funabashi area as at the end of 2018 was 7.2%, which is lower than the existing vacancy rate of MBP of 15.2%.

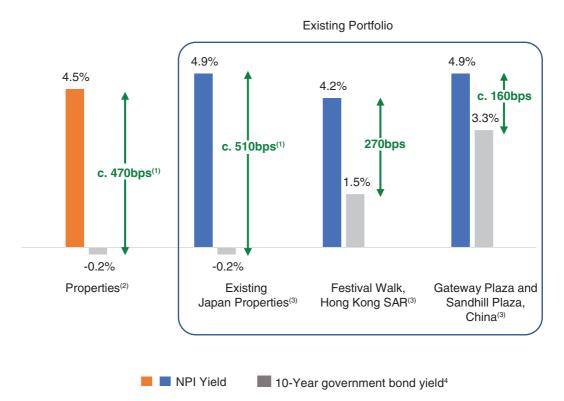
¹ NPI yield for the Properties is computed based on its annualised 1H FY19/20 NPI assuming MNACT held and operated the Properties from 1 April 2019 to 30 September 2019 and divided by the Aggregate Agreed Property Value.

² Represents the current risk premium of the Properties and is an indication of the relative value of the Properties against the Japan 10-year government bond yield.

³ Source: Bloomberg as at 31 October 2019.

⁴ NPI yield for the Existing Portfolio is computed based on each property's annualised NPI for 1H FY19/20 and divided by its respective property value based on MNACT's consolidated accounts for the half year ended 30 September 2019, based on local currency terms and valuation as at 31 March 2019. The figures for Existing Japan Properties, Gateway Plaza and Sandhill Plaza are on an aggregated basis.

NPI Yield Relative to 10-Year Government Yield



Notes:

- (1) Represents the current risk premium of the Properties and the Existing Japan Properties and is an indication of the relative value of the Properties and Existing Japan Properties against the Japan 10-year government bond yield.
- (2) NPI yield for the Properties is computed based on its annualised 1H FY19/20 NPI (occupancy rate of 85.9% as at 30 September 2019) assuming MNACT held and operated the Properties from 1 April 2019 to 30 September 2019 and divided by the Aggregate Agreed Property Value.
- (3) NPI yield for the Existing Portfolio is computed based on each property's annualised NPI for 1H FY19/20 and divided by its respective property value based on MNACT's consolidated accounts for the half year ended 30 September 2019, based on local currency terms and valuation as at 31 March 2019. The figures for Existing Japan Properties, Gateway Plaza and Sandhill Plaza are on an aggregated basis.
- (4) The 10-Year government bond yield for Japan, Hong Kong SAR and China respectively. Source: Bloomberg as at 31 October 2019.

(iii) Proposed Acquisitions are expected to be DPU accretive

Based on the assumption that the Total Acquisition Cost will be financed by the issuance of the Transaction Units and Debt Financing, the Proposed Acquisitions are expected to be DPU accretive for MNACT's Unitholders. The attractive NPI yield of approximately 4.5% for the Proposed Acquisitions, low cost of funding and competitive tax rates are expected to contribute to the DPU accretion.

FOR ILLUSTRATIVE PURPOSES ONLY:

The table set out below illustrates the expected DPU accretion based on various illustrative issue prices for the Transactions Units. The expected DPU accretion is based on the FY18/19 Audited Financial Statements, as if the Proposed Acquisitions, issuance of Transaction Units and drawdown of Debt Financing were completed on 1 April 2018, and MNACT held and operated the Properties through 31 March 2019. There is no assurance that the actual issue price of the Transaction Units will be within the range set out in the table.

Illustrative Issue Price (S\$)	Expected DPU Accretion
\$1.05	1.43%
\$1.07	1.51%
\$1.10	1.62%
\$1.11	1.66%
\$1.13	1.73%
\$1.15	1.80%
\$1.17	1.87%
\$1.19	1.93%
\$1.20	1.96%
\$1.21	1.99%

(iv) Potential improvement in market index representation

MNACT may be considered for inclusion into FTSE EPRA NAREIT Developed Asia Index¹ after the Proposed Acquisitions. The potential improvement in market index representation and index inclusion may lead to improvement in trading liquidity and higher demand for MNACT's Units.

5. DETAILS AND FINANCIAL INFORMATION OF THE PROPOSED ACQUISITIONS

5.1 Pro Forma Financial Effects of the Proposed Acquisitions

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on the DPU and net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes and have been prepared based on the audited financial statements of MNACT for the financial year ended 31 March 2019 (the "**FY18/19 Audited Financial Statements**").

Amongst other criteria, a prospective constituent that has over each of the previous two years derived 75% or more of its total annual EBITDA from Developed Markets (which includes Hong Kong SAR and Japan, as classified by FTSE Russell) may be considered for inclusion.

5.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on MNACT's DPU based on the FY18/19 Audited Financial Statements, as if the Proposed Acquisitions, issuance of Transaction Units and drawdown of the Debt Financing were completed on 1 April 2018, and MNACT had held and operated the Properties through to 31 March 2019, are as follows:

	Effect of the Proposed Acquisitions		
	Before the Proposed Acquisitions	After the Proposed Acquisitions	
Total return before income tax (S\$ million)	695.8	711.3 ⁽¹⁾	
Income available for distribution to Unitholders (S\$ million)	240.7	254.8	
Units in issue at the end of the year (million) ⁽²⁾	3,173.9	3,298.3 ⁽³⁾	
DPU (Singapore cents)	7.690	7.829	
DPU accretion (%)	_	1.80	

Notes:

- (1) On a consolidated basis, based on 100% contribution of the Properties. Includes expenses comprising borrowing costs associated with the drawdown from the Debt Financing of approximately JPY26,475.5 million (approximately S\$331.4 million), the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties.
- (2) The total number of Units in issue as at 31 March 2019.
- (3) Includes approximately 124,442,000 Transaction Units issuable to the Sponsor's Nominee at an illustrative issue price of S\$1.15 per Unit.

5.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on MNACT's NAV per Unit as at 31 March 2019, as if the Proposed Acquisitions, issuance of Transaction Units and drawdown of the Debt Financing were completed on 31 March 2019, are as follows:

	Effects of the Proposed Acquisitions		
	Before the Proposed Acquisitions	After the Proposed Acquisitions	
NAV represented by Unitholders' funds (S\$ million)	4,585.5 ⁽¹⁾	4,728.6	
Units in issue at the end of the year ⁽²⁾ (million)	3,173.9	3,298.3 ⁽³⁾	
NAV per Unit (S\$)	1.445	1.434	

Notes:

- (1) Based on MNACT's audited financial statements as at 31 March 2019, before taking into account distribution payments to Unitholders for the relevant period.
- (2) The total number of Units in issue as at 31 March 2019.
- (3) Includes approximately 124,442,000 Transaction Units issuable to the Sponsor's Nominee at an illustrative issue price of S\$1.15 per Unit.

5.2 Requirement of Unitholders' Approval

5.2.1 Discloseable Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by MNACT. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

A transaction by MNACT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (i) the NAV of the assets to be disposed of, compared with MNACT's NAV;
- (ii) the net profits attributable to the assets acquired, compared with MNACT's net profits;
- (iii) the aggregate value of the consideration given, compared with MNACT's market capitalisation; or
- (iv) the number of Units issued by MNACT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the transaction is classified as a discloseable transaction.

5.2.2 Relative Figures computed on the Bases set out in Rule 1006

The relative figures for the Proposed Acquisitions using the applicable bases of comparison described in paragraphs 5.2.1(ii) and 5.2.1(iii) above are set out in the table below.

Comparison of	Properties	MNACT	Relative figure (%)
NPI (S\$ million) ⁽¹⁾	10.6 ⁽²⁾	169.8 ⁽³⁾	6.3
Aggregate Consideration against market capitalisation (S\$ million)	469.7 ⁽⁴⁾	3,737.4 ⁽⁵⁾	12.6

Notes:

 In the case of a real estate investment trust, the NPI is a close proxy to the net profits attributable to its assets.

- (2) Based on the NPI of the Properties' unaudited financial statements for the half year ended 30 September 2019.
- (3) Based on MNACT's latest announced financial statements for the half year ended 30 September 2019.
- (4) This figure represents the estimated Aggregate Consideration of JPY37,524.3 million.
- (5) This figure is based on the closing price of S\$1.17 per Unit on the SGX-ST as at 3 December 2019, being the trading day immediately prior to the entry into of the Sale and Purchase Agreements.

As the relative figures computed on the bases set out in Rule 1006 exceed 5.0% but do not exceed 20.0%, the Proposed Acquisitions are classified as discloseable transactions.

However, as the Proposed Acquisitions (including the issuance of Transaction Units) constitute "interested person transactions" under Chapter 9 of the Listing Manual and "interested party transactions" under the Property Funds Appendix, the Proposed Acquisitions (including the issuance of Transaction Units) will still be subject to the specific approval of Unitholders.

5.2.3 Interested Person Transactions and Interested Party Transactions

Under Chapter 9 of the Listing Manual, where MNACT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MNACT's latest audited NTA, Unitholders' approval is required in respect of the transaction.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by MNACT whose value exceeds 5.0% of MNACT's latest audited NAV.

Based on the FY18/19 Audited Financial Statements, the NTA of MNACT represented by Unitholders' funds was S\$4,585.5 million as at 31 March 2019 and the NAV of MNACT represented by Unitholders' funds was S\$4,585.5 million as at 31 March 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by MNACT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$229.3 million, such a transaction would be subject to Unitholders' approval.

Given that the Aggregate Consideration is estimated to be approximately S\$469.7 million (which is 10.2% of the NTA and the NAV of MNACT represented by Unitholders' funds as at 31 March 2019), the value of the Proposed Acquisitions itself exceeds the said thresholds.

As at the Latest Practicable Date, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 1,072,779,154 Units, which is equivalent to approximately 33.58% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MNACT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is an indirect wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendors, MMSJ and MIJ are indirect wholly-owned subsidiaries of MIPL (each being a wholly-owned subsidiary of a controlling Unitholder and a controlling shareholder of the Manager), each of the Vendors, MMSJ and MIJ is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MNACT.

Additionally, as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL (being a wholly-owned subsidiary of a controlling Unitholder and a controlling shareholder of the Manager), the Sponsor's Nominee is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MNACT.

Therefore, the Proposed Acquisitions, the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements and the issuance of the Transaction Units will each constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

By approving the Proposed Acquisitions, Unitholders will be deemed to have approved the Amended Tsubaki Asset Management Agreement, the Supplemental Japan Property Management Agreements and all other documents incidental to or required to be executed or assigned by the parties in order to give effect to the Proposed Acquisitions.

5.3 Opinion of the Independent Financial Adviser

The Manager has appointed the IFA to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the Proposed Acquisitions, the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements and the proposed issuance of the Transaction Units. A copy of the IFA Letter, containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

After carefully considering the information available to it as at the Latest Practicable Date, and based on the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to the qualifications set out in the IFA Letter, the IFA is of the opinion that the Proposed Acquisitions, the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements and the proposed issuance of the Transaction Units are on normal commercial terms and will not be prejudicial to the interests of MNACT and its minority Unitholders.

5.4 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, certain directors of the Manager ("**Directors**") collectively hold an aggregate direct and indirect interest in 5,694,000 Units. Further details of the interests in Units of the Directors and Substantial Unitholders¹ are set out below.

Mr. Paul Ma Kah Woh is the Non-Executive Chairman and Director of the Manager. Mr. Lok Vi Ming is the Lead Independent Non-Executive Director and the Chairman of the nominating and remuneration committee of the Manager (the "Nominating and Remuneration Committee"). Mr. Kevin Kwok is an Independent Non-Executive Director and the Chairman of the Audit and Risk Committee. Mr. Lawrence Wong Liang Ying is an Independent Non-Executive Director and a Member of the Audit and Risk Committee.

^{1 &}quot;Substantial Unitholder" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

Mr. Michael Kok Pak Kuan is an Independent Non-Executive Director and a Member of the Audit and Risk Committee. Ms. Tan Su Shan is an Independent Non-Executive Director and a Member of the Nominating and Remuneration Committee. Mr. Chua Tiow Chye is a Non-Executive Director and a Member of the Nominating and Remuneration Committee. Ms. Koh Mui Ai Wendy is a Non-Executive Director. Ms. Cindy Chow Pei Pei is an Executive Director and the Chief Executive Officer of the Manager.

Based on the Register of Directors' unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors holds a direct or deemed interest in the Units as at the Latest Practicable Date:

	Direct Int	erest	Deemed Interest			
Name of Directors	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾	Total No. of Units held	% ⁽¹⁾
Paul Ma Kah Woh	1,140,000	0.035	100,000	0.003	1,240,000	0.038
Lok Vi Ming	_	_	190,000	0.005	190,000	0.005
Kevin Kwok	750,000	0.023	_	_	750,000	0.023
Lawrence Wong Liang Ying	_	_	_	_	_	_
Michael Kok Pak Kuan	540,000	0.016	_	_	540,000	0.016
Tan Su Shan	_	_	_	_	_	_
Chua Tiow Chye	1,550,000	0.048	258,000	0.008	1,808,000	0.056
Koh Mui Ai Wendy	_	_	416,000	0.013	416,000	0.013
Cindy Chow Pei Pei	_	_	750,000	0.023	750,000	0.023

Note:

(1) The percentage is based on 3,194,343,154 Units in issue as at the Latest Practicable Date.

Based on the Register of Substantial Unitholders' unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial	Direct Interest		Deemed Inte	Deemed Interest Total No. of		
Unitholders	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾	Units held	% ⁽¹⁾
Temasek Holdings (Private) Limited ⁽²⁾	1	_	1,146,227,585	35.88	1,146,227,585	35.88
Fullerton Management Pte Ltd ⁽²⁾	_	_	1,072,779,154	33.58	1,072,779,154	33.58
Mapletree Investments Pte Ltd ⁽³⁾	_	_	1,072,779,154	33.58	1,072,779,154	33.58
Kent Assets Pte. Ltd.	718,661,000	22.49	_	_	718,661,000	22.49
Schroders plc ⁽⁴⁾	_	_	168,107,800	5.26%	168,107,800	5.26%

Notes:

- (1) The percentage is based on 3,194,343,154 Units in issue as at the Latest Practicable Date.
- (2) Each of Temasek Holdings (Private) Limited ("Temasek") and Fullerton Management Pte Ltd ("Fullerton") is deemed to be interested in the 718,661,000 Units held by Kent Assets Pte. Ltd. ("Kent"), 133,086,000 Units held by Suffolk Assets Pte. Ltd. ("Suffolk"), 147,045,537 Units held by Mapletree North Asia Commercial Trust Management Ltd. ("MNACTM") and 73,986,617 Units held by Mapletree North Asia Property Management Limited ("MNAPM"). In addition, Temasek is deemed to be interested in a further 73,448,431 Units in which its associated companies and/or other subsidiaries have direct or deemed interests. Kent and Suffolk are wholly-owned subsidiaries of MIPL. MNACTM and MNAPM are wholly-owned subsidiaries of Mapletree Capital Management Pte. Ltd. and Mapletree Property Services Pte. Ltd. respectively, which are wholly-owned subsidiaries of MIPL. MIPL is a wholly-owned subsidiary of Fullerton which is in turn a wholly-owned subsidiary of Temasek. Each of MIPL and the associated company referred to above is an independently-managed Temasek portfolio company. Temasek and Fullerton are not involved in their business or operating decisions, including those regarding their unitholdings.
- (3) MIPL is deemed to be interested in the 718,661,000 Units held by Kent, 133,086,000 Units held by Suffolk, 147,045,537 Units held by MNACTM and 73,986,617 Units held by MNAPM.
- (4) Schroders plc is deemed to be interested in the 168,107,800 Units held on behalf of clients as investment managers.

Save as disclosed in **paragraph 5.2.3** of the Letter to Unitholders and in this **paragraph 5.4**, based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Proposed Acquisitions.

5.5 Directors' Service Contracts

No person is proposed to be appointed as a Director of the Manager in connection with the Proposed Acquisitions or any other transactions contemplated in relation to the Proposed Acquisitions.

6. THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE SPONSOR'S NOMINEE

6.1 Rule 14 of the Code

The Manager proposes to seek approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Sponsor's Nominee, in the event that it incurs an obligation to make a Mandatory Offer as a result of its receipt of 124,442,000 Transaction Units¹.

Upon receipt by the Sponsor's Nominee of the Transaction Units, the Concert Party Group may possibly end up acquiring additional Units which exceed the threshold pursuant to Rule 14.1(b) of the Code.

Rule 14.1(b) of the Code states that the Sponsor's Nominee would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MNACT and MIPL, or any person acting in concert with it, acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of MNACT.

Unless waived by the SIC, pursuant to Rule 14.1(b) of the Code, the Sponsor's Nominee would then be required to make a Mandatory Offer. The SIC has granted this waiver on 20 December 2019 subject to, *inter alia*, Resolution 3 (the proposed Whitewash Resolution) being approved by Independent Unitholders at the EGM.

¹ This is based on an illustrative issue price of S\$1.15 per Transaction Unit for a total sum of S\$143.1 million.

To the best of the knowledge of the Manager and MIPL, the Concert Party Group holds, in aggregate, 1,089,176,154 Units representing 34.10% of the voting rights of MNACT as at the Latest Practicable Date.

For illustrative purposes, the following example shows an illustrative scenario where 124,442,000 Transaction Units are issued to the Sponsor's Nominee.

Based on an illustrative issue price of S\$1.15 per Transaction Unit, the aggregated unitholding of the Concert Party Group immediately after the issue of the Transaction Units will be 36.57% of the Units in issue.

The following table sets out the respective unitholdings of the Concert Party Group if the Sponsor's Nominee receives approximately 124,442,000 Transaction Units (based on an illustrative issue price of S\$1.15 per Transaction Unit).

	As at the Latest Practicable Date	Immediately after the issuance of the Transaction Units
Issued Units	3,194,343,154	3,318,785,154
Number of Units held by the Concert Party Group	1,089,176,154	1,213,618,154
Number of Units held by Unitholders, other than the Concert Party Group	2,105,167,000	2,105,167,000
% of issued Units held by the Concert Party Group	34.10%	36.57%
% of issued Units held by Unitholders, other than the Concert Party Group	65.90%	63.43%

6.2 Application for Waiver from Rule 14 of the Code

An application was made to the SIC on 4 December 2019 for the waiver of the obligation of the Sponsor's Nominee to make a Mandatory Offer under Rule 14 of the Code should the obligation to do so arise as a result of its receipt of the Transaction Units.

The SIC granted the Whitewash Waiver on 20 December 2019, subject to, inter alia, the satisfaction of the following conditions:

- (i) a majority of Unitholders approve at a general meeting, before the issuance of the Transaction Units to the Sponsor's Nominee, the Whitewash Resolution by way of a poll to waive their rights to receive a Mandatory Offer from the Sponsor's Nominee;
- (ii) the Whitewash Resolution is separate from other resolutions;
- (iii) the Concert Party Group and parties not independent of them abstain from voting on the Whitewash Resolution;

- (iv) the Concert Party Group did not acquire or are not to acquire any units or instruments convertible into and options in respect of Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Units which have been disclosed in the circular):
 - during the period between the first announcement of the Proposed Acquisitions and the date Unitholders' approval is obtained for the Whitewash Resolution; and
 - (b) in the six months prior to the announcement of the Proposed Acquisitions but subsequent to negotiations, discussion or the reaching of understandings or agreements with the directors of the Manager in relation to such proposal;
- (v) MNACT appoints an independent financial adviser to advise the Independent Unitholders on the Whitewash Resolution;
- (vi) MNACT sets out clearly in the Circular:
 - (a) details of the Proposed Acquisitions and the issue of the Transaction Units;
 - (b) the dilution effect of the issue of the Transaction Units to existing Unitholders;
 - (c) the number and percentage of voting rights in MNACT as well as the number of instruments convertible into, rights to subscribe for and options in respect of MNACT held by the Concert Party Group at the Latest Practicable Date;
 - (d) the number and percentage of voting rights to be acquired by the Concert Party Group as a result of the acquisition of the Transaction Units by the Sponsor's Nominee; and
 - (e) specific and prominent reference to the fact that Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a Mandatory Offer from the Sponsor's Nominee at the highest price paid by the Concert Party Group for MNACT in the past 6 months preceding the commencement of the offer;
- (vii) the Circular states that the waiver granted by SIC to the Sponsor's Nominee from the requirement to make a Mandatory Offer under Rule 14 is subject to the conditions stated in sub-paragraphs (i) to (vi) above;
- (viii) MNACT obtains SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and
- (ix) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within three months of the date the Whitewash Waiver was granted and the acquisition of the Transaction Units by the Sponsor's Nominee must be completed within three months of the approval of the Whitewash Resolution.

Independent Unitholders should note that by voting for the Whitewash Resolution, they are waiving their rights to receive a Mandatory Offer from the Sponsor's Nominee at the highest price paid or agreed to be paid by the Concert Party Group for Units in the six months preceding the announcement of the issuance of Transaction Units.

6.3 Rationale for the Whitewash Resolution

The Whitewash Resolution is to enable the Sponsor's Nominee to receive the Transaction Units. The rationale for the Sponsor's Nominee to receive the Transaction Units is set out in **paragraph 3.5** of the Letter to Unitholders.

6.4 Advice of the Independent Financial Adviser

The Manager has appointed the IFA to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the proposed Whitewash Resolution. A copy of the IFA Letter, containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

After carefully considering the information available to it as at the Latest Practicable Date, and based on the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date, and subject to the qualifications and the grounds set out in the IFA Letter, the IFA has advised that the proposed Whitewash Resolution is fair and reasonable.

Accordingly, the IFA has advised the Independent Directors to recommend that Independent Unitholders vote in favour of the proposed Whitewash Resolution.

7. RECOMMENDATIONS

7.1 On the Proposed Acquisitions

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular) and the rationale for and key benefits of the Proposed Acquisitions as set out in **paragraph 4** above, the Independent Directors and the Audit and Risk Committee believe that the Proposed Acquisitions and the entry into each of the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements are based on normal commercial terms and will not be prejudicial to the interests of MNACT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the resolution to approve the Proposed Acquisitions, the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements.

7.2 On the proposed Issuance of the Transaction Units

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular) and the rationale for and key benefits of the issuance of the Transaction Units as set out in **paragraph 3.5** above, the Independent Directors and the Audit and Risk Committee believe that the issuance of the Transaction Units is based on normal commercial terms and will not be prejudicial to the interests of MNACT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the resolution to approve the proposed issuance of the Transaction Units.

7.3 On the proposed Whitewash Resolution in relation to the Sponsor's Nominee

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular) and the rationale for the Whitewash Resolution as set out in **paragraph 6.3** above, the Independent Directors and the Audit and Risk Committee believe that the Whitewash Resolution is fair and reasonable.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the resolution to approve the proposed Whitewash Resolution.

8. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 20 January 2020 (Monday) at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of Extraordinary General Meeting, which is set out on pages E-1 to E-4 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution. Approval by way of an Ordinary Resolution is required in respect of Resolution 1 relating to the Proposed Acquisitions, as an interested person transaction, Resolution 2 relating to the proposed issuance of the Transaction Units, as an interested person transaction and Resolution 3 relating to the proposed Whitewash Resolution in relation to the Sponsor's Nominee.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by CDP as at 72 hours before the time fixed for the EGM.

9. ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, MIPL has a deemed interest in 1,072,779,154 Units, which comprises approximately 33.58% of the total number of Units in issue. Fullerton, through its interest in the Sponsor, has a deemed interest in 1,072,779,154 Units, which comprises approximately 33.58% of the total number of Units in issue. Temasek, through its interests in Fullerton and its other portfolio companies, is deemed to be interested in 1,146,227,585 Units, which comprises approximately 35.88% of the total number of Units in issue.

9.1 Resolution 1: the Proposed Acquisitions, as an interested person transaction (Ordinary Resolution)

Given that the Properties will be acquired by Tsubaki TMK from indirect wholly-owned subsidiaries of MIPL, each of MIPL, Fullerton and Temasek (a) will abstain, and procure that their associates, including the Manager, Kent Assets Pte. Ltd., Suffolk Assets Pte. Ltd. and Mapletree North Asia Property Management Limited (see paragraph 5.4 for further details) will abstain from voting at the EGM on Resolution 1, and (b) will not, and will procure that their associates will not, accept appointments as proxies in relation to Resolution 1 unless specific instructions as to voting are given.

For the purposes of good corporate governance, as Mr. Paul Ma Kah Woh, the Non-Executive Chairman and a Director of the Manager, Mr. Chua Tiow Chye, a Non-Executive Director and a Member of the Nominating and Remuneration Committee, Ms. Koh Mui Ai Wendy, a Non-Executive Director and Ms. Cindy Chow Pei Pei, an Executive Director and the Chief Executive Officer of the Manager, are non-independent Directors, they will each abstain from voting on Resolution 1 in respect of Units (if any) held by them and will not accept appointments as proxies in relation to Resolution 1 unless specific instructions as to voting are given.

9.2 Resolution 2: the proposed issuance of the Transaction Units, as an interested person transaction (Ordinary Resolution)

Given that the Transaction Units will be issued to the Sponsor's Nominee, which is a wholly-owned subsidiary of MIPL, each of MIPL, Fullerton and Temasek (a) will abstain, and procure that their associates, including the Manager, Kent Assets Pte. Ltd., Suffolk Assets Pte. Ltd. and Mapletree North Asia Property Management Limited (see paragraph 5.4 for further details) will abstain from voting at the EGM on Resolution 2, and (b) will not, and will procure that their associates will not, accept appointments as proxies in relation to Resolution 2 unless specific instructions as to voting are given.

For the purposes of good corporate governance, as Mr. Paul Ma Kah Woh, the Non-Executive Chairman and a Director of the Manager, Mr. Chua Tiow Chye, a Non-Executive Director and a Member of the Nominating and Remuneration Committee, Ms. Koh Mui Ai Wendy, a Non-Executive Director and Ms. Cindy Chow Pei Pei, an Executive Director and the Chief Executive Officer of the Manager, are non-independent Directors, they will each abstain from voting on Resolution 2 in respect of Units (if any) held by them and will not accept appointments as proxies in relation to Resolution 2 unless specific instructions as to voting are given.

9.3 Resolution 3: the proposed Whitewash Resolution in relation to the Sponsor's Nominee (Ordinary Resolution)

Pursuant to the Whitewash Waiver granted in relation to Resolution 3, MIPL, parties acting in concert with it (which includes MIPL's subsidiaries) and parties not independent of them are required to abstain from voting on Resolution 3.

10. ACTION TO BE TAKEN BY UNITHOLDERS

Unitholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach MNACT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 2.30 p.m. on 17 January 2020 (Friday), being 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person at the EGM if he so wishes.

Persons who have an interest in the approval of the resolution must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolution. If a Unitholder (being an Independent Unitholder) wishes to appoint Mr. Paul Ma Kah Woh and/or Mr. Chua Tiow Chye, Ms. Koh Mui Ai Wendy and/or Ms. Cindy Chow Pei Pei as his/her proxy/proxies for the EGM, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of the resolution.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisitions, the Transaction Units, the Whitewash Resolution, and MNACT and its subsidiaries, and the Directors are not aware of any facts

the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. CONSENTS

Each of the IFA, the Independent Market Research Consultant and the Independent Valuers, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the Independent Market Research Report, the valuation certificates and all references thereto, in the form and context in which they are included in this Circular.

13. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager¹ at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the TK Interest Transfer Agreement dated 4 December 2019;
- (ii) the TBI SPA dated 4 December 2019;
- (iii) Transaction Units Agreement dated 4 December 2019;
- (iv) the IFA Letter;
- (v) the independent valuation report on each of the Properties issued by CBRE;
- (vi) the independent valuation report on each of the Properties issued by C&W;
- (vii) the Independent Market Research Report;
- (viii) the FY18/19 Audited Financial Statements; and
- (ix) the written consents of each of the IFA, the Independent Market Research Consultant and the Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MNACT is in existence.

Yours faithfully

Mapletree North Asia Commercial Trust Management Ltd.

(Company Registration No. 201229323R)
As Manager of Mapletree North Asia Commercial Trust

Paul Ma Kah Woh

Non-Executive Chairman and Director

¹ Prior appointment with the Manager (telephone: +65 6377 6111) will be appreciated.

IMPORTANT NOTICE

The value of 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 SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of MNACT is not necessarily indicative of the future performance of MNACT.

This Circular 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 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. 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.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular does not constitute an offer of securities in the United States or any other jurisdiction and is not for distribution, directly or indirectly, in or into the United States. The Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Manager does not intend to conduct a public offering of any securities of MNACT in the United States.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

"%" : Per centum or percentage

:

"1H FY19/20" : First half of the financial year ended 31 March 2020

"Aggregate Agreed Property Value"

The aggregate agreed property value of the Properties of

JPY38,110.0 million (approximately S\$477.0 million)

"Aggregate Consideration"

98.47% of the TMK Consideration

"Aggregate Leverage" : The ratio of the value of borrowings (inclusive of

proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the

Deposited Property

"ALP" : Asset liquidation plan

"Amended Tsubaki Asset Management Agreement"

The asset management agreement entered into between

Tsubaki TMK and MIJ as amended and restated

"ASY" : ABAS Shin-Yokohama Building

"Base Fee" : 10.0% per annum of MNACT's distributable income

"bps" : Basis points

"C&W" : Cushman and Wakefield K.K.

"CBD" : Central business district

"CBRE" : CBRE K.K., Valuation & Advisory Services

"CDP" : The Central Depository (Pte) Limited

"Circular" : This circular to Unitholders dated 3 January 2020

"Code" : Singapore Code of Take-overs and Mergers

"Completion" : The completion of the Proposed Acquisitions

"Completion Date" : The date of Completion

"Concert Party Group" : MIPL and parties acting in concert with it

"Debt Financing": The debt financing to be obtained in relation to the

Proposed Acquisitions

"Deposited Property" : The gross assets of MNACT, including all its authorised

investments held or deemed to be held upon the trust

under the Trust Deed

"Directors" : The directors of the Manager

"DPU" : Distribution per Unit

"EGM" : The extraordinary general meeting of Unitholders to be

held on 20 January 2020 (Monday) at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, to approve the matters set out in the Notice of Extraordinary General

Meeting on pages E-1 to E-4 of this Circular

"Enlarged Portfolio": The enlarged portfolio of properties held by MNACT as at

30 September 2019, consisting of (i) the Existing Portfolio

and (ii) the Properties

"Existing Japan Properties"

MON, HNB, TSI, ASY, SMB and FJM, collectively

"Existing Portfolio" : The portfolio of properties held by MNACT, comprising nine

commercial properties located in China, Hong Kong SAR

and Japan

"FJM" : Fujitsu Makuhari Building

"FW" : Festival Walk

"FY18/19 Audited : The audite

Financial Statements"

The audited financial statements of MNACT for the

financial year ended 31 March 2019

"FY19/20" : Financial year ending 31 March 2020

"FY20/21" : Financial year ending 31 March 2021

"Fullerton" : Fullerton Management Pte Ltd

"GFA" : Gross floor area

"GK" : Godo Kaisha

"GK TMK Preferred

Shares"

The New GK TMK Preferred Shares and Tsubaki GK's

existing preferred shares in Tsubaki TMK

"GRI" : Gross rental income which consists of fixed rent

(comprising base rent, service charges, chilled water charges and promotional levy, where applicable) and turnover rent (which is rent calculated by reference to a pre-determined percentage of the tenant's sales turnover,

where applicable).

"GW" : Gateway Plaza

"HNB" : Higashi-nihonbashi 1-chome Building

"Hong Kong SAR" : Hong Kong Special Administrative Region

"IFA" : Deloitte & Touche Corporate Finance Pte Ltd

"IFA Letter" : The letter from the IFA to the Independent Directors, the

Trustee and the Audit and Risk Committee containing its

advice as set out in Appendix D of this Circular

"Independent Directors" : The independent directors of the Manager

"Independent Market Research Consultant" Cushman and Wakefield K.K.

"Independent Unitholders"

Unitholders other than the Concert Party Group and parties

which are not independent of them

"Independent Valuers" : CBRE and C&W

"Japan Asset Management Agreements" The Amended Tsubaki Asset Management Agreement together with the MBP Asset Management Agreement

"Japan Asset Management Fee" The fee payable to the Japan Asset Manager under the

Japan Asset Management Agreements

"Japan Asset Manager" or "MIJ"

Mapletree Investments Japan Kabushiki Kaisha

"Japan Property Management Agreements" The property management agreements in relation to each of the Properties, pursuant to which MMSJ has been appointed as property manager:

(i) for MBP, entered into between the MBP Trust Bank and MMSJ, and dated 30 March 2016; and

(ii) for OPB, entered into between the OPB Trust Bank and MMSJ, and dated 29 March 2013

"Japan Property Management Fees"

The fees payable to the Property Manager under the Japan Property Management Agreements as amended by the Supplemental Japan Property Management Agreements

"Japan Property Manager" or "MMSJ"

Mapletree Management Services Japan Kabushiki Kaisha

"JPY" : Japanese Yen

"Kent" : Kent Assets Pte. Ltd.

:

"Latest Practicable Date" : 23 December 2019, being the latest practicable date prior

to the printing of this Circular

"Listing Manual" : The Listing Manual of the SGX-ST

"Makuhari GK" : GK Makuhari Blue

"Makuhari SH" : Ippan Shadan Houjin Makuhari Blue, the Ippan Shadan

Houjin which holds a voting share in Makuhari GK

"Makuhari Silent

Partnership Agreement"

The silent partnership agreement which will form a

Tokumei Kumiai relation between Tsubaki TMK and

Makuhari GK post Completion

"Makuhari TK Business" : The acquisition, holding and eventual disposal of the TBI in

MBP held by Makuhari GK

"Makuhari TK Interest" : The Tokumei Kumiai interest of Makuhari GK

"Makuhari TK : The Tokumei Kumiai relationship between Tsubaki TMK

Relationship" and Makuhari GK

"Makuhari Vendor" : Higashikoujiya Shugogatakojo TMK

"Manager" : Mapletree North Asia Commercial Trust Management Ltd.,

in its capacity as manager of MNACT

"Mandatory Offer" : The mandatory offer for the remaining Units not owned or

controlled by the Concert Party Group

"MAS" : Monetary Authority of Singapore

"MBP" : mBay Point Makuhari Building

:

"MBP Asset Management

Agreement"

The asset management agreement entered into between

Makuhari GK and MIJ which will be taken over by MNACT

post Completion

"MBP Trust Bank" : Sumitomo Mitsui Trust Bank, Limited

"MIJ Tenancy Agreement" : The tenancy agreement entered into by MIJ in respect of

OPB which will effectively be taken over by MNACT post

Completion

"MIPL" or "Sponsor" : Mapletree Investments Pte Ltd

"MNACT" : Mapletree North Asia Commercial Trust

"MNACTM" : Mapletree North Asia Commercial Trust Management Ltd.

"MNAPM" : Mapletree North Asia Property Management Limited

"MON" : IXINAL Monzen-nakacho Building

"NAV" : Net asset value

"New GK" : A GK entity which MNACT may alternatively form in order

to facilitate the acquisition of the TBI in OPB

"New GK TMK Preferred

Shares"

The total of 1,656.4 million Series 2 preferred shares and 7,893.6 million Series 3 preferred shares which Tsubaki GK will subscribe for pursuant to the Preferred Shares Subscription Agreements such that Tsubaki GK will hold 51.0% of the total issued preferred share capital of Tsubaki

TMK post subscription

"New Preferred Shares" : Preferred shares in the share capital of Tsubaki TMK

issued pursuant to the Preferred Shares Subscription Agreements, which includes the New SGCo1 TMK Preferred Shares and the New GK TMK Preferred Shares

"New SGCo1 TMK Preferred Shares"

The total of 1,640.7 million Series 2 preferred shares and 7,818.9 million Series 3 preferred shares which SGCo1 will subscribe for pursuant to the Preferred Shares

Subscription Agreements such that SGCo1 will hold 49.0% of the total issued preferred share capital of Tsubaki TMK

post subscription

"NLA" : Net lettable area

"Nominating and Remuneration Committee"

The nominating and remuneration committee of the

Manager

"NPI" : Net property income

"NTA" : Net tangible asset value

"OPB" : Omori Prime Building

"OPB Trust Bank" : Mizuho Trust & Banking Co., Ltd.

"OPB Vendor" : Satsuki TMK

"Ordinary Resolution" : A resolution proposed and passed as such by a majority

being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of

the Trust Deed

"Preferred Shareholders" : SGCo1 and Tsubaki GK, as holders of Preferred Shares

"Preferred Shares" Preferred shares in the share capital of Tsubaki TMK which

includes the SGCo1 TMK Preferred Shares and the

GK TMK Preferred Shares

"Preferred Shares Subscription Agreements"

: The two subscription agreements which will be entered into

between SGCo1, Tsubaki GK and Tsubaki TMK

"Properties" MBP and OPB, being the real estate assets located in

Japan

"Property Funds

Appendix"

Appendix 6 of the Code on Collective Investment Schemes

issued by the MAS

"Proposed Acquisitions" The proposed acquisitions of an effective interest of :

98.47% in the Properties through the acquisitions of the

Makuhari TK Interest and the TBI in OPB

"Proxy Form" The instrument appointing a proxy or proxies as set out in

this Circular

"Purchaser" SGCo1 or the party designated by SGCo1 pursuant to the

Sale and Purchase Agreements Novation

"Remaining Consideration

Value"

The Total Acquisition Cost less the amount that the

Sponsor's Nominee agrees to pay for the Transaction Units

under the Transaction Units Agreement

"S\$" and "cents" Singapore dollars and cents

:

:

"Sale and Purchase

Agreements"

The TK Interest Transfer Agreement and the TBI SPA

"Sale and Purchase

Agreements Novation"

The novation of the rights and obligations of SGCo1 in the

Sale and Purchase Agreements to Tsubaki TMK

"Securities Act" U.S. Securities Act of 1933, as amended

"SGCo1" : Tsubaki 1 Pte. Ltd., a private limited company incorporated

in Singapore

"SGCo1 Subscription

Price"

JPY9,459.6 million (approximately S\$118.4 million)

"SGCo1 TMK Preferred

Shares"

The New SGCo1 TMK Preferred Shares and SGCo1's

existing preferred shares in Tsubaki TMK

"SGCo2" Tsubaki 2 Pte. Ltd., a private limited company

wholly-owned by SGCo1

"SGX-ST" Singapore Exchange Securities Trading Limited "SH1" : Ippan Shadan Houjin Tsubaki 1, the Ippan Shadan Houjin

which holds a golden share in SGCo1

"SH2" : Ippan Shadan Houjin Tsubaki 3, the Ippan Shadan Houjin

which holds a voting share in Tsubaki GK

"SIC" : Securities Industry Council

"Singapore-Japan DTA" : Singapore Japan Double Taxation Agreement

"SMB" : SII Makuhari Building

"SP" : Sandhill Plaza

"Specified Shares" : Tokutei shusshi, the specified share capital in Tsubaki TMK

(commonly known as the common share capital)

"Sponsor's Nominee" : Suffolk

"sq ft" : Square feet

"sqm" : Square metre

"Substantial Unitholder" : A person with an interest in Units constituting not less than

5.0% of the total number of Units in issue

"Suffolk" : Suffolk Assets Pte. Ltd.

"Supplemental Japan Property Management

Agreements"

The supplemental property management agreements

proposed to be entered into between each of the MBP Trust Bank and the OPB Trust Bank with MMSJ

"TBI" : Trust beneficial interest

"TBI SPA" : The conditional TBI sale and purchase agreement entered

into by SGCo1 and the OPB Vendor

"Temasek" : Temasek Holdings (Private) Limited

"TK Interest Transfer

Agreement"

The conditional *Tokumei Kumiai* interest transfer

agreement entered into by SGCo1 and the Makuhari

Vendor

"TMK" : Tokutei Mokuteki Kaisha

"TMK Consideration" : The Aggregate Agreed Property Value, subject to net

working capital adjustments post Completion

"Total Acquisition Cost" : The total cost of the Proposed Acquisitions, comprising:

(i) the Aggregate Consideration which is estimated to be approximately S\$469.7 million (approximately JPY37,524.3 million); and

(ii) the estimated professional and other fees and expenses of approximately S\$4.8 million incurred or to be incurred by MNACT in relation to the Proposed Acquisitions, the issuance of Transaction Units and Debt Financing

"Transaction Units" : Units issued to the Sponsor's Nominee pursuant to the

Transaction Units Agreement

"Transaction Units

Agreement"

Agreement under which the Manager agrees to issue and

the Sponsor's Nominee agrees to pay for the Transaction

Units

"Transaction Units
Agreement Completion

Date"

The day of completion under the Transaction Units

Agreement

"Trust Deed" : The trust deed dated 14 February 2013 constituting

MNACT, as supplemented, amended, and restated from

time to time

"Trustee" : DBS Trustee Limited, in its capacity as trustee of MNACT

"TSI" : TS Ikebukuro Building

"Tsubaki Asset

Management Agreement"

The asset management agreement entered into between

Tsubaki TMK and MIJ

"Tsubaki GK" : Godo Kaisha Tsubaki 3

"Tsubaki GK Assets" : Tsubaki GK's 51.0% interest in Tsubaki TMK

"Tsubaki Silent

Partnership Agreements"

The two silent partnership agreements which will be

entered into between SGCo2 and Tsubaki GK

"Tsubaki TK Businesses" : Acquisition, holding and eventual disposal of the New GK

TMK Preferred Shares held by Tsubaki GK, constituting

51.0% of the economic interest in the Properties

"Tsubaki TK

Distributions"

The distributions made by Tsubaki GK pursuant to the

Tsubaki Silent Partnership Agreements

"Tsubaki TK Interests" : The rights and obligations of SGCo2 under the Tsubaki

Silent Partnership Agreements relating to the Properties

"Tsubaki TK Investments" : The amount invested in Tsubaki GK by SGCo2 pursuant to

the Tsubaki Silent Partnership Agreements

"Tsubaki TK : The Tokumei Kumiai relationship between SGCo2 and

Relationship" Tsubaki GK

"Tsubaki TMK" : Tsubaki Tokutei Mokuteki Kaisha

"Tsubaki TMK : Distributions by Tsubaki TMK

Distribution"

"Unit" : A unit representing an undivided interest in MNACT

"United States" or "U.S." : The United States of America

"Unitholder" : The registered holder for the time being of a Unit, including

person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities

Account with CDP is credited with Units

"Vendors" : The Makuhari Vendor and the OPB Vendor

"WALE" : Weighted average lease expiry

"Whitewash Resolution" : The whitewash resolution to be approved by the

Independent Unitholders, by way of a poll, to waive their rights to receive a general offer for their Units from the

Sponsor's Nominee

"Whitewash Waiver" : The waiver granted by the SIC on 20 December 2019

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

For illustrative purposes, certain Japanese Yen amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the exchange rate on 23 December 2019 of S\$1.00 = JPY79.89. Such translations should not be construed as representations that the Japanese Yen amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.

DETAILS OF THE PROPERTIES, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

1. THE PROPERTIES

1.1 Description of the Properties

The Properties comprise two freehold, multi-tenanted office properties located in Greater Tokyo, Japan.

mBay Point Makuhari Building ("MBP")

MBP is a 26-storey office building with one basement level and 680 car park lots, located at 6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan, at the fringe of the Tokyo Metropolitan Prefecture. It is located within an eight-minute walk from the Kaihin Makuhari JR train station, which is a 30-minute train ride away from Tokyo Station, the heart of Tokyo's central business district ("CBD").

MBP has a GFA of 170,499 square metres ("sqm") and a net lettable area ("NLA") of 84,785 sqm. It is multi-tenanted and has an occupancy rate of 84.8%, with a weighted average lease expiry ("WALE") of 3.6 years by monthly gross rental income ("GRI") as at 30 September 2019. The key tenants are NTT Urban Development, AEON Credit Service and Ministop.

The table below sets out a summary of selected information on the property as at 30 September 2019 (unless otherwise indicated).

Address	6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan	
Title	Freehold	
Land Area	40,602 sqm	
GFA	170,499 sqm	
NLA	84,785 sqm	
Number of Storeys	26 storeys with one basement level	
Occupancy	84.8%	
WALE	3.6 years	
Year Built	1993	
Land Zoning	Neighbourhood commercial district	
Number of Tenants	43	
Car Park Lots	680	
Valuation by CBRE as at 1 November 2019	JPY32,200.0 million	
Valuation by C&W as at 1 November 2019	JPY31,700.0 million	
Purchase price ¹	JPY31,500 million	

¹ Based on 100% effective interest in the property and subject to net working capital adjustments.

Omori Prime Building ("OPB")

OPB is a 13-storey office building with one basement level, 36 mechanical car park lots and one open car park lot, located at 21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan, at the fringe of the central five wards in Tokyo. The building is located within a four-minute walk from the JR Omori train station, which is a 16-minute train ride away from Tokyo Station, the heart of Tokyo's CBD.

OPB has a GFA of 10,442 sqm and a NLA of 6,798 sqm. It is multi-tenanted and has an occupancy rate of 100.0%, with a WALE of 1.7 years by monthly GRI as at 30 September 2019. The key tenants are Eighting, Isuzu Linex and Brillnics.

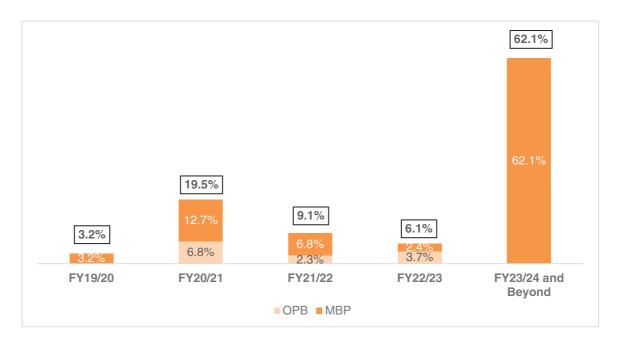
The table below sets out a summary of selected information on the property as at 30 September 2019 (unless otherwise indicated).

Address	21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan
Title	Freehold
Land Area	1,764 sqm
GFA	10,442 sqm
NLA	6,798 sqm
Number of Storeys	13 storeys with one basement level
Occupancy	100%
WALE	1.7 years
Year Built	2002
Land Zoning	Commercial
Number of Tenants	10
Car Park Lots	36 mechanical car park lots and one open car park lot
Valuation by CBRE as at 1 November 2019	JPY7,130.0 million
Valuation by C&W as at 1 November 2019	JPY7,100.0 million
Purchase price ²	JPY6,610.0 million

² Based on 100% effective interest in the property and subject to net working capital adjustments.

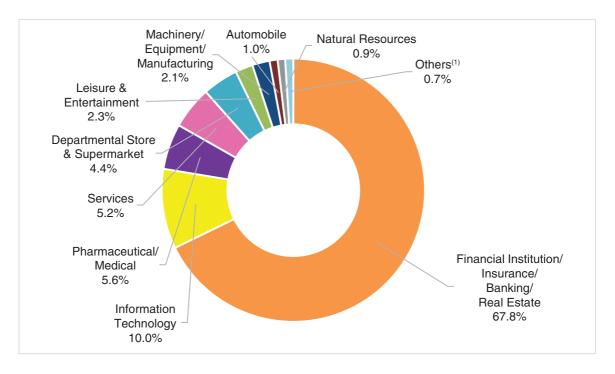
1.2 Lease Expiry Profile of the Properties

The chart below illustrates the lease expiry profile of the Properties by monthly GRI as at 30 September 2019.



1.3 Trade Sector Analysis of the Properties

The chart below provides a breakdown by monthly GRI as at 30 September 2019 of the different trade sectors represented in the Properties.



Note:

(1) "Others" include Professional & Business Services (0.2%) and Other Sectors (0.5%).

1.4 Top Ten Tenants of the Properties

The table below shows the top ten tenants of the Properties by monthly GRI as at 30 September 2019.

No.	Top Ten Tenants	Property	Trade Sector
1	NTT UD	MBP	Financial Institution/Insurance/Banking/ Real Estate
2	AEON Credit Service	MBP	Financial Institution/Insurance/Banking/ Real Estate
3	Eighting	ОРВ	Information Technology
4	Ministop	MBP	Departmental Store & Supermarket
5	Research Institute for Quality Living	MBP	Pharmaceutical/Medical
6	AEON Fantasy	MBP	Leisure & Entertainment
7	AEON IBS	MBP	Information Technology
8	Isuzu Linex	ОРВ	Services
9	Brillnics	ОРВ	Information Technology
10	Otsuka Corporation	ОРВ	Services
Top 1	0 Tenants Total: 84.3%		

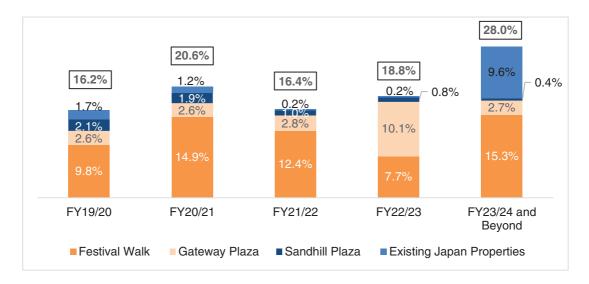
2. EXISTING PORTFOLIO

MNACT's existing portfolio comprises nine properties located in China, Hong Kong SAR and Japan (the "Existing Portfolio").

	Festival	Gateway	Sandhill	IXINAL Monzen-nakacho	Higashi- nihonbashi 1-chome	TS Ikebukuro	ABAS Shin- Yokohama	SII Makuhari Building	Fujitsu Makuhari Building	Existing
GFA (sq ft)	1,208,754	1,145,882	902,031	89,377	34,874	52,721	49,926	761,476	657,543	4,902,584
NLA (sq ft)	798,372	1,145,882	681,184	73,753	27,996	43,073	34,121	761,476	657,543	4,223,400
Number of Tenants (as at 30 September 2019)	187	66	57	-	Q	-	12	-	-	365
Carpark lots	830	692	460	28	∞	15	24	298	251	2,606
Land Use Right Expiry	30-Jun-47	25-Feb-53	3-Feb-60	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	I
Property Value as at 30 September 2019 (S\$ million)	5,059	1,330	456	111	28	29	35	341	239	7,665
Occupancy (as at 30 September 2019)	100%	%9.96	99.3%	100%	100%	100%	100%	100%	100%	%6:86
Building Completion Date	Nov-98	Aug-05	Dec-12	Sep-09	Aug-09	Jan-05	Ang-09	May-93	Jun-92	I

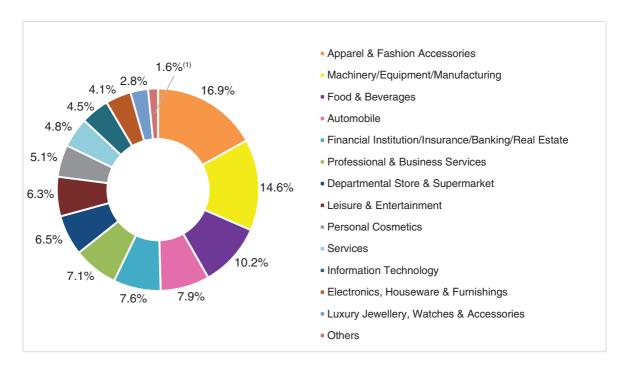
2.1 Lease Expiry Profile of the Existing Portfolio

The chart below illustrates the lease expiry profile of the Existing Portfolio by monthly GRI as at 30 September 2019. As at 30 September 2019, the WALE by GRI for the Existing Portfolio is 2.7 years.



2.2 Trade Sector Analysis of the Existing Portfolio

The chart below provides a breakdown by monthly GRI as at 30 September 2019 of the different trade sectors represented in the Existing Portfolio.



Note:

(1) "Others" include Pharmaceutical/Medical (1.0%), Natural Resources (0.2%) and Other Sectors (0.4%).

2.3 Top Ten Tenants of the Existing Portfolio

The chart below sets out the top 10 tenants by monthly GRI as at 30 September 2019 of the Existing Portfolio.

No.	Top Ten Tenants	Property	Trade Sector
1	BMW	GW	Automobile
2	Seiko Instruments Inc.	SMB	Machinery/Equipment/Manufacturing
3	Arup	FW	Professional & Business Services
4	TaSTe	FW	Departmental Store & Supermarket
5	Fujitsu	FJM	Machinery/Equipment/Manufacturing
6	CFLD	GW	Financial Institution/Insurance/Banking/ Real Estate
7	Festival Grand	FW	Leisure & Entertainment
8	Apple	FW	Electronics, Houseware & Furnishings
9	I.T	FW	Apparel & Fashion Accessories
10	Japan Information Processing Service	MON	Information Technology
Top 10 Tenants Total: 34.4%			

3. ENLARGED PORTFOLIO

The table below sets out selected information on the Enlarged Portfolio as at 30 September 2019 (unless otherwise indicated).

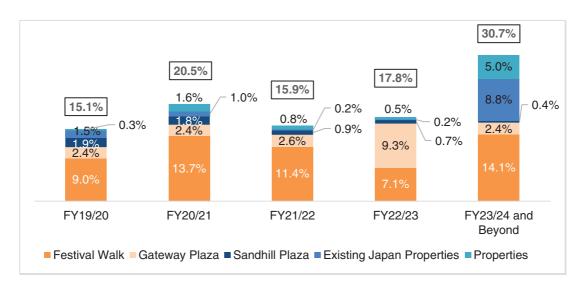
	Existing Portfolio	МВР	ОРВ	Enlarged Portfolio
GFA (sq ft)	4,902,584	1,835,232	112,392	6,850,208
NLA (sq ft)	4,223,400	912,616	73,168	5,209,184
Number of Tenants	365	43	10	418
Property Value (S\$ million)	7,665 ⁽¹⁾	394(2)	83 ⁽²⁾	8,142
Occupancy (%)	98.9	84.8	100.0	96.4

Notes:

- (1) Based on MNACT's consolidated accounts for the half year ended 30 September 2019.
- (2) Based on the agreed property value of each of the Properties translated at the exchange rate on 23 December 2019 of S\$1.00 = JPY79.89.

3.1 Lease Expiry Profile of the Enlarged Portfolio

The chart below illustrates the committed lease profile of the Enlarged Portfolio by monthly GRI as at 30 September 2019. As at 30 September 2019, the WALE by GRI for the Enlarged Portfolio is approximately 2.8 years.



3.2 Trade Sector Analysis for the Enlarged Portfolio

The chart below provides a breakdown by monthly GRI as at 30 September 2019 of the different trade sectors represented in the Enlarged Portfolio.



Note:

(1) "Others" include Pharmaceutical/Medical (1.4%), Natural Resources (0.3%) and Other Sectors (0.4%).

3.3 Top 10 Tenants of the Enlarged Portfolio

The chart below sets out the top 10 tenants by monthly GRI as at 30 September 2019 of the Enlarged Portfolio.

No.	Top Ten Tenants	Property	Trade Sector
1	BMW	GW	Automobile
2	Seiko Instruments Inc.	SMB	Machinery/Equipment/Manufacturing
3	NTT UD	MBP	Financial Institution/Insurance/Banking/ Real Estate
4	Arup	FW	Professional & Business Services
5	TaSTe	FW	Departmental Store & Supermarket
6	Fujitsu	FJM	Machinery/Equipment/Manufacturing
7	CFLD	GW	Financial Institution/Insurance/Banking/ Real Estate
8	Festival Grand	FW	Leisure & Entertainment
9	Apple	FW	Electronics, Houseware & Furnishings
10	I.T	FW	Apparel & Fashion Accessories
Top 1	0 Tenants Total: 35.1%		



VALUATION CERTIFICATES



Valuation Certificate

Property: m BAY POINT Makuhari

6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan

Instructed By: DBS Trustee Limited (in its capacity as trustee of

Mapletree North Asia Commercial Trust) /Mapletree North Asia Commercial Trust Management Ltd.

Prepared For: DBS Trustee Limited (in its capacity as trustee of

Mapletree North Asia Commercial Trust) /Mapletree North Asia Commercial Trust Management Ltd.

Purpose: To understand the asset value of the securitization property upon acquisition.

Lot No.: 6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan

Share of the Lot: The Property comprises the whole subject lot.

Interest to be Valued: Land: Fee simple

Building: Fee simple

Type of Value: Market value

Registered Owner: Sumitomo Mitsui Trust Bank, Limited

Land Area: 40,602.00 sqm

Town Planning: Neighborhood Commercial District

SCR - 80% (permissible), 100% (effective); FAR - 400% (permissible), 400% (effective)

Tenancy Profile: Major tenants include - Affiliated company of NTT. The subject is approx. 84.75%

occupied as of September 2019.

Building Completion:June 30, 1993Gross Floor Area:170,498.78 sqmLettable Area:84,784.92 sqm

Valuation Approaches: Cost Approach and Income Approach (DCF Method and Direct Capitalization Method)

Date of Valuation: 1 November 2019

Valuation: Valuation Method

Income Approach (Direct Capitalization Method) 0% 32,300,000,000 yen Income Approach (Discount Cash Flow Method) 100% 32,200,000,000 yen Income Approach - 32,200,000,000 yen

 Cost Approach
 0%
 37,500,000,000 yen

 Income Approach
 100%
 32,200,000,000 yen

Concluded Value: 32,200,000,000 yen

This valuation is exclusive of consumption tax.

Assumptions, Disclaimers, Limitations & Qualifications Summary: This valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed both throughout this report and within the Assumptions, Disclaimers, Limitations & Qualifications section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on

the whole or any part of the content of this valuation.

Prepared By:

CBRE K.K.

户口松棚局

Yusuke Toda License No. 8556

Licensed Real Estate Appraiser of Japan

Valuer

Property Inspection: Job Involvement: Yes

Principal Valuer

CBRE K.K.

橋本



Munehito Hashimoto License No. 9010

Licensed Real Estate Appraiser of Japan

Associate Director

NA

Co-Signing Director

* The Co-Signing Director/QA Co-Signatory confirms having discussed the valuation methodology and calculations with the Principal Valuer(s), however the opinion of value expressed herein has been arrived at by the Principal Valuer alone/Principal Valuers



Valuation Certificate

Property: Omori Prime Building

21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan

Instructed By: DBS Trustee Limited (in its capacity as trustee of

Mapletree North Asia Commercial Trust) / Mapletree North Asia Commercial Trust Management Ltd.

Prepared For: DBS Trustee Limited (in its capacity as trustee of

Mapletree North Asia Commercial Trust) / Mapletree North Asia Commercial Trust Management Ltd.

Purpose: To understand the asset value of the securitization property upon acquisition.

Lot No.: 9-4, 9-5, 9-7, 9-8, 9-9, 9-10, 9-16, 9-17, Minami-oi 6-chome, Shinagawa-ku, Tokyo

Share of the Lot: The Property comprises the whole subject lot.

Interest to be Valued: Land: Fee simple

Building: Fee simple

Type of Value: Market value

Registered Owner: Mizuho Trust & Banking Co., Ltd.

Land Area: 1,764.29 sqm
Town Planning: Commercial District

SCR - 100% (permissible), 48.3% (effective); FAR - 598.5% (permissible), 592.6% (effective)

Tenancy Profile: Major tenants: Eighting Co., Ltd (approx. 27%). The subject is currently 100% occupied.

Building Completion:March 4, 2002Gross Floor Area:10,441.61 sqmLettable Area:6,797.52 sqm

Valuation Approaches: Cost Approach and Income Approach (DCF Method and Direct Capitalization Method)

Date of Valuation: 1 November 2019

Valuation: Valuation Method

Income Approach (Direct Capitalization Method) 0% 7,380,000,000 yen
Income Approach (Discount Cash Flow Method) 100% 7,130,000,000 yen
Income Approach - 7,130,000,000 yen

 Cost Approach
 0%
 6,480,000,000 yen

 Income Approach
 100%
 7,130,000,000 yen

Concluded Value: 7,130,000,000 yen

This valuation is exclusive of consumption tax.

Assumptions, Disclaimers, Limitations & Qualifications Summary: This valuation is provided subject to the assumptions, disclaimers, limitations and qualifications detailed both throughout this report and within the Assumptions, Disclaimers, Limitations & Qualifications section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By:

CBRE K.K.



Eiji Nishio License No. 6337

Licensed Real Estate Appraiser of Japan

Director

Property Inspection: Job Involvement: Yes

Principal Valuer

CBRE K.K.

梅耳



Munehito Hashimoto License No. 9010

Licensed Real Estate Appraiser of Japan

Associate Director

NA

Co-Signing Director

* The Co-Signing Director/QA Co-Signatory confirms having discussed the valuation methodology and colculations with the Principal Valuer(s), however the opinion of value expressed herein has been arrived at by the Principal Valuer alone/Principal Valuers



Cushman & Wakefield K.K. Sanno Park Tower 13F 2-11-1 Nagatacho, Chiyoda-ku Tokyo 100-6113, Japan

12 November 2019

DBS Trustee Limited
(in its capacity as Trustee of Mapletree North Asia Commercial Trust)
12 Marina Boulevard, #44-01/04
DBS Asia Central @Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sir,

VALUATION OF THE PORTFOLIO OF 2 PROPERTIES COMPRISING:

- 1. Omori Prime Building
- 2. m Bay Point Makuhari

Cushman & Wakefield K.K. ("C&W") have appraised the properties as listed above ("the Properties") and provided comprehensive valuation reports (the "Reports") in accordance with the requirements in the agreement of instruction from DBS Trustee Limited as Trustee of Mapletree North Asia Commercial Trust.

We have been instructed to appraise the market value of the Properties as at the date of valuation, 1 November 2019, in accordance with the definition below:

"Market value refers to the probable value that would be formed for the marketable real estate in a market that satisfies conditions associated with a rational market under actual socio-economic circumstances. In this context, the market refers to a market that satisfied the conditions listed below:

- Market participants with typical information, knowledge and management skills are acting on their own free will, and are able to enter or leave the market as they wish;
- 2. There are no special restrictions on transactions that restrict market participants nor any extraordinary incentives that induce participants to sell or buy the Properties; and
- 3. The Subject Properties are made available for sale in the market for an appropriate period of time. "

For the specific purposes of this prospectus, we provide a Valuation Summary of the Reports with a brief description of the Properties together with the key factors that have been considered in determining the market values of the Properties. The value conclusions reflect all information known by the valuers of C&W who worked on the valuations in respect to the Properties, market conditions and available data.



1. RELIANCE ON THIS LETTER

This Valuation Summary summarises the full Reports that C&W have carried out and it does not contain all the necessary information and assumptions that are included in the Reports. Further reference may be made to these Reports, copies of which are held by the Client.

The valuation contained in the Reports are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, the Manager and other related parties. Whilst C&W have endeavoured to obtain accurate information, it has not independently verified all the information provided by the Manager or other reliable and reputable agencies.

Where applicable, information as to ownership, site area and zoning has been obtained from our searches at the local municipalities. C&W have also relied to a considerable extent the property data provided by the Manager on matters such as site and floor areas, lease terms/tenancy details, site and building plans, dates of completion, technical due diligence or engineering reports and all other relevant matters.

Also, in the course of the valuation, we have assumed that all the leases are legally valid and enforceable and the Properties have proper legal titles that can be freely transferable, leased and sub-leased in the market without being subject to any land premium or any extra charges. C&W have no reason to doubt the truth and accuracy of the information provided to us by the Client which is material to the valuation.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Properties. C&W have assumed that the Properties are free from encumbrances, restrictions or other outgoings of an onerous nature which would affect their market value, other than those which have been made known to C&W.

The methodologies used in valuing the Properties, namely, the Discounted Cash Flow Analysis and Direct Capitalization Approach, are based on our professional opinion and estimates of the future results and are not guarantees or predictions. These valuation methodologies are summarized in this letter. Each methodology is based on a set of assumptions as to the income and expenses taking into considerations the changes in economic conditions and other relevant factors affecting the Properties. The resultant value is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. This Valuation Summary does not contain all the necessary supporting data and details included in our Reports. For further information on that, reference should be made to the Reports to understand the complexity of the methodologies and the variables involved in order to appreciate the context in which the values are arrived at.

We have inspected the exterior and, where possible, the interior of the Properties. No structural survey has been made, but in the course of our inspection, we did not note any serious defect to the completed buildings. We are not, however, able to report that the Properties are free from rot, infestation or any structural defect. No tests were carried out to any of the services.

We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.



2. VALUATION RATIONALE

In arriving at our valuation, we have considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the vicinity or in similar standard localities. We have utilized the Discounted Cash Flow Analysis, the Direct Capitalization Method and the Cost Approach, where appropriate, in undertaking our assessment of the Properties.

2.1 INCOME APPROACH

2.1.1 Discounted Cash Flow Analysis

We have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Properties were sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor to make an assessment of the long term return that is likely to be derived from each of the Properties with a combination of both net income/rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected discounted rate, rental growth, sale price of each Property at the end of the investment horizon as well as costs associated with its disposal at the end of the investment period.

We have investigated the current market requirements for an investment return over a 10-year period from the relevant market sector in order to determine the appropriate discount rate for each property.

Our selected terminal capitalization rates, used to estimate the terminal sale price, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building in 10 years time. The adopted terminal yield rate, additionally, has regard to the duration of the remaining tenure of properties at the end of the cash flow period.

2.1.2 Direct Capitalization Method

We have cross-checked the Properties' interests using the direct capitalization method by taking into account estimated sustainable revenues of the Property and by making adjustment to reflect anticipated operating expenses or outgoings. As a result, a net income has been derived which is then capitalized by an appropriate capitalization rate. The capitalization rate was obtained by comparing capitalization rates of similar properties in market transactions, where available.

2.2 COST APPROACH

We have cross-checked each Property's interests by deducting the accrued depreciation from the reproduction cost.



3. SUMMARY OF VALUATION

Our opinion of the market value of each of the Properties is stated in the table below, subject to all existing and proposed tenancies and occupancy arrangements. The following summarizes the market value for each property:

Property Name	Property Address	Market Value as at 1 November 2019	
Omani Brima Buildina	21-12, Minami-oi 6-chome, Shinagawa-ku,	IDV 7 100 000 000	
Omori Prime Building	Tokyo, Japan	JPY 7,100,000,000	
m Day Daint Makubari	6, Nakase 1-chome, Mihama-ku, Chiba-shi,		
m Bay Point Makuhari	Chiba, Japan	JPY 31,700,000,000	

The total aggregate value for two properties is JPY38,800,000,000 only.

More property details for each of the Properties are found in the Valuation Certificates attached to this letter.



DISCLAIMER

We have prepared this Valuation Summary that appears in the Prospectus and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Prospectus, other than in respect of the information provided within the valuation reports and summary. We do not make any warranty or representation as to the accuracy of the information in any part of the Prospectus other than as expressly made or given in this valuation summary.

All information provided to us by the Client is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the Client is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of properties.

Yours faithfully
For and on behalf of

CUSHMAN & WAKEFIELD K.K.

Katsuaki Shinohara, MRICS

Director, Head of Valuation - Japan Real Estate Appraiser License No. 8309

K. Shimohara

katsuaki.shinohara@cushwake.com

81 3 3596 7049 Office Direct



1 Omori Prime Building

1 November 2019
21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan
$94\text{and}9\text{other}\text{tracts}, \\ \text{Minami-oi}6\text{chome,}\text{Shinagawa-ku,}\text{Tokyo,}\text{Japan}$
Freehold (Beneficiary Right)
Mizuho Trust & Banking Co., Ltd. (Trustee)
Satsuki TMK
The subject property is a 13-story rental office building (Omori Prime Building) with 1 basement, located to the northeast of "Omori" Station on the JR Keihintohoku Line.
1,764.29 square meters (Registered document)
10,441.61 square meters (Registered document)
6,797.52 square meters (Rent Roll)
Town Planning: City planning area Planning Classification: Urbanization Promotion Area Zoning: Commercial Area (80%/598%)
Market value
Discounted Cash Flow, Capitalization Method and Cost Method
4.2%
4.2%
3.9%
JPY 7,100,000,000
JPY 1,040,000 per sq m
Itsuko Yamamoto

Itsuko Yamamoto, MRICS

Real Estate Appraiser License No. 7156

Irsuko yamamoto

Associate Director

Cushman & Wakefield K.K.

Report prepared by:



2 m Bay Point Makuhari

Date of Valuation:	1 November 2019	
Address:	6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan	
Legal Description:	6 Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan	
Interest Valued:	Freehold (Beneficiary Right)	
Registered Owner/Trustee:	Sumitomo Mitsui Trust Bank Limited (Trustee)	
Beneficiary:	G.K. Makuhari Blue	
Brief Description of Property:	The subject property is a 26-story rental office building with 1 basement (m Bay Point Makuhari), located to the northwest of "Kaihinmakuhari" Station on the JR Keiyo Line.	
Land Area:	40,602 square meters (Registered document)	
Gross Floor Area (GFA):	170,498.78 square meters (Registered document)	
Rentable Area (NRA):	84,784.92 square meters (Rent Roll)	
Town Planning:	Town Planning: City planning area Planning Classification: Urbanization Promotion Area Zoning: Neighbourhood Commercial Area (80%/400%)	
Town Planning: Basis of Valuation:	Planning Classification: Urbanization Promotion Area	
	Planning Classification: Urbanization Promotion Area Zoning: Neighbourhood Commercial Area (80%/400%)	
Basis of Valuation:	Planning Classification: Urbanization Promotion Area Zoning: Neighbourhood Commercial Area (80%/400%) Market Value	
Basis of Valuation: Methods of Valuation:	Planning Classification: Urbanization Promotion Area Zoning: Neighbourhood Commercial Area (80%/400%) Market Value Discounted Cash Flow, Capitalization Method and Cost Method	
Basis of Valuation: Methods of Valuation: Capitalization Rate (NCF):	Planning Classification: Urbanization Promotion Area Zoning: Neighbourhood Commercial Area (80%/400%) Market Value Discounted Cash Flow, Capitalization Method and Cost Method 4.5%	
Basis of Valuation: Methods of Valuation: Capitalization Rate (NCF): Terminal Yield:	Planning Classification: Urbanization Promotion Area Zoning: Neighbourhood Commercial Area (80%/400%) Market Value Discounted Cash Flow, Capitalization Method and Cost Method 4.5% 4.6%	
Basis of Valuation: Methods of Valuation: Capitalization Rate (NCF): Terminal Yield: Discount Rate:	Planning Classification: Urbanization Promotion Area Zoning: Neighbourhood Commercial Area (80%/400%) Market Value Discounted Cash Flow, Capitalization Method and Cost Method 4.5% 4.6% 4.3%	
Basis of Valuation: Methods of Valuation: Capitalization Rate (NCF): Terminal Yield: Discount Rate: Market Value:	Planning Classification: Urbanization Promotion Area Zoning: Neighbourhood Commercial Area (80%/400%) Market Value Discounted Cash Flow, Capitalization Method and Cost Method 4.5% 4.6% 4.3% JPY 31,700,000,000	

Itsuko Yamamoto, MRICS

Cushman & Wakefield K.K.

Real Estate Appraiser License No. 7156

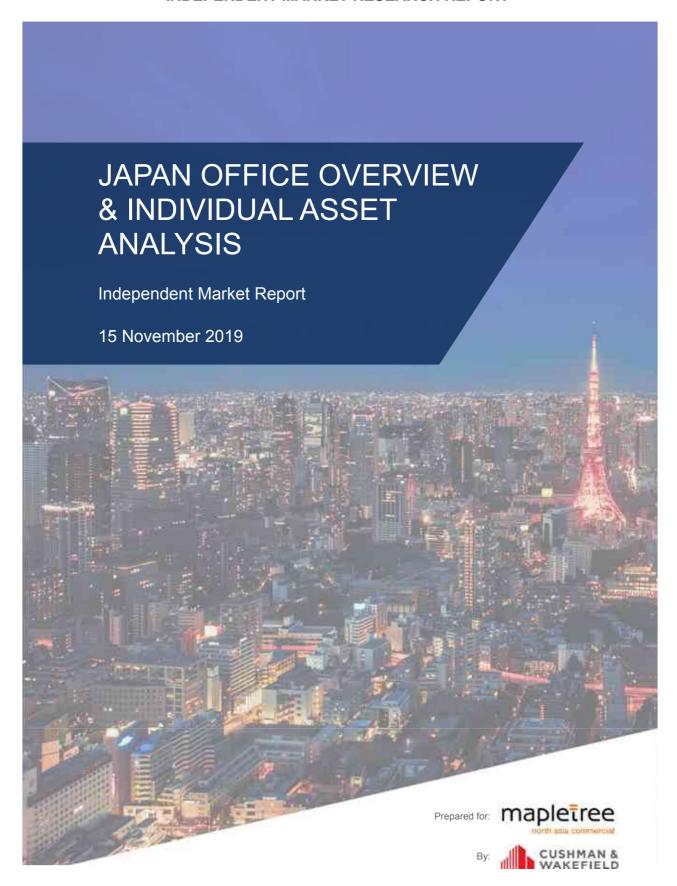
Inuko Yamamoto

Associate Director

Report prepared by:



INDEPENDENT MARKET RESEARCH REPORT



CONTENTS

1.	Japan M	acroeconomy	3
	1.1 C	Overall Economic Performance	4
	1.1.1	Real Gross Domestic Product ("GDP")	4
	1.1.2	Japan among the Top Ten Global Economies	5
	1.1.3	GDP by Major Economic Sector	5
	1.1.4	Consumer Price Index ("CPI") and Inflation	6
	1.1.5	Business Sentiment	7
	1.1.6	Labour Market Conditions	8
	1.2 G	Sovernment Planning and Policy	9
	1.2.1	Monetary Policy: Bond Yield and Interest Rate	9
	1.2.2	Fiscal Policy: Public Investment	10
	1.2.3	Structural Reform	11
	1.3 C	Conclusion on Economic Outlook	.11
2.	Japan O	ffice Market	12
	2.1 F	ive Key Office Markets	. 13
	2.2 C	Office Leasing Market	. 14
	2.2.1	Current Stock	. 14
	2.2.2	Supply Pipelines	.15
	2.2.3	Demand	15
	2.3 C	Office Investment Market	16
	2.3.1	Transaction Volume	16
	2.3.2	Asset Pricing	. 17
	2.3.3	Real Estate Returns	. 19
	2.4 C	office Market Convention	20
	2.4.1	Land Use Zones	20
	2.4.2	Adherence to Building Codes	21
	2.4.3	Lease Structure	. 22
	2.4.4	Other Leasing Convention	. 22
3.	Greater -	Tokyo Office Market	24
	3.1 G	Greater Tokyo Area	25
	3.2 N	larket Condition	26
	3.2.1	Current Stock	26
	3.2.2	Rent and Vacancy	. 27
	3.2.3	Occupier Trend	. 28
	3.2.4	Supply Pipelines	. 28
4.	Submark	cet and Individual Asset	29
	4.1 T	wo Subject Assets	30
	4.2 C)mori	31

CONTENTS

4.2.1	The Office Market in Omori area	. 32
4.3 S	Subject Property: Omori Prime Building ("OPB")	. 35
4.3.1	Neighbourhood	. 36
4.3.2	Building Specification	. 36
4.3.3	SWOT Analysis	. 37
4.4	Chiba/Makuhari	. 39
4.4.1	Office Market in Chiba/Makuhari area	. 40
4.5 S	Subject Property: m Bay Point Makuhari	. 43
4.5.1	Neighbourhood	. 44
4.5.2	Building Specification	. 44
4.5.3	SWOT Analysis	. 45
4.6 N	Market Rent Comparison	. 46



JAPAN MACROECONOMIC OVERVIEW

1.1 Overall Economic Performance

As a major business and trading hub, governed by a clear and strong legal and political framework, Japan is an important economic power to the world. The nation has a nominal GDP of JPY 548.91 trillion in 2018, retaining its spot as the third largest economy in the world and the second largest in Asia, after the United States and China. Japan has high credit ratings with stable or positive outlook from Standard & Poor's, Moody's and Fitch of A+, A1 and A respectively.

1.1.1 Real Gross Domestic Product ("GDP")

Figure 1-1 Real GDP and GDP Growth of Japan, from 2010 to 2023 (Forecast)



Source: The Cabinet Office (from 2010 to 2018), Japan; Forecasts by International Monetary Fund (from 2019 to 2023)

Japan's Real Gross Domestic Product ("GDP") grew by 0.8% year-on-year ("YoY") in 2018, recording a seventh consecutive year of positive growth, according to the quarterly estimate by the Cabinet Office. The economic expansion, which has been the longest over the post-war period, regained its momentum after Prime Minister Shinzo Abe took office for the second time in December 2012.

1.1.1.1 Forecast and Upcoming Headwinds

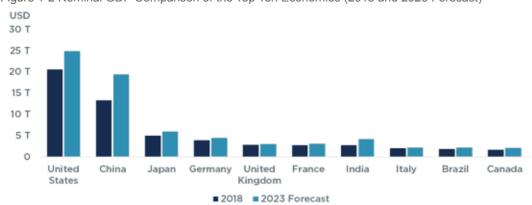
Against the backdrop of ongoing trade tensions and slowing macro-economic environment, Japan is still expected to continue a positive economic growth momentum. The International Monetary Fund ("IMF") forecasts Japan's economic growth to remain positive, at 0.9% for 2019 and post-Olympics, at 0.5% from 2020 to 2023. However, there is the risk on how domestic consumption may hold up after the implementation of the consumption tax hike in October 2019. External headwinds from the US-China trade tension, Japan-Korea trade disputes and uncertainties in the global economy are set to persist and are expected to weigh on the import and export performance.

The three-pronged economic revitalization policy dubbed "Abenomics", which are (1) aggressive monetary policy, (2) flexible fiscal policy and (3) growth strategy have shaped the strong economic fundamentals of Japan. Additionally, it remains to be seen if the three pillars of Abenomics which have shaped the strong economic fundamentals of Japan thus far, will still be in place upon the expiry of Prime Minister Abe's term in 2021.

JAPAN MACROECONOMIC OVERVIEW

1.1.2 Japan among the Top Ten Global Economies

Figure 1-2 Nominal GDP Comparison of the Top Ten Economies (2018 and 2023 Forecast)

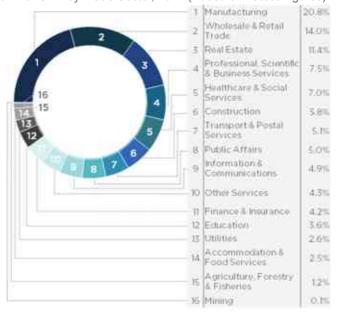


Source: The IMF

Compared with major global economies, Japan ranks third in terms of nominal GDP in 2018. According to IMF, Japan is forecasted to remain in third place in 2023. On a per capita basis, Japan's nominal GDP as of 2018 remains high, a level similar to other developed economies and is ranked at 24th among global peers.

1.1.3 GDP by Major Economic Sector

Figure 1-3 Breakdown of GDP by Trade Sector, 2017 (Based on Latest Figures)



Source: The Cabinet Office, Japan

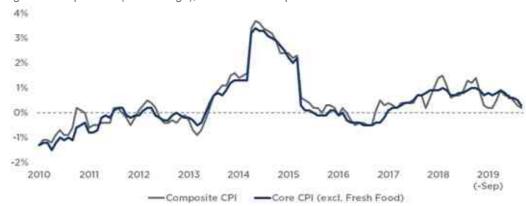
The Japanese economy is mainly driven by the secondary and tertiary industries. Among all the sectors, manufacturing, which includes transport-related, foodstuff and machinery sub-sectors, had the largest contribution and accounted for approximately 21% of Japan's GDP in 2017 (based on the latest available figures). Among the tertiary industries, the wholesale and retail trade sector was the highest, contributing 14% to the total GDP, followed closely by the real estate sector. Since early 1990's, the contribution from

JAPAN MACROECONOMIC OVERVIEW

the construction sector has been declining, while on the other hand, real estate, professional, scientific and business services as well as information and communications sectors have been gaining in terms of their contributions to the overall economy.

1.1.4 Consumer Price Index ("CPI") and Inflation

Figure 1-4 Japan CPI (YoY change), from 2010 to September 2019



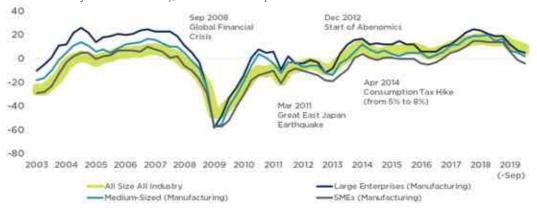
Source: The Statistics Bureau of Japan

The latest composite Consumer Price Index ("Composite CPI") showed a positive growth of 0.2% in September 2019. The Core CPI (excluding fresh food) have shown a positive growth since January 2017, with a growth of 0.3% recorded in September 2019. A long-awaited inflation was positively affirmed. While the annual Core CPI growth is still a distance away from the Bank of Japan's ("BoJ") commitment of 2%, it has generally improved year-on-year, following the implementation of "Abenomics" in 2012.

JAPAN MACROECONOMIC OVERVIEW

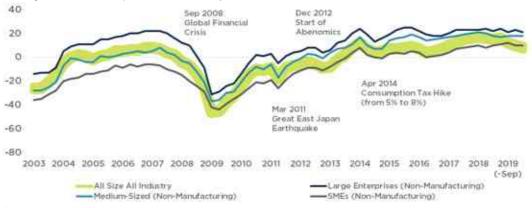
1.1.5 Business Sentiment

Figure 1-5a Business Sentiment for All Industries vs the Manufacturing Industry (Bank Of Japan's Tankan Survey Diffusion Index), from 2003 to September 2019



Source: The Bank of Japan

Figure 1-5b Business Sentiment for All Industries vs the Non-Manufacturing Industries (Tankan Survey Diffusion Index), from 2003 to September 2019



Source: The Bank of Japan

In the recent quarterly 'Tankan' survey, or the Short-Term Economic Survey of Enterprises by Bank of Japan in September 2019, business sentiment for the entire manufacturing industry showed a decline after hitting a high level in 2017-18. This was mainly attributed to concerns over the US-China trade tensions and the trade dispute between Japan and Korea, which emerged after the G20 summit in Osaka. On the other hand, business sentiment for non-manufacturing industries remained at a high level due to the sustained domestic economic environment, improved corporate profits and record low number of corporate bankruptcies since 1990. Overall, business sentiment for all industry and all-sized firms edged down slightly but is expected to be underpinned by non-manufacturing industries.

JAPAN MACROECONOMIC OVERVIEW

1.1.6 Labour Market Conditions

Figure 1-6 Unemployment Rate and Job-to-Applicant Ratio, from 2010 to September 2019 1.8 1.6 5% 1.4 4% 1.2 1 3% 8.0 0.6 0.4 1% 0.2 0% 2010 2011 2012 2015 2016 2018 2019 2013 2014 2017 (-Sep) —Unemployment Rate (LHS) — Job-to-Applicant Ratio (RHS)

Source: Ministry of Health, Labor and Welfare; Ministry of Internal Affairs and Communications

Japan's labour market remains tight with unemployment rate consistently staying below 3% since February 2017, reaching a 25-year low of 2.2% in May 2018 and another low level of 2.4% in September 2019. In addition, the job-to-applicant ratio recorded a high level of 1.57 times (seasonally adjusted) in September 2019. Fundamentally, the tight labour market is a result of the robust macroeconomic fundamentals amid the shrinking workforce, which is caused by the ageing population in Japan.

The low unemployment rate has supported economic growth as the persistently tight labour market conditions place upward pressure on wages, which is a precursor to inflation. Although lower than the target of 3% set by Prime Minister Abe, the average wage increased by approximately 2.5% for the two years, according to Keidanren, the Japan Business Federation. The wage increase was largely underpinned by improved fundamentals and positive sentiments among employers and employees alike. The favourable macroeconomic environment encourages spending on investments to achieve business growth and office expansion, which in turn generates office demand.

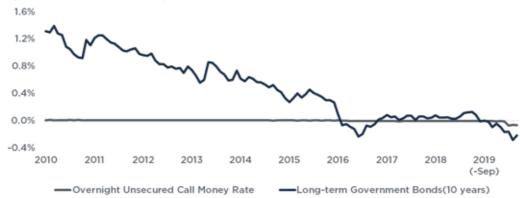
JAPAN MACROECONOMIC OVERVIEW

1.2 Government Planning and Policy

Prime Minister Abe, who has been the premier since late 2012, introduced a three-pronged economic revitalisation policy dubbed 'Abenomics', focusing on monetary easing, fiscal expansion, and structural reform. 'Abenomics' is aimed to bring Japan out of the deflationary spiral.

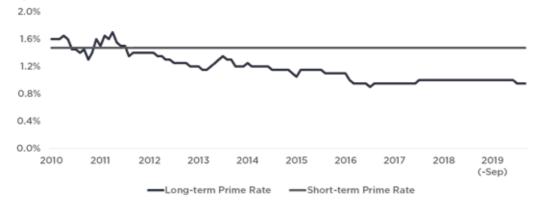
1.2.1 Monetary Policy: Bond Yield and Interest Rate

Figure 1-7 Interest Rate (Policy Rate) Trends, from 2010 to September 2019



Source: Bank of Japan

Figure 1-8 10-year Japanese Government Bond Yield, from 2010 to September 2019



Source: Bank of Japan

Interest rates in Japan are at a historical low since the Global Financial Crisis, as a result of the zero-interest rate policy reintroduced in December 2008 and the negative interest rate policy with Yield Curve Control ("YCC"), a policy to control long-term government bond yields through an asset purchase program in September 2016 following a Negative Interest Rate policy introduced in January 2016 and June 2016. The YCC program has been successful in maintaining a long-term government bond yield rate at close to ±20 basis points. This has also proved especially beneficial for real estate investors, as it has improved their returns on investments.

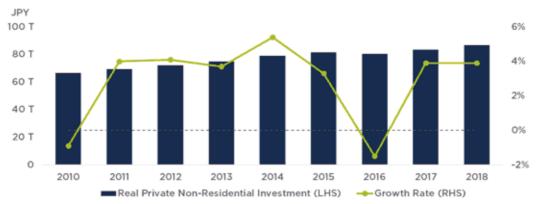
Following the significant win by the Liberal Democratic Party in 2019 (House of Councillors' Election) and 2017 (House of Representatives' Election) and Abe's re-election as the president of the party, the Abe government's economic and monetary policies have continued into 2019 and are expected to remain so beyond 2019. In addition, the re-appointment of the current BoJ governor, Haruhiko Kuroda,

JAPAN MACROECONOMIC OVERVIEW

for another five-years from 2018 is expected to bring continued economic stability. As of September 2019, Kuroda has reiterated his commitment to raise the nation's inflation rate to 2%. Amid the interest rate cuts by the Federal Reserve of US, Kuroda's commitment to maintain a low interest rate environment will bode well for investors as this signals that, the low-yielding 10-year Japanese government bond rate is also likely to continue.

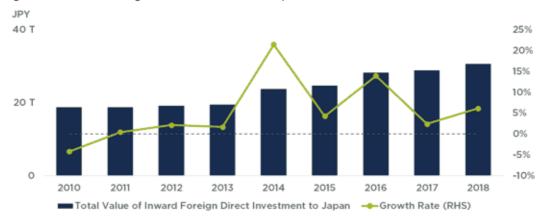
1.2.2 Fiscal Policy: Public Investment

Figure 1-9 Real Private Non-Residential Investment, from 2010 to 2018



Source: Cabinet Office

Figure 1-10 Inward Foreign Indirect Investment to Japan, from 2010 to 2018



Source: Ministry of Finance

Direct public investment is a major part of Abenomics to stimulate private investment and economic expansion. The central government has introduced several economic recovery measures including the approximately JPY 10.3 trillion direct expenditure to be spent on wide range of large-scale infrastructure that are under planning or construction in Japan, which included high-speed rail (Shinkansen) extension plans and tourism projects. As a result, Real Private Non-Residential Investment has increased from 72.2 trillion yen in 2012 to 86.7 trillion yen in 2018. Foreign direct investment also expanded by 60%, comparing year-end 2018 with year-end 2012. The increased investments are mainly due to increased tourism and projects related to 2020 Tokyo Olympics. Other planned projects include the privatisation of airports, Integrated Resorts ("IR") and 2025 Osaka Expo which is expected to attract more foreign direct investments into Japan.

JAPAN MACROECONOMIC OVERVIEW

1.2.3 Structural Reforms

Structural reforms aimed at improving the competitiveness of Japan is the focus of the second-phase of "Abenomics". This involves the engagement of all citizens to alleviate the tight labour market conditions.

The Government of Japan has been focusing on improving the working environment and encouraging female labour force participation. While recent evidence suggests female labour force participation has improved, more pro-family public support such as additional childcare facilities and flexible working hours are required to boost the female working force. The government has also implemented a policy to increase workplace divers, especially to bring more foreign workers. A new status of residence - "Specified Skill Worker" - has been introduced to allow for blue-collar workers in designated industries to work in Japan. This has thus far, brought about a total of 2.8 million foreign residents in June 2019, a 10% increase from year-end 2017. Amongst the foreign residents, 1.1 million people held working-related visas as of June 2019, which is a 32% increase from year-end 2017.

1.3 Conclusion on Macroeconomic Outlook

Government of Japan has implemented the consumption tax hike on 1 October 2019 to achieve a gradual fiscal consolidation. Post the implementation of the consumption tax hike and the final stage of Olympics-related constructions, Japan's economic growth is expected to moderate. However, backed by the moderately positive macroeconomic environment, increased corporate capital investment and initiatives such as the Trans-Pacific Partnership ("TPP"), we expect Japan's economic growth to continue its current trajectory in the medium term, as per IMF's forecasts of 0.5% for 2020 and 2021 respectively.



JAPAN OFFICE MARKET OVERVIEW

2.1 Five Key Office Markets

Cities in Japan cluster along the Pacific coastline and form an urbanised area known as the "Pacific Industrial Belt". 9 out of top 10 prefecture economies by GDP are in the belt area with the exception of Hokkaido. Similarly, four out of five key office markets in Japan are in the "Pacific Industrial Belt", namely the Greater Tokyo area, Osaka, Nagoya and Fukuoka, with the remaining one in Hokkaido: Sapporo, the gateway of north Japan. Over 80% of qualified office stock are covered in the five markets.



The Greater Tokyo area, which contributes approximately one-third to Japan economy (2016, nominal GDP, latest available data¹) and home to almost 36.6 million people (2018), is one of the largest megalopolises in the world. Extending over the Kanto plain of Japan, the area comprises four prefectures, namely Tokyo, Chiba, Kanagawa and Saitama. As the economic, financial and political centre of Japan, the Greater Tokyo area has approximately 60% of the country's office stock.

Osaka is a port town dominated by small- and medium-sized enterprises. Traditionally, the core industries in Osaka were the general and electronics manufacturing. Following the Global Financial Crisis, a stronger Yen led to Japanese electronics makers losing market share to lower-cost competitors, such as South Korea and China. Since then, manufacturers have shifted focus to medical devices and pharmaceutical manufacturing. On average, the size of higher-grade office properties in Osaka is

_

¹ Source: The Cabinet Office, Tokyo Metropolitan Government, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture

JAPAN OFFICE MARKET OVERVIEW

comparatively smaller to those in the Greater Tokyo area.

Nagoya is the third largest metropolitan area in Japan. It is a well-established automotive, aircraft, and machine tool manufacturing hub and boasts of one of the highest concentrations of manufacturing firms among major cities in Japan. The city is expected to gain more prominence with the opening of the maglev train, which will shorten the travelling time to Tokyo from the current 100 minutes to 40 minutes. Existing office buildings are small in size, and new office supply in recent years is clustered near the Nagoya station.

Fukuoka is the largest city in Kyushu Island and the economic centre of the Island. Due to its proximity to key Asian cities such as Shanghai and Busan compared to Tokyo and Osaka, Fukuoka has developed well in the industrial and tourism sectors. In recent years, Fukuoka City has set up the "National Strategic Special Zone for Global Start-ups and Job Creation" programme to incentivise the setting up of small businesses.

Sapporo is the fifth largest city in Japan and the economic centre of the northern most prefecture of Japan, Hokkaido. Sapporo's key industries are agriculture, bio-tech, renewable energy and tourism. The city has made a concerted push in establishing bio-tech and IT industry clusters and has achieved success to date. Although there are plans for high-rise office buildings to coincide with the extension of the Hokkaido Shinkansen, such properties are currently limited in Sapporo.

2.2 Office Leasing Market

In the office leasing market, vacancy rates, especially in the regional cities, have been steadily improving from the Global Financial Crisis levels. Rental rates have also increased moderately.

2.2.1 Current Stock

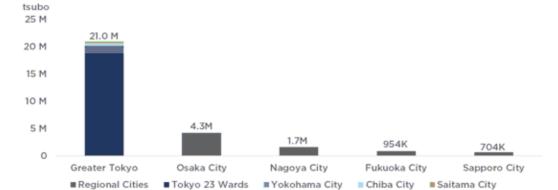


Figure 2-2 Existing Stock of Major Office Markets², 2Q 2019

Source: Cushman & Wakefield Research; Japan Real Estate Institute

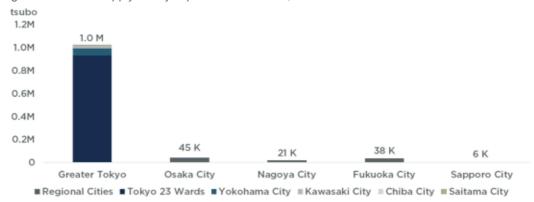
By the end of the second quarter of 2019, the major office areas in Greater Tokyo, including Tokyo 23 Wards, Yokohama City, Chiba City and Saitama City, had a total of 21 million tsubo office stock, which is nearly 5 times to that of the second largest office market, Osaka, at 4.3 million tsubo. The office stock in Nagoya City, dominated by manufacturing sector, is the third largest at 1.7 million tsubo. Fukuoka and Sapporo had 0.95 and 0.70 million tsubo of office leasing space respectively. The high level of offices in the Greater Tokyo area is in line with the concentration of economic activities in the Greater Tokyo area.

² The major office markets in Greater Tokyo are Tokyo 23 Wards, Yokohama City, Chiba City and Saitama City.

JAPAN OFFICE MARKET OVERVIEW

2.2.2 Supply Pipelines

Figure 2-3 Future Supply in Key Japan Office Markets, 2019-2023 Forecast

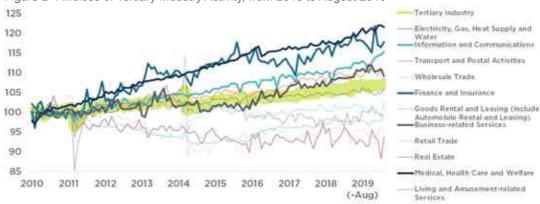


Source: Cushman & Wakefield Research

The upcoming supply is also centred in the Greater Tokyo area. In the Tokyo 23 wards, several high-quality office towers in the major business zones such as Marunocuhi and Shinbashi will be completed in 2020. Yokohama City's supply will increase with the completion of large-scale projects progressing in the Minato-Mirai area. On the other hand, limited supply is planned for the regional cities. Osaka city will only receive 45 thousand tsubo, largely from the two large-scale office towers in 2022. Nagoya, Fukuoka and Sapporo have even less scheduled supply of 21, 38 and 6 thousand tsubo respectively.

2.2.3 Demand

Figure 2-4 Indices of Tertiary Industry Activity, from 2010 to August 2019



Source: Ministry of Economy, Trade and Industry

The demand of office space has been steady due to the expansion and opening of new offices by corporates amidst the sustained economic growth environment. Based on the "Indices of Tertiary Industry Activity" from the Ministry of Economy, Trade and Industry, "Information and Communications", "Finance and Insurance", "Business-related Services" and "Medical, Health Care and Welfare" have expanded the most since 2012.

JAPAN OFFICE MARKET OVERVIEW

2.3 Office Investment Market

The property investment market in Japan is one of the largest and most-established in the world. Amid the continued low interest rate environment, Japan remains an attractive office market for global investors due to its clear and well developed legal, regulatory and political framework, and higher yield spread compared with other countries in Asia Pacific. In 2018, office real estate transactions In Tokyo remained active and amounted to USD 15.7 billion.

2.3.1 Transaction Volume





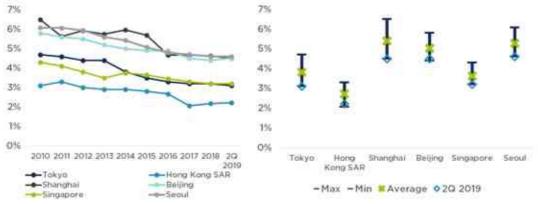
Source: Real Capital Analytics

According to Real Capital Analytics, Tokyo has been ranked among the top five major investment markets for office properties from 2010 to 2018 in Asia Pacific, together with Hong Kong SAR, Seoul, Shanghai and Singapore. In 2018, investment volume in Tokyo ranked second with investment flows of USD 15.7 billion. For the first half-year of 2019, office transaction activity remained robust and is expected to stay active as the BoJ is maintaining its current monetary policy.

JAPAN OFFICE MARKET OVERVIEW

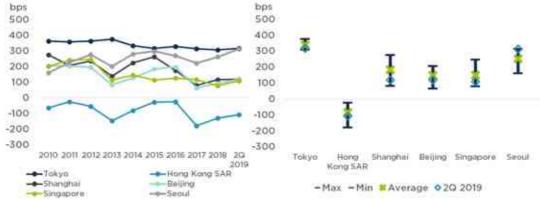
2.3.2 Asset Pricing

Figure 2-6 Prime Office Cap Rate of Major Markets in the Region, from 2010 to June 2019



Source: Cushman & Wakefield Research

Figure 2-7 Prime Cap Rates Spread to 10-Year Gov't Bond of Major Markets in the Region, from 2010 to June 2019

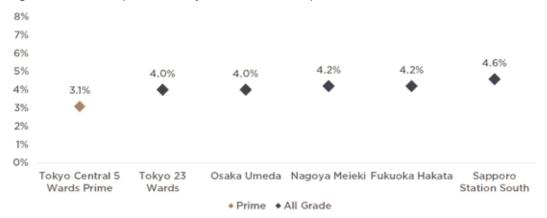


Source: Cushman & Wakefield Research

The average cap rates of prime office in the core areas of Tokyo was at 3.1% as of the end of the second quarter of 2019, compared to 3.2% as of the end of 2018. While Tokyo's prime office cap rate was at a similar level as Singapore's of 3.2%, it was lower than that of Shanghai, Beijing and Seoul but still higher than that of Hong Kong SAR. In terms of yield spread (prime cap rates spread to the 10-year Government Bond), Tokyo has consistently the highest compared with the other five major markets in Asia Pacific. However, compared to the end of 2018, the yield spread as of the end of June 2019 has marginally increased by 17.9 bps mainly due to a slight decrease in the 10-year Government Bond yield from -0.01% to -0.17%.

JAPAN OFFICE MARKET OVERVIEW

Figure 2-8 Market Cap Rates in Key Office Markets in Japan, 2Q 2019



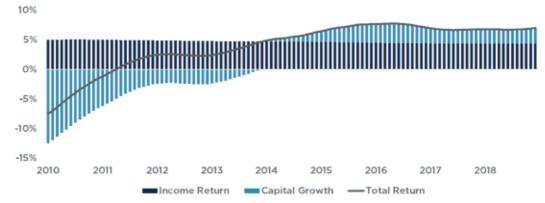
Source: Cushman & Wakefield Research

The market cap rate for prime office assets in Central Five Wards ("C5W") was 3.1% as of 2Q 2019, a historical low over the last decade. This is a decrease of 10 bps from 3.2% of the previous quarter due to strong investors' appetite for real estate investments. This is also supported by the strong macroeconomy and government monetary policy. In a similar situation, all-grade office assets in Tokyo 23 Wards and four regional cities also recorded decade-low cap rates of 4.0% in Tokyo 23 Wards and Osaka, of 4.2% in Nagoya and Fukuoka and of 4.6% in Sapporo.

JAPAN OFFICE MARKET OVERVIEW

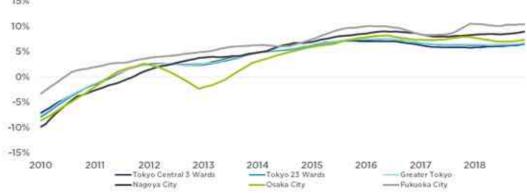
2.3.3 Real Estate Returns

Figure 2-9 Japan Office Return Profile, 2010-2018



Source: The Association for Real Estate Securitization

Figure 2-10 Major Office Market Return Profile (Total Return), 2010-2018



Source: The Association for Real Estate Securitization

The total return on Investment properties comprises two components: income return and capital return (or capital growth) over deployed capital. For Japan's office properties, total returns for Japan's office properties are underpinned by stable income returns with variability from capital value movements i.e. capital return. Since the introduction of Abenomics, the average total return for stabilised assets in Japan has been increasing steadily. As of the end of December 2018, the average total return for stabilised office assets was 7.02%. A similar trend is also mirrored in each of the major office markets in Japan.

JAPAN OFFICE MARKET OVERVIEW

2.4 Office Market Convention

Among all legislation regulating land and architecture, the Building Standard Law ("BSL"), the City Planning Law and the Fire Service Law are three principal ones relating to office buildings. In the leasing market, there are also other practices and legislation concerning fees and contracts.

2.4.1 Land Use Zones

The City Planning Law regulates zoning in Japan by designating the usage of land and buildings according to land use zones in urbanised areas. The table below lists out the zones and descriptions as defined by the Ministry of Land, Infrastructure, Transport and Tourism.

Zone Name	Description
Category I exclusively low-rise residential zone	This zone is designated for low rise residential buildings. The permitted buildings include residential buildings which are also used as small shops or offices, and elementary/junior high school buildings.
Category II exclusively low-rise residential zone	This zone is mainly designated for low rise residential buildings. In addition to elementary/junior high school buildings, certain types of shop buildings with a floor area of up to 150 sqm are permitted.
Category I mid/high- rise oriented residential zone	This zone is designated for medium to high residential buildings. In addition to hospital and university buildings, certain types of shop buildings with a floor area of up to 500sqm are permitted.
Category II mid/high- rise oriented residential zone	This zone is mainly designated for medium to high rise residential buildings. In addition to hospital and university buildings, the permitted buildings include certain shops and office buildings with a floor area of up to 1,500sqm to provide conveniences for the local community.
Category I residential zone	This zone is designated to protect the residential environment. The permitted buildings include shops, offices and hotel buildings with a floor area of up to 3,000sqm.
Category II residential zone	This zone is designated to mainly protect the residential environment. The permitted buildings include shops, offices and hotel buildings as well as buildings with karaoke box.
Quasi-residential zone	This zone is designated to allow the introduction of vehicle-related facilities along roads while protecting the residential environment in harmony with such facilities.
Neighbourhood commercial zone	This zone is designated to provide daily shopping facilities for the neighbourhood residents. In addition to residential and shop buildings, small factory buildings are permitted.
Commercial zone	Banks, cinemas, restaurants and department stores are constructed in this zone. Residential buildings and small factory buildings are also permitted.
Quasi-industrial zone	This zone is mainly occupied by light industrial facilities and service facilities. Almost all types of factories are permitted excepting those which are considered to considerably worsen the environment.
Industrial zone	Any type of factory can be built in this zone. While residential and shop buildings can be constructed, school, hospital and hotel buildings are not permitted.
Exclusively industrial zone	This zone is designated for factories. While all types of factory buildings are permitted, residential, shop, school, hospital and hotel buildings cannot be constructed.

JAPAN OFFICE MARKET OVERVIEW

2.4.2 Adherence to Building Codes

The Building Standard Law ("BSL") is a country-wide and mandatory legislation providing standards for construction of buildings. Along with related legislation, the BSL imposes structural requirements, fire safety requirements, and equipment and sanitary requirements to buildings.

The current version of BSL was last updated in 2000. In light of the various disasters in the past decades, the building codes in the BSL have been revised several times. The first revision was in 1981 after the 1978 Miyagi Earthquake. Buildings built after 1981 were required to abide to the amended building code. In 2000, following the Great Hanshin Earthquake of 1995, the building code became even stricter. Buildings prior to 1981 may be required to seek separate approvals such as for refurbishment, as the buildings may not meet the latest requirement by BSL.

The Great East Japan Earthquake in 2011 demonstrated that buildings, i.e. those which complied to the 1981 revised code or built after 2000, could withstand the shocks. Out of the total office stock in Tokyo 23 wards, the ones built after 1980 accounted for 77% and those built after 2000 accounted for 29%. As a result of the stricter codes, buildings in Japan typically follow a tighter maintenance regime to ensure business continuity under emergency situations.

JAPAN OFFICE MARKET OVERVIEW

2.4.3 Lease Structure

Unique to Japan, there are two main types of leases: Fixed-term leases and standard (or rolling) leases. Standard (or rolling) leases are the mainstay in Japan, and these are used in most of the office rental agreements. Fixed-term lease is a relatively newer lease structure that was implemented in 2000 and has recently been used by some corporations in office rental agreements. The table below illustrates the characteristics of the two lease types.

	Fixed-term Leases	Standard (or Rolling) Leases	
Location	These leases are common to office tenancies in large scale, and Grade A office buildings in major cities such as Tokyo and Osaka.	The majority of Japanese leases adopt standard leases Typically, standard leases are adopted in non-Grade A offices.	
	 Old buildings that require a definitive timeline for demolition/redevelopment typically only offer fixed term leases. 	The majority of commercial leases outside Japan's main urban centres are standard leases.	
Tenant Profile	 Grade A buildings in central Tokyo and Osaka. This encompasses the head offices of most multi-national corporates in Japan. 	Most commercial tenancies outside of the Tokyo and Osaka Grade-A market.	
Duration of Lease	There are no legal boundaries on the lease duration. However, the duration is usually negotiated to be based on two to five years. Leases longer than 5 years are not usual in Japan.	The duration is usually two years with automatic renewal rights.	
Break Options	Break options are typically not permitted. The penalty to be paid by an office tenant is typically payable for the total contracted rent for the remaining period, plus free rent value if received.	The contract can be terminated anytime as long as prior notice is made based on a generally 6-months' written notice for office leases. There will be no penalty for the tenant.	
	There is no automatic renewal	Both parties (tenant & landlord) may request a review of lease terms upon renewal. The new rents may go up or down.	
Renewal	Re-contract negotiations are subject to market conditions.	Rents will be on automatically renewed (or automatic	
	Landlords need to provide a notice period of between 6 months to 1 year prior to the expiry date.	rolling) based on the current lease terms (including rent) unless either landlord or tenant initiates lease negotiations, which is typically 6-months prior to lease expiry	
Common Space	included in the rent. The common space is also sometimes leased out to the single office tenant who occupies the entire		

2.4.4 Other Leasing Convention

The size of Japan office ranges from 30 sq.m. to over 3,500 sq.m. While tenants generally prefer to lease new office spaces, they are also open to existing spaces so long as these are well-maintained. In addition to considering transport accessibility, facilities, availability of amenities, quality of management services, it is typical for tenants to consider the ceiling and seismic standards of the building. They generally prefer buildings that are built after 1990 in Japan and also those with ceilings of more than 2.5m.

Office rents in Japan in general cover the usage of office and common spaces but exclude utilities, cleaning and car park fees. For the rent-free period, while this is subject to the market conditions and negotiation between the landlord and the tenant, it is generally one to three months for a two-year lease and three to six-months for a five-year lease. The rent-free period is also typically provided at the start of the lease term.

JAPAN OFFICE MARKET OVERVIEW

2.4.5 Freehold Land Tenure

Figure 2-11 Percentage of Buildings/Owner-occupied Households on Owned Site and Rented Site (2013, latest available)



Source: Statistics Bureau of Japan

Japan allows private ownership of land (i.e. freehold), compared to China and Hong Kong SAR where all land in general is state-owned or government owned³, and to Singapore where government stopped offering freehold land. According to the latest land survey in 2013 by the Government of Japan, 72% of non-industrial corporations' land and 63% of corporations' factory site are tenure land. In terms of residential use, 96% of occupied-owned households owned their land.

Cushman & Wakefield | Mapletree North Asia Commercial Trust Management Ltd

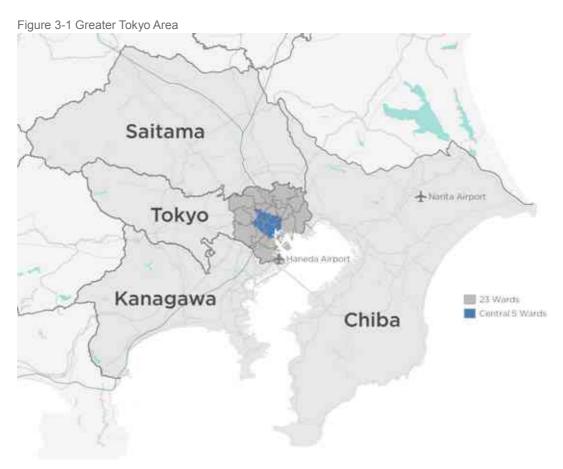
³ With exception of rural land for agricultural purpose in China and one church-owned land in Hong Kong



GREATER TOKYO OFFICE MARKET OVERVIEW

3.1 Greater Tokyo Area

The Greater Tokyo area is one of the largest megalopolises in the world, stretching along the coastal line of the Kanto plain of Japan and is home to nearly 30% of Japan residents. Tokyo 23 wards are the economic core of the megalopolis and home to over 9.4 million people.



The Greater Tokyo area comprises the Tokyo Metropolis (including 23 wards of Tokyo), Chiba Prefecture, Kanagawa Prefecture (including Yokohama and Kawasaki City) and Saitama Prefecture. The Central Five Wards ("C5W") - Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards - form the economic and political core of Greater Tokyo and have a high-density cluster of office towers in the various commercial zones.

The Greater Tokyo area has a total land size of approximately 13,600 sq.km. Although covering a large piece of land, the major urbanised areas are connected by the extensive and convenient public transport network. Travelling by train is generally the quickest and most-preferred methods for getting around Tokyo and the neighbouring prefectures. One of the stations in the network, the Shinjuku station, has been recognised as world's busiest station by Guinness World Records. With the well-established and highly connected train network, travelling time has been cut down. For example, one can travel from Tokyo station to Yokohama and Saitama City in around 30 minutes and to Chiba City in 50 minutes. Most of the urbanised areas in Greater Tokyo are within a one-hour living circle of Tokyo CBD.

GREATER TOKYO OFFICE MARKET OVERVIEW

3.2 Market Condition

Office buildings, especially the high-grade and large-scale, are concentrated in Tokyo C5W. Despite the strong supply in recent years, rents in Tokyo stood firm and demand remained strong.

3.2.1 Current Stock

Figure 3-2 Estimated All-Grade Office Stock of Major Office Markets, 2Q 2019



0	송	23W	Central 5 Wards	13.6M	58%
			Outer 18 Wards	5.2M	23%
Greater Tokyo			Tama	0.8M	4%
reate			Kanagawa	2.2M	10%
Ō			Chiba	0.7M	3%
			Saitama	0.7M	3%

Source: Cushman & Wakefield Research

The Greater Tokyo area has an office supply of 23.3 million tsubo (equivalent to approximately 76.9 million sq.m.). Over half (58%) of them are in the C5W. Together with the outer 18 wards, the Tokyo 23 wards accounts for over 80% of the Greater Tokyo office stock. Kanagawa has another 10% of office space which are concentrated in Yokohama and the Minato-Mirai area. The offices in the Chiba Prefecture (mainly in Chiba City), Saitama Prefecture (mainly in Saitama City), and Tama also contribute 3-4% of the total office stock.

GREATER TOKYO OFFICE MARKET OVERVIEW

3.2.2 Rent and Vacancy

Figure 3-3 All-Grade Office Asking Rent and Vacancy, 2010-2023F (Tokyo C5W)



Source: Sanko Estate; Forecasts by Cushman & Wakefield Research

Rents in Tokyo C5W dipped after the Global Financial Crisis in 2008 and the Great East Japan Earthquake in 2011. After the implementation of a series of Abenomics policies in late 2012, the office market regained upward momentum. As of the end of 2018, the all-grade office asking rent of Tokyo's C5W increased to JPY 18,128 per tsubo per month, 22.8% higher compared to as of the end of 2012.

Accordingly, the vacancy rate of C5W gradually decreased to 1.0% as of the end of 2018, from 7.9% as of the end of 2012, underpinned by the demand for office space by both domestic and multi-national corporates.

On the back of the strong macro-economy, we expect the all-grade office rent for the C5W to continue to grow from 2019 to 2020. While the new supply coming onstream is not expected to impact rentals in the short term, the vacancy rate is expected to adjust upwards. However, with more upcoming supply coming between 2020 and 2023, rentals will eventually be impacted and start to moderate.

JPY/tsubo/month 20,000 16% 14% 16.000 12% 10% 12.000 8% 8.000 6% 4% 4,000 0 0% 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019F 2020F 2021F 2022F 2023F Asking Rent (LHS) Vacancy Rate (RHS)

Figure 3-4 All-Grade Office Asking Rent and Vacancy, 2010-2023F (Tokyo 23 Wards)

Source: Sanko Estate; Forecasts by Cushman & Wakefield Research

For Tokyo 23 Wards, the asking rent increased by 19.5% as of the end of 2018 compared to the lowest level as of the end of 2012, while the vacancy rate improved by 6.9 percentage points from its peak as of the end of 2012. However, an influx of future office supply and the uncertainty in the macroeconomic environment are expected to drive the vacancy level upwards from 2019 onwards, while the asking rent is expected to dip slightly lower after 2021. It is worthy to note that despite the trend reversals, the

GREATER TOKYO OFFICE MARKET OVERVIEW

vacancy rate is expected to remain low below 4% and the dip in asking rent as of end 2023 is expected to be marginal compared to as of end 2018.

3.2.3 Occupier Trend

Similar to the country-level trend as shown in section 2, corporates from "Information and Communications", "Finance and Insurance", "Business-related Services" and "Medical, Health Care and Welfare" sectors are the key sources of demand for new office spaces in C5W. Particularly, tech companies are actively taking up new supply. The major tenant relocations included the moving of Google's Japan HQ from Roppongi to Shibuya's Shibuya Stream (occupying 490k+ sf) to accommodate 1,300 people, twice their original headcount. The relocations of Digital Garage (taking up approximately 150k+ sf, Shibuya), LINE (taking up approximately 260k+ sf, Yotsuya) and Leverages (taking up approximately 61k+ sf, Shibuya) were also large transactions. In addition, co-working space providers, including Japan developers who started their own co-working service. have also taken up a large amount of office space recently.

3.2.4 Supply Pipelines

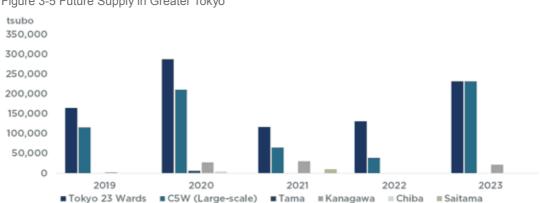
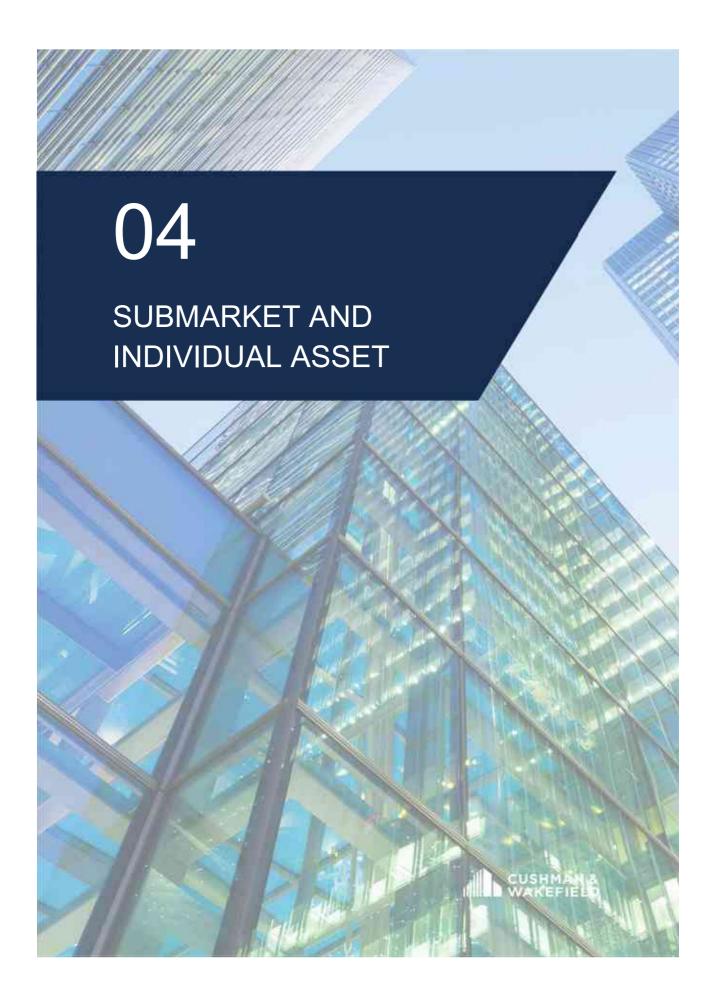


Figure 3-5 Future Supply in Greater Tokyo

Source: Cushman & Wakefield Research

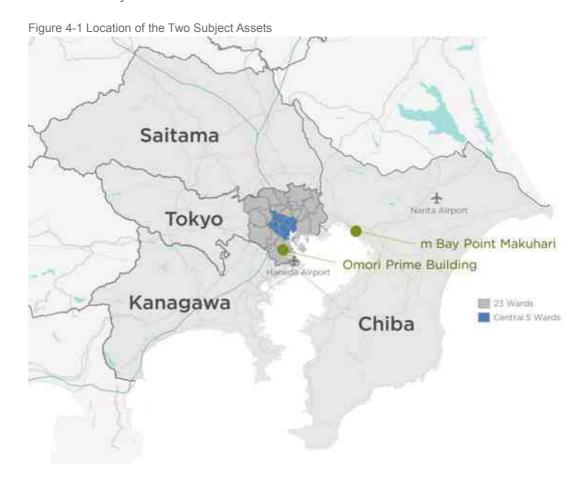
The supply pipeline for Greater Tokyo concentrates mainly in the Tokyo 23 Wards, with around 70% of the pipelines being large-scale buildings in C5W. Over the next five years, new supply in Tokyo will peak in 2020 with over 280,000 tsubo of office space coming into the market, followed by another increase comprising large-scale buildings in 2023 mainly in C5W. Although upcoming supply in 2020 is above historical average (2009-2018) of 115,000 tsubo, they are largely concentrated in the C5W. Demand remains robust with almost all upcoming supply in 2020 pre-leased ahead of completion next year. The Kanagawa Prefecture is also expected to receive over 20,000 tsubo of annual supply in 2020, 2022 and 2023. Tama (suburb Tokyo), Chiba Prefecture and Saitama Prefecture are not expected to receive scalable amounts of potential supply in the coming five years.



SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

4.1 Two Subject Assets

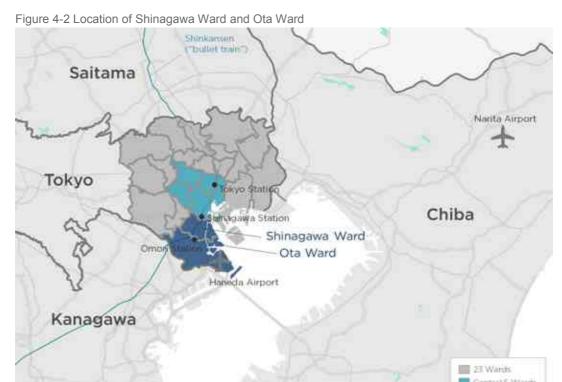
The two subject properties in this market study review are "Omori Prime Building" and "m Bay Point Makuhari". Omori Prime Building is located in the Omori area which lies on the boundary of the Shinagawa and Ota wards, in between the C5W and Haneda Airport. m Bay Point Makuhari is situated in the Makuhari area in Chiba city, in a suburban business district 30 minutes away by train from the Tokyo Station.



SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

4.2 Omori

The Omori submarket that spreads over Shinagawa and Ota wards is a region south of the C5W ("Omori"). Both Shinagawa and Ota are part of the Tokyo 23 wards. The Omori area is close to the Tokyo Bay and encompasses a variety of land use including for residential, business, retail, industrial, community and recreational.



The Omori area is well-connected to major national highways and routes. The National Route 15 (also known as "Daiichi Keihin") runs through the Omori area from north to south, connecting the area to Tokyo CBD and Yokohama City, another major office hub in the Greater Tokyo area. The Metropolitan

Expressway Route 1 (Haneda Route) has three entrances/exits to the east of Omori. There are several logistics centres and industrial parks on the reclaimed land along the expressway. Moreover, Loop Road No. 7, which passes through the south of Omori, provides access to the inner parts of the 23 wards.

In terms of railway services, the JR Keihin-Tohoku line and the Keikyu line are the two major commuter services in the area, bringing passengers from the Tokyo station, Haneda airport, Kawasaki, Yokohama and other parts of Greater Tokyo.

The area also has good connectivity to Haneda airport. Besides connected by the Metropolitan Expressway Route 1 and the Keikyu line, airport limousine buses and city buses reach Oimachi and Omori in approximately 30 minutes.

The Shinagawa station is currently being developed into a new transport hub with maglev train and next generation mobility. Once ready, this will greatly enhance connectivity and accessibility of the Omori area.



SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

4.2.1 The Office Market in Omori area

The Omori office market is often considered as the secondary business district to the Shinagawa Konan office market, east side of Shinagawa station in the Minato ward of C5W. As the rent in C5W grows, it is expected that more companies will consider the Omori area as the alternative location for offices. With its advantageous location and good access to warehouses and expressway, the Omori area has a good concentration of manufacturing companies.

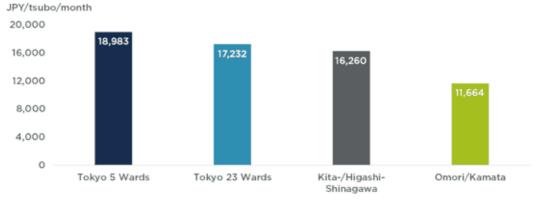
4.2.1.1 Rent and Vacancy

Figure 4-3 All-Grade Office Asking Rent and Vacancy, 2010-2023F (Omori/Kamata area⁴)



Source: Sanko Estate; Forecast by Cushman & Wakefield Research

Figure 4-4 Market Rent Comparison (Omori/Kamata area), September 2019



Source: Sanko Estate

Rents in the Omori/Kamata area (where the subject property is located in) have been more stable compared to the other areas in Tokyo. After a dip in the rents after the Global Financial Crisis and the Great East Japan Earthquake, the office market in the Omori/Kamata area has gradually improved since 2012. As of year-end 2018, the all-grade office asking rent of the Omori/Kamata area reached JPY 11,129 per tsubo per month, 4.3% higher than that of end 2012. Rental rates are expected to increase in 2019 and 2020, before declining marginally after 2020 due to higher new supply mainly in C5W. Nevertheless, it is worthy to note that despite the dip, the rentals in the Omori/Kamata area from 2020

⁴ Available market data on Omori area covers both Omori and the adjacent Kamata area. Rent and vacancy data includes both large offices and smaller buildings with lower building specifications in both Omori and Kamata.

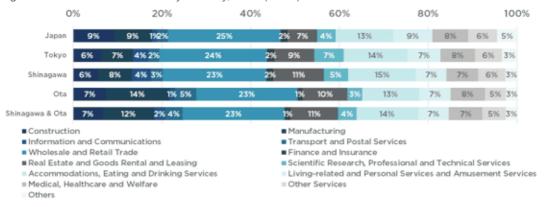
SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

to 2023 are expected to remain steady compared to 2019.

Both supply and demand in the Omori/Kamara area have been tight in recent years and as a result, the vacancy rate has continued to decrease since 2010. At the end of 2018, the office vacancy rate of the Omori/Kamata area has declined to 2.0%, compared to 9.4% at the end of 2012. It is anticipated that the vacancy rate will be maintained at the current low-level at the end of 2019, before gradually adjusting upwards from 2020 onwards. Vacancy levels from 2019 to 2023 are expected to be maintained at the low levels of between 1.4% and 3.2%.

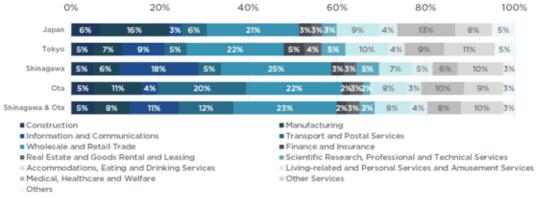
4.2.1.2 Occupier Profile

Figure 4-5 Distribution of Office by Industry, 2016 (latest)



Source: Statistics Bureau of Japan

Figure 4-6 Distribution of Employees by Industry, 2016 (latest)



Source: Statistics Bureau of Japan

Based on the 2016 Economic Census for Business Activity (latest available) conducted by the Ministry of Internal Affairs and Communications, and the Ministry of Economy, Trade and Industry, the occupier profile in the Omori area is similar to that in Tokyo and Japan overall. The wholesale and retail trade accounted for nearly a quarter of the total number of offices in the Omori area. In addition, there are more manufacturing enterprises in the Ota ward (closer to the south of the Omori area), compared to in Tokyo and Japan overall.

The distribution of employees also showed a similar trend in terms of a higher employee concentration from the wholesale and retail trade, and the manufacturing sector. Additionally, the chart further illustrated the presence of more employees in the transport and postal services as well as the

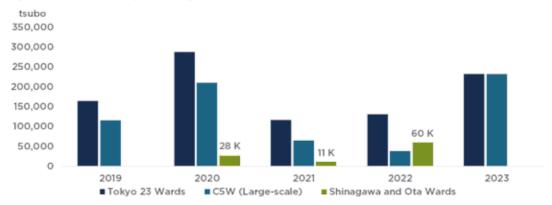


SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

information and communications sectors. Major large enterprises in the Omori area include Hitachi, Isuzu Motors (headquarters) and Metro Cash & Carry (Japan headquarters).

4.2.1.3 Supply Pipelines

Figure 4-7 Future Supply in Shinagawa and Ota wards



Source: Cushman & Wakefield Research

Future supply in the Shinagawa and Ota wards area is expected to remain limited and will account for around 11% of the total new supply in Tokyo's 23 wards between 2019 and 2023. The most significant supply to the area is the "Haneda Airport Unused Land Zone 1 Redevelopment Project", which is located 15 minutes by Keikyu line to the Shinagawa Station. Developed in phases, Phase 1, also known as the "Haneda Innovation City", will add 14,000 tsubo of office space to the market in 2020. The subsequent phases will add another 28,000 tsubo of space from 2022. Nonetheless, Haneda Airport is not often considered as the same market as the Omori area. While both are in the Ota ward, their neighbourhoods have different location, accessibility and characteristics.

Another large-scale new supply, though not in the close vicinity of the Omori area, is the redevelopment project near the new Takanawa Gateway station of JR Yamanote line, which has yet opened but is expected to be two minutes by JR from Shinagawa Station. Phase 1 Office tower is expected to be completed in 2024.

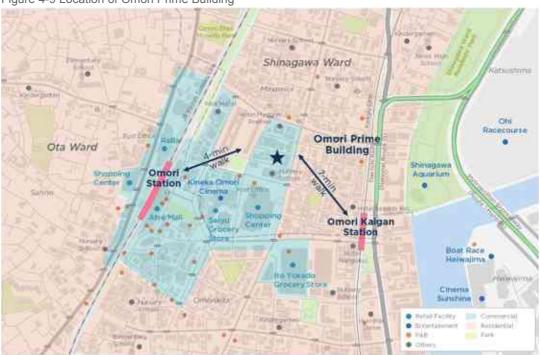
SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

4.3 Subject Property: Omori Prime Building ("OPB")

Figure 4-8 Omori Prime Building



Figure 4-9 Location of Omori Prime Building



Omori Prime Building is located in the southern edge of the Shinagawa ward, a major submarket area on the fringe of C5W. It is also within a 4 to 7 minutes' walk from the JR Omori station and the Keikyu Omori Kaigan station. From the Omori station, it takes 16 minutes to reach Tokyo Station via the JR train line. It also takes just 18 minutes to reach Haneda airport from the Omori Kaigan station via the

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

Keikyu line. To access the Shinkansen ("the bullet train") to commute to other parts of Japan, the Shinagawa Station, the nearest Shinkansen stop, is just 6 minutes away via the JR train line.

Omori Prime Building is located in an attractive residential/commercial area with a wide range of restaurants, supermarkets, pharmacy stores and other amenities such as post offices in the vicinity. Employees have access to a wide range of F&B choices, child-care facilities and after-work entertainment such as sports gyms, within a five-minute walk. Hotels are also located near the Omori Kaigan station. In terms of building age, Omori Prime Building is considered a relatively new asset in the office market.

4.3.1 Neighbourhood

Aspect	Characteristics
Land-Use	Residential/Commercial mixed, with retail and recreational facilities
	Omori Station – 4 mins by foot (320m) • JR Keihin-Tohoku line • to Marunouchi, Ueno, Yokohama • to Shinagawa station which has access to the Shinkansen, Narita Express and other express trains in 6 mins
Transport	 Keikyu Omori Kaigan Station – 7 mins by foot (550m) Keikyu Main line to Nihonbashi, Haneda Airport, Shinagawa Konan, Yokohama
	City Bus • Frequent bus services to Haneda Airport

4.3.2 Building Specification

Name	Omori Prime Building
Address	6-21-12 Minamioi, Shinagawa-ku, Tokyo
Completion	Mar 2002 (17 years)
Storeys	13F / B1
Usage	Multi-tenanted Office
Floor Area	Gross Floor Area: 10,442 sq.m. Net Leasable Area: 6,798 sq.m. Typical Floor Area: 604 sq.m.
Ceiling Height	2700 mm
Air Conditioning	Individual Air Conditioning System
Building Quality	Standard

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

4.3.3 SWOT Analysis

Close proximity to Haneda airport, Shinagawa train station (where Shinkansen and Narita express trains are available), logistics facilities and major highways

A desirable live/play environment offering a wide range of amenities

Cluster of manufacturing, wholesale and retail companies

OPB is relatively new among its comparables

Strengths

Opportunities

Near to the Shinagawa Konan Development Haneda Airport Repositioning Limited future supply in the vicinity

Typical floor area is smaller compared to other nearby buildings

Area is viewed as a factory zone, though there are more office buildings in the

Two nearby train stations do not provide regional train services

Weaknesses

Threats

Secondary vacancies due to C5W is expected to put downward pressure on buildings in this area

4.3.3.1 Strengths

- The rental level of the sub-market, where the subject property is located, is expected to increase from 2019 to 2010 and is forecasted to remain higher compared to that in 2018.
- The property benefits from close proximity and good connectivity via roads and subway to both C5W, Shinagawa station (a major train station hub for access to Shinkansen and Narita Express) and Haneda airport.
- The area has a desirable live/play environment in a residential/commercial neighbourhood with abundant F&B outlets.
- Omori traditionally houses large manufacturing enterprises such as the Hitachi and Isuzu Motors
 cluster due to its proximity to factories and warehouses in the Kawasaki area and Tokyo Bay area
 by the National Route 15 and Metropolitan Expressway.
- Compared to other buildings in the area, the subject building is relatively newer and is well-maintained compared to buildings in the area.

4.3.3.2 Weaknesses

- The typical floor area (604 sq.m.) of the subject property is relatively small compared to other buildings in the area and thus, may not attract companies who prefer larger office floorplate.
- The Omori area, where the subject property is located, is generally viewed as a factory zone instead
 of an office district.
- While the building has good proximity to two train stations (JR and Keikyu), neither station has
 express services nor connects to long-distance train routes. However, to access the Shinkansen
 ("the bullet train") to commute to other parts of Japan, the Shinagawa Station, the nearest
 Shinkansen stop, is just 6-minutes away via the JR train line from the Omori station as stated under
 the strengths.

4.3.3.3 Opportunities

- The Shinagawa station (two train stops from Omori) is developing into a new transport gateway of Japan with new/renewal infrastructure projects including the maglev train. The Omori area where the subject building is located is expected to benefit in the mid to long term.
- Positive spillover effects from the re-positioning of the Haneda airport area, where office, retail and

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

industrial projects are planned.

The subject property remains competitive in the coming years as the Omori area has limited supply.
 Vacancy rate is expected to remain low

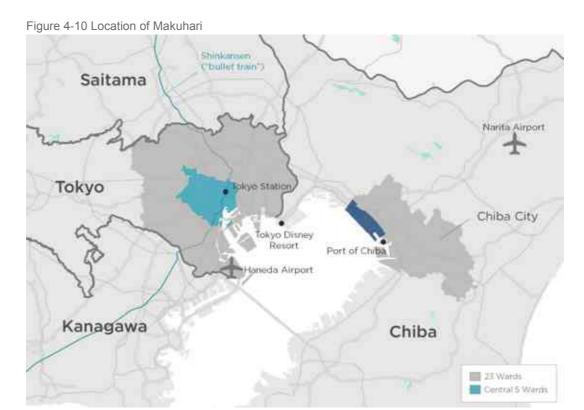
4.3.3.4 Threats

 Tenants may choose to move to the development projects near the Takanawa Gateway station (new JR Yamanote line station) when these are completed. However, the property still remains attractive based on its price and location proposition.

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

4.4 Chiba/Makuhari

The Makuhari Bay Area (also known as Kaihin new town), where the 2nd subject property is located, is part of Chiba City, and is located the central area of Chiba Prefecture. Makuhari is 30-minutes away by train from the city core of Tokyo and is well-known for its large-scale shopping outlets, baseball stadium and exhibition halls. There is also an office zone clustered around the JR Keiyo line station.



Chiba Prefecture has a land size of 5,158 sq.km. and its economy is mainly driven by the manufacturing industries. Agriculture and fisheries are also strong in Chiba. Chiba City is within the urbanised area of the Prefecture where tertiary industries typically are concentrated in.

The Makuhari Bay Area is in the Mihama ward of Chiba City. and is planned as an office zone for mainstream businesses, research and development, science and trading, as well as for cultural, recreational and residential uses. Built on reclaimed land in the 1970s, the district has a modern style of architecture and with noticeably organised city planning that includes elevated promenades and walkways as well as wide, pedestrian-friendly streets.

The Higashi-Kanto Expressway, which links to Narita Airport and other parts of the Tokyo Bay, passes through the area and has entrances/exits at the edge of the Makuhari Bay Area. The National Route 14 (Chiba Kaido) also reaches north of Makuhari. Moreover, with the Port of Chiba – one of the leading international trade ports in Japan – next to the area, there are a number of logistics distribution centres in Makuhari and its neighbourhood.

In terms of railway service, the JR Keiyo line (including through service to JR Musashino line) connects

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

the area to the Tokyo's C5W. The Keiyo line also brings passengers from the Tokyo station to Makuhari in less than 30 minutes. The line also stops at the Tokyo Disney Resort and Shin-Kiba (the nearest station to Tokyo Heliport, which serves helicopter flights in the Greater Tokyo area).

4.4.1 Office Market in Chiba/Makuhari area

Built on reclaimed area during the 1970s-80s, the Chiba/Makuhari office market is relatively new compared to other office zones in Greater Tokyo. Following the opening of Japan's second largest convention centre "Makuhari Messe" in October 1989, at least 15 large domestic and multinational corporations built their office buildings, setting up their headquarters and district offices in Makuhari. Currently, over 460 companies and 40,000 employees are operating and working in Makuhari.

4.4.1.1 Rent and Vacancy



---Vacancy Rate (RHS)

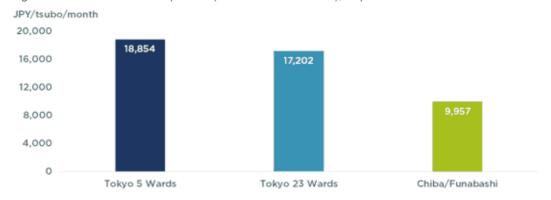
Source: Sanko Estate; Forecast by Cushman & Wakefield Research

Asking Rent (LHS)

⁵ Available market data on Makuhari area covers Makuhari and the adjacent Chiba and Funabashi areas. Rent and vacancy data includes both large offices and smaller buildings with lower building specifications in all areas.

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

Figure 4-12 Market Rent Comparison (Chiba/Funabashi area), September 2019



Source: Sanko Estate

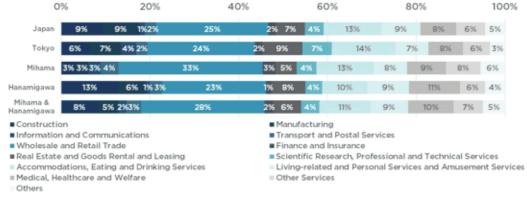
Asking rents in the Chiba/Funabashi area are relatively low compared to that in Tokyo C5W, hovering around JPY 10,000 per tsubo per month. At the end of 2018, the all-grade office asking rent of the Chiba/Funabashi area was JPY 9,853 per tsubo per month.

From 2019 to 2023, the changes in rents are expected to be incremental and be maintained at around JPY 10,000 per tsubo per month.

Tight supply-demand in Tokyo 23 wards has brought vacancy rates in the Chiba/Funabashi area down from above 10% in 2010-2016 to 7.2% at the end of 2018. Vacancy rates in the Chiba/Funabashi area are expected to stay between 7% to 9% from 2019 to 2023.

4.4.1.2 Occupier Profile

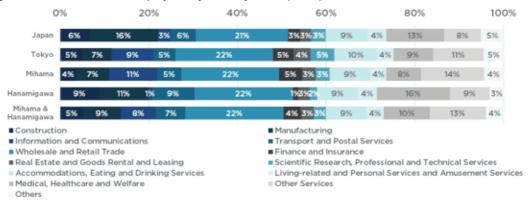
Figure 4-13 Distribution of Office by Industry, 2016 (latest)



Source: The Statistics Bureau of Japan

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

Figure 4-14 Distribution of Employees by Industry, 2016 (latest)



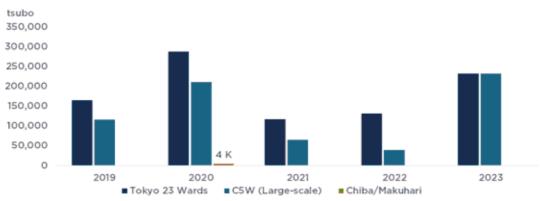
Source: The Statistics Bureau of Japan

Based on the latest available 2016 Economic Census for Business Activity by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, the Mihama ward/Makuhari bay area is largely supported by wholesale and retail trade industries. While the mentioned sector makes up one-fourth of total number of offices in Tokyo and Japan overall, one-third of the offices in Mihama ward are in the wholesale and retail trade industry. The Distribution of Employees by Industry report further reveals a strong presence of information and communications sector in Makuhari.

This tenant mix contrasts with the Hanamigawa ward, north-east of Makuhari, where construction, manufacturing, transport and postal services as well as medical, healthcare and welfare sectors are concentrated. Major large enterprises in the Makuhari bay area include ZOZO and AEON in Wholesale and Retail Trade sector, IBM and Fujitsu Inc in Information and Communication sector, Seiko Instruments and QVC Japan in Manufacturing sector as well as multi-sectoral NTT.

4.4.1.3 Supply Pipelines

Figure 4-15 Future Supply in Chiba/Makuhari Area



Source: Cushman & Wakefield Research

New supply in the Chiba/Makuhari Area is largely limited. In the next five years, the only new supply is the Chiba Bank HQ redevelopment project in 2020, providing around 4,000 tsubo of office space. However, the project is not located near the Makuhari bay area. In other words, there is no new supply scheduled in the Makuhari bay area from 2019 to 2023.

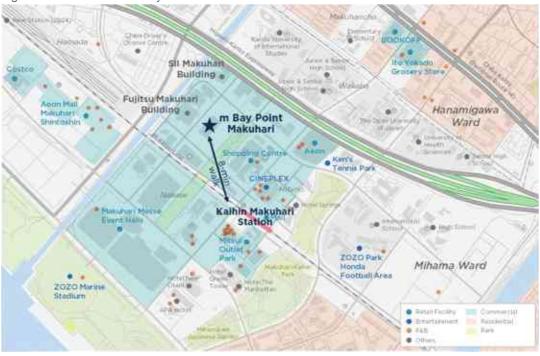
SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

4.5 Subject Property: m Bay Point Makuhari

Figure 4-16 m Bay Point Makuhari



Figure 4-17 Location of m Bay Point Makuhari



m Bay Point Makuhari is in the Mihawa ward of Chiba city, 8 minutes away by foot from the JR Kaihin-Makuhari station. The JR Keiyo line serves the area between the Tokyo station and the Chiba Bay Area. There are also direct limousine buses to Narita and Haneda Airports. Large outlet malls, namely Aeon Mall, Costco and Mitsui Outlet Park, are within walking distance from the subject property. Meeting and

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

convention venues are well-catered for by Makuhari Messe and the hotel clusters nearby. Concerts at Makuhari Messe and baseball games at ZOZO Marine Stadium are also popular afterwork entertainment for the office and resident community in Makuhari. Several universities and high schools can be found in the north of the Makuhari Bay Area. Considering building specifications and facilities, the subject property is superior compared to other large-sized assets in the area.

4.5.1 Neighbourhood

Aspect	Characteristics	
Land-Use	Commercial; Residential, institutional, recreational use adjacent	
Transport	 Kaihin-Makuhari Station – 8 mins by foot (600m) JR Keiyo line (with through service to JR Musashino line) to Marunouchi, Tokyo Disney Resort, Matsudo 	
	Limousine Bus	
	to Narita Airport and Haneda Airport	

4.5.2 Building Specification

Name	m Bay Point Makuhari
Address	1-6 Nakase, Mihama-ku, Chiba City, Chiba Prefecture
Completion	Jun 1993 (26 years)
Storeys	26F / B1
Usage	Multi-tenanted Office
Floor Area	Gross Floor Area: 170,499 sq.m. Net Leasable Area: 84,785 sq.m. Typical Floor Area: 3,643 sq.m.
Ceiling Height	2700 mm
Air Conditioning	Individual Air Conditioning System
Building Quality	Superior

SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

4.5.3 SWOT Analysis

Attractive rental prices compared to Tokyo CBD Close to MICE Venues and the Narita Airport Good Building Specifications		Limited Food Choices within 5-minute distance Served with only One Train Line
	Strengths	Weaknesses
	Opportunities	Threats
	New Train Station to be ready in 2024 Potential through-train service for faster connectivity to Tokyo C5W and Haneda Airport	Limited/no re-development/new projects in the area currently Tenant Concentration Risk
	Area is located within Japan's National Strategic Special Zone	

4.5.3.1 Strengths

- The area offers significant rental savings compared to the C5W in Tokyo.
- Makuhari has a large event space (Makuhari Messe) and hotel clusters for MICE activities.
- In close proximity to the Narita Airport, Keiyo Industrial zone and logistics facilities which can be accessed through the Higashi-Kanto Expressway.
- The subject property has good building specifications, such as high raised floor (150mm) and ceiling height (2,700mm), large typical floor area (3,643 sq.m.) and high floor loading capacity (300 kg/sq.m.) and capacity outlets (65VA/sq.m.).
- Facilities in the subject property are well equipped, such as abundant parking space and meeting rooms. It also has security gates, which is rare for office buildings in the same area.

4.5.3.2 Weaknesses

- While more restaurants and cafes can be found south of the nearest train station, limited food
 choices are available in the north side where the subject property is located. It is worthy to note that
 a staff cafeteria is located within the subject project.
- Train connectivity to the area is currently limited and is only via one train line (JR Keiyo Line).

4.5.3.3 Opportunities

- A new station has been planned for in the north-western part of the area, near the AEON shopping
 mall, and is expected to be ready in 2024. Alongside with the improvement of the bay side area by
 the government, these projects would better serve the community in the area.
- In addition, a through train service from the JR Keiyo line to the Rinkai line, which will connect
 Makuhari directly to Odaiba, Shibuya, Shinjuku and Haneda Airport, is currently under being
 explored.
- Chiba City, where the subject property is located, is included as part of the National Strategic Special Zone (Tokyo Area) by the Government of Japan. National Strategic Special Zones ("NSSZs") were designated to encourage international competitiveness and promote the creation of international economic centres. Local municipalities in NSSZs can apply for special measures, like simplification of procedures required to establish a company, be implemented in their region. Companies in designated industries are able to receive tax incentives.

4.5.3.4 Threats

 Compared to other renewed communities in Tokyo, the Makuhari area, which was developed in 1980s, needs to be refreshed with new developments. If the planned rail connection and the new station are developed, these are likely to rejuvenate the area.



SUBMARKET AND INDIVIDUAL ASSET ANALYSIS

Tenant concentration risk is fairly high for the subject building.

4.6 Market Rent Comparison

A market rent comparison has been conducted for the two assets by selecting properties of similar building specifications, demand from tenant profile and geographically near to the respective asset.



Source: Cushman & Wakefield Research, based on market rents and average passing rent for subject properties

The above figure shows the minimum and maximum rents among the properties selected for comparison as well as the average passing rent for the subject property. The market range for all the subject properties are expected to remain in the same range in 2019.

LIMITATIONS ON THE REPORT

Cushman & Wakefield K.K. ("C&W") prepared this market report with data from the Government of Japan, reliable research institutions and C&W proprietary databases. C&W does not perform any independent verification for data or information provided by external third-party and does not warrant its accuracy or completeness.

This report presents current as well as the likely future market conditions as perceived by the markets. For any "forward-looking statements" in the report, C&W assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. The estimation of the future demand and supply for office market may not materialize and unanticipated events and circumstances may occur; therefore, actual results may vary from our estimates and variations may be material.

C&W does emphasize that the estimation of future market conditions and outlook should be regarded as an indicative assessment of possibilities rather than absolute certainties. The Directors of C&W confirm that, as of the Latest Practicable Date, to their best knowledge after taking reasonable care, there is no material adverse change in the market information since the date of this report which may quality, contradict or have an impact on the information disclosed.

This report is prepared for market information purpose only and is not intended for trading purposes. All charts within are for illustration only. It should not be regarded as a solicitation for purchase and sale of trust beneficiary rights nor other investment products. The report is not a comprehensive or formal opinion or audit concerning any matter.

In no event will C&W or any persons associated with C&W be liable for damages of any kind, under any legal theory, arising out of or in connection with the use, or inability to use this report, including any direct, indirect, special, incidental, consequential or punitive damages, including loss of revenue, loss of profits, loss of business or anticipated saving, loss of use, loss of goodwill or loss of data. These limitations do not affect any liability which cannot be excluded or limited under applicable law. When making investment decisions, one should not rely on this report and should always seek advice from independent professional advisers specialized in finance, legal affairs, accounting, taxation etc. User should critically evaluate when using any information of the report. Any investment decision is the sole judgment and responsibility of the user.





INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD (Incorporated in the Republic of Singapore) Company Registration Number: 200200144N

3 January 2020

The Independent Directors and the Audit and Risk Committee
Mapletree North Asia Commercial Trust Management Ltd.
(as Manager of Mapletree North Asia Commercial Trust) (the "Manager")
10 Pasir Panjang Road
#13-01, Mapletree Business City
Singapore 117438

DBS Trustee Limited (in its capacity as Trustee of Mapletree North Asia Commercial Trust) (the "**Trustee**") 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982

Dear Sirs

- 1) THE PROPOSED ACQUISITIONS OF TWO OFFICE PROPERTIES IN GREATER TOKYO, AS AN INTERESTED PERSON TRANSACTION;
- 2) THE PROPOSED ISSUANCE OF THE TRANSACTION UNITS TO THE SPONSOR'S NOMINEE, AS AN INTERESTED PERSON TRANSACTION; AND
- 3) THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE SPONSOR'S NOMINEE

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 3 January 2020 to the unitholders of Mapletree North Asia Commercial Trust (the "Circular").

1. Introduction

Mapletree North Asia Commercial Trust ("MNACT") is a real estate investment trust established in Singapore and was listed on the SGX-ST on 7 March 2013.

As at 30 September 2019, MNACT had a market capitalisation of approximately S\$4.2 billion¹. MNACT's portfolio currently comprises nine commercial properties located in China, Hong Kong SAR² and Japan (the "**Existing Portfolio**"). As at 30 September 2019, its assets under management are approximately S\$7.7 billion.

1.1. Summary of Approvals Sought

The Manager is seeking approval from the unitholders of MNACT (the "**Unitholders**") for the resolutions stated below:

- Resolution 1: the Proposed Acquisitions, as an interested person transaction (Ordinary Resolution);
- Resolution 2: the proposed issuance of the Transaction Units (as defined herein), as an interested person transaction (Ordinary Resolution); and
- Resolution 3: the proposed Whitewash Resolution (as defined herein) in relation to the Sponsor's Nominee (as defined herein) (Ordinary Resolution).

Unitholders should note that Resolution 1, Resolution 2 and Resolution 3 are interconditional. In the event any of Resolution 1, Resolution 2 or Resolution 3 is not passed, the Manager will not proceed with the Proposed Acquisitions.

¹ Based on the price of S\$1.32 per Unit as at 30 September 2019.

² Refers to the Hong Kong Special Administrative Region ("**Hong Kong SAR**").

1.2. The Proposed Acquisitions

On 4 December 2019, the Manager announced that it is proposing to acquire an effective interest of 98.47% in two freehold, multi-tenanted office properties located in Greater Tokyo, Japan (collectively, the "**Properties**", and the proposed acquisitions by MNACT of the 98.47% effective interest in the Properties, the "**Proposed Acquisitions**").

While MNACT will hold a 98.47% effective interest in the Properties upon completion of the Proposed Acquisitions (the "Completion") and currently holds a 98.47% effective interest in its Existing Japan Properties , all property and financial-related figures (e.g. GRI¹ net property income ("NPI"), weighted average lease expiry ("WALE"), occupancy, trade sector breakdown, valuation, gross floor area ("GFA") and net lettable area ("NLA")) stated in this Circular for the Properties and the Enlarged Portfolio (as defined herein) are based on 100.0% effective interest in the Properties, unless otherwise stated. For the purposes of this Circular, WALE and occupancy rates are based on committed leases (which include existing leases).

1.3. Payment of Aggregate Consideration

In order to facilitate the payment of the Aggregate Consideration, the Manager and the Sponsor's Nominee, which is a wholly-owned subsidiary of MIPL, have on 4 December 2019 entered into the Transaction Units Agreement under which the Manager agrees to issue and the Sponsor's Nominee agrees to pay for the Transaction Units amounting to a value equivalent to 30.0% of the Aggregate Agreed Property Value, being approximately S\$143.1 million (approximately JPY11,433.0 million), which will be fully used to make part payment of the Total Acquisition Cost².

The Remaining Consideration Value of approximately S\$331.4 million (approximately JPY26,475.5 million) will be funded through cash from the Debt Financing and/or internal cash resources.

The Aggregate Leverage of MNACT is expected to increase from 37.1% as at 30 September 2019 to 39.0% based on the abovementioned funding structure. Should the Proposed Acquisitions be fully funded by debt, the Aggregate Leverage of MNACT would have been higher at 40.8%.

1.4. Requirement of Unitholders' Approval for the Proposed Issuance of the Transaction Units

The Manager is seeking Unitholders' approval for the proposed issuance of the Transaction Units pursuant to Rule 805(1) of the Listing Manual.

The proposed issuance of the Transaction Units to the Sponsor's Nominee, which is a wholly-owned subsidiary of MIPL, will constitute a placement to a Substantial Unitholder as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL and MIPL, as at the Latest Practicable Date, has an aggregate interest of (i) approximately 33.58% of the total number of Units in issue and (ii) 100.0% in the Manager. Under Rule 812 of the Listing Manual, any issue of Units must not be placed to a Substantial Unitholder unless Unitholders' approval is obtained.

The proposed issuance of the Transaction Units to the Sponsor's Nominee will also constitute an "interested person transaction" under Chapter 9 of the Listing Manual, in respect of which the approval of Unitholders is required.

_

¹ "**GRI**" shall mean gross rental income which consists of fixed rent (comprising base rent, service charges, chilled water charges and promotional levy, where application) and turnover rent (which is rent calculated by reference to a pre-determined percentage of the tenant's sales turnover, where applicable).

² The number of Transaction Units to be invariable in a constant of the percentage of the tenant's sales turnover.

² The number of Transaction Units to be issued to the Sponsor's Nominee will be determined based on the Aggregate Agreed Property Value and the issue price of the Transaction Units which is based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units.

1.5. Rule 14 of the Code

The Manager proposes to seek approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Sponsor's Nominee, in the event that it incurs an obligation to make a Mandatory Offer as a result of its receipt of 124,442,000 Transaction Units¹.

Upon receipt by the Sponsor's Nominee of the Transaction Units, the Concert Party Group may possibly end up acquiring additional Units which exceed the threshold pursuant to Rule 14.1(b) of the Code.

Rule 14.1(b) of the Code states that the Sponsor's Nominee would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MNACT and MIPL, or any person acting in concert with it, acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of MNACT.

Unless waived by the SIC, pursuant to Rule 14.1(b) of the Code, the Sponsor's Nominee would then be required to make a Mandatory Offer. The SIC has granted this waiver on 20 December 2019 subject to, inter alia, Resolution 3 (the proposed Whitewash Resolution) being approved by Independent Unitholders at the EGM.

To the best of the knowledge of the Manager and MIPL, the Concert Party Group holds, in aggregate, 1,089,176,154 Units representing 34.10% of the voting rights of MNACT as at the Latest Practicable Date.

1.6. Waiver of the Singapore Code of Take-overs and Mergers

The SIC has on 20 December 2019 granted a waiver (the "Whitewash Waiver") of the requirement for the Sponsor's Nominee to make a mandatory offer ("Mandatory Offer") for the remaining Units not owned or controlled by MIPL and parties acting in concert with it (the "Concert Party Group"), in the event that it incurs an obligation to make a Mandatory Offer pursuant to Rule 14 of the Singapore Code of Take-overs and Mergers (the "Code") as a result of its receipt of approximately 124,442,000 Transaction Units², subject to the satisfaction of the conditions specified in the Whitewash Waiver (as set out in paragraph 6.2 of the Letter to Unitholders) including the Independent Unitholders (as defined herein) approving a resolution (the "Whitewash Resolution") by way of a poll to waive their rights to receive a general offer for their Units from the Sponsor's Nominee.

Rule 14.1(b) of the Code states that the Sponsor's Nominee would be required to make a Mandatory Offer, if the Concert Party Group holds not less than 30.0% but not more than 50.0% of the voting rights of MNACT and MIPL, or any person acting in concert with it, acquires in any period of six months additional Units which carry more than 1.0% of the voting rights of MNACT. If the Concert Party Group's percentage unitholding increases by more than 1.0% after the issuance of the Transaction Units to the Sponsor's Nominee, the Sponsor's Nominee would then be required to make a Mandatory Offer unless waived by the SIC. A waiver is accordingly sought by the Sponsor's Nominee and the Whitewash Waiver was granted subject to the satisfaction of the conditions specified in the Whitewash Waiver (as set out in paragraph 6.2 of the Letter to Unitholders) including the Whitewash Resolution being approved by Independent Unitholders at the EGM.

Accordingly, the Manager is seeking approval from the Independent Unitholders for a waiver of their right to receive a Mandatory Offer from the Sponsor's Nominee, in the event that it incurs an obligation to make a Mandatory Offer as a result of its receipt of approximately 124,442,000 Transaction Units².

1.7. Interested Person Transaction and Interested Party Transaction

As at 23 December 2019, being the latest practicable date prior to the printing of this Circular (the "Latest Practicable Date"), MIPL holds, through its wholly-owned subsidiaries, an

 $^{^{1}}$ This is based on an illustrative issue price of S\$1.15 per Transaction Unit for a total sum of S\$143.1million.

²This is based on an illustrative issue price of S\$1.15 per Transaction Unit for a total sum of S\$143.1million.

 $^{^2}$ This is based on an illustrative issue price of S\$1.15 per Transaction Unit for a total sum of S\$143.1 million.

aggregate interest in 1,072,779,154 Units, which is equivalent to approximately 33.58% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MNACT under both the listing manual of the SGX-ST (the "**Listing Manual**") and Appendix 6 of the Code on Collective Investment Scheme (the "**Property Funds Appendix**"). In addition, as the Manager is an indirect wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendors, MMSJ and MIJ are indirect wholly-owned subsidiaries of MIPL (each being a wholly-owned subsidiary of a controlling unitholder and a controlling shareholder of the Manager), each of the Vendors, MMSJ and MIJ is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MNACT.

Additionally, as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL (being a wholly-owned subsidiary of a controlling unitholder and a controlling shareholder of the Manager), the Sponsor's Nominee is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MNACT.

Therefore, the Proposed Acquisitions, the issuance of the Transaction Units, the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements in connection with the Proposed Acquisitions and the issuance of the Transaction Units will each constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required pursuant to Rule 906(1)(a) of the Listing Manual.

We, Deloitte & Touche Corporate Finance Pte Ltd ("DTCF"), have been appointed as independent financial adviser ("IFA") to the Independent Directors, the Audit and Risk Committee and the Trustee in respect of whether the Proposed Acquisitions and the Proposed issuance of the Transaction Units are on normal commercial terms and not prejudicial to the interests of MNACT and its minority Unitholders. We will also advise the Independent Directors, the Audit and Risk Committee and the Trustee on whether the Proposed Whitewash Resolution when considered in the context of the Proposed Acquisitions and Proposed Issuance of the Transaction Units is fair and reasonable.

This letter, which sets out our evaluation for the Independent Directors, the Audit and Risk Committee, and the Trustee in respect of this engagement, is an integral part of the Circular.

2. Terms of Reference

Our responsibility is to provide our opinion in respect of the Proposed Acquisitions, the entry into each of the Amended Tsubaki Asset Management Agreement, the Supplemental Japan Property Management Agreements, the proposed issuance of the Transaction Units and the Proposed Whitewash Resolution.

We were neither a party to the negotiations entered into in relation to the Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Resolution nor were we involved in the deliberations leading up to the decision on the part of the Manager to undertake the Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Resolution.

We do not, by this letter or otherwise, advise or form any judgement on the strategic or commercial merits or risks of the Proposed Acquisitions, the proposed issuance of the Transaction Units and the Proposed Whitewash Resolution. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors, the Manager and their advisors.

We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of MNACT. We do not express any view as to the price at which the Units may trade upon completion of the Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Resolution nor on the future value, financial performance or condition of MNACT after Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Resolution.

It is also not within our terms of reference to compare the merits of the Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Resolution to any alternative transactions that were or may have been available to MNACT. Such comparison and consideration remain the responsibility of the Directors, the Manager and their advisors.

In the course of our evaluation, we have held discussions with the management of the Manager, and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the management. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of MNACT or the Proposed Acquisitions. We have been furnished with the valuation reports for the Properties prepared by CBRE K.K., Valuation & Advisory Services ("CBRE") and Cushman and Wakefield K.K. ("C&W") (collectively, the "Independent Valuers"). With respect to such reports, we are not experts and do not hold ourselves to be experts in the evaluation of the assets concerned and have relied solely upon such reports.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or re-affirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. The Unitholders should take note of any announcements relevant to their considerations of the Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Resolution that may be released by MNACT after the Latest Practicable Date.

MNACT has been separately advised by its own legal advisor in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this letter.

Our opinion in relation to the Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Resolution should be considered in the context of the entirety of this letter and Circular. While a copy of this letter may be reproduced in the Circular, MNACT may not reproduce, disseminate or quote this letter or any part thereof for any purpose, other than for Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Resolution without our prior written consent in each instance.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. As the

Unitholders will have different investment objectives, we advise the Independent Directors to recommend that any Unitholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisors.

3. Details of the Proposed Acquisitions, the Proposed Issuance of the Transaction Units and the Proposed Whitewash Resolution

3.1. Description of the Properties

The Properties comprise two freehold, multi-tenanted office properties located in Greater Tokyo, Japan. Details of the Properties are set out below.

Details of the Properties are also set out in Appendix A of the Circular to Unitholders.

(i) mBay Point Makuhari Building ("MBP")

MBP is a 26-storey office building with one basement level and 680 car park lots, located at 6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan, at the fringe of the Tokyo Metropolitan Prefecture. It is located within an eight-minute walk from the Kaihin Makuhari JR train station, which is a 30-minute train ride away from Tokyo Station, the heart of Tokyo's central business district ("**CBD**").

MBP has a GFA of 170,499 square metres ("**sqm**") and a net lettable area ("**NLA**") of 84,785 sqm. It is multi-tenanted and has an occupancy rate of 84.8%, with a weighted average lease expiry ("**WALE**") of 3.6 years by monthly gross rental income ("**GRI**") as at 30 September 2019. The key tenants are NTT Urban Development, AEON Credit Service and Ministop.

The table below sets out a summary of selected information on the property as at 30 September 2019 (unless otherwise indicated).

Address	6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan
Title	Freehold
Land Area	40,602 sqm
GFA	170,499 sqm
NLA	84,785 sqm
Number of Storeys	26 storeys with one basement level
Occupancy	84.8%
WALE	3.6 years
Year Built	1993
Land Zoning	Neighbourhood commercial district
Number of Tenants	43
Car Park Lots	680
Valuation by CBRE as at 1 Nov 2019 ¹	S\$403,054,200
Valuation by C&W as at 1 November 2019 ¹	S\$396,795,594
Purchase price ¹	S\$394,292,152

¹ Based on 100% effective interest in the property and subject to net working capital adjustments.

Note:

(1) Figures in Independent Valuers' Reports were in JPY and converted at SG\$1:JPY79.89.

(ii) Omori Prime Building ("OPB")

OPB is a 13-storey office building with one basement level, 36 mechanical car park lots and one open car park lot, located at 21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan, at the fringe of the central five wards in Tokyo. The building is located within a four-minute walk from the JR Omori Station, which is a 16-minute train ride away from Tokyo train station, the heart of Tokyo's CBD.

OPB has a GFA of 10,442 sqm and a NLA of 6,798 sqm. It is multi-tenanted and has an occupancy rate of 100.0%, with a WALE of 1.7 years by monthly GRI as at 30 September 2019. The key tenants are Eighting, Isuzu Linex and Brillnics.

The table below sets out a summary of selected information on the property as at 30 September 2019 (unless otherwise indicated).

Address	21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan
Title	Freehold
Land Area	1,764 sqm
GFA	10,442 sqm
NLA	6,798 sqm
Number of Storeys	13 storeys with one basement level
Occupancy	100%
WALE	1.7 years
Year Built	2002
Land Zoning	Commercial
Number of Tenants	10
Car Park Lots	36 mechanical car park lots and one open car park lot
Valuation by CBRE as at 1 November 2019	S\$89,247,716
Valuation by C&W as at 1 November 2019	S\$88,872,199
Purchase price ¹	S\$82,738,766

Note:

(1) Figures in Independent Valuers' Reports were in JPY and converted at SG\$1:JPY79.89.

3.2. Key Terms of the Proposed Acquisitions

3.2.1 Structure of the Proposed Acquisitions and Taxation

Details of the Proposed Acquisitions and Taxation are set out in Paragraph 2.2 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

¹ Based on 100% effective interest in the property and subject to net working capital adjustments.

We have reproduced below excerpts of this Paragraph in respect of the Proposed Acquisitions and Taxation.

Currently, the legal title of MBP has been entrusted to the MBP Trust Bank with the TBI of MBP being held by the Makuhari GK. The Makuhari TK Interest is held by the Makuhari Vendor.

Additionally, the legal title of OPB has been entrusted to the OPB Trust Bank with the TBI of OPB currently held by the OPB Vendor.

Both the GK and the TMK are common structures adopted for investment in real estate under Japanese law and the Tokumei Kumiai interest and the TBI are means by which the holder is entitled to the economic interest of the underlying assets.

The TMK structure is a tax-efficient structure specifically designed for the purpose of issuing asset-backed securities under TMK laws. The GK corporate structure is similar to that of a limited liability company, with the members of the GK both owning and managing the GK (or certain member(s) owning but not managing the GK, as specified in its articles of incorporation).

In connection with the Proposed Acquisitions, SGCo1 entered into the following agreements on 4 December 2019:

- (a) the TK Interest Transfer Agreement with the Makuhari Vendor; and
- (b) the TBI SPA with the OPB Vendor.

Each of the Sale and Purchase Agreements contains a right which allows SGCo1 to novate its rights and obligations in the Sale and Purchase Agreements to a third party designated by SGCo1. It is currently intended that the rights and obligations of SGCo1 in the Sale and Purchase Agreements will be novated to Tsubaki TMK prior to Completion such that after Completion, MNACT will hold the interest in the Properties through Tsubaki TMK.

SGCo1 currently holds an issued share capital of JPY100,000 (approximately S\$1,251.7) represented by two Specified Shares (also known as common shares) of Tsubaki TMK. SGCo1 also holds 49.0% of the total issued preferred share capital of Tsubaki TMK. SH1, a non-profit association established under Japanese law, known as an "Ippan Shadan Houjin", holds a golden share in SGCo1 and thus has voting rights in relation to certain matters, including liquidation and changes to Tsubaki TMK's and the SGCo1's constitution, for the purposes of making SGCo1 and Tsubaki TMK bankruptcy-remote vehicles.

The remaining 51.0% of the total issued preferred share capital of Tsubaki TMK is held by Tsubaki GK, in which SGCo2, a private limited company incorporated in Singapore which is wholly-owned by SGCo1, will hold the Tsubaki TK Interests pursuant to the Tsubaki Silent Partnership Agreements.

Pursuant to the Tsubaki Silent Partnership Agreements, with subsequent agreed-upon capital contributions from SGCo2, SGCo2 will be entitled to 97.0% of the economic interest in Tsubaki GK in relation to the Properties. The balance 3.0% of the economic interest will be retained by Tsubaki GK through the non-managing member interest which MIJ will be subscribing for in Tsubaki GK at or around the same time that SGCo2 contributes the Tsubaki TK Investment. MIJ will be entitled to the balance 3.0% of the economic interest retained by Tsubaki GK.

We have also reproduced below excerpts of this Paragraph in respect of the tax structure.

A TMK is a tax efficient structure as it is entitled to deduct dividend distributions made to its shareholders in calculating its taxable income even though it is subject to corporate tax in the same manner as other Japanese domestic corporations. The ability to claim a deduction on the dividend paid is contingent on the TMK satisfying certain conditions set forth under the prevailing Special Taxation Measures Law of

Japan. If those conditions are met and Tsubaki TMK is able to distribute 100% of its taxable income, minimal Japanese corporate tax, if any, should be payable by Tsubaki TMK.

The distributions by Tsubaki TMK ("Tsubaki TMK Distributions") are subject to Japan withholding tax. Provided SGCo1 holds at least 25.0% of the voting shares of Tsubaki TMK during the period of six months immediately before the end of the fiscal period for which the distribution of profits takes place, the dividends it receives from Tsubaki TMK should be eligible for the reduced withholding tax rate of 5.0% as prescribed under the Singapore-Japan double taxation agreement (the "Singapore-Japan DTA").

The Tsubaki TMK Distributions received in Singapore by SGCo1 will be exempt from tax provided:

- (a) in the year the dividend income is received in Singapore, the headline corporate tax rate of the jurisdiction from which it is received is at least 15.0%;
- (b) the dividend has been subjected to tax in the jurisdiction from which it is received;
- (c) the Singapore Comptroller of Income Tax is satisfied that the tax exemption would be beneficial to SGCo1; and
- (d) SGCo1 is a tax resident of Singapore.

The distributions made by Tsubaki GK pursuant to the Tsubaki Silent Partnership Agreements (the "**Tsubaki TK Distributions**") to SGCo2 are subject to Japan statutory withholding tax, which is currently 20.42%. Unlike the Tsubaki TMK Distributions, the Tsubaki TK Distributions are not eligible for the reduced withholding tax rate of 5.0% under the Singapore-Japan DTA.

On the basis that SGCo2 is a tax resident of Singapore, it will be able to claim foreign tax credit for the tax paid by Tsubaki GK on the profit received or deemed to have been received by it in Singapore against its Singapore tax payable on such income. The amount of foreign tax credit that can be claimed is the lower of the actual foreign tax paid or the amount of Singapore income tax payable on such income. Hence, there ought not to be incremental tax payable by SGCo2 in Singapore in view that the withholding tax of 20.42% is higher than the prevailing Singapore corporate income tax rate.

3.2.2 Valuation of the Properties

Details of the Valuation of the Properties are set out in Paragraph 2.4 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

We have reproduced below excerpts of this Paragraph in respect of the Valuation of the Properties.

The Aggregate Agreed Property Value of JPY38,110.0 million ¹ (approximately S\$477.0 million), for the purposes of the TMK Consideration, was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of the Properties commissioned by the Trustee and the Manager for the Proposed Acquisitions.

In this respect, the Trustee has commissioned C&W as an independent property valuer and the Manager has commissioned CBRE as an independent property valuer

_

 $^{^{1}}$ Consisting of the agreed property value of JPY31,500 million for MBP and JPY6,610 million for OPB.

to value the Properties. C&W, in its report dated 12 November 2019, stated that the open market value of the Properties as at 1 November 2019 were JPY38,800.0 million¹ (approximately S\$485.7 million). CBRE, in its report dated 12 November 2019, stated that the open market value of the Properties as at 1 November 2019 were JPY39,330.0² million (approximately S492.3 million). In arriving at the open market value, CBRE and C&W relied on the discounted cash flow method.

The Aggregate Agreed Property Value of JPY38,110.0 million (approximately S\$477.0 million) is at a discount of approximately 1.8% to C&W's valuations and approximately 3.1% to CBRE's valuations on an aggregated basis.

(See **Appendix A** of this Circular for the independent valuations for each Property.)

3.2.3 Total Acquisition Cost

Details of the Total Acquisition Cost are set out in Paragraph 2.12 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

We have reproduced below excerpts of this Paragraph in respect of the Total Acquisition Cost.

The Total Acquisition Cost is estimated to be approximately S\$474.5 million (approximately JPY37,907.8 million), comprising:

- (i) the Aggregate Consideration which is estimated to be approximately S\$469.7 million (approximately JPY37,524.3 million)³; and
- (ii) the estimated professional and other fees and expenses of approximately S\$4.8 million incurred or to be incurred by MNACT in connection with the Proposed Acquisitions, the issuance of Transaction Units and the Debt Financing.

3.2.4 Payment of Aggregate Consideration

Details of the Payment of Aggregate Consideration are set out in Paragraph 2.13 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

3.2.5 Payment of Acquisition Fee in Units

Details of the Payment of Acquisition Fee in Units are set out in Paragraph 2.14 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

We have reproduced below this Paragraph in respect of the Payment of Acquisition Fee in Units.

To demonstrate its support for the Proposed Acquisitions, the Manager has waived its acquisition fee entitlement under the Trust Deed which would have been at the rate of 0.75% of 98.47% of the Aggregate Agreed Property Value.

¹ Consisting of a valuation of JPY 31,700.0 million for MBP and a valuation of 7,100 for OPB as at 1 November 2019.

² Consisting of a valuation of JPY 32,200.0 million for MBP and a valuation of 7,130 for OPB as at 1 November 2019.

³ Final Aggregate Consideration will be 98.47% of the TMK Consideration which will be arrived at by deducting the post completion net working capital adjustments from the Aggregate Agreed Property Value.

3.2.6 Principal Terms and Conditions of the Sale and Purchase Agreements

Details of Principal Terms and Conditions of the Sale and Purchase Agreements are set out in Paragraph 2.7 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

In connection with the Proposed Acquisitions, SGCo1 has on 4 December 2019 entered into the (a) TK Interest Transfer Agreement with the Makuhari Vendor to acquire the Makuhari TK Interest and the (b) TBI SPA with the OPB Vendor to acquire the TBI in OPB.

We have reproduced below excerpts of this Paragraph in respect of the Principal Terms and Conditions of the TK Interest Transfer Agreement.

The principal terms of the TK Interest Transfer Agreement include, among others, the following conditions precedent:

- all representations and warranties of the Makuhari Vendor and SGCo1 or the party designated by SGCo1 pursuant to the Sale and Purchase Agreements Novation, as applicable (the "Purchaser") are true and accurate in all material respects;
- (ii) the Makuhari Vendor and the Purchaser have performed in material respects all obligations as required to be performed under the TK Interest Transfer Agreement;
- (iii) the Makuhari Silent Partnership Agreement has been validly executed and is duly and validly existing and there are no causes of termination, cancellation or invalidity of the Makuhari Silent Partnership Agreement;
- (iv) no security interests or other legal encumbrances or restrictions have been attached to the Makuhari TK Interest, excluding the case where the Purchaser is satisfied (acting reasonably) that the contractual security interests will be certainly removed by the Makuhari Vendor on the date of transfer by utilising the Purchaser's payment of the TMK Consideration;
- (v) as at the date of the TK Interest Transfer Agreement, the Makuhari Vendor has submitted to the Purchaser the Makuhari Vendor's certified copy of the commercial registration and certificate of seal impression (these are limited to current and issued within three months prior to the execution date of the TK Interest Transfer Agreement);
- (vi) the Makuhari Vendor has obtained the written consent of Makuhari GK pursuant to the Makuhari Silent Partnership Agreement and has shown it to the Purchaser;
- (vii) funding to the Purchaser in relation to the TMK Consideration has been completed;
- (viii) the Purchaser confirming that the Makuhari Vendor is ready to deliver the deliverables to the Purchaser or its designee in accordance with the TK Interest Transfer Agreement;
- (ix) all relevant corporate, governmental and regulatory approvals required by the Purchaser and the Makuhari Vendor for all matters contemplated by, incidental to or necessary to give full effect to, the transactions contemplated in the TK Interest Transfer Agreement have been obtained;
- (x) the approval of Unitholders for all the resolutions proposed for approval at the EGM having been obtained;
- (xi) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;

- (xii) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled;
- (xiii) the Makuhari Silent Partnership Agreement has been amended in a form and with contents reasonably satisfactory to the Purchaser; and
- (xiv) certain condition precedents in the TBI SPA have been fulfilled.

We have also reproduced below excerpts of this Paragraph in respect of the Principal Terms and Conditions of the TBI SPA.

The principal terms of the TBI SPA include, among others, the following conditions precedent:

- (i) all representations and warranties of the OPB Vendor and the Purchaser are true and accurate in all material respects;
- (ii) the OPB Vendor and the Purchaser have performed in material respects all obligations as required to be performed under the TBI SPA;
- (iii) the Trust Agreement (as defined in the TBI SPA) has been validly executed and is duly and validly existing and there are no causes of termination, cancellation or invalidity of the Trust Agreement;
- (iv) no security interests or other legal encumbrances or restrictions have been attached to OPB or the TBI, excluding (i) lease rights and the sub-lease rights under lease agreements and sub-lease agreements with existing tenants of the property (including sub-lessees but limited to such tenants that are described as lessees in Schedule 3-1 of the TBI SPA and those described as sub-lessees in Schedule 3-2 of the TBI SPA) and (ii) excluding the description of the approved matters attached as Schedule 2 of the TBI SPA; and in addition, excluding the case where the Purchaser is convinced that the contractual security interests will be certainly removed by the OPB Vendor on the date of transfer by utilising the Purchaser's payment of the TMK Consideration;
- (v) as at the date of the TBI SPA, the OPB Vendor has submitted to the Purchaser the OPB Vendor's certified copy of the commercial registration and certificate of seal impression (these are limited to current and issued within three months prior to the execution date of the TBI SPA);
- (vi) the OPB Vendor has obtained the written consent of the OPB Trust Bank with a fixed date stamp given by a notary (Kakutei-Hizuke) pursuant to the Trust Agreement in relation to the assignment of the TBI from the OPB Vendor to the Purchaser and has shown it to the Purchaser;
- (vii) funding to the Purchaser in relation to the TMK Consideration has been completed;
- (viii) the Purchaser confirming that the OPB Vendor is ready to deliver the deliverables to the Purchaser or its designee in accordance with the TBI SPA;
- (ix) all relevant corporate, governmental and regulatory approvals required by the Purchaser and the OPB Vendor for all matters contemplated by, incidental to or necessary to give full effect to, the transactions contemplated in the TBI SPA have been obtained;
- (x) the approval of Unitholders for all the resolutions proposed for approval at the EGM having been obtained;

- (xi) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;
- (xii) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled; and
- (xiii) certain condition precedents in the TK Interest Transfer Agreement have been fulfilled.

3.2.7 Supplemental Japan Property Management Agreements

Details of the Supplemental Japan Property Management Agreements are set out in Paragraph 2.8 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

We have reproduced below excerpts of this Paragraph in respect of the Supplemental Japan Property Management Agreements.

In addition, in connection with the Proposed Acquisitions, it is proposed that the MBP Trust Bank and the OPB Trust Bank will on the Completion Date enter into the Supplemental Japan Property Management Agreements with the Japan Property Manager to provide property management services for the Properties.

Under the terms of the Japan Property Management Agreements, the Japan Property Manager has been appointed as the property manager of the Properties for a term of one year, which will be automatically renewed at the end of each year if neither the MBP Trust Bank or the OPB Trust Bank, as the case may be, nor the Japan Property Manager indicates its intention to terminate the relevant Japan Property Management Agreement.

During the term of the Japan Property Management Agreements, either party may terminate the agreement with one month's prior notice to the counterparty. In addition, the MBP Trust Bank or the OPB Trust Bank may terminate the relevant Japan Property Management Agreement with prior notice of less than one month if the MBP Trust Bank or the OPB Trust Bank pays the Japan Property Manager an amount equivalent to the Japan Property Management Fees for the period of such shortfall equal to one month notice period.

Either party to the Japan Property Management Agreements may terminate the agreement on the occurrence of certain specified events, which include material breaches by the parties, force majeure and the filing of a petition for commencement of bankruptcy proceedings, civil rehabilitation proceedings or corporate reorganisation proceedings against the other party.

On the Completion Date, pursuant to the Supplemental Japan Property Management Agreements, the fee structure will be amended to align with MNACT's existing property management fee structure. The Japan Property Management Fees which will be payable by MBP Trust Bank and OPB Trust Bank to the Japan Property Manager under the Supplemental Japan Property Management Agreements are as follows:

(i) 2.0% per annum of the gross revenue¹ for the property

¹ Refers to, in respect of the property, and in relation to any fiscal year or part thereof, all income accruing or resulting from the operation of such property for that fiscal year or part thereof, including but not limited to base rental income, turnover rental income, licence fees, service charges, car park income, and other sums due from tenants, licensees and concessionaires, business interruption insurance payments and other income earned from the property (comprising recoveries from tenants, licensees and concessionaires for utilities and other services, advertising and other income attributable to the operation of such property) but, shall exclude the following:

⁽a) rebates, refunds, credits or discounts and rebates for rent free periods;

- (ii) 2.0% per annum of the NPI^1 for the property; and
- (iii) 20.0% of all fees paid to third party service providers (for the Japan Property Manager's supervising and overseeing of the services rendered by the third party service providers where any services are provided by the third party service providers).

3.2.8 Japan Asset Management Agreements

Details of the Japan Asset Management Agreements are set out in Paragraph 2.9 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

We have reproduced below excerpts of this Paragraph in respect of the Japan Asset Management Agreements.

Currently, Makuhari GK has entered into the MBP Asset Management Agreement with MIJ in relation to MBP and Tsubaki TMK has entered into the Tsubaki Asset Management Agreement with MIJ in relation to the Existing Japan Properties. The MBP Asset Management Agreement will be taken over by MNACT post Completion.

In connection with the Proposed Acquisitions, it is proposed that the Tsubaki Asset Management Agreement will be amended and restated to make available the asset management services (including sourcing and recommending investments) by the Japan Asset Manager to Tsubaki TMK in respect of the Makuhari TK Interest and OPB.

Under the terms of the Japan Asset Management Agreements, the Japan Asset Manager will be appointed as the asset manager commencing from the date on which the relevant Japan Asset Management Agreement is entered into up to the date on which the disposal of the relevant Property, Makuhari TK Interest or TBI by Makuhari GK and/or Tsubaki TMK (as the case may be) is finalised and all the proceeds of such disposal have been disbursed to the shareholders of Makuhari GK or Tsubaki TMK. Makuhari GK and Tsubaki TMK may terminate the appointment of the Japan Asset Manager on the occurrence of certain specified events, which includes:

- (i) the failure by the Japan Asset Manager to perform the services under the relevant Japan Asset Management Agreement in accordance with the care of a good manager and the terms and provisions under the relevant Japan Asset Management Agreement;
- (ii) the filing of a petition in bankruptcy or for an arrangement or for reorganisation pursuant to any bankruptcy law by the Japan Asset Manager, or the adjudication by decree of a court of competent jurisdiction that the Japan Asset Manager is bankrupt, or is declared insolvent, or if the Japan Asset Manager shall admit in writing its inability to pay its debts generally as they become due;
- (iii) the filing of a petition in bankruptcy against the Japan Asset Manager or for reorganisation of the Japan Asset Manager pursuant to any Bankruptcy Law;

⁽b) goods and services or value added taxes (whether in force at present or in the future) charged to tenants, licensees and users of such property for the sale or supply of goods or services, which taxes are accountable by the assignor (as the case may be) to the tax authorities;

⁽c) proceeds from any insurance policies acquired for the property (but excluding business interruption insurance payments which shall form part of gross revenue);

⁽d) proceeds derived or arising from the sale and/or disposal of such property (or any part thereof) and operating equipment; (e) refundable security deposits (including but not limited to rental deposits, renovation deposits and fitting out deposits); and

⁽f) interest income.

¹ Refers to gross revenue less property expenses.

- (iv) the loss, failure to maintain, failure to acquire or be granted any material permits or licence required for the Japan Asset Manager to lawfully carry out its obligations under the relevant Japan Asset Management Agreement;
- (v) fraud, gross negligence or wilful misconduct on the part of the Japan Asset Manager in the performance of its obligations under the relevant Japan Asset Management Agreement; or
- (vi) any material breach by the Japan Asset Manager (or any affiliate of the Japan Asset Manager) under the financing documents, if any, to which the Japan Asset Manager (or such affiliate) is a party.

The duties and obligations of the Japan Asset Manager under the Japan Asset Management Agreements shall continue until a replacement manager is appointed by Makuhari GK or Tsubaki TMK at which time such replacement manager shall be and become the Manager hereunder.

The Japan Asset Management Fee payable by Makuhari GK or Tsubaki TMK to the Japan Asset Manager under the relevant Japan Asset Management Agreement will be a fee payable on a quarterly basis in arrears, on or before the last day of each quarter (save that the first payment shall be paid on a pro-rated basis if applicable), amounting to 10.0% per annum of Makuhari GK's or Tsubaki TMK's distributable income as the case may be.

In view of the fees payable to the Japan Asset Manager, the Manager has elected to waive the Base Fee which it is otherwise entitled to under the Trust Deed in respect of the Properties for so long as the Manager and the Japan Asset Manager are whollyowned by MIPL and the Japan Asset Manager continues to receive the Japan Asset Management Fee in respect of the Properties. In the event that the waiver ceases to apply, the Manager will make the necessary announcement on SGXNET and give prior notification to SGX.

3.3 The Proposed Issuance of the Transaction Units

Details of the proposed issuance of the Transaction Units are set out in Paragraph 3 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

We have reproduced below excerpts of this Paragraph in respect of the proposed issuance of the Transaction Units.

3.3.1 Payment of the Aggregate Consideration

Based on an illustrative issue price of S\$1.15 per Transaction Unit, the total number of the Transaction Units will be equivalent to approximately 124,442,000 Transaction Units, representing approximately 3.9% of the total number of Units in issue as at the Latest Practicable Date.

The issue price of the Transaction Units, at no discount, will be determined based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units. The Transaction Units shall be issued on the Completion Date and the number of Transaction Units shall be rounded downwards to the nearest board lot.

3.3.2 Principal Terms of the Transaction Units Agreement

The principal terms of the Transaction Units Agreement include, among others, the following conditions precedent:

- (i) Unitholders' approval for all the resolutions proposed for approval at the EGM being obtained:
- (ii) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled; and
- (iii) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled.

Five business days before the Transaction Units Agreement Completion Date, the Sponsor's Nominee shall pay or procure that payment of the sum of JPY11,433.0 million is made in immediately available funds to the Trustee. On the Transaction Units Agreement Completion Date and against receipt of the funds the Manager shall deliver the unit issue confirmation in relation to the Transaction Units to CDP. The Manager shall as soon as practicable following the Completion Date, procure (i) the crediting of the Transaction Units to the relevant securities account(s) furnished by the Sponsor's Nominee to be credited with the Transaction Units and (ii) the listing of the Transaction Units on the SGX-ST.

3.3.3 Status of the Transaction Units

The Transaction Units will not be entitled to distributions by MNACT for the period preceding the date of issue of the Transaction Units, and will only be entitled to receive distributions by MNACT from the date of their issue to the end of the financial quarter in which the Transaction Units are issued, as well as all distributions thereafter. The Transaction Units will, upon issue, rank pari passu in all respects with the existing Units in issue.

3.3.4 Requirement of Unitholders' Approval for the Proposed Issuance of the Transaction Units

The Manager is seeking Unitholders' approval for the proposed issuance of the Transaction Units pursuant to Rule 805(1) of the Listing Manual.

The proposed issuance of the Transaction Units to the Sponsor's Nominee, which is a wholly-owned subsidiary of MIPL, will constitute a placement to a Substantial Unitholder as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL and MIPL, as at the Latest Practicable Date, has an aggregate interest of (i) approximately 33.58% of the total number of Units in issue and (ii) 100.0% in the Manager. Under Rule 812 of the Listing Manual, any issue of Units must not be placed to a Substantial Unitholder unless Unitholders' approval is obtained.

The proposed issuance of the Transaction Units to the Sponsor's Nominee will also constitute an "interested person transaction" under Chapter 9 of the Listing Manual, in respect of which the approval of Unitholders is required.

4. Evaluation of the Proposed Acquisitions of the Properties, the proposed issuance of the Transaction Units and proposed Whitewash Waiver

In reaching our recommendation in respect of the Proposed Acquisitions of the Properties, we have given due consideration to the following factors:

- (i) the rationale for and key benefits of the Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Waiver;
- (ii) analysis of Independent Valuers' appraised values and key assumptions;
- (iii) comparison to relevant past transactions;
- (iv) comparison to office properties held by J-REITs in Japan;
- (v) pro forma financial effects of the Proposed Acquisitions;

- (vi) NPI yield comparison of the Proposed Acquisitions to the existing portfolio;
- (vii) Evaluation of the Japan Property Management Fees and Japan Asset Management Fees against other REITs listed on SGX-ST;
- (viii) Evaluation of the proposed issuance of the Transaction Units; and
- (ix) other relevant considerations that may have a significant bearing on our assessment.

4.1. The rationale for and key benefits of the Proposed Acquisitions

The Manger's view of the rationale for and key benefits of the Proposed Acquisitions are set out in Paragraph 4 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

We note the rationale for and key benefits of the Proposed Acquisitions cited for the Unitholders. We have reproduced the key benefits of the Proposed Acquisitions below.

4.1.1 Proactive and Strategic Diversification of MNACT's Portfolio by Deepening Footprint in Attractive Japan Market

- (i) Japan is one of the world's largest economies and continues to enjoy stable macroeconomic fundamentals;
- (ii) Established active and scalable investment grade real estate market; and
- (iii) Japan offers highest yield spread against local cost of funds.

4.1.2 High-Quality Freehold Office Assets Strengthen MNACT's Position in Greater Tokyo

- (i) Reinforces MNACT's foothold within Greater Tokyo in well-established office hubs with attractive micro-location characteristics;
- (ii) Stable rental and vacancy rates;
- (iii) Excellent connectivity from Tokyo's CBD; and
- (iv) Freehold Properties with good specifications and managed by an experienced and dedicated team.

4.1.3 Stable and Quality Cashflows

- (i) Multi-tenanted properties backed by strong tenant base in high growth sectors; and
- (ii) Opportunity to improve occupancy and capture positive rental reversion.

4.1.4 Enhances Portfolio Diversification

- (i) Enhances geographical, asset, tenant and sector diversification;
- (ii) Increases percentage of freehold assets; and

(iii) Improves portfolio WALE.

4.1.5 Attractive Value Proposition

- (i) Discount to independent valuations;
- (ii) Attractive NPI yield spread to risk-free rate;
- (iii) Proposed Acquisitions are expected to be DPU accretive; and
- (iv) Potential improvement in market index representation.

4.1.6 Rationale for the Issuance of the Transaction Units

The issuance of the Transaction Units will align the interests of MIPL with that of MNACT and its other Unitholders, as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL and MIPL is a controlling Unitholder of MNACT. This also demonstrates MIPL's commitment to support MNACT's growth and diversification strategy.

As the Transaction Units will only be issued upon Completion, there will be no impact on the DPU for the period from the date of this Circular to the date of issuance of Transaction Units.

4.1.7 Rationale for the Whitewash Resolution

The Manger's view of the rationale for the Whitewash Resolution is set out in Paragraph 6.3 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this Paragraph of the Circular carefully.

4.2. Analysis of Independent Valuers' appraised values and key assumptions

The Trustee and the Manager have commissioned C&W and CBRE respectively as independent property valuers to value the Properties.

We have outlined below the key assumptions used by the Independent Valuers in arriving at their respective valuations.

Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 91,125,297 411,816,247 502,941,545 Capitalisation NCF (S\$) 3,825,848 18,508,837 22,334,685 Capitalisation Rate 4.20% 4.50% 4.44% DCF Method Valuation (S\$) 88,872,199 396,795,594 485,667,793 Discount Rate 3.90% 4.30% Terminal Capitalisation Rate 4.20% 4.60% Cost Approach Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30% Terminal Capitalisation Ra	C&W			
Capitalisation NCF (S\$) 3,825,848 18,508,837 22,334,685 Capitalisation Rate 4.20% 4.50% 4.44% DCF Method Valuation (S\$) 88,872,199 396,795,594 485,667,793 Discount Rate 3.90% 4.30% Terminal Capitalisation Rate 4.20% 4.60% Cost Approach Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Direct Capitalisation Method	OPB	MBP	The Properties
Capitalisation Rate 4.20% 4.50% 4.44% DCF Method Valuation (S\$) 88,872,199 396,795,594 485,667,793 Discount Rate 3.90% 4.30% 4.60% Terminal Capitalisation Rate 4.20% 4.60% Cost Approach Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Valuation (S\$)	91,125,297	411,816,247	502,941,545
DCF Method Valuation (S\$) 88,872,199 396,795,594 485,667,793 Discount Rate 3.90% 4.30% Terminal Capitalisation Rate 4.20% 4.60% Cost Approach Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Capitalisation NCF (S\$)	3,825,848	18,508,837	22,334,685
Valuation (S\$) 88,872,199 396,795,594 485,667,793 Discount Rate 3.90% 4.30% Terminal Capitalisation Rate 4.20% 4.60% Cost Approach Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Capitalisation Rate	4.20%	4.50%	4.44%
Discount Rate 3.90% 4.30% Terminal Capitalisation Rate 4.20% 4.60% Cost Approach Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	DCF Method			
Terminal Capitalisation Rate 4.20% 4.60% Cost Approach Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Valuation (S\$)	88,872,199	396,795,594	485,667,793
Cost Approach Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Discount Rate	3.90%	4.30%	
Valuation (S\$) 78,983,602 483,164,351 562,147,953 CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Terminal Capitalisation Rate	4.20%	4.60%	
CBRE Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Cost Approach			
Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Valuation (S\$)	78,983,602	483,164,351	562,147,953
Direct Capitalisation Method OPB MBP The Properties Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%				
Valuation (S\$) 92,377,018 404,305,921 496,682,939 Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	CBRE			
Capitalisation NCF (S\$) 3,787,320 18,614,657 22,401,977 Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Direct Capitalisation Method	OPB	MBP	The Properties
Capitalisation Rate 4.10% 4.60% 4.51% DCF Method Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Valuation (S\$)	92,377,018	404,305,921	496,682,939
DCF Method 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Capitalisation NCF (S\$)	3,787,320	18,614,657	22,401,977
Valuation (S\$) 89,247,716 403,054,200 492,301,916 Discount Rate 3.90% 4.30%	Capitalisation Rate	4.10%	4.60%	4.51%
Discount Rate 3.90% 4.30%	DCF Method			
	Valuation (S\$)	89,247,716	403,054,200	492,301,916
Terminal Capitalisation Rate 4.20% 4.60%	Discount Rate	3.90%	4.30%	
•	Terminal Capitalisation Rate	4.20%	4.60%	
Cost Approach	Cost Approach			
Valuation (S\$) 81,111,528 469,395,419 550,506,947	Valuation (S\$)	81,111,528	469,395,419	550,506,947

Source: Independent Valuers' Reports

Note:

(1) Figures in Independent Valuers' Reports were in JPY and converted at SG\$1:JPY79.89.

We have compiled publicly available information in respect of the recent valuations of office properties held by J-REITS ("Listed Comparables"). Listed Comparables are to serve as an illustrative guide and must be caveated by the knowledge that the Listed Comparables differs from the Properties in many aspects, such as location, accessibility, profile, proximity to major venues and/or attractions, outstanding lease tenure and other relevant factors.

Direct capitalisation rates of the Listed Comparables are set out below as benchmarks against the Capitalisation Rates adopted by the independent Valuers.

Building	REIT	Valuation Cap Rate
Omori Bellport D	Japan Excellent, Inc.	4.00%
Shinagawa Seaside Parktower	MIRAI Corporation	4.00%
KDX Higashi-Shinagawa Building	Kenedix Office Investment Corporation	4.10%
Shinagawa Seaside East Tower	Invesco Office J-REIT, Inc.	3.60%
NT Building	Takara Leben Real Estate Investment Corporation	4.00%
Max		4.10%
Mean		3.94%
Median		4.00%
Min		3.60%
OPB		4.10% - 4.20%

Building	REIT	Valuation Cap Rate
Prime Tower Shinurayasu	Invesco Office J-REIT, Inc.	4.20%
KDX Funabashi Building	Kenedix Office Investment Corporation	5.00%
FUNABASHI FACE BUILDING	Heiwa Real Estate REIT, Inc.	4.80%

Max	5.00%
Mean	4.67%
Median	4.80%
Min	4.20%

MBP	4.50% to 4.60%
-----	----------------

Source: J-REITs Filings.

Based on the table above, we note the following:

- (i) the capitalisation rates adopted by the Independent Valuers to obtain the appraisal value of OPB is comparable to the range of capitalisation rates adopted by the Listed Comparables; and
- (ii) the capitalisation rates adopted by the Independent Valuers to obtain the appraisal value of MBP is within the range of capitalisation rates adopted by the Listed Comparables.

The appraised value of the Properties by the Independent Valuers are set out in the table below:

	C&W	CBRE	TMK Consideration	C&W	CBRE
	Appraised Value (S\$)	Appraised Value (S\$)	(S\$)	Discount	Discount
OPB	88,872,199	89,247,716			
MBP	396,795,594	403,054,200			
The Properties	485,667,793	492,301,916	477,000,000	-1.78%	-3.11%

Source: Independent Valuers' Reports

We note that:

- (i) the appraisal was carried out in accordance with the Japanese Real Estate Appraisal Standards under the "Guideline on the Determination of the Objective and Scope of Work for Real Estate Valuation by Licensed Real Estate Appraisers and the Matters Required to Be Stated in Reports" stipulated by the Ministry of Land, Infrastructure, Transport and Tourism of Japan;
- (ii) under the Japanese Real Estate Appraisal Standards, the Appraised Value corresponds to the Market Value of the respective properties;
- (iii) the approaches undertaken by the Independent Valuers are widely accepted methods for the purpose of valuing, income producing, tenant-occupied office properties. We have made reasonable enquiries and have exercised our professional judgement in reviewing the information contained in the respective valuation reports. In our review, we found the information provided to be reasonable;
- (iv) the date of valuation by both C&W and CBRE for OPB is 1 Nov 2019;
- (v) the date of valuation by both C&W and CBRE for MBP is 1 Nov 2019;
- (vi) the Independent Valuers arrived at their valuations after considering the direct capitalisation Method, discounted cash flow Method and cost approach. The discounted cash flow Method was regarded as the primary approach while the cost approach was used as a reference. These approaches are widely accepted methods

for the purpose of valuing income producing properties under the Japanese Real Estate Appraisal Standards;

- (vii) the Independent Valuers arrived at their valuations by relying on, *inter alia*, assumptions set out in the Valuation Certificates and their valuation reports; and
- (viii) the Aggregate Agreed Portfolio Value of S\$477.0m is 1.78% below the appraised value ascribed by C&W and 3.11% below the appraised value ascribed by CBRE.

4.3. Comparison to relevant past transactions

As the properties in the Proposed Acquisitions are located in two separate prefectures in Japan, we have identified precedent transactions that are broadly comparable to the respective locations of the Properties ("**Comparable Transactions**"). For the purpose of our evaluation, we set out below a comparison of the NLA Price and Estimated Capitalisation Rate of the Properties with their respective Comparable Transactions.

The information in the table below is for illustration purposes only. The Comparable Transactions might differ from the Property in terms of property size and design, property age, location, accessibility, land title, tenure, revenue mix, market risks, future prospects, operating history, branding and other factors. There are no properties under the Comparable Transactions which may be considered identical to the Proposed Acquisitions in terms of the abovementioned factors.

For the above reasons, while the Comparable Transactions taken as a whole may provide a broad and indicative benchmark for assessing the Proposed Acquisitions, care has to be taken in the selection and use of any individual data point for the same purpose.

Transacted Date	Development Name	Prefecture	Estimated NLA	NLA Price	Estimated Capitalisation Rate ¹
			sqm	(S\$ psm)	%
Sep-19	Omori Park Building	Tokyo	7,470	9,049	4.00%
Sep-19	Shinagawa Seaside TS Tower	Tokyo	NA	NA	3.70%
Jul-19	Sumitomo Fudosan Mita 2 chome Building	Tokyo	2,102	15,691	4.70%
Mar-19	PMO Tamachi Higahsi	Tokyo	5,441	25,076	3.60%
Oct-18	Hulic Gotanda Yamate- dori Building	Tokyo	3,296	13,102	3.90%
Max				25,076	4.70%
Mean				15,729	3.98%
Median				14,397	3.90%
Min				9,049	3.60%
	OPR			12 171	3 08%2

Transacted Date	Development Name	Prefecture	Estimated NLA	NLA Price	Estimated Capitalisation Rate ¹
			sqm	(S\$ psm)	
Sep-19	Shinagawa Seaside TS Tower	Tokyo	NA	NA	3.70%
Sep-18	Tokyo Parkside Building	Tokyo	12,920	10,124	4.40%
Jul-18	NT Building	Tokyo	10,104	15,300	4.30%
Apr-18	Prime Tower Shin- Urayasu	Chiba	22,242	6,674	4.50%
Max				15,300	4.50%
Mean				10,699	4.23%
Median				10,124	4.35%
Min				6,674	3.70%

MBP	4,650	4.61% ²	
-----	-------	--------------------	--

Note:

(1) Estimated Capitalisation Rate refers to the capitalisation rate implied by the LTM NOI divided by the transaction value; rates were obtained from Independent Valuers' Reports.

(2) Source: Management

Based on the table above, we note the following:

- (i) the NLA Price of OPB at S\$12,171 is below the mean and median, and is within the range of NLA Prices of S\$9,049 to S\$25,076 of the Comparable Transactions;
- (ii) the NLA Price of MBP at S\$4,650 is below the mean and median, and is below the range of NLA Prices of S\$6,674 to S\$15,300 of the Comparable Transactions;
- (iii) the Estimated Capitalisation Rate of OBP at 3.98% is equal to the mean, above the median, and is within the range of Estimated Capitalisation Rates of 3.60% to 4.70% of the Comparable Transactions; and
- (iv) the Estimated Capitalisation Rate of MBP at 4.61% is above the mean and median, and is slightly above the range of Estimated Capitalisation Rates of 3.70% to 4.50% of the Comparable Transactions.

4.4. Comparison to office properties held by J-REITs in Japan

In order to provide benchmarks for the NLA Price and NPI Yield, the Listed Comparables are set out below. Listed Comparables are to serve as an illustrative guide and must be caveated by the knowledge that the Listed Comparables differs from the Properties in many aspects, such as location, accessibility, profile, proximity to major venues and/or attractions, outstanding lease tenure and other relevant factors.

Building	REIT	Appraised Value ¹	Valuation Date	NLA Price ²	NPI Yield³
		S\$'		(S\$ psm)	%
Omori Bellport D	Japan Excellent, Inc.	334,209,538	30 Jun 19	12,953	4.38%
Shinagawa Seaside Parktower	MIRAI Corporation Kenedix	266,641,632	31 Oct 19	12,008	4.30%
KDX Higashi-Shinagawa Building	Office Investment Corporation	57,829,516	31 Oct 19	8,124	3.88%
Shinagawa Seaside East Tower	Invesco Office J-REIT, Inc. Takara Leben	364,250,845	31 Oct 19	13,059	4.14%
NT Building	Real Estate Investment Corporation	166,478,908	31 Aug 19	16,476	3.92%
Max				16,476	4.38%
Mean				12,524	4.13%
Median				12,953	4.14%
Min				8,124	3.88%
ОРВ				12,171	3.98%4

Building	REIT	Appraised Value ¹	Valuation Date	NLA price	NPI Yield³
		S\$'	date	(S\$ psm)	%
Prime Tower Shinurayasu	Invesco Office J-REIT, Inc.	162,723,745	31 Oct 19	7,287	4.35%
KDX Funabashi Building	Kenedix Office	34,797,847	31 Oct 19	9,048	5.60%

FUNABASHI FACE BUILDING	Investment Corporation Heiwa Real Estate REIT, Inc.	41,932,657	31 May 19	NA	4.93%
Max				9,048	5.60%
Mean				8,168	4.96%
Median				8,168	4.93%
Min				7,287	4.35%
MBP				4,650	4.61%4

Source: J-REITs Filings

Note:

- (1) Appraised values were obtained from most recent public disclosures by the respective J-REIT.
- (2) Obtained by dividing Appraised Value by Total Leasable Area.
- (3) Obtained by dividing LTM Net Operating Income by Appraised Value.
- (4) Source: Management

Based on the table above, we note the following:

- (i) the NLA Price of OPB at S\$12,171 is below the mean and median, and is within the range of NLA Prices of S\$8,124 to S\$16,476 of the Listed Comparables;
- (ii) the NLA Price of MBP at S\$4,650 is below the mean and median, and is below the range of NLA Prices of S\$7,287 to S\$9,048 of the Listed Comparables;
- (iii) the NPI Yield of OBP at 3.98% is below the mean and median, and is within the range of NPI Yields of 3.88% to 4.38% of the Listed Comparables; and
- (iv) the NPI Yield of MBP at 4.61% is below the mean and median, and is within the range of NPI Yields of 4.35% to 5.60% of the Listed Comparables.

4.5. Pro forma financial effects of the proposed Acquisition

The pro forma financial effects of the proposed Acquisition are set out in Paragraph 5 of the Letter to Unitholders in the Circular. We recommend the Independent Directors to advise the Unitholders to read this information carefully.

We have reproduced below excerpts of this Paragraph in respect of the pro formal financial effects of the Proposed Acquisitions:

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on the DPU and net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes and have been prepared based on the audited financial statements of MNACT for the financial year ended 31 March 2019 (the "**FY18/19 Audited Financial Statements**").

4.5.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on MNACT's DPU based on the FY18/19 Audited Financial Statements, as if the Proposed Acquisitions, issuance of Transaction Units and drawdown of the Debt Financing were completed on 1 April 2018, and MNACT had held and operated the Properties through to 31 March 2019, are as follows:

	Effect of the Proposed Acquisitions		
	Before the Proposed Acquisitions	After the Proposed Acquisitions	
Total return before income tax (S\$ million)	695.8	711.3 ⁽¹⁾	
Income available for distribution to Unitholders (S\$ million)	240.7	254.8	
Units in issue at the end of the year (million) ⁽²⁾	3,173.9	3,298.3 ⁽³⁾	
DPU (Singapore cents)	7.690	7.829	
DPU accretion (%)	-	1.80	

Notes:

- (1) On a consolidated basis, based on 100% contribution of the Properties. Includes expenses comprising borrowing costs associated with the drawdown from the Debt Financing of approximately JPY26,475.5 million (approximately S\$331.4 million), the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties
- (2) The total number of Units in issue as at 31 March 2019.
- (3) Includes approximately 124,442,000 Transaction Units issuable to the Sponsor's Nominee at an illustrative issue price of S\$1.15 per Unit.

4.5.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on MNACT's DPU for the FY18/19 Audited Financial Statements, as if the Proposed Acquisitions, issuance of Transaction Units and drawdown of the Debt Financing were completed on 1 April 2018, and MNACT had held and operated the Properties through to 31 March 2019, are as follows:

	Effects of the Proposed Acquisition		
	Before the Proposed Acquisitions	After the Proposed Acquisitions	
NAV represented by Unitholders' funds (S\$ million)	4,585.5(1)	4,728.6	
Units in issue at the end of the year ⁽²⁾ (million)	3,173.9	3,298.3 ⁽³⁾	
NAV per Unit (S\$)	1.445	1.434	

Notes:

- (1) Based on MNACT's audited financial statements as at 31 March 2019, before taking into account distribution payments to Unitholders for the relevant period.
- (2) The total number of Units in issue as at 31 March 2019.
- (3) Includes approximately 124,442,000 Transaction Units issuable to the Sponsor's Nominee at an illustrative issue price of S\$1.15 per Unit.

Based on the table above, we note the following:

- (i) The Proposed Acquisitions are DPU accretive; and
- (ii) The Proposed Acquisitions will decrease NAV per Unit from S\$1.445 to S\$1.434.

4.5.3 Aggregate Leverage

The financial effects of the Proposed Acquisitions on the aggregate leverage of MNACT are set out in Paragraph 2.15 of the Letter to Unitholders in the Circular. We recommend the Independent Directors to advise the Unitholders to read this information carefully.

The Manager intends to finance the Total Acquisition Cost with (i) the issuance of the Transaction Units; (ii) the Debt Financing; and/or (iii) internal cash resources.

The table below sets out the changes to the Aggregate Leverage of MNACT and its subsidiaries assuming that the Remaining Consideration Value of approximately S\$331.4 million is funded by Debt Financing.

Debt Financing (S\$ million)	331.4
Aggregate Leverage of MNACT before the Proposed Acquisitions ⁽¹⁾	37.1%
Aggregate Leverage of MNACT after the Proposed Acquisitions ⁽²⁾	39.0%

Notes:

- (1) As at 30 September 2019.
- (2) Pro forma as at 30 September 2019 adding MNACT's proportionate share of incremental borrowings as a result of the Proposed Acquisitions at the transacting gearing and MNACT's effective interest in the incremental gross assets of MNACT including all its authorised investments held or deemed to be held upon trust under the Trust Deed as a result of the Proposed Acquisitions.

Based on the table above, we note the following:

(i) The aggregate leverage of MNACT will increase from 37.1% to 39.0%.

4.6. NPI yield comparison of the Proposed Acquisitions to the existing portfolio

We set out in the following table the NPI yield analysis of the Proposed Acquisitions and the existing portfolio of MNACT:

Existing Portfolio		Proposed Acquisitions		
Appraised Value ¹ (S\$ 'm)	7,665.1	Purchase Consideration (S\$ 'm)	477.0	
NPI ² (S\$ 'm)	338.4	NPI (S\$ 'm)	21.6	
NPI Yield	4.41%	NPI Yield	4.54%	

Source: Company Filings and MNACT's Management.

Note:

- (1) Valuation as at 30 Sep 2019.
- (2) LTM NPI for the period ending 30 Sep 2019.

As illustrated in the table above, we note that:

(i) the NPI yield of the Proposed Acquisitions of 4.54% is higher than the NPI yield of the existing MNACT portfolio of 4.41%.

4.7. Evaluation of the Japan Property Management Fees and Japan Asset Management Fees against other REITs listed on SGX-ST

In arriving at our opinion in relation to the proposed Japan Property Management Fees and Japan Asset Management Fees, we have taken into account the following key factors:

- (i) Rationale for the proposed Supplemental Japan Property Management Agreements and proposed Japan Asset Management Agreements;
- (ii) Terms of the proposed Supplemental Japan Property Management Agreements and proposed Japan Asset Management Agreements;
- (iii) Comparison of the proposed Supplemental Japan Property Management Agreements against other REITS listed on SGX;
- (iv) Comparison of the proposed Japan Property Management Fees against REITs listed on SGX; and
- (v) Comparison of the proposed Japan Asset Management Fees against REITs listed on SGX.

4.7.1 Rationale for the proposed Supplemental Japan Property Management Agreements and proposed Japan Asset Management Agreements

The rationale for the proposed Supplemental Japan Property Management Agreements and proposed Japan Asset Management Agreement is set out in Section 2.8 and 2.9 respectively of the Circular.

4.7.2 Terms of the proposed Supplemental Japan Property Management Agreements and proposed Japan Asset Management Agreements

The terms of the proposed Supplemental Japan Property Management Agreements and proposed Japan Asset Management Agreement is set out in Sections 2.8 and 2.9 respectively of the Circular.

4.7.3 Comparison of the fees under the proposed Japan Property Managements Fees against REITs listed on SGX

For the purpose of the comparison of the proposed Japan Property Management Fees against REITs listed on SGX, we have identified:

- (i) commercial REITs listed on the SGX-ST ("Comparable Commercial S-REITs"); and
- (ii) REITs listed on the SGX-ST with real estate assets in Japan ("Comparable S-REITs with Japan Assets").

Fees of Comparable Commercial S-REITs and Comparable S-REITs with Japan Assets are to serve as an illustrative guide and must be caveated by the knowledge that the Comparable REITs differ from MNACT in many aspects, such as size, yield, portfolio composition, growth strategies, gearing, future prospects and other relevant factors.

Comparable Commercial	Property Management Fees	Leasing Commission
S-REITS Capitaland Commercial Trust (SGX:C61U)	3.00% per annum of the net property income of the properties except for 21 Collyer Quay (HSBC Building) which is charged at 0.25% per annum of the net property income.	Not available.
Suntec Real Estate Investment Trust (SGX:T82U)	3.0% per annum of gross revenue for provision of lease management services, marketing and marketing co-ordination services and property management services.	Subsumed within Property Management Fees
Keppel REIT (SGX: K71U)	3.0% per annum of the property income of each of the investment properties.	(i) one month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence of two years or more;
		(ii) one-half month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence of less than two years but at least a year and a proportionate part thereof; and
		(iii) one-quarter month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a renewal of tenancy or licence of a year or more and a proportionate part thereof for securing a renewal of a tenancy or licence of less than a year.
Existing Japan Portfolio of MNACT	(i) 2.0% per annum of the gross revenue for the property;	Not available.
	(ii) 2.0% per annum of the NPI for the property; and	
	(iii) 20.0% of all fees paid to third party service providers (for the Japan Property Manager's supervising and overseeing of the services rendered by the third party service providers where any services are provided by the third party service providers).	
Proposed Supplemental Japan Property Management Agreements	(i) 2.0% per annum of the gross revenue for the property;	Not available.
	(ii) 2.0% per annum of the NPI for the property; and	
	(iii) 20.0% of all fees paid to third party service providers (for the Japan Property Manager's supervising and overseeing of the services rendered by the third party service providers	

where any services are provided by the third	
party service providers).	

Source: Company Filings.

Comparable S-REITs		
with Japan Assets	Property Management Fees	Leasing Commission
Starhill Global Real Estatement Investment Trust (SGX:P40U)	3.0% per annum of gross revenue of Singapore Properties for the provision of property management, lease management as well as	Entitled to the rates set out below:
must (sex 166)	marketing and marketing co-ordination services.	(i) one month's base rental for securing a tenancy of three years or more;
		(ii) two thirds of one month's base rental for securing a tenancy of two years or more but less than three years;
		(iii) one third of one month's base rental for securing a tenancy of one year or more but less than two years;
		(iv) one quarter of one month's base rental for securing a renewal of tenancy of three years or more;
		(v) one eighth of one month's base rental for securing a renewal of tenancy of two years or more but less than three years; and
		(vi) one twelfth of one month's base rental for securing a renewal of tenancy of one year or more but less than two years.
Mapletree Logistics Trust (SGX:M44U)	2.0% per annum of the gross revenue of each property.	1.0% per annum of the gross revenue of each property.

	Fees comprise of:	Not available.
	Management Services Fees:	
	(i) Base management fee of 1.0% per annum of the gross operating revenue of the Serviced Residences;	
	(ii) Marketing fee of 1.0% per annum of the gross operating revenue of the Serviced Residences; and	
Frasers Hospitality Trust (SGX:ACV)	(iii) Incentive fee of 8.0% per annum of the gross operating profit of the Serviced Residences.	
	Trademark License Fees: (i) 1.0% per annum of the gross operating revenue of the Serviced Residences	
	Technical Services Fees (i) An amount mutually agreed upon subject to a cap of US\$1,500 per Serviced Residence unit which is exclusive of reimbursable expenses.	
Parkway Life Real Estate Investment Trust (SGX:C2PU)	2.0% per annum of revenue.	1.0% per annum of revenue.
Ascott Residence Trust (SGX: A68U)	For properties located outside of Belgium, Spain and United Kingdom:	Not available.
	(i) 2.0%-3.0% per annum of the total revenue of each property; and	
	(ii) incentive management fees of up to 11.0% per annum of gross operating profit of each property.	
Existing Japan Portfolio of MNACT	(i) 2.0% per annum of the gross revenue for the property;	Not available.
	(ii) 2.0% per annum of the NPI for the property; and	
	(iii) 20.0% of all fees paid to third party service providers (for the Japan Property Manager's supervising and overseeing of the services rendered by the third party service providers where any services are provided by the third party service providers).	

	(i) 2.0% per annum of the gross revenue for the property;	
Proposed Supplemental Japan Property Management Agreements	(ii) 2.0% per annum of the NPI for the property; and (iii) 20.0% of all fees paid to third party service providers (for the Japan Property Manager's supervising and overseeing of the services rendered by the third party service providers where any services are provided by the third party service providers).	Not available.
	party service providers).	

Source: Company Filings.

Based on the table above, we note the following:

- (i) The proposed property management fee under the proposed Supplemental Japan Property Management Agreements is generally in line with Comparable Commercial S-REITs and REITs with Japan Assets with the exception of fees paid to third party service providers; and
- (ii) Proposed Supplemental Japan Property Management Agreements fee is in line with the fee structure of the existing Japan Portfolio of MNACT.

4.7.4 Comparison of the fees under the proposed Japan Asset Management Agreements against REITs listed on SGX

Comparable Commercial S-REITs	Asset Management Fees
Capitaland Commercial Trust (SGX:C61U)	(i) 0.10% per annum of the value of Deposited Property; and
,	(ii) Performance component of 5.25% per annum of net investment income.
Suntec Real Estate Investment Trust (SGX:T82U)	(i) 0.3% per annum of the value of the Deposit Property; and (ii) Annual performance fee of 4.5% per annum of NPI.
Keppel REIT (SGX: K71U)	(i) 0.5% per annum of the value of all assets; and (ii) An annual performance fee of 3.0% per annum of the NPI.
Proposed Japan Asset Management Agreements	10.0% per annum of distributable income.

Source: Company Filings.

Comparable S-REITs with Japan Assets	Asset Management Fees
Starhill Global Real Estatement Investment Trust (SGX:P40U)	(i) 0.5% per annum of the value of the Trust Property; and

	(ii) Tier 1 and Tier 2 performance fees.
Mapletree Logistics Trust (SGX:M44U)	(i) 0.5% per annum of the value of the Deposited Property; and (ii) A performance fee of 3.6% per annum of the NPI.
Frasers Hospitality Trust (SGX:ACV)	(i) 0.3% per annum of the value of the Deposited Property; and (ii) A performance fee of 5.5% per annum of the Distributable Income.
Parkway Life Real Estate Investment Trust (SGX:C2PU)	(i) 0.3% per annum of the value of all the assets;(ii) A performance fee of 4.5% per annum of the NPI.
Ascott Residence Trust (SGX: A68U)	(i) 0.3% per annum of the property values;(ii) A performance fee of 4.0% per annum of gross profit; and(iii) An outperformance fee of 1.0% of the difference in gross profit between the latest and preceding financial years.
Existing Japan Portfolio of MNACT	10.0% per annum of distributable income.
Proposed Japan Asset Management Agreements	10.0% per annum of distributable income.

Source: Company Filings.

Based on the table above, we note the following:

- (iii) the distributable income fee of 10.0% per annum in relation to the proposed Japan Asset Management Agreements is structured differently as compared to Comparable Commercial S-REITs and Comparable S-REITs with Japan Assets and hence might not be directly comparable; and
- (iv) the distributable income fee of 10.0% per annum in relation to the proposed Japan Asset Management Agreements is aligned to the existing fee structure of the Japan Portfolio of MNACT.

4.8. Evaluation of the Proposed Issuance of the Transaction Units

We set out below, for illustrative purposes only, examples of placements undertaken by SGX-ST listed REITs to interested persons. The information in the table below is for illustration purposes only. The precedent placements might differ from the proposed issuance of the Transaction Units in terms of proceeds size, investor base, market risks, future prospects, operating history and other factors. There are no placements under the precedent placement that may be considered identical to the proposed issuance of the Transaction Units in terms of the abovementioned factors.

For the above reasons, while the Precedent Placements taken as a whole may provide a broad and indicative benchmark for assessing the proposed issuance of the Transaction Units, care has to be taken in the selection and use of any individual data point for the same purpose.

Precedent Placements	Announcement Date of Close	Announcement Date of Launch	Total Proceeds Raised S\$ 'm	Issue Price S\$	Discount to VWAP of trades %
Mapletree Logistics Trust	01 Nov 19	22 Oct 19	250.0	1.617	3.10
Mapletree Commercial Trust Management Ltd	25 Oct 19	16 Oct 19	458.0	2.280	2.90
Keppel Pacific Oak US REIT	17 Oct 19	17 Oct 19	75.6	0.725	4.80
Capitaland Retail China Trust	02 Aug 19	01 Aug 19	154.3	1.550	6.60
Capitaland Commercial Trust	18 Jul 19	17 Jul 19	220.0	2.095	3.70
Frasers Centrepoint Trust	17 May 19	16 May 19	369.6	2.382	2.30
Keppel Infrastructure Trust	15 Mar 19	14 Mar 19	300.0	0.441	9.80
Capitaland Mall Trust	25 Oct 18	25 Oct 18	277.6	2.070	3.77
Ascendas REIT	07 Sep 18	06 Sep 18	452.1	2.540	6.09
Capitaland Commerical Trust	18 May 18	17 May 18	217.9	1.676	3.20
Frasers Logistics and Industrial Trust	10 May 18	09 May 18	476.0	0.987	5.40
Frasers Commercial Trust	24 Jan 18	23 Jan 18	100.0	1.480	3.40
Capitaland Retail China Trust	07 Dec 17	28 Nov 17	103.8	1.612	3.50
AIMS AMP Capital Industrial REIT	22 Nov 17	21 Nov 17	55.0	1.305	6.90
OUE Commercial REIT	09 Mar 17	08 Mar 17	150.0	0.643	8.10

Mean	
меап	4.90
Median	3.77
Min	2.30

Proposed Issuance of Transaction Units	0.00

Source: Company Filings.

We note that the issue price, at no discount, is based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units

We further note that issue prices of past placements undertaken by REITs listed on SGX-ST were generally at a discount to trades done on SGX-ST.

4.9. Other relevant considerations that may have a significant bearing on our assessment of the Proposed Acquisitions

4.9.1 Structure of the Proposed Acquisitions and Taxation

Details of the Proposed Acquisitions and Taxation are set out in Paragraph 2.2 of the Letter to Unitholders in the Circular.

4.9.2 MIJ Tenancy Agreement

Details of the MIJ Tenancy Agreement are set out in Paragraph 2.10 of the Letter to Unitholders in the Circular.

4.9.3 Tsubaki Silent Partnership Agreements

Details of the Silent Partnership Agreement are set out in Paragraph 2.5 of the Letter to Unitholders in the Circular.

4.9.4 Preferred Shares Subscription Agreements

Details of the Preferred Shares Subscription Agreements are set out in Paragraph 2.6 of the Letter to Unitholders in the Circular.

4.9.5 Supplemental Japan Property Management Agreements

As detailed in Paragraph 2.8 of the Letter to Unitholders in the Circular, in connection with the Proposed Acquisitions, it is proposed that the MBP Trust Bank and the OPB Trust Bank will on the Completion Date enter into the Supplemental Japan Property Management Agreements with the Japan Property Manager to provide property management services for the Properties.

We recommend that the Independent Directors and Audit and Risk Committee advise Unitholders to read this section of the Letter carefully.

4.9.6 Rationale for the Issuance of the Transaction Units

Issuance of the Transaction Units will align the interests of MIPL with that of MNACT and its other Unitholders, as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL and MIPL is a controlling Unitholder of MNACT. This also demonstrates MIPL's commitment to support MNACT's growth and diversification strategy.

4.9.7 Rationale of the Whitewash Resolution

The rationale of the Whitewash Resolution is set out in Paragraph 6.3 of the Letter to Unitholders in the Circular. We recommend the Independent Directors to advise the Unitholders to read this information carefully.

We also note that the unitholding of the Concert Party Group will increase to 36.21% from 33.58% as a result of the issuance of the Transaction Units.

4.9.8 Waiver from Rule 14 of the Code from SIC

We note that the SIC granted the Whitewash Waiver on 20 December 2019, subject to, inter alia, the satisfaction of the conditions as set out in Paragraph 6.2 of the Letter to Unitholders in the Circular.

4.9.9 Waiver of Acquisition Fee

We note that the Manager has waived its acquisition fee entitlement under the Trust Deed which would have been at the rate of 0.75% of 98.47% of the Aggregate Agreed Property Value to demonstrate its support for the Proposed Acquisitions.

4.9.10 Aggregate Leverage

We note that should the Proposed Acquisitions be fully funded by debt, the Aggregate Leverage of MNACT would have been higher at 40.8%.

5. Our Recommendation

In arriving at our recommendation, we have taken into account the following factors which we consider to have a significant bearing on our assessment of the Proposed Acquisitions, the entry into each of the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements:

- (i) the rationale for and key benefits of the Proposed Acquisitions, the proposed issuance of the Transaction Units and the proposed Whitewash Waiver;
- (ii) the Aggregate Agreed Property Value of S\$477.0m is 1.78% below the appraised value ascribed by C&W and 3.11% below the appraised value ascribed by CBRE;
- (iii) the NLA Price of OPB at S\$12,171 is below the mean and median, and is within the range of NLA Prices of S\$9,049 to S\$25,076 of the Comparable Transactions;
- (iv) the NLA Price of MBP at S\$4,650 is below the mean and median, and is below the range of NLA Prices of S\$6,674 to S\$15,300 of the Comparable Transactions;
- (v) the Estimated Capitalisation Rate of OBP at 3.98% is equal to the mean, above the median, and is within the range of Estimated Capitalisation Rates of 3.60% to 4.70% of the Comparable Transactions;
- (vi) the Estimated Capitalisation Rate of MBP at 4.61% is above the mean and median, and is slightly above the range of Estimated Capitalisation Rates of 3.70% to 4.50% of the Comparable Transactions;
- (vii) the NLA Price of OPB at S\$12,171 is below the mean and median, and is within the range of NLA Prices of S\$8,124 to S\$16,476 of the Listed Comparables;
- (v) the NLA Price of MBP at S\$4,650 is below the mean and median, and is below the range of NLA Prices of S\$7,287 to S\$9,048 of the Listed Comparables;
- (vi) the NPI Yield of OBP at 3.98% is below the mean and median, and is within the range of NPI Yields of 3.88% to 4.38% of the Listed Comparables;
- (vii) the NPI Yield of MBP at 4.61% is below the mean and median, and is within the range of NPI Yields of 4.35% to 5.60% of the Listed Comparables;
- (viii) On a pro forma basis, the financial effects of the Proposed Acquisitions are expected to be DPU accretive of 1.80%;
- (ix) On a pro forma basis, the Proposed Acquisitions will decrease NAV per Unit from S\$1.445 to S\$1.434;
- (x) The aggregate leverage of MNACT will increase from 37.1% to 39.0%;
- (xi) the NPI yield of the Proposed Acquisitions of 4.54% is higher than the NPI yield of the existing MNACT portfolio of 4.41%;
- (xii) The rationale and the terms of the proposed Japan Property Management Agreements and proposed Japan Asset Management Agreements;
- (xiii) A comparison of the proposed Japan Property Management Fees against REITs listed on SGX;

- (xiv) A comparison of the proposed Japan Asset Management Fees against REITs listed on SGX;
- (xv) The issue price, at no discount, is based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units; and
- (xvi) Waiver from Rule 14 of the Code from SIC.

Having considered the above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at Latest Practicable Date, we are of the opinion that the:

- the Proposed Acquisitions and the proposed issuance of the Transaction Units are on normal commercial terms and will not be prejudicial to the interests of the MNACT and its minority Unitholders;
- the Whitewash Resolution when considered in the context of the Proposed Acquisitions and the issuance of the Transaction Units is fair and reasonable.

Accordingly, we advise that the Independent Directors may recommend that the Unitholders vote in favour of the Proposed Acquisitions, the issuance of the Transaction Units and the Proposed Whitewash Resolution.

Our recommendation is addressed to the Independent Directors, the Audit and Risk Committee and the Trustee for their benefit in connection with and for the purpose of their consideration of the Proposed Acquisitions, the issuance of the Transaction Units and the Proposed Whitewash Resolution as well as in compliance with Rule 921(4)(a) of the Listing Manual. Any recommendation made by the Independent Directors and the Audit and Risk Committee in respect of the Proposed Acquisitions, the issuance of the Transaction Units and the Whitewash Resolution shall remain their responsibility.

Our recommendations may not be used and/or relied on by any other person for any purpose at any time and in any manner except with our prior written consent in each specific case.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee Executive Director





north asia commercial
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 14 February 2013 (as amended))

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** ("**EGM**") of the holders of units of Mapletree North Asia Commercial Trust ("**MNACT**", and the holders of units of MNACT, "**Unitholders**") will be held on 20 January 2020 (Monday) at 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hall – Auditorium, Singapore 117439, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

THE PROPOSED ACQUISITIONS OF TWO OFFICE PROPERTIES IN GREATER TOKYO, AS AN INTERESTED PERSON TRANSACTION

That subject to and contingent upon the passing of Resolution 2 and Resolution 3:

- (i) approval be and is hereby given for the proposed acquisitions (the "**Proposed Acquisitions**") of (a) mBay Point Makuhari Building ("**MBP**"); and (b) Omori Prime Building ("**OPB**", and together with MBP, the "**Properties**") through:
 - (a) the investment in Godo Kaisha Tsubaki 3 ("Tsubaki GK"), pursuant to the two silent partnership agreements (the "Tsubaki Silent Partnership Agreements") which will be entered into between Tsubaki 2 Pte. Ltd. ("SGCo2") and Tsubaki GK and that the entry into of the Tsubaki Silent Partnership Agreements be and is hereby approved;
 - (b) the subscription for the preferred shares in the issued share capital of Tsubaki Tokutei Mokuteki Kaisha ("Tsubaki TMK") by Tsubaki 1 Pte. Ltd. ("SGCo1") and Tsubaki GK such that they each hold 49.0% and 51.0% of the total issued preferred share capital of Tsubaki TMK respectively, pursuant to the two subscription agreements to be entered into between SGCo1, Tsubaki GK and Tsubaki TMK (the "Preferred Shares Subscription Agreements") and that the entry into of the Preferred Shares Subscription Agreements be and is hereby approved;
 - (c) the conditional *Tokumei Kumiai* interest transfer agreement entered into between SGCo1 and Higashikoujiya Shugogatakojo TMK dated 4 December 2019 (the "TK Interest Transfer Agreement") for the acquisition of the *Tokumei Kumiai* interest in GK Makuhari Blue ("Makuhari GK"), which holds the trust beneficial interests ("TBI") in MBP, by SGCo1 and that the entry into the TK Interest Transfer Agreement, and the subsequent novation of the rights and obligations of SGCo1 in the TK Interest Transfer Agreement to Tsubaki TMK, be and are hereby approved and ratified; and
 - (d) the conditional TBI sale and purchase agreement entered into between SGCo1 and Satsuki TMK dated 4 December 2019 (the "TBI SPA") for the acquisition of the TBI in OPB by SGCo1 and that the entry into the TBI SPA, and the subsequent novation of the rights and obligations of SGCo1 in the TBI SPA to Tsubaki TMK, be and are hereby approved and ratified,

details of which are contained in the circular to Unitholders dated 3 January 2020 (the "Unitholders' Circular");

- (ii) approval be and is hereby given for (a) the amendment and restatement of the asset management agreement entered into between Tsubaki TMK and Mapletree Investments Japan Kabushiki Kaisha (as the asset manager) (the "Amended Tsubaki Asset Management Agreement") and (b) the two supplemental property management agreements to be entered into between each of Sumitomo Mitsui Trust Bank, Limited and Mizuho Trust & Banking Co., Ltd., as trustee of MBP and OPB respectively, with Mapletree Management Services Japan Kabushiki Kaisha ("MMSJ") (as the property manager) (collectively, the "Supplemental Japan Property Management Agreements"), details of which are contained in the Unitholders' Circular;
- (iii) approval be and is hereby given for the payment of all amounts, fees and expenses relating and pursuant to the Proposed Acquisitions, the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements; and
- (iv) Mapletree North Asia Commercial Trust Management Ltd., as manager of MNACT (the "Manager"), any director of the Manager, and DBS Trustee Limited, as trustee of MNACT (the "Trustee"), be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of MNACT to give effect to the Proposed Acquisitions and all transactions contemplated under the Preferred Shares Subscription Agreements, the Tsubaki Silent Partnership Agreements, the Amended Tsubaki Asset Management Agreement, the Supplemental Japan Property Management Agreements, the TK Interest Transfer Agreement and the TBI SPA and in this connection, the board of directors of the Manager (the "Board") be hereby authorised to delegate such authority to such persons as the Board deems fit.

ORDINARY RESOLUTION 2

THE PROPOSED ISSUANCE OF THE TRANSACTION UNITS TO THE SPONSOR'S NOMINEE, AS AN INTERESTED PERSON TRANSACTION

That subject to and contingent upon the passing of Resolution 1 and Resolution 3:

- (i) approval be and is hereby given for the issue of such number of Transaction Units (as defined in the Unitholders' Circular) to Suffolk Assets Pte. Ltd. (the "Sponsor's Nominee"), in the manner described in the Unitholders' Circular; and
- (ii) the Manager, any director of the Manager, and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of MNACT to give effect to the issuance of the Transaction Units.

ORDINARY RESOLUTION 3

THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE SPONSOR'S NOMINEE

That subject to the conditions in the letter from the Securities Industry Council dated 20 December 2019 being fulfilled, Unitholders, other than Mapletree Investments Pte Ltd ("MIPL"), parties acting in concert with it and parties which are not independent of them, hereby (on a poll taken) waive their rights to receive a mandatory offer from the Sponsor's Nominee for all the remaining issued units in MNACT ("Units") not owned or controlled by MIPL and parties acting in concert with it, in the event that it incurs a mandatory bid obligation pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers as a result of the receipt of the Transaction Units.

BY ORDER OF THE BOARD

Mapletree North Asia Commercial Trust Management Ltd.

(Company Registration No. 201229323R)
As Manager of Mapletree North Asia Commercial Trust

Wan Kwong Weng Joint Company Secretary Singapore 3 January 2020

Important Notice:

- 1. A Unitholder who is not a Relevant Intermediary (as defined herein) entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
- 2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary
 of such a banking corporation, whose business includes the provision of nominee services and who holds
 Units in that capacity;
- (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or
- (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- 3. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MNACT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 2.30 p.m. on 17 January 2020 being 72 hours before the time fixed for the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.



IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

- 1. A unitholder of MNACT ("Unitholder") who is not a Relevant Intermediary (as defined herein) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
- 2. A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, it should annex to the Proxy Form (defined below) the proxy, or the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of unitholding (number of units and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or
- (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- 3. A Unitholder should insert the total number of Units held in the Proxy Form (defined below). If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of MNACT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, the proxy form will be deemed to relate to all the Units held by the Unitholder.
- 4. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the office of MNACT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 2.30 p.m. on 17 January 2020, being 72 hours before the time set for the Extraordinary General Meeting.
- 5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Extraordinary General Meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the Extraordinary General Meeting.
- 6. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- 7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
- 8. The Manager shall be entitled to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Unitholders whose Units are entered against their names in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.
- 9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.
- 10. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. There shall be no division of votes between a Unitholder who is present in person and voting at the Extraordinary General Meeting and his/her proxy(ies). A person entitled to more than one vote need not use all his/her votes or cast them the same way.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

maple Tree

north asia commercial

EXTRAORDINARY GENERAL MEETING

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 14 February 2013 (as amended))

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT

- A Relevant Intermediary may appoint more than one proxy to attend and vote at the Extraordinary General Meeting (please see Note 2 for the definition of "Relevant Intermediary").
- For CPF/SRS investors who have used their CPF monies to buy Units of Mapletree North Asia Commercial Trust, this Circular is forwarded to them at the request of their CPF Agent Banks/SRS Operators and is sent solely FOR INFORMATION only.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
- 4. PLEASE READ THE NOTES TO THE PROXY FORM.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), a Unitholder of Mapletree North Asia Commercial Trust accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 3 January 2020.

Name ete as appropriate) Name	Address	NRIC/Passport Number NRIC/Passport Number	No. of Units	%
	Address	NRIC/Passport		%
	Address	-	Proportion of	
	Address	-	Proportion of	1
Name	Address	-	Proportion of	
		Number	Froportion of	f Unitholdings
			No. of Units	%
	_			her matter arising Against*
DINARY RESOLUT	ION			
ater Tokyo, as an i	nterested person transaction			
nterested person tr	ansaction (conditional upon F			
	ed Whitewash Resolution in re	elation to the		
	our votes "For" or "Against", p	-1	"ithin the veloc	
	e the number of votes as app	·	within the releva	ant box provided
	t 2.30 p.m. at 20 Pa journment thereof. I redinary General Mees will vote or absta a cordinary General Mees will vote or absta a cordinary General Mees will vote or absta a cordinary General Mees will be proposed at the pr	t 2.30 p.m. at 20 Pasir Panjang Road, Mapletree journment thereof. I/We direct my/our proxy/prox redinary General Meeting as indicated hereund es will vote or abstain from voting at his/her/their tordinary General Meeting. Resolutions DINARY RESOLUTION approve the Proposed Acquisitions of Two Office Fater Tokyo, as an interested person transaction in Resolution 2 and Resolution 3 being passed) approve the proposed issuance of the Transaction terested person transaction (conditional upon Fasolution 3 being passed) approve the proposed Whitewash Resolution in resolut	t 2.30 p.m. at 20 Pasir Panjang Road, Mapletree Business City, Town Hatournment thereof. I/We direct my/our proxy/proxies to vote for or again redinary General Meeting as indicated hereunder. If no specific directs will vote or abstain from voting at his/her/their discretion, as he/she/theoretinary General Meeting. Resolutions INTERPOLITION Approve the Proposed Acquisitions of Two Office Properties in ater Tokyo, as an interested person transaction (conditional in Resolution 2 and Resolution 3 being passed) Approve the proposed issuance of the Transaction Units, as interested person transaction (conditional upon Resolution 1 Resolution 3 being passed) Approve the proposed Whitewash Resolution in relation to the	Resolutions For* DINARY RESOLUTION approve the Proposed Acquisitions of Two Office Properties in ater Tokyo, as an interested person transaction (conditional in Resolution 2 and Resolution 3 being passed) approve the proposed issuance of the Transaction Units, as interested person transaction (conditional upon Resolution 1 Resolution 3 being passed) approve the proposed Whitewash Resolution in relation to the

 $2^{\it nd}$ fold here and glue all sides firmly. Stapling and spot sealing is disallowed.

maple Tree

BUSINESS REPLY SERVICE PERMIT NO. 08984

The Company Secretary

Mapletree North Asia Commercial Trust Management Ltd. (as Manager of Mapletree North Asia Commercial Trust)

c/o Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623

Postage will be paid by addressee. For posting in Singapore only.

Mapletree North Asia Commercial Trust Management Ltd.
As Manager of Mapletree North Asia Commercial Trust
(Company Registration Number: 201229323R)

10 Pasir Panjang Road #13-01, Mapletree Business City Singapore 117438

T_+65 6377 6111 F_+65 6273 2753