



# Mapletree North Asia Commercial Trust

Financial Results for the Period from  
1 April 2021 to 30 September 2021 (1H FY21/22)

28 October 2021

# Disclaimer

This presentation shall be read in conjunction with Mapletree North Asia Commercial Trust's ("MNACT") financial results for the period from 1 April 2021 to 30 September 2021 in the SGXNET announcement dated 28 October 2021.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in MNACT ("Units"). The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of MNACT may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of MNACT is not necessarily indicative of its future performance.

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# Agenda

- 1H FY21/22 Financial Summary
- 1H FY21/22 Portfolio Update
- Commitment to Sustainability
- Outlook
- Appendix

Hewlett-Packard Japan  
Headquarters Building

# 1H FY21/22 Financial Summary

# 1H FY21/22 Financial Summary

	1H FY21/22	Change vs 1H FY20/21
<b>Gross Revenue<sup>1</sup></b>	<b>S\$215.4m</b>	<b>↑13.3%</b>
<b>Net Property Income (“NPI”)<sup>1</sup></b>	<b>S\$161.9m</b>	<b>↑15.8%</b>
<b>NPI Margin</b>	<b>75.1%</b>	<b>↑1.6ppts</b>
<b>Distributable Income (“DI”)</b>	<b>S\$119.5m</b>	<b>↑23.4%</b>
<b>Distribution per Unit (“DPU”)</b>	<b>3.426 cents</b>	<b>↑19.1%</b>
<b>Annualised Distribution Yield<sup>2</sup></b>	<b>7.1%</b>	<b>↑0.9ppts</b>
<b>Closing Unit Price</b>	<b>S\$0.965</b>	<b>↑3.2%</b>

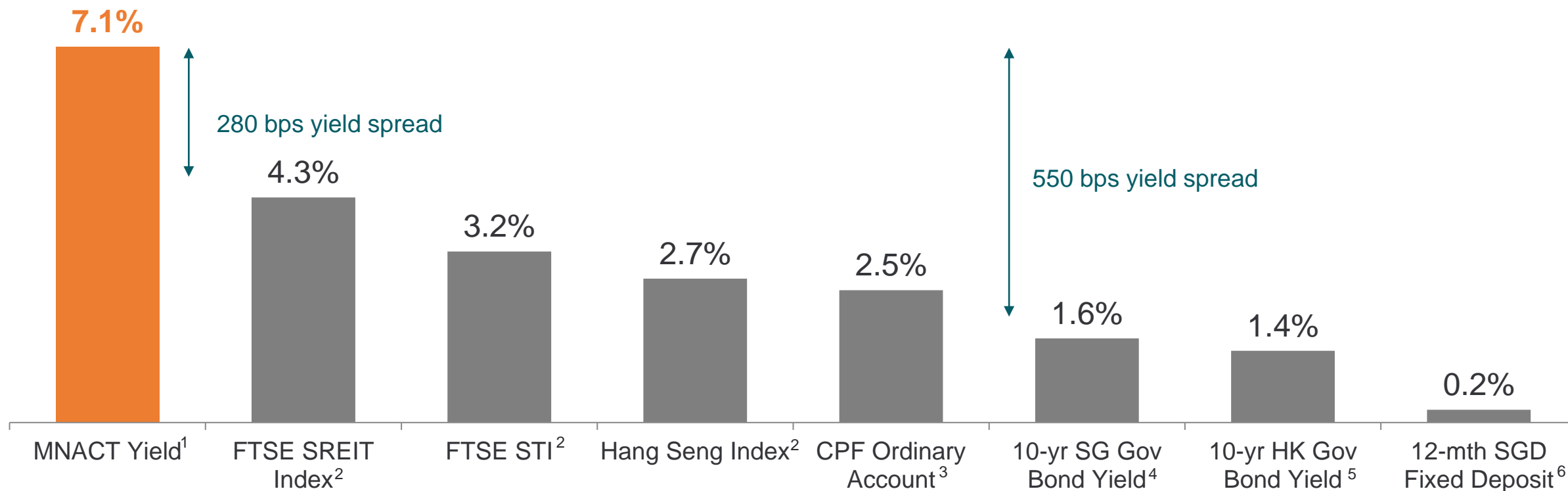
**DPU in 1H FY21/22 was higher compared to 1H FY20/21 due to:**

- + Lower rental reliefs granted to the retail tenants at **FW**
- + Contribution from Hewlett-Packard Japan Headquarters Building (“**HPB**”) acquired on 18 June 2021 and contribution from **TPG** acquired on 30 October 2020
- + Lower finance costs by S\$4.7 million in 1H FY21/22 compared to 1H FY20/21, due to lower benchmark interest rates and the refinancing of borrowings
- Partially offset by lower average rental rates at **FW** mall and **GW**

1. 1H FY21/22 Gross Revenue and NPI do not include the contribution from The Pinnacle Gangnam, acquired on 30 October 2020. MNACT will share profit after tax of The Pinnacle Gangnam based on its 50% interest.
2. Defined as annualised DPU for the respective periods, divided by the closing unit price for the period.

*FW: Festival Walk; GW: Gateway Plaza; SP: Sandhill Plaza; JP: Japan Properties; TPG: The Pinnacle Gangnam*

# MNACT's Returns versus Comparable Instruments



1. Based on 1H FY21/22 annualised DPU, divided by the closing unit price of S\$0.965 as at 30 September 2021.

2. Trailing 12-month gross dividend yield of FTSE SREIT Index, FTSE STI, and Hang Seng Index as at 30 September 2021, Bloomberg.

3. Prevailing interest rate on Central Provident Fund (“CPF”) Ordinary Account Savings from CPF Board, July to September 2021.

4. Singapore Government Bond Yield from Monetary Authority of Singapore as at 30 September 2021.

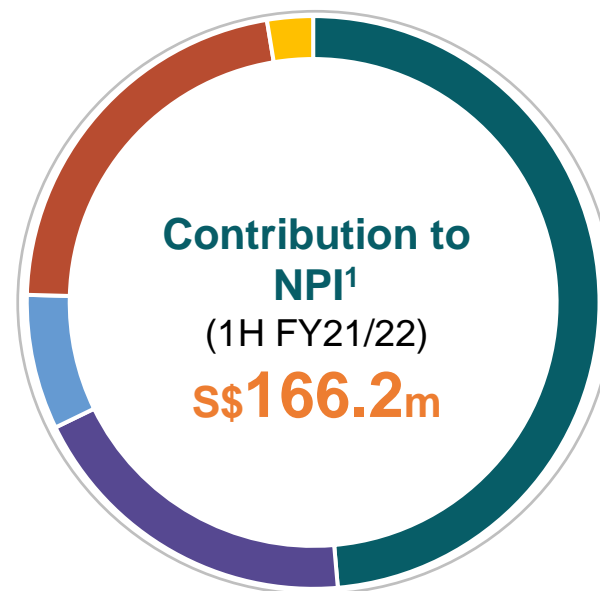
5. Hong Kong Government Bond Yield from Hong Kong Government Bond Programme website as at 30 September 2021.

6. 12-month SGD fixed deposit savings rate from Monetary Authority of Singapore as at 30 June 2021. The publication frequency of the rates has been changed from monthly to quarterly. The 12-month SGD fixed deposit savings rate for September 2021 has not been published as at 28 October 2021.

# 1H FY21/22 Portfolio Contribution (Including contribution from TPG)



FW	48%
GW	18%
SP	6%
JP²	25%
TPG	3%



FW	49%
GW	19%
SP	7%
JP²	22%
TPG	3%

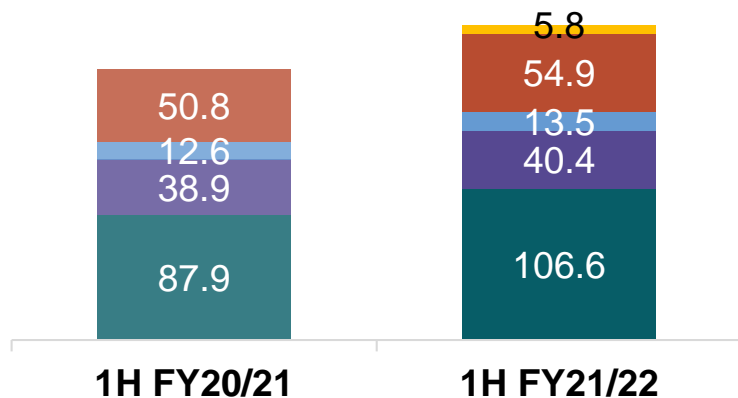


FW	54%
GW	16%
SP	6%
JP	21%
TPG	3%

1. For presentation purpose, the Gross Revenue and NPI of the portfolio shown on this slide include MNACT's 50% share of the Gross Revenue and NPI from TPG.
2. Includes contribution from HPB, following the completion of its acquisition on 18 June 2021.
3. Includes MNACT's 50.0% effective interest in TPG.

# Portfolio Gross Revenue and NPI by Asset (Including contribution from TPG)

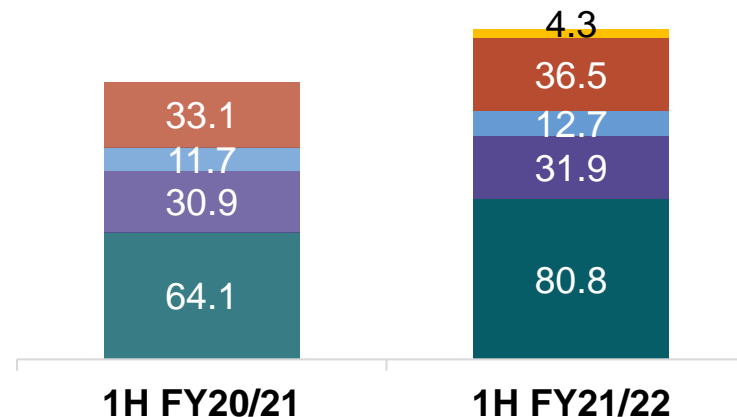
## Gross Revenue by Asset (S\$m)



### Change vs 1H FY20/21

TPG	N/A
JP	↑8.2%
SP	↑7.5%
GW	↑3.8%
FW	↑21.4%

## NPI by Asset (S\$m)



### Change vs 1H FY20/21

TPG	N/A
JP	↑10.6%
SP	↑8.2%
GW	↑3.1%
FW	↑26.1%

- Higher NPI for **FW** mainly due to lower rental reliefs granted of S\$4.7 million compared to a year ago (1H FY20/21: S\$34.9 million), partially offset by a lower average retail rental rate.
- Higher NPI for **GW** mainly due to absence of rental reliefs (1H FY20/21: S\$0.3 million) and a higher average rate of RMB against SGD, partially offset by a lower average rental rate.
- Higher NPI for **SP** mainly due to higher average occupancy rate and a higher average rate of RMB against SGD.
- Higher NPI for **JP** mainly due to the contribution from the newly acquired **HPB** in June 2021 and higher average occupancy at IXINAL Monzen-nakacho Building (“**MON**”) in Tokyo and mBAY POINT Makuhari (“**MBP**”) in Chiba.
- Contribution from **TPG**, following the completion of its acquisition on 30 October 2020.



# Balance Sheet and Capital Management Metrics

(As at 30 September 2021)

## Balance Sheet



### Assets under Management<sup>1</sup>

**S\$8,443.6m**

30 June 2021:  
S\$8,358.7m

### Total Gross Debt<sup>2</sup>

**S\$3,645.9m**

30 June 2021:  
S\$3,623.0m

### Net Asset Value per Unit

**S\$1.265**

30 June 2021:  
S\$1.238

## Capital Management Metrics



### Aggregate Leverage Ratio<sup>3</sup>

**41.4%**

30 June 2021:  
41.8%

### Adjusted Interest Cover Ratio<sup>4,5</sup>

**4.1 times**

30 June 2021:  
4.0 times

### Annualised Effective Interest Rate for 1H FY21/22

**1.84% per annum**

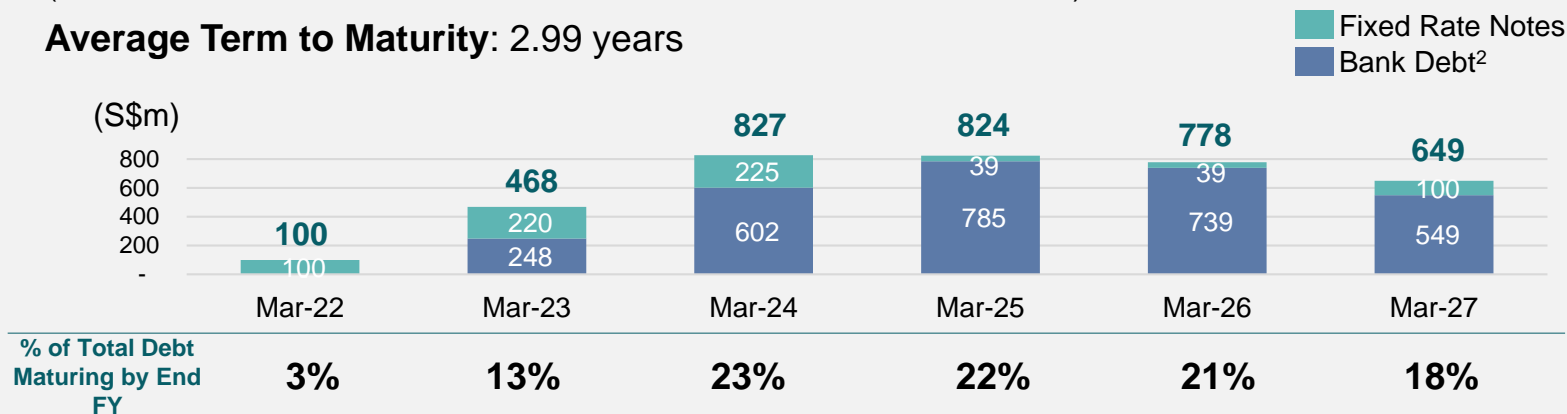
2H FY20/21:  
1.99% per annum

1. Includes the newly acquired HPB and MNACT's 50.0% effective interest in TPG.
2. As at 30 September 2021, 69% (30 June 2021: 69%) of MNACT's debt is unsecured. The secured debt includes JPY onshore borrowings, which are secured against JP, and the proportionate share of KRW onshore borrowings, which are secured against TPG.
3. MNACT holds a 98.47% effective interest in JP and a 50.0% effective interest in TPG. In accordance with the Property Funds Guidelines, the aggregate leverage ratio includes MNACT's proportionate share of borrowings and deposited property values for JP and TPG.
4. In accordance with the guidance from the Monetary Authority of Singapore, the adjusted 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), by the trailing 12 months interest expense and borrowing-related fees, and distributions for perpetual securities. Excluding the distributions for perpetual securities, the interest cover ratio on a trailing 12-month basis (as at 30 September 2021) was 4.2 times.
5. The interest cover ratios as at 30 September 2021 and 30 June 2021 are based on a trailing 12-month basis and do not take into account the interim insurance proceeds.

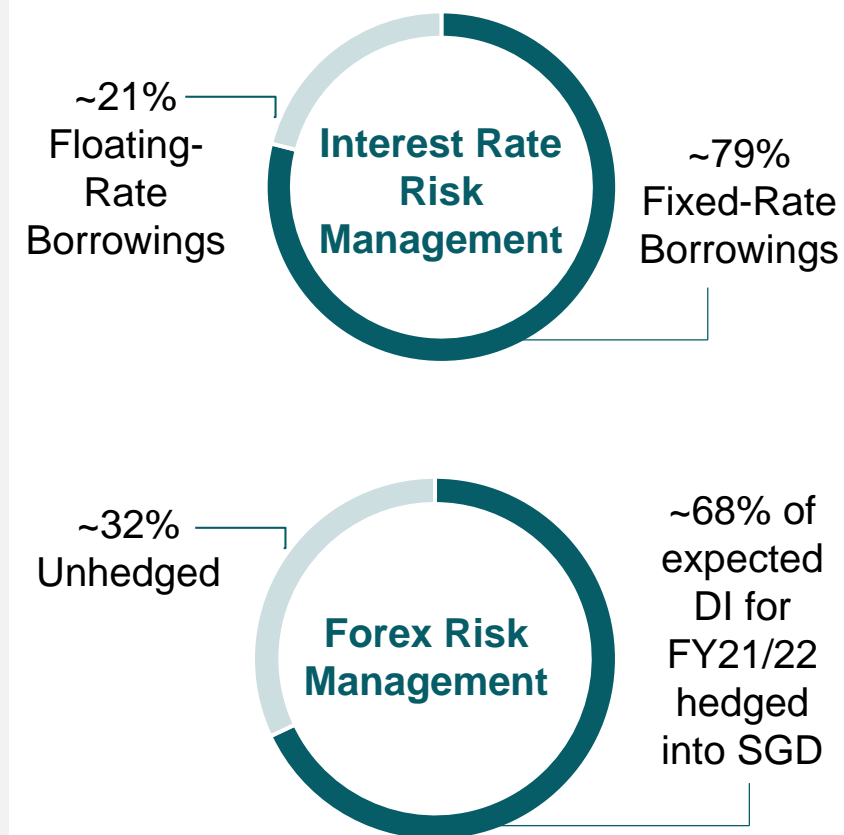
# Prudent Capital Management

## Debt Maturity Profile (as at 30 September 2021)

- **Total Gross Debt<sup>1</sup>: S\$3,645.9m**  
(Denomination: ~55% HKD, ~37% JPY, ~4% KRW, ~3% SGD, ~1% RMB)
- **Average Term to Maturity: 2.99 years**



- **Healthy liquidity position**, comprising committed and uncommitted undrawn credit facilities of S\$621.6 million, and cash and bank balances of S\$243.1 million as at 30 September 2021.
- **Issued S\$250 million perpetual securities<sup>3,4</sup>** to partially fund the acquisition of HPB in June 2021.
- **Redeemed S\$75 million of Fixed Rate Notes** due 2021 through loan facility transactions announced in July 2021, including **two new sustainability-linked loan facilities**.



1. As at 30 September 2021, cross currency interest rate swaps were entered into to swap SGD and HKD denominated medium-term notes to HKD and JPY, and USD and SGD denominated bank loans to HKD and JPY. RMB debt relates to onshore debt from acquisition of SP in June 2015. JPY debt relates to debt from acquisition of JP in May 2018, February 2020 and June 2021, and the HK\$580 million Fixed Rate Notes issued in March 2019 with the swap transaction entered into to swap the HKD fixed interest rate into JPY fixed interest rate. KRW debt and SGD debt refer to onshore debt and offshore debt, respectively, from the acquisition of TPG in October 2020.

Based on exchange rates of S\$1 = HK\$5.7867, S\$1 = RMB4.8031, S\$1 = JPY 81.7969 and S\$1 = KRW870.171.

2. Includes the proportionate share of KRW onshore borrowings.

3. Swap transactions were entered into to swap the Singapore Dollar rate of distribution into Japanese Yen fixed rate.

4. As at 30 September 2021, perpetual securities and total gross debt to net asset value ratio was 87.7%, while perpetual securities and total gross debt (less cash and cash equivalents held in MNACT's functional currency (SGD)) to net asset value ratio was 85.9%.

# MNACT Distribution Details

## Distribution Period

**1 April 2021 to  
30 September 2021**

## Distribution Amount

**3.426 cents per Unit**

## Application of Distribution Reinvestment Plan (“DRP”)

- As part of the Manager’s proactive capital management efforts to maintain an optimal overall aggregate leverage for MNACT, the Manager will continue to apply the DRP to the 1H FY21/22 distribution.

## Important Dates and Times

<b>9.00am, Friday, 5 November 2021</b>	Units will be traded ex-distribution
<b>5.00pm, Monday, 8 November 2021</b>	Closure of MNACT’s Transfer Books and Register of Unitholders (the “ <b>Record Date</b> ”)
<b>Monday, 8 November 2021</b>	Announcement date on issue price of DRP Units
<b>Monday, 15 November 2021</b>	Despatch of Notice of Election (“ <b>NOE</b> ”)
<b>Wednesday, 8 December 2021</b>	Unitholders and depository agents should have completed and returned the NOE to the Manager c/o CDP or submitted their instructions electronically <sup>1</sup> .
<b>Friday, 24 December 2021</b>	Payment of cash distribution, crediting of DRP Units to Unitholders’ securities accounts and listing of DRP Units on the SGX-ST

1. An eligible Unitholder who is a CDP depositor and wishes to receive all or part of the Distribution in new Units may either: (a) mail the physical copy of the NOE to CDP; or (b) for individual and joint-alternate signatory account holders only, submit his/her instructions electronically via investors.sg.com. Joint signatories account holders are to submit a physical form to CDP.



**1H FY21/22  
Portfolio Update**

# Portfolio of Commercial Properties in North Asia Providing Income and Geographical Diversification

As at 30 September 2021,

**13 Properties**  
in China, Hong Kong SAR<sup>1</sup>,  
Japan and South Korea

**S\$8.4 billion**  
Assets under Management<sup>2</sup>

**97.9%**  
Portfolio Occupancy



\*While MNACT holds a 98.47% effective interest in JP, all property and financial-related figures (e.g. gross rental income, net property income, weighted average lease expiry, occupancy, trade sector breakdown and valuation) stated in this presentation for JP are based on 100.0% effective interest in JP (which includes the 1.53% effective interest in the JP held by Mapletree Investments Japan Kabushiki Kaisha (“MIJ”)). For TPG, all property figures stated in this presentation are based on MNACT’s 100.0% effective interest in the property, except for gross rental income, net property income and valuation figures, which are based on 50% effective interest.

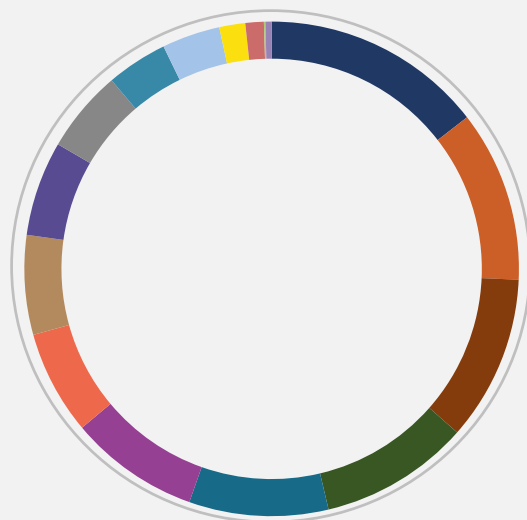
1. Where Hong Kong SAR is mentioned in the presentation, it refers to the Hong Kong Special Administrative Region (“SAR”).
2. Includes MNACT’s 50.0% effective interest in TPG, and based on exchange rates of S\$1= HK\$5.7867, S\$1 = RMB4.8031, S\$1 = JPY 81.7969 and S\$1= KRW870.171.

# Portfolio Tenant Mix and Top 10 Tenants

(As at 30 September 2021)

## Trade Sector by Gross Rental Income (“GRI”)

(For the Month of September 2021)



■ Machinery / Equipment / Manufacturing	14.5%
■ Financial Institution / Insurance / Banking / Real Estate	11.2%
■ Apparel & Fashion Accessories	10.8%
■ Information Technology	9.8%
■ Food & Beverages	9.1%
■ Automobile	8.5%
■ Professional & Business Services	6.8%
■ Departmental Store & Supermarket	6.5%
■ Services	6.2%
■ Leisure & Entertainment	5.4%
■ Personal Cosmetics	4.0%
■ Electronics, Houseware & Furnishings	3.8%
■ Luxury Jewellery, Watches & Accessories	1.7%
■ Pharmaceutical / Medical	1.2%
■ Natural Resources	0.1%
■ Others	0.4%

- No single trade sector comprises more than **14.5%** of GRI

## Top 10 Tenants by Monthly GRI

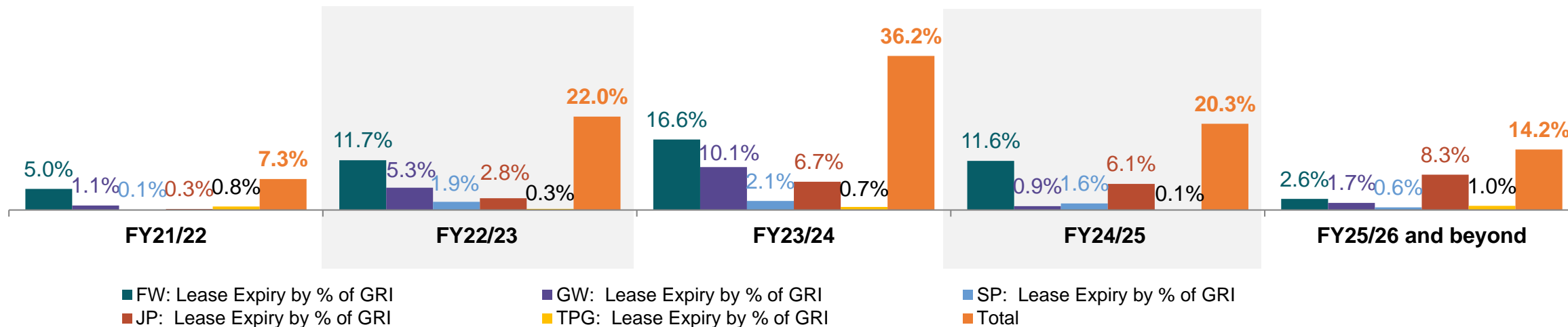
(For the Month of September 2021)

	Tenant	Building
1.	BMW	GW
2.	Seiko Instruments Inc	JP
3.	Hewlett-Packard Japan	JP
4.	NTT Urban Development	JP
5.	TaSTe	FW
6.	Fujitsu	JP
7.	ARUP	FW
8.	Festival Grand	FW
9.	Apple	FW
10.	Bank of China	GW

- Accounted for **38.0%** of the portfolio GRI

# Well-Staggered Lease Expiry Profile

## Portfolio Lease Expiry Profile by Percentage of Monthly GRI (as at 30 September 2021)



Note: The portfolio lease expiry profile and WALE are based on the expiry dates of committed leases.

## Weighted Average Lease Expiry (“WALE”) by GRI (as at 30 September 2021)

**Portfolio: 2.5 years<sup>1</sup>** | **FW: 1.9 years** | **GW: 2.0 years** | **SP: 2.2 years** | **JP: 3.8 years** | **TPG: 3.3 years**

1. The portfolio WALE of 2.5 years as at 30 September 2021 was based on committed leases (leases which have been renewed or re-let as at 30 September 2021), with lease commencement dates before and after 30 September 2021. Excluding committed leases commencing after 30 September 2021, the portfolio WALE would have been 2.2 years as at 30 September 2021.

# Update on Festival Walk, Hong Kong SAR

## Hong Kong SAR Retail Market

- Retail sales in Hong Kong SAR<sup>1</sup> from April to August 2021 saw a year-on-year increase of 8.5%.
- Improved retail sales performance has yet to transform into leasing demand on a meaningful scale and a turnaround will be dependent on the lifting of border restrictions<sup>2</sup>.
- 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.

## Festival Walk

### Occupancy Rate

**99.9%**

compared to 99.8%  
as at 30 June 2021

### Average Rental Reversion<sup>3,4</sup>

**-30%** (retail)

**n.a** (office)

### Footfall

(For 1H FY21/22)

**↑29.9%**

year-on-year

### Retail Sales

(For 1H FY21/22)

**↑22.0%**

year-on-year

- A lower quantum of rental reliefs (S\$4.7 million) was granted in 1H FY21/22 compared to a year ago (1H FY20/21: S\$34.9 million).
- The recent gradual improvement in the retail market has been encouraging, though we remain cautious about the risks of resurgence of the Delta or other virus variants that may affect the pace of market recovery.

1. Hong Kong Census and Statistics Department's "Report on Monthly Survey of Retail Sales for August 2021". Hong Kong SAR's retail sales figures for September 2021 have not been published as at 28 October 2021.

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

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

4. There were 35 retail leases with an average rental reversion of negative 30%.



# Update on Festival Walk, Hong Kong SAR (cont'd)

## Update on Insurance Claims

- 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.



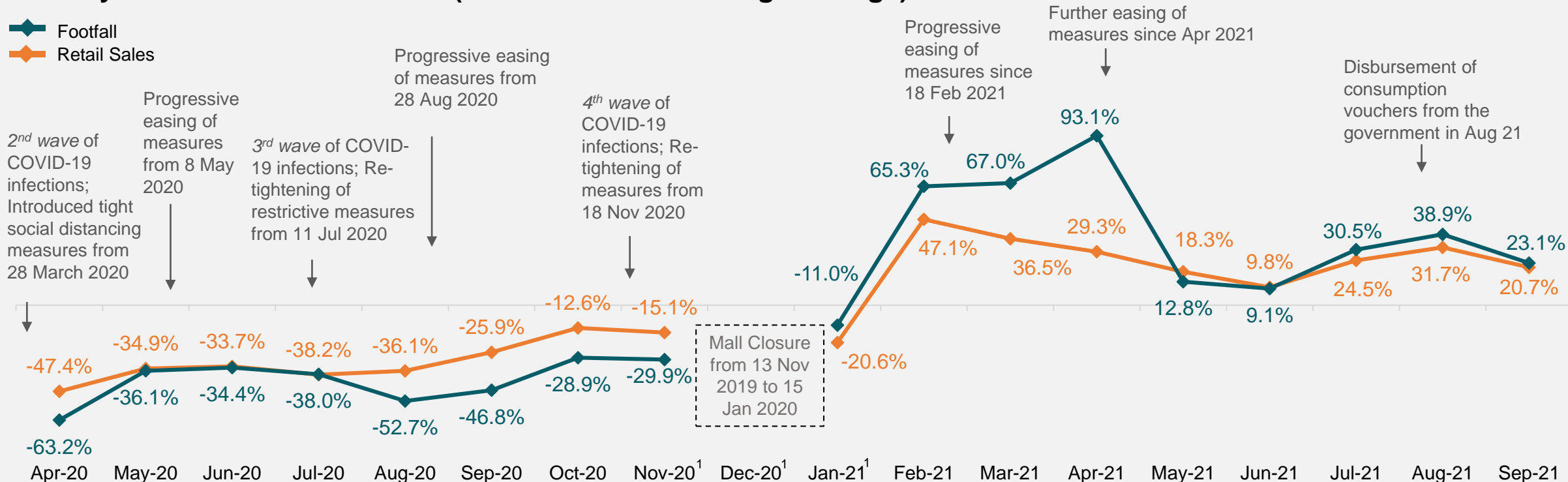
1. Repair works arising from the damage incurred during the social incidents in Hong Kong SAR in November 2019.

# Festival Walk Mall – Footfall and Retail Sales

Improvement in Line With the Effective Pandemic Control Measures, Rising Vaccination Rate and the Government's Consumption Voucher Scheme in Hong Kong SAR

- July – September retail sales in 2021 (2Q FY21/22) increased by 25.5%, compared to the same quarter in 2020.
- July – September retail sales in 2021 (2Q FY21/22) has recovered to 83% of July - September 2019 level.

## Monthly Footfall and Retail Sales (Year-on-Year Percentage Change)



1. The mall was closed from 13 November 2019 to 15 January 2020. To provide the same basis of comparison, footfall and retail sales for November included only 1 to 12 November 2020 and the corresponding period last year, while footfall and retail sales figures in December 2020 were not included in the chart. Retail sales and footfall for January included only 16 to 31 January 2021 and the corresponding period last year.

# Strengthening Festival Walk's Appeal as a Lifestyle Hub

Continued to Pivot to Resilient Trades Such as F&B, Services and Lifestyle



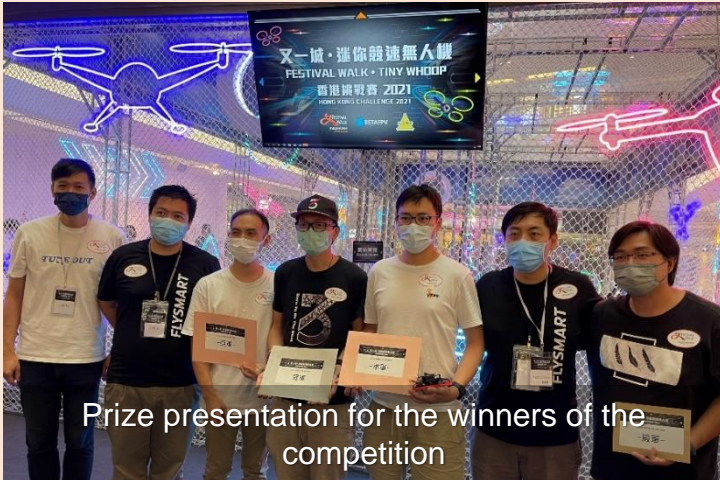
# Exciting Marketing and Promotion Events at Festival Walk

north asia commercial

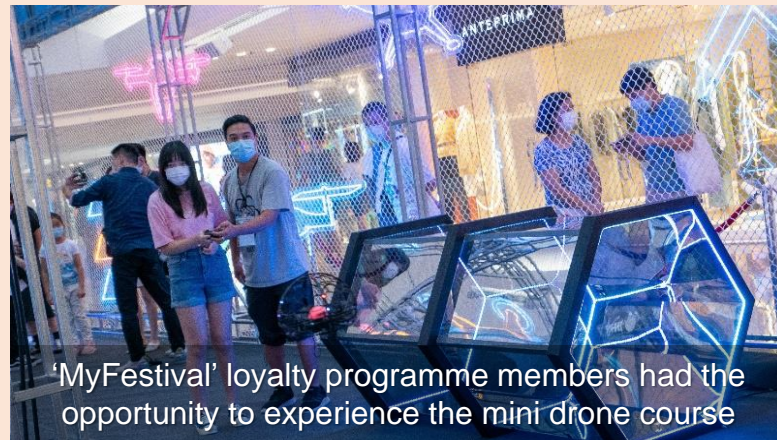
## Organised Roadshows During the Quarter, Drawing More Crowds to the Mall

### First Ever Mini-drone Competition Held in a Mall in Hong Kong SAR

- “Festival Walk Tiny Whoop Hong Kong Challenge 2021” attracted shoppers and garnered media coverage.



Prize presentation for the winners of the competition



'MyFestival' loyalty programme members had the opportunity to experience the mini drone course

### Roadshows in 1H FY21/22

- Remained popular among shoppers



Mercedes-Benz Car Show



Broadway “Back to School” Roadshow

# Sales-driven Promotional Events at Festival Walk

## Promotional Events Were Well-received By Shoppers

### “My Shopping FESTIVAL”

- Shoppers were rewarded with **HK\$500** worth of shopping vouchers for different retail categories (Fashion & Lifestyle, Health & Beauty, Food & Beverage) upon a minimum spend of HK\$1,000.




### “Chill Consumption Rewards”



- Shoppers received a beverage coupon from selected F&B tenants upon a minimum spend of HK\$600.

# Update on China, Japan and Korea Properties

				
	Gateway Plaza, Beijing	Sandhill Plaza, Shanghai	Japan Properties	The Pinnacle Gangnam, Seoul
<b>Occupancy</b> <i>(As at 30 September 2021)</i>	<b>95.4%</b> <i>Compared to 92.9% as at 30 June 2021</i>	<b>99.7%</b> <i>Compared to 99.7% as at 30 June 2021</i>	<b>97.8%<sup>1</sup></b> <i>Compared to 98.2% as at 30 June 2021</i>	<b>97.7%</b> <i>Compared to 95.7% as at 30 June 2021</i>
<b>Average Rental Reversion<sup>2</sup></b> <i>(For 1H FY21/22)</i>	<b>-24%<sup>3</sup></b>	<b>+5%</b>	<b>+1%</b>	<b>+58%<sup>4</sup></b>
<b>Updates</b> <i>(As at 30 September 2021)</i>	<ul style="list-style-type: none"> <li>Recorded an improved occupancy, which is relatively high compared to the Beijing office vacancy rate<sup>5</sup> of 16.2%</li> </ul>	<ul style="list-style-type: none"> <li>Maintained a high occupancy with a positive average rental reversion</li> </ul>	<ul style="list-style-type: none"> <li>Maintained high occupancy with a positive average rental reversion</li> </ul>	<ul style="list-style-type: none"> <li>Achieved higher occupancy with a positive rental reversion</li> </ul>
<b>Percentage of Office Community Back at the Office</b> <i>(as at October 2021)</i>	<b>~81%</b>	<b>~95%</b>	<ul style="list-style-type: none"> <li>Between <b>60% - 92%</b> (except for four properties with less than 60%)<sup>6</sup></li> </ul>	<b>~60%<sup>7</sup></b>

1. All Japan Properties except mBAY POINT Makuhari ("MBP") registered full occupancy as at 30 September 2021. The occupancy rate for MBP was 92.8%.

2. Please refer to footnote 3 on slide 16 for definition on Average Rental Reversion.

3. There were 13 office leases with an average rental reversion of negative 24%.

4. There was 1 office lease that contributed to the rental reversion of 58%.

5. Cushman & Wakefield, Beijing, Q3 2021.

6. The fourth state of emergency was declared for Japan in July 2021 and lifted since 1 October 2021.

7. Since mid-July 2021, Seoul has been under the Level 4 social distancing restrictions, the strictest level of distancing measures in South Korea. The measures have been extended to end October 2021.

An aerial photograph of the Festival Walk building in Hong Kong. The building features a large, white, flat roof covered with numerous blue solar panels. The building's facade is primarily glass, reflecting the surrounding urban environment. A green rooftop garden is visible on the left side of the building. The surrounding area is densely packed with other buildings and greenery. The text "Commitment to Sustainability" is overlaid in large white letters on the left side of the image.

# Commitment to Sustainability

 FESTIVAL WALK  
又一城

Solar Panels at Festival Walk

# MNACT's Four Pillars of Sustainability

## Our Commitment To Support The Global Agenda For Sustainable Development

✓ Material factors are mapped to the United Nations Sustainable Development Goals as below:



● **MNACT's Material Factors**



# 1H FY21/22 Highlights

## Sustainable Financing

- ✓ Secured two **sustainability-linked loans** during the quarter, tied to MNACT's energy and water intensity improvement targets, attesting to the Manager's commitment to sustainability



## ESG Benchmarking

- ✓ Participated in **GRESB Real Estate Assessment 2021**, the global ESG performance benchmark for real estate companies and funds



## Corporate Social Responsibility (CSR) Activities



- ✓ Our Singapore employees packed food and care bundles for distribution to 200 beneficiaries from NTUC Health Lengkok Bahru.



- ✓ Free ice skating sessions for the beneficiaries from the Hong Kong Sports Association for Persons with Intellectual Disability were conducted by the employees from Festival Walk's Ice Rink.



- ✓ In addition to sponsoring the venue for Wai Yin Association's "Mooncake Charity Sales" event, staff from Festival Walk also ensured the smooth setup and running of the event.

# Outlook



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.

## Hong Kong SAR

### Festival Walk

- The average renewal or re-let rental rate for FY21/22 is expected to be lower compared to FY20/21<sup>1</sup>.
- Maintaining a high occupancy rate remains an ongoing focus, while being agile and adaptable are key to navigating through market changes.
- We will continue to:
  - ✓ strengthen the 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 Incident<sup>2</sup> 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 the retail tenants.

## Beijing, China

- More new supply will come on stream in 2H 2021, further pushing up vacancy rates, and placing pressures on rents and landlords<sup>3</sup>.
- 2022-23 is however expected to see a drop in new supply which should drive down vacancy rates to lower levels<sup>4</sup>.
- **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.
  - ✓ Continue to engage our tenants closely, and stay disciplined in achieving high occupancy levels.

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

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

3. CBRE Marketview Beijing, 2Q 2021.

4. Savills, Beijing Office, 2Q 2021.

## Shanghai, China

- 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<sup>1</sup>.
- **Sandhill Plaza:** Expected to continue to achieve a stable and consistent performance.

## Greater Tokyo, Japan

- Office vacancy is expected to rise with downward pressure on rents<sup>2</sup>. However, with hopes that the expedited vaccine rollout will fuel a recovery in corporate performance, the outlook for the office market should improve<sup>3</sup>.
- 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 offices<sup>3</sup> as a result of COVID-19 should provide a further tailwind for this segment of the office market.
- The **Japan Properties**, which comprise mainly decentralised offices, are expected to continue to attract such demand and maintain a high level of occupancy.

## Seoul, Korea

- Leasing demand has increased across all key districts, and vacancy rates are expected to drop further<sup>4</sup>.
- **The Pinnacle Gangnam:** Expected to continue to benefit from the positive rental reversions 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.

## MNACT

- In conjunction with active and prudent capital management, we will continue to drive the performance of our portfolio of quality assets and source for yield accretive acquisitions to achieve greater diversification and growth of MNACT.

1. CBRE Marketview Shanghai, 2Q 2021.  
2. JLL Asia Pacific Office Digest 2Q 2021.  
3. Savills, Tokyo Office Leasing, 2Q 2021.  
4. Savills, Seoul Prime Office, 2Q 2021.



**Thank You**

# Appendix



# Overview of Mapletree North Asia Commercial Trust (“MNACT”)

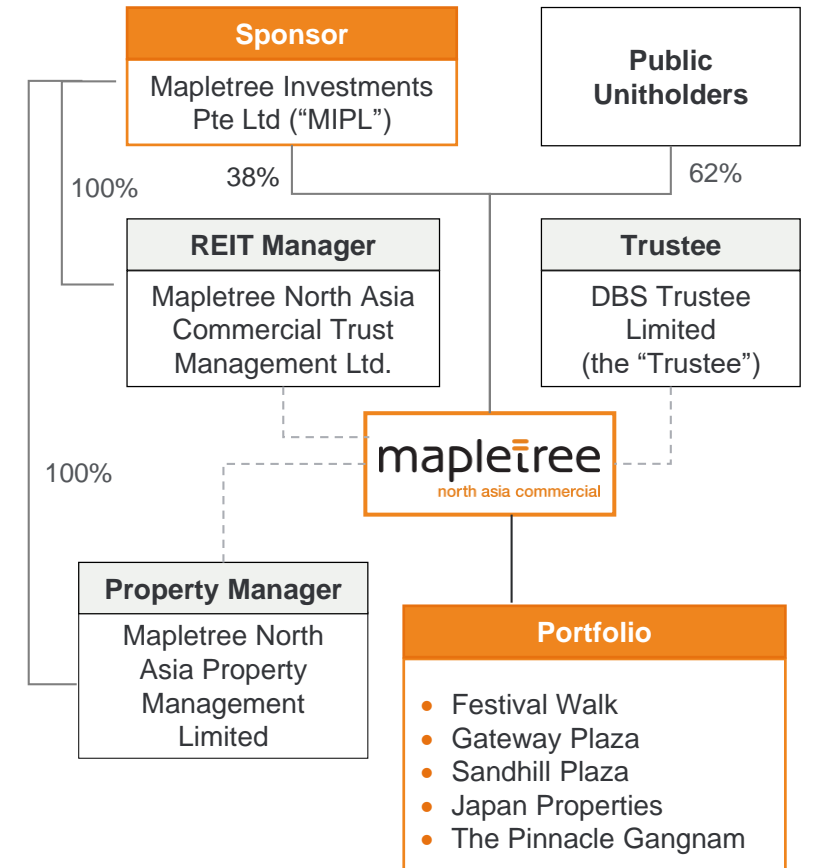
Singapore’s first commercial REIT with properties in China, Hong Kong SAR, Japan and South Korea (listed since 7 March 2013)

## Investment Mandate

- To invest in a diversified portfolio of income-producing real estate used primarily for commercial purposes located in Greater China, Japan and South Korea.
- Key markets include Tier-1 cities (Beijing, Shanghai, Guangzhou and Shenzhen) and key Tier-2 cities in China, in Hong Kong SAR, in Japan and in South Korea.



## Trust Structure



**S\$3.4b**

Market Capitalisation<sup>1</sup>

**S\$8.4b**

Assets under Management<sup>2</sup>

**38%**

Unitholdings held by Sponsor<sup>3</sup>

1. Based on unit closing price of S\$0.965 on 30 September 2021.

2. Includes MNACT’s 50.0% effective interest in The Pinnacle Gangnam, and based on exchange rates of S\$1= HK\$5.7867, S\$1 = RMB4.8031, S\$1 = JPY 81.7969 and S\$1= KRW870.171.

3. As at 30 September 2021.

# Diversified Portfolio of Quality Commercial Assets

## Festival Walk, Hong Kong SAR

One of the largest malls in Hong Kong SAR, and nestled in the local catchment area of Kowloon Tong.



- **Year of Acquisition:** 2013 (IPO)
- **Net Lettable Area:** 74,171 sqm  
*Retail (73%), Office (27%)*
- **Property Value<sup>1</sup>:** HK\$26,170m
- **% Contribution to AUM** 54%
- **Occupancy** (as at 30 Sep 2021) 99.9%

## Gateway Plaza, Beijing, China

A Grade-A office building, located in Lufthansa Area (Third Embassy Area) in Beijing.



- **Year of Acquisition:** 2013 (IPO)
- **Net Lettable Area:** 106,456 sq m  
*Office (89%), Podium (11%)*
- **Property Value<sup>1</sup>:** RMB6,460m
- **% Contribution to AUM** 16%
- **Occupancy** (as at 30 Sep 2021) 95.4%

## Sandhill Plaza, Shanghai, China

A Grade-A business park development located in Zhangjiang Science City in Pudong New Area.



- **Year of Acquisition:** 2015
- **Net Lettable Area:** 63,284 sq m  
*Office (97%), Amenities (3%)*
- **Property Value<sup>1</sup>:** RMB2,424m
- **% Contribution to AUM** 6%
- **Occupancy** (as at 30 Sep 2021) 99.7%

## Japan Properties, Greater Tokyo

Nine Freehold Properties in Tokyo, Chiba and Yokohama.



- **Year of Acquisition:** 2018 (6 assets), 2020 (2 assets), 2021 (1 asset)
- **Net Lettable Area:** 282,535 sq m
- **Property Value<sup>2</sup>:** JPY146b
- **% Contribution to AUM** 21%
- **Occupancy** (as at 30 Sep 2021) 97.8%

## The Pinnacle Gangnam, Seoul

Freehold Grade-A office building, located at Nonhyeondong, Gangnam-gu in Seoul.



- **Year of Acquisition:** 2020
- **Net Lettable Area:** 24,650 sq m  
*– Based on 100% interest*
- **Property Value<sup>1</sup>:** KRW230b– 50.0% interest
- **% Contribution to AUM** 3%
- **Occupancy** (as at 30 Sep 2021) 97.7%

1. Based on valuations performed by independent valuers as at 31 March 2021.

2. Based on valuations performed by independent valuers as at 31 March 2021 for the eight Japan Properties (owned as at 31 March 2021) and the agreed property value of Hewlett-Packard Japan Headquarters Building.



# Continue to Pursue Diversification of Portfolio to Reduce Geographical and Income Concentration

Investing In Assets Across Diversified Markets In China, Hong Kong SAR, Japan And South Korea To Deliver Sustainable Returns

Initial Public Offering (“IPO”)

7 March 2013

Assets Under Management

S\$4.3b

End FY15/16

S\$5.9b

End FY18/19

S\$7.6b

End FY19/20

S\$8.3b

End FY20/21

S\$7.9b<sup>1</sup>

As at 30 Sep 2021

S\$8.4b

7 March 2013 (IPO)

Mapletree Greater China Commercial Trust (“MGCCT”) was listed on SGX-ST with two assets, **Festival Walk and Gateway Plaza**.



17 June 2015

Completed acquisition of Sandhill Plaza in Shanghai.



25 May 2018

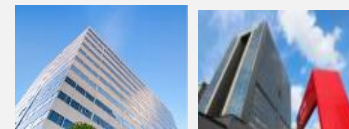
Completed acquisition of 6 freehold office properties located in Greater Tokyo.



With effect from 25 May 2018, MGCCT was renamed **Mapletree North Asia Commercial Trust**.

28 February 2020

Completed acquisition of 2 freehold office properties located in Greater Tokyo.



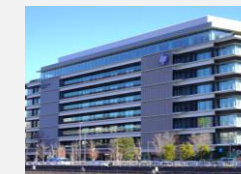
30 October 2020

Completed acquisition of 50% interest in The Pinnacle Gangnam, a freehold office property in Seoul.



18 June 2021

Completed acquisition of Hewlett-Packard Japan Headquarters Building, a freehold office property in Tokyo.



1. The independent valuation of MNACT’s 11 properties (FW, GW, SP and the eight JP) was S\$7.6 billion as at 31 March 2021, 8.1% lower compared to 31 March 2020. This was largely due to lower market rents assumed by the valuers for FW and GW as a result of the impact of COVID-19 on the properties’ performance, as well as the net translation loss (against SGD) from the weaker HKD and JPY, partially offset by the stronger RMB. TPG was acquired on 30 October 2020. Including the valuation of MNACT’s 50% effective interest in TPG of S\$272 million, MNACT’s portfolio valuation amounted to \$7.9 billion.

# Strong Alignment with Unitholders

## Management is incentivised to deliver sustainable and quality DPU growth.

- First S-REIT with no AUM-based fee structure
- Performance-based feature incentivises the Manager to grow DPU

## Management Fee Structure

<b>REIT Management Fee</b>	<ul style="list-style-type: none"> <li>▪ <b>Base Fee:</b> 10.0% of Distributable Income<sup>1</sup></li> <li>▪ <b>Performance Fee:</b> 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year<sup>2</sup> multiplied by the weighted average number of Units in issue for such financial year. The Performance Fee is payable if the DPU in respect of any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such relevant financial year may be less than the DPU in the financial year prior to the preceding financial year.               <ul style="list-style-type: none"> <li>➢ <b>As announced on 25 September 2020<sup>3</sup>, the Manager will waive its entitlement to any performance fee as provided under the Trust Deed (“Performance Fee”) until such time that the DPU exceeds 7.124 cents (“Threshold DPU”), which was the DPU achieved in FY19/20, prior to the full year impact of COVID-19</b></li> <li>➢ <b>Upon MNACT’s DPU performance exceeding the Threshold DPU, the waiver will cease (and the Threshold DPU will no longer be applicable) in subsequent years, and the Manager will continue to be entitled to receive the Performance Fee in accordance with the Trust Deed.</b></li> </ul> </li> <li>▪ 100% paid in units since listing</li> </ul>
<b>Property Management Fee</b>	<ul style="list-style-type: none"> <li>▪ 2.0% of Gross Revenue</li> <li>▪ 2.0% of Net Property Income</li> <li>▪ PM fees relating to Festival Walk and Gateway Plaza: 100% paid in units since listing</li> <li>▪ PM fees relating to Sandhill Plaza, Japan Properties and The Pinnacle Gangnam: 100% paid in cash<sup>4</sup></li> </ul>
<b>Acquisition Fee</b>	<ul style="list-style-type: none"> <li>▪ 0.75% for acquisitions from Related Parties</li> <li>▪ 1.0% for all other acquisitions</li> </ul>

1. In relation to the Japan Properties, the asset management services are provided by the Japan Asset Manager. In view of the fees payable in cash to the Japan Asset Manager for the Japan Properties, the Manager has elected to waive the Base Fee (which it is otherwise entitled to under the Trust Deed) for as long as the Manager and the Japan Asset Manager are wholly-owned by Mapletree Investments Pte Ltd and the Japan Asset Manager continues to receive the Japan Asset Management Fee in respect of the Japan Properties.

2. Calculated before accounting for the performance fee in each year.

3. Please refer to MNACT’s SGX-ST announcement dated 25 September 2020 titled “A) Acquisition of 50.0% Interest in an Office Building Known as “The Pinnacle Gangnam” located In Seoul, Korea and B) Manager to Waive Entitlement to Performance Fees”.

4. For Sandhill Plaza, the Manager has elected to pay the Property Manager the Property Management Fee in cash from the date of acquisition on 17 June 2015. For six of the Japan Properties (MON, HNB, TSI, ASY, SMB and FJM) acquired on 25 May 2018, two of the Japan Properties (Omori and MBP) acquired on 28 February 2020, and HPB acquired on 18 June 2021, the Property Management Fee is payable in cash to the Japan Property Manager from the date of their acquisitions. For The Pinnacle Gangnam, the Manager has elected to pay the Property Manager the Property Management Fee in cash.