

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021 AND DISTRIBUTION ANNOUNCEMENT

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MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021 AND DISTRIBUTION ANNOUNCEMENT

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

	1H FY21/22 ¹	1H FY20/21 ²	Variance%
Gross revenue(S\$'000)	215,441	190,099	13.3
Net property income (S\$'000)	161,879	139,740	15.8
Distributable income (S\$'000)	119,533	96,832	23.4
Distribution per unit (cents) ³	3.426	2.876	19.1

Footnotes:

- 1) Period from 1 April 2021 to 30 September 2021 (“1H FY21/22”)
- 2) Period from 1 April 2020 to 30 September 2020 (“1H FY20/21”)
- 3) MNACT has amended its distribution policy to make distributions on a half-yearly basis starting from 1H FY20/21. Consequently, DPU for 1H FY21/22 is calculated based on the income available for distribution for 1H FY21/22 over the number of units in issue as at the end of the period of 3,488,854,672 units. The number of units in issue as at the end of 1H FY21/22 does not include the payment of Manager’s base fee and the property manager’s management fees (collectively known as “Fees”) in units of 15,259,182 for 1H FY21/22. The units for payment of Fees for 1H FY21/22, to be issued in November 2021, will be included in the computation of the DPU payable for the second half of the financial year.

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Introduction

Mapletree North Asia Commercial Trust¹ (“MNACT”) 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 the Greater China region, Japan and South Korea, in a diversified portfolio of income-producing real estate 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 thirteen commercial properties in China, in Hong Kong SAR, Japan and South Korea, with a total lettable area of 5.9 million square feet. Their total book value² is S\$8,443.6 million as of 30 September 2021:

- (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);
- (d) Properties in Japan, with good-quality specifications (collectively, the “Japan Properties”):
 - Six office buildings, comprising 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) (acquired on 25 May 2018);
 - two office buildings, mBAY POINT Makuhari (“MBP”) located in Chiba and Omori Prime Building (“Omori”) located in Tokyo (acquired on 28 February 2020³); and
 - one office building, Hewlett-Packard Japan Headquarters Building (“HPB”) located in Tokyo (acquired on 18 June 2021⁶)
- (e) 50% interest in The Pinnacle Gangnam, a high quality office building located at Gangnam-gu in Seoul, South Korea (acquired on 30 October 2020).^{4,5}

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

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. The Manager monitors MNACT’s cash flow position and working capital requirements to ensure adequate reserves and liquidity to meet its financial obligations. The Manager also actively refinances MNACT’s financial obligations so as to manage the debt maturity profile.

¹ Formerly known as Mapletree Greater China Commercial Trust.

² Includes MNACT’s 50.0% effective interest in The Pinnacle Gangnam.

³ Please refer to MNACT’s SGX-ST Announcement dated 28 February 2020 titled “Issuance of Transaction Units to Sponsor’s Nominee, and Completion of Acquisition of Two Office Properties in Greater Tokyo and Use of Proceeds”.

⁴ Please refer to MNACT’s SGX-ST Announcement dated 25 September 2020 titled “Acquisition of 50.0% Interest In an Office Building Known As “The Pinnacle Gangnam” Located In Seoul, Korea; (B) Manager To Waive Entitlement To Performance Fees”.

⁵ Please refer to MNACT’s SGX-ST Announcement dated 25 September 2020 titled “Expansion of Investment Mandate”.

⁶ Please refer to MNACT’s SGX-ST Announcement dated 18 June 2021 titled “Completion of acquisition of an office property in greater Tokyo and use of proceeds”.

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Introduction (continued)

MNACT's distribution policy is to distribute at least 90.0% of its distributable income on a quarterly basis. Following the amendments to Rule 705 of the Listing Manual of the Singapore Exchange Securities Trading Limited on the quarterly reporting framework which took effect from 7 February 2020, MNACT has announced financial statements on a half-yearly basis with effect from the financial year from 1 April 2020 to 31 March 2021 ("FY20/21"). Consequently, MNACT has also amended its distribution policy to make distributions on a half-yearly basis.

Notwithstanding the above, the Manager will continue its proactive engagement with unitholders through various communication channels, including providing relevant and material updates between the announcements of half-yearly financial statements, through SGX announcements.

Distribution Reinvestment Plan ("DRP")

As part of the Manager's proactive capital management efforts to maintain an optimal overall aggregate leverage for MNACT, the Manager will continue to apply the Distribution Reinvestment Plan ("DRP") for MNACT's distribution for the period from 1 April 2021 to 30 September 2021.

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1.1 Consolidated Statement of Profit or Loss, Statement of Comprehensive Income and Distribution Statement (MNACT Group)

Statement of Profit and Loss	1H FY21/22 (S\$'000)	1H FY20/21 (S\$'000)	Variance Positive/ (Negative) (%)
Gross revenue ¹	215,441	190,099	13.3
Property operating expenses	(53,562)	(50,359)	(6.4)
Net property income	161,879	139,740	15.8
<i>Other income</i>			
Interest income	857	1,200	(28.6)
Other non-operating income- interim insurance proceeds ²	-	36,751	(100.0)
<i>Other gains/(loss)</i>			
Net foreign exchange gain	800	139	NM
<i>Expenses</i>			
Manager's management fees ³			
- Base fee	(12,247)	(9,965)	(22.9)
- Performance fee	-	-	-
Trustee's fee	(413)	(418)	1.2
Other trust expenses	(1,416)	(1,288)	(9.9)
Finance costs ⁴	(33,240)	(37,919)	12.3
Share of profit of joint venture ⁵	2,414	-	NM
Profit before net change in fair value of investment properties and financial derivatives	118,634	128,240	(7.5)
Net change in fair value of investment properties ⁶	-	(304,890)	100.0
Net change in fair value of financial derivatives	(326)	3,947	NM
Profit/(loss) before income tax	118,308	(172,703)	NM
Income tax expenses	(19,707)	(17,808)	(10.7)
Profit/(loss) for the period	98,601	(190,511)	NM
Profit/(loss) attributable to:			
Unitholders	96,141	(191,392)	NM
Perpetual securities holders ⁷	2,010	-	NM
Non-controlling interests ⁸	450	881	(48.9)
	98,601	(190,511)	NM
Earnings per unit (cents)			
- Basic and Diluted	2.773	(5.694)	NM

Footnotes:

- ¹ Revenue for Gateway Plaza and Sandhill Plaza in China is presented net of Value Added Tax. Revenue for the Japan Properties is presented net of consumption tax.
- ² Relates to the interim payments by the insurers, as partial payment on account of the estimated insurance claims for property damage and revenue loss due to business interruption at Festival Walk.
- ³ 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 which is calculated based on 10% of distributable income from the Japan Properties.
- ⁴ Includes the interest expenses imputed to the lease liabilities under Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases.
- ⁵ Share of profit of joint venture refers to the 50% effective interest in The Pinnacle Gangnam. The acquisition of The Pinnacle Gangnam was completed on 30 October 2020.
- ⁶ Please refer to Note 2.4(c) on the valuation processes of MNACT Group with respect to investment properties.
- ⁷ MNACT has issued S\$250,000,000 3.50% Perpetual Securities on 8 June 2021 to partially fund the acquisition of Hewlett Packard Japan Headquarters Building ("HPB"). Please refer to MNACT's SGX-ST Announcement dated 1 June 2021 titled "Issue of S\$250,000,000 3.50% Perpetual Securities Pursuant to the US\$1,500,000,000 Euro Medium Term Securities Programme".
- ⁸ Non-controlling interests refers to the 1.53% effective interest in the Japan Properties held by MIJ.

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1.1 Consolidated Statement of Profit or Loss, Statement of Comprehensive Income and Distribution Statement (MNACT Group)

Statement of Comprehensive Income	1H FY21/22 (S\$'000)	1H FY20/21 (S\$'000)	Variance Positive/ (Negative) (%)
Profit/(loss) for the period	98,601	(190,511)	NM
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
<u>Currency translation differences</u>			
- Profit/ (loss) for the period	16,536	(28,202)	NM
- Reclassification	(48)	596	NM
- Share of a foreign joint venture	(3,265)	-	NM
- Hedges of net investment in foreign operation ¹	(10,255)	-	NM
<u>Cash flow hedges</u>			
- Fair value changes, net of tax	2,574	15,088	(82.9)
- Reclassification	(8,304)	(21,835)	62.0
Total other comprehensive loss, net of tax	(2,762)	(34,353)	NM
Total comprehensive profit/ (loss)	95,839	(224,864)	NM
Total comprehensive income/ (loss) attributable to:			
Unitholders	93,402	(225,534)	NM
Perpetual Securities holders ²	2,010	-	NM
Non-controlling interests ³	427	670	(36.3)
	95,839	(224,864)	NM

Footnotes:

- Relates to fair value changes on the derivative financial instruments (cross currency interest rate swaps to swap SGD fixed interest rate to JPY fixed interest rate) for perpetual securities issued to partially fund the acquisition of HPB.
- MNACT issued S\$250,000,000 3.50% Perpetual Securities on 8 June 2021 to partially fund the acquisition of Hewlett Packard Japan Headquarters Building ("HPB"). Please refer to MNACT's SGX-ST Announcement dated 1 June 2021 titled "Issue of S\$250,000,000 3.50% Perpetual Securities Pursuant to the US\$1,500,000,000 Euro Medium Term Securities Programme".
- Non-controlling interests refer to the 1.53% effective interest in the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").

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1.1 Consolidated Statement of Profit or Loss, Statement of Comprehensive Income and Distribution Statement (MNACT Group)

Distribution Statement	1H FY21/22 (S\$'000)	1H FY20/21 (S\$'000)	Variance Positive/ (Negative) (%)
Profit/ (loss) for the period attributable to Unitholders	96,141	(191,392)	NM
Distribution adjustments (Note A)	23,392	288,224	(91.9)
Distributable income to Unitholders	119,533	96,832	23.4

Note A:			
Distribution adjustments¹ comprise:			
- Trustee's fee	413	418	(1.2)
- Financing fees	2,491	2,274	9.5
- Net change in fair value of investment properties net of deferred tax impact	-	303,425	(100.0)
- Manager's base fee paid/payable in units	9,354	7,118	31.4
- Property manager's management fees paid/payable in units	5,361	4,600	16.5
- Net change in fair value of financial derivatives	326	(3,947)	NM
- Net foreign exchange (gain)/loss on capital item ²	(48)	596	NM
- Other non-tax deductible items and other adjustments	5,495	5,765	(4.7)
	23,392	320,249	(92.7)
- Interim insurance proceeds (net of tax) ³	-	(32,025)	100.0
	23,392	288,224	(91.9)

Footnotes:

NM – Not Meaningful

¹ Excludes share attributable to non-controlling interests.

² Net foreign exchange (gain)/loss on capital item arises 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.

³ In 1H FY20/21, interim insurance proceeds (net of tax) of S\$32.0 million relating to the claims for property damage and revenue loss due to business interruption ("Business Interruption Insurance Amount at Festival Walk"), were received. As announced on 4 December 2019, the Business Interruption Insurance Amount will be used to repay the external borrowings incurred to fund the distribution top-ups paid to unitholders in 2H FY19/20. Any Business Interruption Insurance Amount received in excess of the distribution top-ups will be distributed to the unitholders.

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1.2 Statements of Financial Position (MNACT Group)

	30 Sep 2021 (S\$'000)	31 Mar 2021 (S\$'000)
Current assets		
Cash and bank balances	243,129	252,198
Trade and other receivables	28,878	14,596
Other current assets	4,930	3,361
Inventories	523	569
Derivative financial instruments ¹	1,022	1,990
Total current assets	278,482	272,714
Non-current assets		
Derivative financial instruments ¹	19,235	22,040
Investment properties	8,179,968	7,674,050
Plant and equipment	2,874	3,307
Investment in joint venture	111,317	116,562
Total non-current assets	8,313,394	7,815,959
Total Assets	8,591,876	8,088,673
Current liabilities		
Trade and other payables	121,885	122,060
Borrowings	117,895	207,406
Lease liabilities	40	62
Current income tax liabilities	31,502	27,805
Derivative financial instruments ¹	3,147	9,544
Total current liabilities	274,469	366,877
Non-current liabilities		
Trade and other payables	99,586	105,861
Borrowings	3,362,520	3,063,847
Lease liabilities	127	-
Derivative financial instruments ¹	23,870	16,216
Deferred tax liabilities	156,116	150,749
Total non-current liabilities	3,642,219	3,336,673
Total Liabilities	3,916,688	3,703,550
Net assets	4,675,188	4,385,123
Represented by:		
Unitholders' funds	4,314,502	4,275,933
General reserve	5,904	5,167
Hedging reserve	(5,834)	(104)
Foreign currency translation reserve	97,679	94,688
	4,412,251	4,375,684
Perpetual Securities ²	249,810	-
Non-controlling interests ³	13,127	9,439
	4,675,188	4,385,123
Net Asset Value (NAV) per unit (S\$)	1.265	1.274

Footnotes:

- Derivative financial instruments represent the fair value as at period end of the (i) currency forwards to swap HKD, RMB, JPY and KRW 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 and HKD fixed interest rate to JPY fixed interest rate.
- MNACT issued S\$250,000,000 3.50% Perpetual Securities on 8 June 2021 to partially fund the acquisition of Hewlett Packard Japan Headquarters Buildings ("HPB"). Please refer to MNACT's SGX-ST Announcement dated 1 June 2021 titled "Issue of S\$250,000,000 3.50% Perpetual Securities Pursuant to the US\$1,500,000,000 Euro Medium Term Securities Programme".
- Non-controlling interests refers to 1.53% effective interest in the Japan Properties held by MIJ.

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1.2 Statements of Financial Position (MNACT)

	30 Sep 2021 (S\$'000)	31 Mar 2021 (S\$'000)
Current assets		
Cash and bank balances	84,657	87,092
Trade and other receivables	7,291	8,729
Derivative financial instruments ¹	572	1,404
Total current assets	92,520	97,225
Non-current asset		
Investments in subsidiaries	2,940,625	2,691,823
Total non-current asset	2,940,625	2,691,823
Total Assets	3,033,145	2,789,048
Current liabilities		
Trade and other payables	16,867	16,069
Current income tax liabilities	83	151
Derivative financial instruments ¹	838	1,342
Total current liabilities	17,788	17,562
Non-current liability		
Derivative financial instruments ²	10,255	-
Total non-current liability	10,255	-
Total Liabilities	28,043	17,562
Net assets	3,005,102	2,771,486
Represented by:		
Unitholders' funds	2,755,556	2,771,424
Hedging reserve	(264)	62
	2,755,292	2,771,486
Perpetual Securities ³	249,810	-
	3,005,102	2,771,486
Net Asset Value (NAV) per unit (S\$)	0.790	0.807

Footnotes:

- ¹ Derivative financial instruments represent the fair value as at period end of the currency forwards to swap HKD, RMB, JPY and KRW to SGD.
- ² Derivative financial instruments represent the fair value as at period end of the cross currency interest rate swaps to swap SGD fixed interest rate to JPY fixed interest rate.
- ³ MNACT issued S\$250,000,000 3.50% Perpetual Securities on 8 June 2021 to partially fund the acquisition of Hewlett Packard Japan Headquarters Buildings ("HPB"). Please refer to MNACT's SGX-ST Announcement dated 1 June 2021 titled "Issue of S\$250,000,000 3.50% Perpetual Securities Pursuant to the US\$1,500,000,000 Euro Medium Term Securities Programme".

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1.3 Consolidated Statement of Cash flows (MNACT Group)

	1H FY21/22 (S\$'000)	1H FY20/21 (S\$'000)
Cash flows from operating activities		
Profit/(loss) for the period	98,601	(190,511)
Adjustments for:		
- Income tax expenses	19,707	17,808
- Amortisation of rent free incentive	492	(103)
- Depreciation	650	666
- Net change in fair value of investment properties	-	304,890
- Net change in fair value of financial derivatives	326	(3,947)
- Manager's management fees paid/payable in units	9,354	7,118
- Property manager's management fees paid/payable in units	5,361	4,600
- Finance costs	33,240	37,919
- Interest income	(857)	(1,200)
- Net foreign exchange loss/(gain) on capital item	(48)	596
- Share of profit of a joint venture	(2,414)	-
Operating cash flows before working capital changes	164,412	177,836
Changes in working capital:		
- Trade and other receivables and other current assets	(14,078)	2,007
- Inventories	48	-
- Trade and other payables	(20,039)	(12,974)
Cash generated from operations	130,343	166,869
- Income tax paid	(12,525)	(11,877)
Net cash provided by operating activities	117,818	154,992
Cash flows from investing activities		
Distributions received from joint venture	1,804	-
Additions to investment properties	(9,273)	(4,822)
Additions to plant and equipment	(76)	(405)
Net cash outflow on acquisition of investment properties	(481,847)	-
Interest income received	1,144	993
Net cash used in investing activities	(488,248)	(4,234)
Cash flows from financing activities		
Repayment of borrowings	(160,158)	(259,143)
Repayment of medium term note	(75,000)	-
Proceeds from borrowings	449,101	249,904
Principal payment of lease liabilities	(37)	(39)
Payment of issue expenses	(222)	(491)
Payments of distributions to Unitholders (net of distribution in units) ¹	(70,356)	(34,291)
Payments of distributions to non-controlling interests	(261)	(288)
Contribution from non-controlling interests	3,522	-
Financing fees paid	(2,584)	(2,875)
Interest paid	(31,438)	(35,443)
Change in restricted cash ²	(2,611)	(3,179)
Proceeds from issuance of perpetual securities, net of transaction costs ³	248,853	-
Net cash from/(used in) financing activities	358,809	(85,845)
Net (decrease)/increase in cash and cash equivalents held	(11,621)	64,913
Cash and cash equivalents at beginning of the period	229,276	188,208
Effect of currency translation on cash and cash equivalents	179	(1,922)
Cash and cash equivalents at end of the period	217,834	251,199

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1.3 Consolidated Statement of Cash flows (MNACT Group) (continued)

Footnotes:

- ¹ This amount excludes S\$42.9 million (1H FY20/21: S\$16.5 million) distributed through the issuance of 41,089,325 (1H FY20/21: 15,440,339) new units in MNACT in 1H FY21/22 as part payment of distributions for the period from 1 October 2020 to 31 March 2021 (1H FY20/21: 1 January 2020 to 31 March 2020), pursuant to the Distribution Reinvestment Plan (“DRP”) which started from 3Q FY19/20.
- ² For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	1H FY21/22 (S\$'000)	1H FY20/21 (S\$'000)
Cash and bank balances	243,129	273,126
Less: Restricted cash	(25,295)	(21,927)
Cash and cash equivalents per consolidated statement of cash flows	217,834	251,199

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.

- ³ MNACT issued S\$250,000,000 3.50% Perpetual Securities on 8 June 2021 to partially fund the acquisition of Hewlett Packard Japan Headquarters Building (“HPB”). Please refer to MNACT’s SGX-ST Announcement dated 1 June 2021 titled “Issue of S\$250,000,000 3.50% Perpetual Securities Pursuant to the US\$1,500,000,000 Euro Medium Term Securities Programme”.

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1.4 Statements 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)	Perpetual Securities (S\$'000)	Non- controlling interests (S\$'000)	
Balance as at 1 Apr 2021	1,393,442	2,882,491	5,167	(104)	94,688	-	9,439	4,385,123
Profit attributable to:								
- Unitholders and non-controlling interest	96,141	-	-	-	-	-	450	96,591
- Perpetual securities holders	-	-	-	-	-	2,010	-	2,010
Fair value changes on cash flow hedges	-	-	-	2,584	-	-	(10)	2,574
Reclassification to Profit or Loss	-	-	-	(8,314)	(48)	-	10	(8,352)
Translation differences relating to financial statements of:								
- foreign subsidiaries and quasi equity loans	-	-	-	-	16,559	-	(23)	16,536
- a foreign joint venture	-	-	-	-	(3,265)	-	-	(3,265)
- Hedges of net investment in foreign operation ²	-	-	-	-	(10,255)	-	-	(10,255)
Total comprehensive income	96,141	-	-	(5,730)	2,991	2,010	427	95,839
Distributions to Unitholders	(61,681)	(51,618)	-	-	-	-	-	(113,299)
Transfer to general reserve	(737)	-	(737)	-	-	-	-	-
Issue of new units arising from:								
- settlement of management fees	-	13,743	-	-	-	-	-	13,743
- Distribution Reinvestment Plan	-	42,943	-	-	-	-	-	42,943
- Perpetual Securities Holders	-	-	-	-	-	250,000	-	250,000
Issue expenses	-	(222)	-	-	-	(2,200)	-	(2,422)
Contributions from non-controlling interests	-	-	-	-	-	-	3,522	3,522
Distributions to non-controlling interests	-	-	-	-	-	-	(261)	(261)
Balance as at 30 Sep 2021	1,427,165	2,887,337	5,904	(5,834)	97,679	249,810	13,127	4,675,188

	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)	Non- controlling interests (S\$'000)		
Balance as at 1 Apr 2020	1,735,551	2,840,118	3,782	6,164	135,892	9,123	4,730,630	
(Loss)/profit attributable to Unitholders and non-controlling interest	(191,392)	-	-	-	-	881	(190,511)	
Fair value changes on cash flow hedges	-	-	-	15,096	-	(8)	15,088	
Reclassification to Profit or Loss	-	-	-	(21,845)	596	10	(21,239)	
Translation differences relating to financial statements of:								
- foreign subsidiaries and quasi equity loans	-	-	-	-	(27,989)	(213)	(28,202)	
Total comprehensive income	(191,392)	-	-	(6,749)	(27,393)	670	(224,864)	
Distributions to Unitholders ¹	(11,605)	(5,031)	-	-	-	-	(16,636)	
Transfer to general reserve	(667)	-	667	-	-	-	-	
Issue of new units arising from:								
- settlement of management fees	-	6,492	-	-	-	-	6,492	
- Distribution Reinvestment Plan	-	16,524	-	-	-	-	16,524	
Issue expenses	-	(505)	-	-	-	-	(505)	
Distributions to non-controlling interests	-	-	-	-	-	(288)	(288)	
Balance as at 30 Sep 2020	1,531,887	2,857,598	4,449	(585)	108,499	9,505	4,511,353	

1. Includes S\$3.7 million distributed through the issuance of 4,264,513 new units in MNACT in 1H FY20/21 as part payment of distributions for the period from 28 February 2020 to 31 March 2020, pursuant to the DRP.

2. Relates to fair value changes on the derivative financial instruments (cross currency interest rate swaps to swap SGD fixed interest rate to JPY fixed interest rate) for perpetual securities issued to partially fund the acquisition of HPB.

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR FROM 1 APRIL 2021 TO 30 SEPTEMBER 2021 AND DISTRIBUTION ANNOUNCEMENT

1.4 Statements of Movements in Unitholders' Funds (MNACT)

	Unitholders' funds				Total (\$'000)
	Operations (\$'000)	Unitholders' Contribution (\$'000)	Hedging reserve (\$'000)	Perpetual securities (\$'000)	
Balance as at 1 Apr 2021	(111,066)	2,882,491	62	-	2,771,487
Profit attributable to:					
- Unitholders	40,966	-	-	-	40,966
- Perpetual securities holders	-	-	-	2,010	2,010
Fair value changes on cash flow hedges	-	-	(122)	-	(122)
Reclassification to Profit or Loss	-	-	(204)	-	(204)
Other comprehensive income	40,966	-	(326)	2,010	42,650
Distributions to Unitholders	(61,681)	(51,618)	-	-	(113,299)
Issue of new units arising from:					
- settlement of management fees	-	13,743	-	-	13,743
- Distribution Reinvestment Plan	-	42,943	-	-	42,943
- Perpetual securities holders	-	-	-	250,000	250,000
Issue expenses	-	(222)	-	(2,200)	(2,422)
Balance as at 30 Sep 2021	(131,781)	2,887,337	(264)	249,810	3,005,102

	Unitholders' funds			
	Operations (\$'000)	Unitholders' Contribution (\$'000)	Hedging reserve (\$'000)	Total (\$'000)
Balance as at 1 Apr 2020	(148,005)	2,840,118	(3,824)	2,688,289
Profit attributable to Unitholders	55,341	-	-	55,341
Fair value changes on cash flow hedges	-	-	2,800	2,800
Reclassification to Profit or Loss	-	-	1,147	1,147
Other comprehensive income	55,341	-	3,947	59,288
Distributions to Unitholders ¹	(11,605)	(5,031)	-	(16,636)
Issue of new units arising from:				
- settlement of management fees	-	6,492	-	6,492
- Distribution Reinvestment Plan	-	16,524	-	16,524
Issue expenses	-	(505)	-	(505)
Balance as at 30 Sep 2020	(104,269)	2,857,598	123	2,753,452

1. Includes S\$3.7 million distributed through the issuance of 4,264,513 new units in MNACT in 1H FY20/21 as part payment of distributions for the period from 28 February 2020 to 31 March 2020, pursuant to the DRP.

1(e) Details of Any Change in Units

	1H FY21/22 ('000)	1H FY20/21 ('000)
Balance as at beginning of period	3,434,337	3,342,916
Movements during the period		
Issue of units arising from:		
- settlement of management fees	13,428	8,536
- Distribution Reinvestment Plan	41,089	15,440
Total issued units as at end of period	3,488,855	3,366,892

There were no convertibles, treasury units and subsidiary holdings as at 30 September 2021 and 30 September 2020.

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

2. Notes to the Condensed Interim Consolidated Financial Statements

These notes form an integral part of the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements as at and for the half year period ended 30 September 2021 relate to the Trust and its subsidiaries (the “Group”).

2.1 General

Mapletree North Asia Commercial Trust (“MNACT”) is a Singapore-domiciled Real Estate Investment Trust constituted pursuant to the Trust Deed dated 14 February 2013 (as amended) between Mapletree North Asia Commercial Trust Management Ltd. (as Manager) and DBS Trustee Limited (as Trustee). The Trust Deed is governed by the laws of the Republic of Singapore.

MNACT was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 7 March 2013 and was approved for inclusion under the Central Provident Fund (“CPF”) Investment Scheme on 23 January 2013.

The principal activity of MNACT and its subsidiaries (the “Group”) is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate in China, Hong Kong SAR, Japan and South Korea. It focuses primarily on commercial assets (predominantly for retail and/or office use), as well as other real estate-related assets. It has the primary objective of achieving an attractive level of return from rental income and long-term capital growth.

2.2 Significant accounting policies

Basis of preparation

Based on Rule 705(3A) of the Listing Manual of the Singapore Exchange Securities Trading Limited on the interim financial reporting, issuers are required to prepare interim financial reports in accordance with the relevant accounting standards for financial periods ending on or after 30 June 2021. Accordingly, the condensed interim consolidated financial statements for the half year ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out below.

These condensed interim consolidated financial statements are expressed in Singapore Dollars and rounded to the nearest thousand.

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

2. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.2 Significant accounting policies (continued)

Basis of preparation (continued)

The preparation of the condensed interim consolidated financial statements in conformity with SFRS(I) requires the Manager to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Information about an area involving a higher degree of judgement, where assumptions and estimates are significant to the condensed interim consolidated financial statements, is disclosed in Note 2.4 - Investment Properties.

New or amended financial reporting standards effective this period

The Group has adopted new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s that are mandatory for application from 1 April 2021. The adoption of these SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

The amendments to SFRS(I)s relating to Phase 2 of the Interest Rate Benchmark Reform applicable for periods beginning on or after 1 April 2021 provides further relief for hedge accounting as well as practical expedients for modification of debt instruments and lease liabilities for lessees with Interbank Offer Rates ("IBOR") based terms, and also introduce additional disclosure requirements on the entity's transition to alternative benchmark rates and related information. The Group is currently overseeing and monitoring the Group's IBOR reform transition, which includes assessing the impact of existing IBOR related financial products and executing amendments required as a result of IBOR reform with its counterparties.

2.3 Earnings Per Unit

	<u>Group</u>	
	1H FY21/22	1H FY20/21
Weighted average number of units ¹	3,467,072,009	3,361,482,015
Earnings per unit ("EPU") - Basic and Diluted²		
Based on the weighted average number of units in issue (cents)	2.773	(5.694) ³
Number of units in issue at end of period	3,488,854,672	3,366,891,945
Distribution per unit ("DPU")		
Based on the number of units in issue at the end of the period (cents)	3.426	2.876 ⁴

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 (if applicable).
- 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.
- ³ EPU is calculated based on loss attributable to Unitholders (inclusive of the net revaluation loss and interim insurance proceeds), over weighted average units in issue in cents (refer to Paragraph 1(a) Statement of Profit and Loss).
- ⁴ DPU is calculated based on distributable income (excluding the net revaluation loss and interim insurance proceeds that are non-distributable), over the number of units in issue at the end of the period in cents (refer to Paragraph 1(a) Distribution Statement and the related footnotes).

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

2. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.4 Investment properties

(a) Movements during the period/year

	<u>Group</u>	
	30 Sep 2021	31 Mar 2021
	S\$'000	S\$'000
Beginning of the period/year	7,674,050	8,347,232
Additions	9,273	19,743
Acquisition ¹	486,511	-
Net change in fair value of investment properties	-	(480,957)
Translation difference on consolidation	10,134	(211,968)
End of the period/year	8,179,968	7,674,050

¹ On 18 June 2021, MNACT acquired a freehold single-tenanted office building, Hewlett-Packard Japan Headquarters Building ("HPB"), located in Tokyo, Japan. The acquisition amount capitalised includes acquisition fees and acquisition related expenses amounting to S\$18.9 million (31 March 2021: Nil), of which \$4,664,000 remains outstanding as at 30 September 2021 (31 March 2021: Nil).

(b) Fair value hierarchy

The fair values are generally derived using the following methods – income capitalisation, discounted cash flow and direct comparison. Key unobservable inputs applied in these valuation methods to derive fair values are capitalisation rate and discount rate. All properties within the Group's portfolio are classified within Level 3 of the fair value hierarchy, where fair values are determined based on significant unobservable inputs.

(c) Valuation processes of the Group

The Group engages independent and qualified valuers to determine the fair value of the Group's properties annually at the end of financial year, or whenever there is any objective evidence or indications that these properties may warrant revaluation.

Investment properties as at 30 September 2021 are based on valuations performed by independent professional valuers as at 31 March 2021, adjusted for expenditure capitalised in the period from 1 April 2021 to 30 September 2021.

Management has considered the performance of the investment properties since 31 March 2021 together with the business environments in which they are situated and are of the view that the fair value of the investment properties has not materially changed. This view is generally consistent with consultations management has had with external valuers.

Given the uncertainty over the length and severity of the COVID-19 in the respective countries in which the Group operates, amid the ongoing measures being adopted by the authorities to reduce the virus spread, valuations for specific certain investment properties may however be subjected to more fluctuations subsequent to 30 September 2021 than during normal market conditions.

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

2. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.5 Borrowings

	<u>Group¹</u>	
	30 Sep 2021 (\$'000)	31 Mar 2021 (\$'000)
Amount repayable within one year		
Bank loans (secured)	12,830	-
Bank loans (unsecured)	5,465	32,987
Medium-term notes ("MTN") (unsecured)	100,000	175,000
Amount repayable after one year		
Bank loans (secured)	879,202	624,821
Bank loans (unsecured)	1,872,156	1,825,514
Tokutei Mokuteki Kaisha ("TMK") Bonds (secured)	78,120	78,943
Medium-term notes ("MTN") (unsecured)	544,883	544,713
Gross borrowings	3,492,656	3,281,978
Less: Unamortised transaction costs ²	(12,241)	(10,725)
Net borrowings	3,480,415	3,271,253
 Represented by:		
Current position	117,895	207,406
Non-current position	3,362,520	3,063,847

¹ There are no borrowings and debt securities taken up at MNACT entity level.

² Transaction costs are amortised over the life of the loan facilities, the tenure of the MTN and TMK Bonds.

Aggregate leverage and interest coverage ratios

	30 Sep 2021 (\$'000)	31 Mar 2021 (\$'000)
Aggregate leverage ratio (%) ¹	41.4	41.5 ⁴
Interest cover ratio (times) ²	4.2	3.7 ⁵
Adjusted interest cover ratio (times) ³	4.1	3.7 ⁵

¹ In accordance with the Property Funds Guidelines, the aggregate leverage includes proportionate share of borrowings as well as lease liabilities that are entered into in the ordinary course of MNACT's business on or after 1 April 2019, in line with the guidance from the Monetary Authority of Singapore. MNACT's proportionate share of its joint venture's borrowings and deposited property values are included when computing aggregate leverage.

² In accordance with the definition from the Monetary Authority of Singapore (with effect from 16 April 2020), the interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation) ("EBITDA"), by the trailing 12 months interest expense and borrowing-related fees. The comparative is computed on the same basis.

³ Following the definition from the Monetary Authority of Singapore (with effect from 16 April 2020), the adjusted interest coverage ratio is calculated by dividing the trailing 12 months EBITDA, by the trailing 12 months interest expense and borrowing-related fees and distribution of hybrid securities. The comparative is computed on the same basis.

⁴ Based on the independent valuations of the investment properties as of 31 March 2021.

⁵ Excludes the interim insurance proceeds

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

2. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.6 Perpetual Securities

On 8 June 2021, MNACT issued S\$250,000,000 in principal amount of 3.50% fixed rate perpetual securities to partially fund the acquisition of Hewlett-Packard Japan Headquarters Building ("HPB"), an office building in Japan. The perpetual securities have no fixed redemption date, with the redemption at the option of MNACT on 8 June 2026 and each distribution payment date thereafter, and will bear an initial rate of distribution of 3.50% per annum for the first five years. Distributions are payable semi-annually at the discretion of MNACT and will be non-cumulative. The perpetual securities, net of issuance costs, are classified and recognised as equity instruments.

2.7 Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit (Group)

	Group		MNACT	
	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
Number of units in issue at end of period/year	3,488,854,672	3,434,336,938	3,488,854,672	3,434,336,938
NAV and NTA per unit (\$)¹	1.265	1.274	0.790	0.807

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.

2.8 Capital Commitments

Development expenditures contracted for at the reporting date but not recognised in the financial statements amounted to S\$14,633,000 (31 March 2021: S\$13,758,604).

2.9 Significant related party transactions

Management fees, Property Manager's management fees and Trustee fees have been paid or are payable to the Manager, Property Manager and the Trustee respectively, as disclosed in the consolidated statement of profit or loss and statement of distribution.

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

2. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.10 Fair value measurements

The following table presents derivative financial instruments measured and carried at fair value at reporting dates and classified by level of the following fair value measurement hierarchy:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>Group</u>		<u>MNACT</u>	
	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
<u>Level 2</u>	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Derivative financial instruments	20,257	24,030	572	1,404
Liabilities				
Derivative financial instruments	(27,017)	(25,760)	(11,093)	(1,342)

The fair values of derivative financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. The fair values of currency forwards are determined using banks' quoted forward rates and foreign exchange spot rates at the reporting date. The fair values of interest rate swaps and cross currency interest rate swaps are calculated as the present value of the estimated future cash flows, using assumptions based on market conditions existing at the reporting date.

The carrying value of cash and bank balances, trade and other receivables, other current assets and trade and other payables approximate their fair values. The fair value of borrowings approximates their carrying amounts as the interest rates of such loans are adjusted for changes in relevant market interest rate. The carrying amounts and fair values of fixed rate current and non-current borrowings are as follows:

	<u>Carrying amounts</u>		<u>Fair Values</u>	
	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
<u>Level 2</u>	S\$'000	S\$'000	S\$'000	S\$'000
Fixed rate medium term notes				
Current	100,000	175,000	101,216	177,676
Non-current	544,883	544,713	567,793	568,429

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

2. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.11 Segment information

Management considers the business from a geographic segment perspective. The basis and measurement used to determine and assess the performance of the segments disclosed in the latest audited annual financial statements remained unchanged.

The segment information for the reportable segments are as follows:

Half year period ended 30 September 2021

	Hong Kong SAR S\$'000	China S\$'000	Japan S\$'000	South Korea S\$'000	Others*	Total S\$'000
Gross revenue	106,632	53,890	54,919	-	-	215,441
Net property income	80,804	44,532	36,543	-	-	161,879
Profit before interest income, finance cost and net change in fair value of investment properties and financial derivatives	75,508	39,293	34,908	2,266	(958)	151,017
Interest income						857
Finance cost						(33,240)
Net change in fair value of investment properties						-
Net change in fair value of financial derivatives						(326)
Loss before income tax						118,308
Income tax expense						(19,707)
Loss after income tax						98,601
Other Segment item						
Share of profit of a joint venture	-	-	-	2,414	-	2,414
Segment assets						
- Investment properties #	4,530,254	1,849,790	1,799,924	-	-	8,179,968
- Investment in a joint venture	-	-	-	111,317	-	111,317
- Other segment assets	13,952	70,312	97,105	3,836	95,129	280,334
	4,544,206	1,920,102	1,897,029	115,153	95,129	8,571,619
Derivative financial instruments						20,257
Consolidated total assets						8,591,876
Segment liabilities						
- Trade and other payables	88,709	58,092	60,680	1,227	12,763	221,471
- Lease liabilities	167	-	-	-	-	167
- Current income tax liabilities						31,502
- Deferred tax liabilities						156,116
						409,256
Borrowings and Derivative financial instruments						3,507,432
Consolidated total liabilities						3,916,688

* Others segment comprises MNACT and a subsidiary (for trust-related and other corporate expenses), which are not reportable segments individually.

Investment properties contribute significantly to total non-current assets

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

2. Notes to the Condensed Interim Consolidated Financial Statements (continued)

2.11 Segment information (continued)

Half year period ended 30 September 2020

	Hong Kong SAR S\$'000	China S\$'000	Japan S\$'000	South Korea S\$'000	Others* S\$'000	Total S\$'000
Gross revenue	87,870	51,462	50,767	-	-	190,099
Net property income	64,062	42,625	33,053	-	-	139,740
Profit before interest income, finance cost and net change in fair value of investment properties and financial derivatives	97,614	37,121	30,981	-	(757)	164,959
Interest income						1,200
Finance cost						(37,919)
Net change in fair value of investment properties	(276,335)	(59,524)	30,969	-	-	(304,890)
Net change in fair value of financial derivatives						3,947
Loss before income tax						(172,703)
Income tax expense						(17,808)
Loss after income tax						(190,511)
Other Segment item						
Other non-operating income						
- interim insurance proceeds	36,751	-	-	-	-	36,751
Segment assets						
- Investment properties #	4,772,520	1,795,938	1,379,819	-	-	7,948,277
- Other segment assets	65,654	72,702	69,502	-	86,979	294,837
	4,838,174	1,868,640	1,449,321	-	86,979	8,243,114
Derivative financial instruments						12,135
Consolidated total assets						8,255,249
Segment liabilities						
- Trade and other payables	99,402	39,374	73,647	-	6,344	218,767
- Lease liabilities						102
- Current income tax liabilities						36,289
- Deferred tax liabilities						136,456
						391,614
Borrowings and Derivative financial instruments						3,352,281
Consolidated total liabilities						3,743,895

* Others segment comprises MNACT and a subsidiary (for trust-related and other corporate expenses), which are not reportable segments individually.

Investment properties contribute significantly to total non-current assets

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

3. 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 30 September 2021 and 31 March 2021 were 3,488,854,672 and 3,434,336,938 respectively.

4. 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.

5. 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.

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

Not applicable.

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

Please refer to Note 2.2 above.

8. 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

Please refer to Note 2.2 above.

MAPLETREE NORTH ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR FROM 1 OCTOBER 2020 TO 31 MARCH 2021 AND FINANCIAL YEAR FROM 1 APRIL 2020 TO 31 MARCH 2021 AND DISTRIBUTION ANNOUNCEMENT

9. Review of Performance

a. Financial results 1H FY21/22 vs 1H FY20/21

Gross revenue increased by S\$25.3 million or 13.3% to S\$215.4 million for 1H FY21/22 compared to the corresponding period last year. The increase in revenue was due to:

	S\$ million
(i) lower rent reliefs granted to tenants at Festival Walk; offset by the lower revenue due to lower average rental rates in 1H FY21/22 as compared to 1H FY20/21;	22.8
(ii) contribution from HPB which was acquired on 18 June 2021 ¹ ; offset by	6.0
(iii) lower average rates of HKD and JPY against SGD; offset by stronger RMB against SGD and others	(3.5)
Net	<u>25.3</u>

For 1H FY21/22, Festival Walk, Gateway Plaza, Sandhill Plaza and the Japan Properties contributed 49.5%, 18.7%, 6.3% and 25.5% (1H FY20/21 46.2%, 20.5%, 6.6% and 26.7%) of the portfolio gross revenue respectively.

Property operating expenses increased by S\$3.2 million or 6.4% to S\$53.6 million for 1H FY21/22 compared to the corresponding period last year. The increase in property operating expenses was due to:

	S\$ million
(i) operating expenses of HPB which was acquired on 18 June 2021 ¹ ;	1.1
(ii) absence of property tax refund received in 1H FY20/21 for SII Makuhari Building, one of the Japan Properties, due to revision in the annual value of the property;	1.2
(iii) higher promotional expenses for Festival Walk; offset by	1.2
(iv) lower average rates of HKD and JPY against SGD; offset by stronger RMB rate against SGD and others	(0.3)
Net	<u>3.2</u>

Accordingly, net property income for 1H FY21/22 increased by S\$22.1 million or 15.8% to S\$161.9 million, compared to the corresponding period last year.

Other non-operating income of S\$36.8 million in 1H FY20/21 relates to the interim payments by the insurers², as partial payment on account of the estimated insurance claims for property damage and revenue loss due to business interruption ("Business Interruption Insurance Amount at Festival Walk").

¹ Please refer to MNACT's SGX-ST Announcement dated 18 June 2021 titled "Completion of acquisition of an office property in greater Tokyo and use of proceeds".

² Please refer to MNACT's SGX-ST Announcements dated 17 June 2020, 9 July 2020 and 14 October 2020, titled "Update on Festival Walk". To date, the Manager has received interim insurance proceeds of HK\$263 million (approximately S\$46 million) as partial payments on account of the estimated claims, of which HK\$204 million (approximately S\$37 million) was received during 1H FY20/21.

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9. Review of Performance (continued)

a. Financial results 1H FY21/22 vs 1H FY20/21 (continued)

Net foreign exchange gains of S\$0.8 million for 1H FY21/22 (1H FY20/21: S\$0.1million) was due to:

- (i) net realized exchange gains of S\$1.0 million (1H FY20/21: S\$0.9 million) from the settlement of foreign currency contracts to hedge HKD, RMB and JPY distributable income; offset by
- (ii) exchange losses of S\$0.2 million (1H FY20/21: S\$0.8 million) mainly due to exchange differences in relation to partial settlement of inter-company loans, which is mainly capital in nature and not distributable.

Net loss in fair value of financial derivatives of S\$0.3 million relates to the mark-to-market movement of currency forward contracts to hedge currency exposures of future HKD, RMB and JPY distributable income.

Finance costs fell by S\$4.7 million compared to the corresponding period last year. The major variances are as follows:

	S\$ million
(i) net savings due to the impact of lower interest rates on floating debt and refinanced borrowings;	3.2
(ii) lower average borrowings;	1.6
(iii) lower average rate of HKD against SGD offset by stronger RMB rate against SGD, offset by	1.5
(iv) additional borrowings undertaken to partially fund the acquisitions of HPB on 18 June 2021 ¹ and The Pinnacle Gangnam on 30 October 2020 ²	(1.6)
Net	<u>4.7</u>

Income tax expenses increased by S\$1.9 million or 10.7% to S\$19.7 million for 1H FY21/22 compared to the corresponding period last year, mainly due to higher taxable profits in the period.

After taking into account the distribution adjustments, the distributable income to Unitholders for 1H FY21/22 increased by 23.4% to S\$119.5 million and the distribution per unit increased by 19.1%, from 2.876 cents per unit to 3.426 cents per unit, compared to the corresponding period last year.

b. Financial position as of 30 September 2021 vs 31 March 2021

Total assets of S\$8,591.9 million as of 30 September 2021 was S\$503.2 million higher compared to 31 March 2021, due to:

- (i) Increase in investment properties by S\$505.9 million, comprising:
 - acquisition of the Hewlett-Packard Japan Headquarters of S\$486.5 million and translation gain of S\$7.0 million from the acquisition;
 - additions to the investment properties of \$9.3 million, of which S\$7.8 million related to the additions at Festival Walk; and
 - net translation gain of S\$3.1 million from the stronger HKD and RMB offset by weaker JPY.

¹ Please refer to MNACT's SGX-ST Announcement dated 18 June 2021 titled "Completion of acquisition of an office property in greater Tokyo and use of proceeds".

² Please refer to MNACT's SGX-ST Announcement dated 25 September 2020 titled "Acquisition of 50.0% Interest In an Office Building Known As "The Pinnacle Gangnam" Located In Seoul, Korea; (B) Manager To Waive Entitlement To Performance Fees".

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9. Review of Performance (continued)

b. Financial position as of 30 September 2021 vs 31 March 2021 (continued)

- (ii) increase of \$14.3 million in trade and other receivables due to:
- refundable consumption and withholding taxes of S\$13.0 million for the acquisition of HPB and on dividends;
 - dividends receivable of S\$2.2 million from The Pinnacle Gangnam (“TPG”); offset by
 - Others (S\$0.9 million);
- (iii) increase of S\$1.6 million in other current assets due to prepaid insurance expense; offset by;
- (iv) decrease of S\$9.1 million in cash and bank balances due to the decrease in cash and cash equivalent of S\$11.6 million as shown in the Statement of Cash Flows (refer to Paragraph 1.3) and net increase of S\$2.5 million from the higher restricted cash for Japan Properties and the effect of currency translation;
- (v) net decrease of S\$9.5 million in the following assets:
- decrease in investment in joint venture (S\$5.2 million) due to the following:

	S\$ million
Dividends received/ receivable;	(4.3)
Translation loss in TPG as a result of the weaker KRW against SGD;	(3.3)
Offset by	
MNACT’s share of TPG’s 1H FY21/22 profits	2.4
Net	5.2
 - and
 - decrease in financial derivative and other assets (S\$4.3 million) mainly due to movement in fair value of financial derivatives.

Group total liabilities amounted to S\$3,916.7 million as of 30 September 2021, S\$213.1 million higher compared to 31 March 2021 due to the following:

- (i) increase in borrowings of S\$209.2 million, from
- additional borrowings of S\$270.7 million to fund the acquisition of HPB; offset by
 - net translation loss of S\$3.3 million arising from the stronger HKD and RMB offset by weaker JPY;
 - net repayment of borrowings and movements of unamortised financing costs of S\$56.7 million and S\$1.5 million respectively;
- (ii) increase in current and deferred taxes of S\$9.1 million mainly due to the higher current year taxes; offset by
- (iii) net decrease of S\$5.2 million in the following liabilities:
- decrease in trade and other payables by S\$6.5 million mainly due to the decrease of accruals and payables (for property tax, repair and maintenance); offset by
 - increase in financial derivatives and other liabilities of S\$1.3 million mainly due to movement in fair value of financial derivatives.

Accordingly, net assets attributable to Unitholders (excluding perpetual securities holders of S\$249.8 million and non-controlling interests of S\$13.1 million) is S\$4,412.3 million as of 30 September 2021, as shown in the Statement of Movement in Unitholders’ Funds (refer to Paragraph 1(d)(i)).

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10. Variance from Previous Forecast / Prospect Statement

MNACT has not provided any forecast to the market.

11. 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

While the global economy is expected to grow in 2021 compared to 2020, the outlook is expected to be uneven across different markets and continues to be clouded by the spread of the COVID-19 Delta variant, supply chain disruptions, higher inflation and rising interest rates.

Festival Walk, Hong Kong SAR

In Hong Kong SAR, improved retail sales performance¹ has yet to transform into leasing demand on a meaningful scale and a turnaround will be dependent on the lifting of border restrictions². Most retailers have remained conservative and cautious on committing to long-term leases. As a result, demand in major shopping districts remain predominantly driven by short-term leases and pop-up stores.

For Festival Walk, the average renewal or re-let rental rate for FY21/22 is expected to be lower compared to FY20/21³. Maintaining a high occupancy rate remains an ongoing focus, while being agile and adaptable are key to navigating through the market changes. We will continue to strengthen Festival Walk mall's positioning as the preferred social gathering venue for families, friends and the community at large, roll out exciting marketing and promotional events to boost sales and implement further digitalisation initiatives to improve shopper satisfaction

Interior recovery works resulting from the Festival Walk Incident⁴ have been completed. The exterior works are being carried out progressively and are expected to be completed by the end of 2021. With the stabilisation of the COVID-19 situation, the gradual recovery of the retail market, completion of the interior recovery works at Festival Walk and no resurgence of the Delta or other variants, we expect that rental support will no longer be required for retail tenants.

On the insurance claims for property damage and revenue loss due to business interruption during Festival Walk's closure, finalisation of the insurance claims remains in progress.

¹ Cushman & Wakefield, Hong Kong Retail, 2Q 2021.

² Savills, Hong Kong Retail, July 2021.

³ For FY20/21, the average rental reversion at Festival Walk mall was negative 21%.

⁴ Please refer to MNACT's SGX-ST Announcement dated 4 December 2019 titled "Update on Festival Walk and Impact on MNACT".

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11. 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 (continued)

China, Japan and South Korea Properties

For Beijing¹, more new supply will come on stream in 2H 2021, further pushing up vacancy rates, and placing pressure on rents and landlords. 2022-23 is however expected to see a drop in new supply which should drive down vacancy rates to lower levels². For Gateway Plaza, one of the major tenants (whose current lease is due to expire by December 2022) has extended its lease in advance by another year. There is a risk that this lease might not be extended beyond December 2023. We will continue to engage our tenants closely, and stay disciplined in achieving high occupancy levels.

In Shanghai³, Zhangjiang Science City, which enjoys a wide rent differential compared to the CBD and central office areas, continues to attract healthy demand from potential tenants, especially from the technology, media and telecommunications (“TMT”) as well as the biomedical sectors. Sandhill Plaza is expected to continue to achieve a stable and consistent performance.

In Tokyo⁴, office vacancy is expected to rise with downward pressure on rents. However, with hopes that the expedited vaccine rollout will fuel a recovery in corporate performance, the outlook for the office market should improve⁵. As many tenants are still in cost-cutting mode, this is expected to underpin demand for office buildings in decentralised areas where rental levels are lower. The growing popularity of satellite offices⁵ as a result of COVID-19 should provide a further tailwind for this segment of the office market. For the Japan Properties, which comprise mainly decentralised offices, they are expected to continue to attract such demand and maintain a high level of occupancy.

For the Seoul office market⁶, leasing demand has increased across all key districts, and vacancy rates are expected to drop further. MNACT is expected to continue to benefit from the positive rental reversions from The Pinnacle Gangnam arising from the high proportion of leases with rent escalation clauses, and the strong leasing demand for expansion and relocation from high-growth industries such as the information technology (“IT”) and pharmaceutical/medical sectors.

¹ CBRE Marketview Beijing, 2Q 2021.

² Savills, Beijing Office, 2Q 2021.

³ CBRE Marketview Shanghai, 2Q 2021.

⁴ JLL Asia Pacific Office Digest 2Q 2021.

⁵ Savills, Tokyo Office Leasing, 2Q 2021.

⁶ Savills, Seoul Prime Office, 2Q 2021.

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12. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 21st distribution for the period from 1 April 2021 to 30 September 2021

Distribution types: Income / Capital

Distribution rate: Period from 1 April 2021 to 30 September 2021
Tax-exempt income: 1.867 cents per unit
Capital: 1.559 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? Yes

Name of distribution: 19th distribution for the period from 1 April 2020 to 30 September 2020

Distribution types: Income / Capital

Distribution rate: Period from 1 April 2020 to 30 September 2020
Tax-exempt income: 1.881 cents per unit
Capital: 0.995 cents per unit
(Being 100% of MNACT's Distributable Income for the period)

Par value of units: Not meaningful.

Tax rate: Not applicable.

(c) Date payable: 24 December 2021

(d) Record date: 8 November 2021

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

Not applicable.

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.

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16 Additional information required pursuant to Rule 706A of the listing Manual

Acquisition of HPB

On 18 June 2021, MNACT completed the acquisition of an effective interest of 98.47% in a freehold single tenanted office building known as “Hewlett-Packard Japan Headquarters” for a total acquisition cost of S\$483.4 million.

Please refer to the announcements dated 18 June 2021 for more information.

17. Confirmation 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

28 October 2021