

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD FROM 1 APRIL 2018 TO 31 DECEMBER 2018 AND DISTRIBUTION ANNOUNCEMENT

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Summary Results of Mapletree North Asia Commercial Trust (“MNACT”) Group

	YTD FY18/19 ¹	YTD FY17/18 ²	Variance %	3Q FY18/19 ¹	3Q FY17/18 ²	Variance %
Gross revenue (S\$'000)	304,648	265,480	14.8	105,626	88,464	19.4
Net property income (S\$'000)	245,026	214,288	14.3	84,592	71,406	18.5
Distributable income (S\$'000)	178,595	157,103	13.7	61,006	52,658	15.9
Distribution per unit (cents) ³	5.734	5.582	2.7	1.927	1.868	3.2

Footnotes:

- 1 Period from 1 April 2018 to 31 December 2018 referred to “YTD FY18/19” and period from 1 October 2018 to 31 December 2018 referred to “3Q FY18/19”. Distribution per unit (DPU) for YTD FY18/19 is the sum of the 1Q, 2Q and 3Q available DPU. The DPU for 3Q is calculated based on the income available for distribution for 3Q over the number of units in issue as at the end of the period of 3,166,462,042 units.
- 2 Period from 1 April 2017 to 31 December 2017 referred to “YTD FY17/18” and period from 1 October 2017 to 31 December 2017 referred to “3Q FY17/18”. DPU for YTD FY17/18 is the sum of the first-half DPU paid to the Unitholders and 3Q available DPU. The DPU for 3Q is calculated based on the income available for distribution for 3Q over the number of units in issue as at the end of the period of 2,819,404,198 units.
- 3 The number of units in issue as at the end of 3Q does not include the payment of Manager’s base fee and the property manager’s management fees (collectively known as “Fees”) in units of 7,429,923 for 3Q FY18/19 (3Q FY17/18: 6,863,745). The units for payment of Fees for 3Q, to be issued in February 2019, will be included in the computation of the DPU payable for the fourth-quarter of the financial year.

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Introduction

Mapletree North Asia Commercial Trust (“MNACT”) (formerly known as Mapletree Greater China Commercial Trust, “MGCCT”) was constituted in the Republic of Singapore pursuant to a Trust Deed dated 14 February 2013 (as amended). MNACT was listed on Singapore Exchange Securities Trading Limited (“SGX-ST”) on 7 March 2013 (the “Listing Date”) as a real estate investment trust. The principal investment strategy of MNACT is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate in the Greater China region and Japan, which is used primarily for commercial purposes (including real estate used predominantly for retail and/or offices), as well as real estate-related assets.

The current portfolio of MNACT comprises nine commercial properties in Hong Kong SAR, People’s Republic of China and Japan with a total lettable area of 4.2 million square feet. The total book value is S\$7,180.0 million as of 31 December 2018:

- (a) Festival Walk, a landmark territorial retail mall and lifestyle destination with an office component in the Kowloon Tong area of Hong Kong. Festival Walk has been consistently ranked as one of the top ten shopping malls in Hong Kong (acquired on listing date);
- (b) Gateway Plaza, a premier Grade-A office building with a retail podium located in the established and prime Lufthansa Area in Beijing, China (acquired on listing date);
- (c) Sandhill Plaza, a premium quality business park development located at Zhangjiang Hi-tech Park, within the Pudong New Area, Shanghai, China (acquired on 17 June 2015); and
- (d) Japan Properties, three office buildings in Tokyo (IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building and TS Ikebukuro Building); an office building in Yokohama (ABAS Shin-Yokohama Building); and two office buildings in Chiba (SII Makuhari Building and Fujitsu Makuhari Building) (collectively the “Japan Properties”) (acquired on 25 May 2018).

All these properties enjoy excellent connectivity via convenient access to major roads, expressways and subway lines, with quality tenants operating across diversified trade sectors.

The Mapletree North Asia Commercial Trust Management Ltd. (“MNACTM” or the “Manager”) aims to deliver stable and steady DPU growth to Unitholders, through actively managing and enhancing the properties, acquiring good quality income-producing commercial assets aligned with MNACT’s investment mandate, and having in place an active capital management strategy to manage both interest rate and foreign exchange volatility.

MNACT’s distribution policy is to distribute at least 90.0% of its distributable income. With effect from 1 April 2018, the distribution will be on a quarterly¹ basis instead of on a semi-annual basis.

¹ Refer to the announcement titled “Change from semi-annual to quarterly distribution”, released on SGXNET by the Manager on 25 April 2018.

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1(a) Statement of Total Return and Distribution Statement (MNACT Group)

Statement of Total Return	YTD FY18/19 (S\$'000)	YTD FY17/18 (S\$'000)	Variance Positive/ (Negative) (%)	3Q FY18/19 (S\$'000)	3Q FY17/18 (S\$'000)	Variance Positive/ (Negative) (%)
Gross revenue ¹	304,648	265,480	14.8	105,626	88,464	19.4
Property operating expenses	(59,622)	(51,192)	(16.5)	(21,034)	(17,058)	(23.3)
Net property income	245,026	214,288	14.3	84,592	71,406	18.5
Interest income	1,363	1,496	(8.9)	471	458	2.8
Manager's management fees ²						
- Base fee	(18,078)	(15,710)	(15.1)	(6,191)	(5,265)	(17.6)
- Performance fee	(903)	(496)	(82.1)	(422)	(200)	NM
Trustee's fee	(553)	(490)	(12.9)	(187)	(162)	(15.4)
Other trust expenses	(1,075)	(1,068)	(0.7)	(361)	(503)	28.2
Net foreign exchange gain/ (loss)	2,132	4,701	(54.6)	(393)	2,147	NM
Finance costs	(55,803)	(52,765)	(5.8)	(19,084)	(17,413)	(9.6)
Net change in fair value of financial derivatives	(1,064)	(457)	NM	834	(793)	NM
Net income/ total return for the period before income tax	171,045	149,499	14.4	59,259	49,675	19.3
Income tax expenses	(29,629)	(25,230)	(17.4)	(10,193)	(8,463)	(20.4)
Total return for the period after income tax before distribution	141,416	124,269	13.8	49,066	41,212	19.1
Attributable to:						
Unitholders	141,130	124,269	13.6	48,947	41,212	18.8
Non-controlling interests ³	286	-	NM	119	-	NM
Total return for the period	141,416	124,269	13.8	49,066	41,212	19.1

Distribution Statement	YTD FY18/19 (S\$'000)	YTD FY17/18 (S\$'000)	Variance Positive/ (Negative) (%)	3Q FY18/19 (S\$'000)	3Q FY17/18 (S\$'000)	Variance Positive/ (Negative) (%)
Total return for the period attributable to Unitholders	141,130	124,269	13.6	48,947	41,212	18.8
Distribution adjustments (Note A)	37,465	32,834	14.1	12,059	11,446	5.4
Distributable income to Unitholders	178,595	157,103	13.7	61,006	52,658	15.9

Footnotes:

- Revenue is presented net of Value Added Tax applicable to Gateway Plaza and Sandhill Plaza in China. Revenue is presented net of consumption tax applicable to the Japan Properties.
- Manager's base fee is calculated based on 10% of distributable income for the period. This includes the asset management fee payable to Mapletree Investments Japan Kabushiki Kaisha ("MIJ") in cash and calculated based on 10% of distributable income from the Japan Properties.
The Manager's performance fee is based on 25% of the growth of the FY2018/2019 DPU over the FY2017/2018 DPU.
- Non-controlling interests refer to 1.53% effective interest of the Japan Properties held by MIJ.

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1(a) Statement of Total Return and Distribution Statement (MNACT Group)

	YTD FY18/19 (S\$'000)	YTD FY17/18 (S\$'000)	Variance Positive/ (Negative) (%)	3Q FY18/19 (S\$'000)	3Q FY17/18 (S\$'000)	Variance Positive/ (Negative) (%)
Note A:						
Distribution adjustments¹ comprise:						
- Trustee's fee	553	490	12.9	187	162	15.4
- Financing fees	2,945	2,630	12.0	835	1,258	(33.6)
- Manager's base fee paid/payable in units	16,079	15,710	2.3	5,362	5,265	1.8
- Manager's performance fee paid/payable in units	903	496	82.1	422	200	NM
- Property manager's management fees paid/payable in units	9,510	9,286	2.4	3,194	3,084	3.6
- Net change in fair value of financial derivatives	1,064	457	NM	(834)	793	NM
- Net foreign exchange gain on capital item ²	(3,079)	(3,110)	1.0	(441)	(1,857)	76.3
- Other non-tax deductible items and other adjustments	9,490	6,875	38.0	3,334	2,541	31.2
	37,465	32,834	14.1	12,059	11,446	5.4

Footnotes:

NM – Not Meaningful

¹ Excludes share attributable to non-controlling interests.

² Net foreign exchange gain on capital item arise from the partial settlement of inter-company loans between MNACT and its overseas subsidiaries. These transactions are capital in nature and the foreign exchange gain arising is not distributable.

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1(b)(i) Statement of Financial Position (MNACT Group)

	31 Dec 2018 (S\$'000)	31 Mar 2018 (S\$'000)
Current assets		
Cash and bank balances	167,515	177,981
Trade and other receivables	11,702	9,419
Other current assets	2,317	554
Inventories	744	743
Derivative financial instruments ¹	947	1,489
Total current assets	183,225	190,186
Non-current assets		
Derivative financial instruments ¹	22,079	38,078
Investment properties	7,179,982	6,292,007
Plant and equipment	2,433	2,478
Total non-current assets	7,204,494	6,332,563
Total Assets	7,387,719	6,522,749
Current liabilities		
Trade and other payables	79,014	87,303
Borrowings	61,886	83,801
Current income tax liabilities	39,322	29,930
Derivative financial instruments ¹	1,053	244
Total current liabilities	181,275	201,278
Non-current liabilities		
Trade and other payables	104,320	60,410
Borrowings	2,822,439	2,277,284
Derivative financial instruments ¹	11,847	2,696
Deferred tax liabilities	96,869	92,329
Total non-current liabilities	3,035,475	2,432,719
Total Liabilities	3,216,750	2,633,997
Net assets	4,170,969	3,888,752
Represented by:		
Unitholders' funds	4,085,575	3,812,613
General reserve	2,161	1,221
Hedging reserve	10,866	16,004
Foreign currency translation reserve	67,740	58,914
Non-controlling interests ²	4,627	-
	4,170,969	3,888,752
Net Asset Value (NAV) per unit (S\$)³	1.316	1.376

Footnotes:

- Derivative financial instruments represent the fair value as at period end of the (i) currency forwards to swap HKD, RMB and JPY to SGD; (ii) interest rate swaps to swap floating interest payments into fixed; and (iii) cross currency interest rate swaps to swap SGD fixed interest rate and USD floating interest rate to HKD fixed interest rate and SGD fixed interest rate to JPY fixed interest rate.
- Non-controlling interests refer to 1.53% effective interest of the Japan Properties held by MIJ.
- The decrease in NAV per unit is due to units issued pursuant to the private placement to partially fund the acquisition of the Japan Properties and the accrued quarterly distribution (31 March 2018: semi-annual distribution) to be paid to the unitholders.

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Statement of Financial Position (MNACT)

	31 Dec 2018 (S\$'000)	31 Mar 2018 (S\$'000)
Current assets		
Cash and bank balances	61,774	90,867
Trade and other receivables	7,844	5,567
Derivative financial instruments ¹	633	1,093
Total current assets	70,251	97,527
Non-current asset		
Investments in subsidiaries	2,592,517	2,321,459
Total non-current asset	2,592,517	2,321,459
Total Assets	2,662,768	2,418,986
Current liabilities		
Trade and other payables	7,959	8,451
Current income tax liabilities	89	82
Derivative financial instruments ¹	848	244
Total current liabilities	8,896	8,777
Total Liabilities	8,896	8,777
Net assets	2,653,872	2,410,209
Represented by:		
Unitholders' funds	2,654,086	2,409,359
Hedging reserve	(214)	850
	2,653,872	2,410,209
Net Asset Value (NAV) per unit (S\$)	0.838	0.853

Footnote:

¹ Derivative financial instruments represent the fair value as at period end of the currency forwards to swap HKD, RMB and JPY to SGD.

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities (MNACT Group)²

	31 Dec 2018 (S\$'000)	31 Mar 2018 (S\$'000)
Amount repayable within one year		
Bank loans (unsecured)	61,988	83,906
Amount repayable after one year		
Bank loans (secured)	372,135	-
Bank loans (unsecured)	1,663,039	1,578,098
Tokutei Mokuteki Kaisha ("TMK") Bonds (secured)	77,685	-
Medium-term notes ("MTN") (unsecured)	719,507	706,148
Gross borrowings	2,894,354	2,368,152
Less: Unamortised transaction costs ³	(10,029)	(7,067)
Net borrowings	2,884,325	2,361,085
Represented by:		
Current position	61,886	83,801
Non-current position	2,822,439	2,277,284

Footnotes:

² There are no borrowings and debt securities taken up at MNACT entity level.

³ Transaction costs are amortised over the life of the loan facilities and the tenure of the MTN and TMK Bonds.

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1(c) Statement of Cash Flows (MNACT Group)

	YTD FY18/19 (S\$'000)	YTD FY17/18 (S\$'000)	3Q FY18/19 (S\$'000)	3Q FY17/18 (S\$'000)
Cash flows from operating activities				
Total return for the period	141,416	124,269	49,066	41,212
Adjustments for:				
- Income tax expenses	29,629	25,230	10,193	8,463
- Amortisation of rent free incentive	678	729	(23)	32
- Depreciation	587	451	205	223
- Plant and equipment written off	-	30	-	-
- Net change in fair value of financial derivatives	1,064	457	(834)	793
- Manager's management fees paid/payable in units	16,982	16,206	5,784	5,465
- Property manager's management fees paid/payable in units	9,510	9,286	3,194	3,084
- Finance costs	55,803	52,765	19,084	17,413
- Interest income	(1,363)	(1,496)	(471)	(458)
- Net foreign exchange gain on capital item	(3,079)	(3,110)	(441)	(1,857)
Operating cash flows before working capital changes	251,227	224,817	85,757	74,370
Changes in working capital:				
- Trade and other receivables and other current assets	(4,319)	41,067	61	342
- Inventories	(1)	111	11	51
- Trade and other payables	(9,348)	(7,268)	(4,486)	(1,326)
Cash generated from operations	237,559	258,727	81,343	73,437
- Income tax paid	(13,578)	(23,352)	(3,138)	(1,321)
Net cash provided by operating activities	223,981	235,375	78,205	72,116
Cash flows from investing activities				
Additions to investment properties	(1,333)	(1,679)	(681)	(1,191)
Additions to plant and equipment	(445)	(1,008)	(436)	(907)
Net cash outflow on acquisition of investment properties	(733,058)	-	(288)	-
Interest income received	1,007	1,543	150	374
Net cash used in investing activities	(733,829)	(1,144)	(1,255)	(1,724)
Cash flows from financing activities				
Repayment of bank loans	(536,913)	(491,006)	(29,254)	(323,123)
Proceeds from bank loans	912,981	453,790	14,033	338,892
Proceeds from issuance of TMK bonds	78,077	-	-	-
Proceeds from issuance of new units pursuant to private placement	330,298	-	-	-
Payment of issue expenses	(5,599)	-	(22)	-
Payments of distributions to Unitholders	(224,040)	(208,740)	(60,841)	(104,444)
Payments of distributions to non-controlling interests	(542)	-	(486)	-
Contribution from non-controlling interests	4,960	-	-	-
Financing fees paid	(5,560)	(1,585)	(268)	(1,030)
Interest paid	(51,571)	(48,815)	(16,542)	(14,253)
Change in restricted cash ¹	(3,672)	-	1,492	-
Net cash from/(used in) financing activities	498,419	(296,356)	(91,888)	(103,958)
Net decrease in cash and cash equivalents held	(11,429)	(62,125)	(14,938)	(33,566)
Cash and cash equivalents at beginning of the period	177,981	180,420	179,471	151,369
Effect of currency translation on cash and cash equivalents	(2,709)	(999)	(690)	(507)
Cash and cash equivalents at end of the period	163,843	117,296	163,843	117,296

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Footnotes:

- ¹ For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	YTD FY18/19 (S\$'000)	YTD FY17/18 (S\$'000)	3Q FY18/19 (S\$'000)	3Q FY17/18 (S\$'000)
Cash and bank balances	167,515	117,296	167,515	117,296
Less: Restricted cash	(3,672)	-	(3,672)	-
Cash and cash equivalents per consolidated statement of cash flows	163,843	117,296	163,843	117,296

Restricted cash relates to the amount of cash reserves for the Japan Properties which is required to be maintained based on the agreements with the banks. Restricted cash are reserves for use in capital expenditure, interest expense and certain property related expenses to ensure these liabilities can be met when incurred.

1(c)(i) Status of the use of proceeds raised from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use

The gross proceeds¹ of \$330.3 million received from the private placement on 8 May 2018 has been fully utilized to partially fund the acquisition of the Japan Properties in accordance with the stated use.

¹ Please refer to MNACT's SGX-ST Announcement dated 25 May 2018 titled "Completion of Acquisition of the Japan Portfolio and Use of Proceeds of the Private Placement."

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1(d)(i) Statement of Movements in Unitholders' Funds (MNACT Group)

	Unitholders' funds						
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	General reserve (S\$'000)	Hedging reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Non- controlling interests (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2018	1,373,670	2,438,943	1,221	16,004	58,914	-	3,888,752
Total return for the period	141,130	-	-	-	-	286	141,416
Distributions to Unitholders	(170,628)	(53,412)	-	-	-	-	(224,040)
Transfer to general reserve	(940)	-	940	-	-	-	-
Issue of new units arising from:							
– settlement of management fees	-	26,525	-	-	-	-	26,525
– private placement	-	330,298	-	-	-	-	330,298
– settlement of acquisition fees	-	5,689	-	-	-	-	5,689
Issue expenses	-	(5,700)	-	-	-	-	(5,700)
Fair value changes on cash flow hedges	-	-	-	(20,195)	-	(75)	(20,270)
Contribution from non-controlling interests	-	-	-	-	-	4,960	4,960
Distributions to non-controlling interests(capital returns)	-	-	-	-	-	(542)	(542)
Transfer to Statement of Total Return	-	-	-	15,057	(3,079)	-	11,978
Translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	-	-	-	-	11,905	(2)	11,903
Balance as at 31 Dec 2018	1,343,232	2,742,343	2,161	10,866	67,740	4,627	4,170,969
Balance as at 1 Oct 2018	1,352,162	2,737,124	1,840	16,232	79,378	5,039	4,191,775
Total return for the period	48,947	-	-	-	-	119	49,066
Distributions to Unitholders	(57,556)	(3,285)	-	-	-	-	(60,841)
Transfer to general reserve	(321)	-	321	-	-	-	-
Issue of new units arising from settlement of:							
– management fees	-	8,504	-	-	-	-	8,504
Fair value changes on cash flow hedges	-	-	-	(3,780)	-	(40)	(3,820)
Distributions to non-controlling interests(capital returns)	-	-	-	-	-	(486)	(486)
Transfer to Statement of Total Return	-	-	-	(1,586)	(441)	-	(2,027)
Translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	-	-	-	-	(11,197)	(5)	(11,202)
Balance as at 31 Dec 2018	1,343,232	2,742,343	2,161	10,866	67,740	4,627	4,170,969

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1(d)(i) Statement of Movements in Unitholders' Funds (MNACT Group)

	Unitholders' funds					Total (S\$'000)
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	General reserve (S\$'000)	Hedging reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	
Balance as at 1 Apr 2017	968,039	2,445,954	238	15,953	206,136	3,636,320
Total return for the period	124,269	-	-	-	-	124,269
Distributions to Unitholders	(167,727)	(41,013)	-	-	-	(208,740)
Transfer to general reserve	(673)	-	673	-	-	-
Issue of new units arising from settlement of management fees	-	25,689	-	-	-	25,689
Fair value changes on cash flow hedges	-	-	-	16,061	-	16,061
Transfer to Statement of Total Return	-	-	-	(20,142)	(3,110)	(23,252)
Translation differences relating to financial statements of foreign subsidiaries and quasi- equity loans	-	-	-	-	(109,360)	(109,360)
Balance as at 31 Dec 2017	923,908	2,430,630	911	11,872	93,666	3,460,987
Balance as at 1 Oct 2017	967,913	2,441,812	650	(1,956)	96,606	3,505,025
Total return for the period	41,212	-	-	-	-	41,212
Distributions to Unitholders	(84,956)	(19,488)	-	-	-	(104,444)
Transfer to general reserve	(261)	-	261	-	-	-
Issue of new units arising from settlement of management fees	-	8,306	-	-	-	8,306
Fair value changes on cash flow hedges	-	-	-	10,587	-	10,587
Transfer to Statement of Total Return	-	-	-	3,241	(1,857)	1,384
Translation differences relating to financial statements of foreign subsidiaries and quasi- equity loans	-	-	-	-	(1,083)	(1,083)
Balance as at 31 Dec 2017	923,908	2,430,630	911	11,872	93,666	3,460,987

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Statement of Movements in Unitholders' Funds (MNACT)

	Unitholders' funds			
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging reserve (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2018	(29,584)	2,438,943	850	2,410,209
Total return for the period	111,955	-	-	111,955
Distributions to Unitholders	(170,628)	(53,412)	-	(224,040)
Issue of units arising from:				
– settlement of management fees	-	26,525	-	26,525
– private placement	-	330,298	-	330,298
– settlement of acquisition fees	-	5,689	-	5,689
Issue expenses	-	(5,700)	-	(5,700)
Fair value changes on cash flow hedges	-	-	(1,366)	(1,366)
Transfer to Statement of Total Return	-	-	302	302
Balance as at 31 Dec 2018	(88,257)	2,742,343	(214)	2,653,872
Balance as at 1 Oct 2018	(69,092)	2,737,124	(1,048)	2,666,984
Total return for the period	38,391	-	-	38,391
Distributions to Unitholders	(57,556)	(3,285)	-	(60,841)
Issue of units arising from settlement of:				
– management fees	-	8,504	-	8,504
Fair value changes on cash flow hedges	-	-	254	254
Transfer to Statement of Total Return	-	-	580	580
Balance as at 31 Dec 2018	(88,257)	2,742,343	(214)	2,653,872

	Unitholders' funds			
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging reserve (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2017	(9,139)	2,445,954	327	2,437,142
Total return for the period	107,321	-	-	107,321
Distributions to Unitholders	(167,727)	(41,013)	-	(208,740)
Issue of units arising from settlement of management fees	-	25,689	-	25,689
Fair value changes on cash flow hedges	-	-	327	327
Transfer to Statement of Total Return	-	-	(784)	(784)
Balance as at 31 Dec 2017	(69,545)	2,430,630	(130)	2,360,955
Balance as at 1 Oct 2017	(18,146)	2,441,812	663	2,424,329
Total return for the period	33,557	-	-	33,557
Distributions to Unitholders	(84,956)	(19,488)	-	(104,444)
Issue of units arising from settlement of management fees	-	8,306	-	8,306
Fair value changes on cash flow hedges	-	-	(225)	(225)
Transfer to Statement of Total Return	-	-	(568)	(568)
Balance as at 31 Dec 2017	(69,545)	2,430,630	(130)	2,360,955

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1(d)(ii) Details of Any Change in Units

	YTD FY18/19 ('000)	YTD FY17/18 ('000)	3Q FY18/19 ('000)	3Q FY17/18 ('000)
Balance as at beginning of period	2,826,268	2,795,382	3,158,922	2,812,165
Movements during the period				
Issue of units arising from:				
- settlement of management fees	23,225	24,022	7,540	7,239
- private placement	311,602	-	-	-
- settlement of acquisition fees	5,367	-	-	-
Total issued units as at end of period	3,166,462	2,819,404	3,166,462	2,819,404

There were no convertibles, treasury units and subsidiary holdings as at 31 December 2018 and 31 December 2017.

1(d)(iii) To show the total number of issued units excluding treasury units as at the end of the current financial period, and as at the end of the immediately preceding year

Total number of issued units in MNACT as at 31 December 2018 and 31 March 2018 were 3,166,462,042 and 2,826,267,943 respectively.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury units and subsidiary holdings as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

Except as disclosed in paragraph 5, the accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those used in the audited financial statements for the financial year ended 31 March 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

The Accounting Standards Council (Singapore) has introduced a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)"), that is identical to the International Financial Reporting Standards issued by the International Accounting Standards Board. The Monetary Authority of Singapore has granted MNACT Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes to prepare its financial statements in accordance with the Singapore Financial Reporting Standards.

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The MNACT Group has adopted SFRS(I) on 1 April 2018 and as a result, MNACT Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS(I).

The adoption of SFRS(I) has no material effect on the amounts reported for the current and prior financial periods. Certain comparative figures have been reclassified to conform to the current period presentation.

6. Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")

	YTD FY18/19	YTD FY17/18	3Q FY18/19	3Q FY17/18
Weighted average number of units ¹	3,109,342,114	2,807,310,572	3,161,872,455	2,815,470,118
Earnings per unit ("EPU") - Basic and Diluted ²				
Based on the weighted average number of units in issue (cents)	4.539	4.427	1.548	1.464
Number of units in issue at end of period	3,166,462,042	2,819,404,198	3,166,462,042	2,819,404,198
Distribution per unit ("DPU")				
Based on the number of units in issue at the end of the period (cents)	5.734	5.582	1.927	1.868

Footnotes:

¹ Weighted average number of units for the period has been adjusted to take into account the units issued as payment for base fee, property and lease management fees and performance fee, the units issued pursuant to private placement on 8 May 2018 and the acquisition fee in units issued on 29 August 2018.

² Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial period.

7. Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit (MNACT Group)

	MNACT Group	
	31 Dec 2018	31 Mar 2018
Number of units in issue at end of period	3,166,462,042	2,826,267,943
NAV and NTA per unit (S\$) ¹	1.316	1.376

Footnote:

¹ Net tangible asset per unit is the same as net asset value per unit as there are no intangible assets as at period end.

8. Review of Performance

a. Financial results YTD FY18/19 vs YTD FY17/18

Gross revenue increased by S\$39.2 million or 14.8% to S\$304.6 million for YTD FY18/19 compared to corresponding period last year. The increase in revenue was primarily due to:

- (i) revenue growth from Festival Walk, Gateway Plaza and Sandhill Plaza as a result of higher rent;
- (ii) contribution from the Japan Properties following the completion of acquisition on 25 May 2018; and
- (iii) offset by lower average rate of HKD.

For YTD FY18/19, Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties made up 62.4%, 21.6%, 6.2% and 9.8% (YTD FY17/18: 69.6%, 23.6%, 6.8% and nil) of the portfolio gross revenue respectively.

Property operating expenses increased by S\$8.4 million or 16.5% to S\$59.6 million for YTD FY18/19 compared to the corresponding period last year. The increase in property operating expenses was primarily attributable to:

- (i) the acquisition of the Japan Properties;
- (ii) higher marketing and promotion expenses at Festival Walk;
- (iii) higher property maintenance expenses;
- (iv) higher property and lease management fee in line with the growth in revenue; and
- (iv) offset by lower average rate of HKD.

Net property income for YTD FY18/19 increased by S\$30.7 million or 14.3% to S\$245.0 million, compared to the corresponding period last year.

Net foreign exchange gain of S\$2.1 million for the period (YTD FY17/18: S\$4.7 million) was primarily made up of:

- (i) exchange gain of S\$3.1 million (YTD FY17/18: S\$3.1 million) from the partial settlement of inter-company loans, which is capital in nature and not distributable;
- (ii) offset by net realized exchange loss of S\$0.9 million (YTD FY17/18: gain of S\$1.3 million) from the settlement of currency forward contracts to hedge HKD, RMB and JPY distributable income

Finance costs increased by S\$3.0 million compared to the corresponding period last year. The major variances are primarily due to:

- (i) finance costs on the borrowings to fund the acquisition of the Japan Properties (S\$2.6 million);
- (ii) rising interest rate on floating rate debt mitigated by the refinancing of borrowings at lower cost of debt (S\$1.4 million); and
- (iii) offset by lower average rate of HKD (S\$0.8 million).

Net loss in fair value of financial derivatives of S\$1.1 million relates to the mark-to-market movement of currency forward contracts to hedge currency exposures of future HKD, RMB and JPY distributable income.

After taking into account the distribution adjustments, the distributable income to Unitholders for YTD FY18/19 increased by 13.7% to S\$178.6 million, and the distribution per unit grew by 2.7% compared to the corresponding period last year, from 5.582 cents per unit to 5.734 cents per unit.

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b. Financial results 3Q FY18/19 vs 3Q FY17/18

Gross revenue increased by S\$17.2 million or 19.4% to S\$105.6 million for 3Q FY18/19 compared to corresponding period last year. The increase in revenue was primarily due to:

- (i) revenue growth from Festival Walk, Gateway Plaza and Sandhill Plaza as a result of higher rent; and
- (ii) contribution from the Japan Properties following the completion of acquisition on 25 May 2018.

For 3Q FY18/19, Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties made up 61.6%, 20.6%, 6.0% and 11.8% (3Q FY17/18: 69.5%, 23.7%, 6.8% and nil) of the portfolio gross revenue respectively.

Property operating expenses increased by S\$4.0 million or 23.3% to S\$21.0 million for 3Q FY18/19 compared to the corresponding period last year. The increase in property operating expenses was primarily attributable to:

- (i) the acquisition of the Japan Properties;
- (ii) higher marketing and promotional expenses at Festival Walk; and
- (iii) higher property and lease management fees in line with the growth in revenue.

Net property income for 3Q FY18/19 increased by S\$13.2 million or 18.5% to S\$84.6 million, compared to the corresponding period last year.

Net foreign exchange loss of S\$0.4 million for the period (3Q FY17/18: gain of S\$2.1 million) was primarily made up of:

- (i) net realized exchange loss of S\$0.8 million (3Q FY17/18: gain of S\$0.4 million) from the settlement of currency forward contracts to hedge HKD, RMB and JPY distributable income;
- (ii) offset by the exchange gain of S\$0.4 million (3Q FY17/18: S\$1.9 million) from the partial settlement of inter-company loans, which is capital in nature and not distributable.

Finance costs increased by S\$1.7 million compared to the corresponding period last year. The major variances are primarily due to:

- (i) finance costs on the borrowings to fund the acquisition of the Japan Properties (S\$1.1 million); and
- (ii) rising interest rate on floating rate debt mitigated by the refinancing of borrowings at lower cost of debt (S\$0.8 million).

Net gain in fair value of financial derivatives of S\$0.8 million relates to the mark-to-market movement of currency forward contracts to hedge currency exposures of future HKD, RMB and JPY distributable income.

After taking into account the distribution adjustments, the distributable income to Unitholders for 3Q FY18/19 increased by 15.9% to S\$61.0 million, and the distribution per unit grew by 3.2% compared to the corresponding period last year, from 1.868 cents per unit to 1.927 cents per unit.

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c. Financial position as of 31 December 2018 vs 31 March 2018

Total assets at S\$7,387.7 million as of 31 December 2018, was S\$865.0 million higher compared to 31 March 2018, mainly due to the increase in investment properties of S\$888.0 million primarily arising from:

- (i) acquisition of the Japan Properties of S\$777.5 million; and
- (ii) net translation gain of S\$109.1 million from the stronger HKD, partially offset by the weaker RMB and JPY; and
- (iii) offset by the decrease in financial derivative assets due to movement in fair value.

Group total liabilities amounted to S\$3,216.8 million as of 31 December 2018, S\$582.8 million higher compared to 31 March 2018, primarily due to the following:

- (iv) increase in borrowings of S\$523.2 million mainly due to:
 - net proceeds from borrowings of S\$454.1 million to partially fund the acquisition of the Japan Properties and for working capital; and
 - translation loss of S\$72.1 million arising from the stronger HKD and translation gain of JPY during the period offset by weaker RMB.
- (v) increase in trade and other payables of S\$35.6 million mainly due to tenancy deposits and advanced rent relating to the Japan Properties, following the completion of the acquisition on 25 May 2018.

Net assets attributable to Unitholders increased by S\$277.6 million to S\$4,166.3 million as of 31 December 2018, mainly due to units issued pursuant to the private placement to partially fund the acquisition of the Japan Properties, units issued in lieu of management and acquisition fees, returns and net translation gain for the period and offset by distribution payments to Unitholders.

Non-controlling interests refer to 1.53% effective interest of the Japan Properties held by MIJ.

9. Variance from Previous Forecast / Prospect Statement

MNACT has not provided any forecast to the market.

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

The International Monetary Fund¹ expects world economic growth to moderate to 3.5% in 2019 from 3.7% growth achieved in 2018, mainly due to the impact of trade tariffs and prolonged trade tensions, as well as higher interest rates.

In Hong Kong, market uncertainties together with the volatile stock and softer residential property markets have resulted in a moderation in retail sales momentum². Should this persist, it may continue to dampen retail sales performance in Hong Kong. Festival Walk is however expected to maintain a stable performance, as it is a popular retail and lifestyle destination and is well supported by local shoppers.

For Beijing, in view of the uncertain economic environment, tenants are taking a more cautious approach towards lease renewal and expansion, putting downward pressure on the city-wide occupancy rate³. While Gateway Plaza has been maintaining high occupancy rates, the weaker office market may pose challenges to the occupancy levels going forward.

¹ International Monetary Fund, World Economic Outlook Update (January 2019).

² CBRE MarketView, Hong Kong Retail, 4Q 2018.

³ Cushman and Wakefield, Beijing Office MarketBeats, December 2018.

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Business park supply in Shanghai is expected to increase¹. However, the expanding metro connectivity² is expected to improve accessibility and continue to stimulate demand for business park space. Sandhill Plaza's performance is expected to remain resilient.

The Japan Properties are expected to provide stable income streams, underpinned by high average occupancy rates and long average lease expiry period.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 13th distribution for the period from 1 October 2018 to 31 December 2018

Distribution types: Income / Capital

Distribution rate: Period from 1 October 2018 to 31 December 2018
Tax-exempt income: 1.394 cents per unit
Capital: 0.533 cents per unit
(Being 100% of MNACT's Distributable Income for the period)

Par value of units: Not meaningful.

Tax rate: Not applicable.

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? No

(c) Date payable: 22 February 2019

(d) Book closure date: 4 February 2019

12. If no distribution has been declared/(recommended), a statement to that effect.

Not applicable.

¹ Colliers Shanghai Market Outlook, 2019 (17 January 2019).

² Colliers Quarterly, Shanghai Business Park 3Q 2018 (7 November 2018).

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13. a. Segment Revenue and Results (MNACT Group)

	YTD FY18/19		YTD FY17/18		3Q FY18/19		3Q FY17/18	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>								
Retail	165,118	54.2	159,819	60.2	57,010	54.0	53,442	60.4
Office	129,168	42.4	95,482	36.0	45,462	43.0	31,871	36.0
Others ¹	10,362	3.4	10,179	3.8	3,154	3.0	3,151	3.6
	304,648	100.0	265,480	100.0	105,626	100.0	88,464	100.0

	YTD FY18/19		YTD FY17/18		3Q FY18/19		3Q FY17/18	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Net Property Income</u>								
Retail	135,461	55.3	131,506	61.4	46,248	54.7	43,820	61.4
Office	105,400	43.0	78,830	36.8	37,201	44.0	26,479	37.1
Others ¹	4,165	1.7	3,952	1.8	1,143	1.3	1,107	1.5
	245,026	100.0	214,288	100.0	84,592	100.0	71,406	100.0

Footnote:

¹ Others comprised car park revenue and ice rink income.

b. Geographical breakdown (MNACT Group)

	YTD FY18/19		YTD FY17/18		3Q FY18/19		3Q FY17/18	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>								
Hong Kong SAR	190,110	62.4	184,786	69.6	65,090	61.6	61,473	69.5
People's Republic of China	84,600	27.8	80,694	30.4	28,123	26.6	26,991	30.5
Japan	29,938	9.8	-	-	12,413	11.8	-	-
	304,648	100.0	265,480	100.0	105,626	100.0	88,464	100.0

	YTD FY18/19		YTD FY17/18		3Q FY18/19		3Q FY17/18	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
<u>Net Property Income</u>								
Hong Kong SAR	152,227	62.1	148,094	69.1	51,627	61.0	49,106	69.2
People's Republic of China	69,839	28.5	66,194	30.9	23,448	27.7	22,300	30.8
Japan	22,960	9.4	-	-	9,517	11.3	-	-
	245,026	100.0	214,288	100.0	84,592	100.0	71,406	100.0

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14. General mandate relating to Interested Person Transactions

MNACT has not obtained a general mandate from Unitholders for Interested Person Transactions other than the Exempted Agreements as disclosed in the Prospectus.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

16. Confirmation by the Board

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

This release may contain forward-looking statements that involve risks and uncertainties. Future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employees' wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

By Order of the Board
Wan Kwong Weng
Joint Company Secretary
Mapletree North Asia Commercial Trust Management Ltd.
(Company Registration No. 201229323R)
As Manager of Mapletree North Asia Commercial Trust

25 January 2019