

For Immediate Release

Proposed Acquisition of Mapletree Business City (Phase 2)

- Strategic addition of a best-in-class business park that will further elevate Mapletree Commercial Trust's portfolio
- Proposed acquisition expected to be distribution per Unit ("DPU") and net asset value ("NAV") per Unit accretive

Singapore, 27 September 2019 – Mapletree Commercial Trust Management Ltd., as manager of Mapletree Commercial Trust ("MCT" and as manager of MCT, the "Manager"), is pleased to announce that DBS Trustee Limited, in its capacity as trustee of MCT, and 80 Alexandra Pte. Ltd., a subsidiary of MCT, have entered into a conditional share purchase agreement to acquire Mapletree Business City (Phase 2)¹ ("MBC II") and the common premises located at 10, 20, 30 Pasir Panjang Road Singapore 117438/11743/117440² (the "Common Premises", and together with MBC II, the "Property") through the acquisition of shares of Mapletree Business City Pte. Ltd. from Heliconia Realty Pte Ltd, a direct wholly-owned subsidiary of Mapletree Investments Pte Ltd (the "Sponsor"), at an agreed property value of S\$1,550.0 million (the "Acquisition"). The accretive Acquisition adds another best-in-class asset to MCT's portfolio and will consolidate MCT's ownership over the entire development, comprising MBC I³ (which was acquired by the Trustee in 2016) and the Property (together, "Mapletree Business City Development"), thereby completing MCT's control over the entire Alexandra Precinct⁴.

The agreed property value was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property conducted by CBRE Pte. Ltd. and Savills Valuation and Professional Services (S) Pte. Ltd.. Including Acquisition-related expenses, the total

¹ Mapletree Business City (Phase 2) located at 40, 50, 60, 70 and 80 Pasir Panjang Road Singapore 117383/117384/117385/117371/117372 including the common property (carpark, landscape areas, driveways and walkways).

² The common carpark, multi-purpose hall, retail area and common property (including the landscape areas, driveways and walkways).

³ The office and business park complex located at 10, 20, 30 Pasir Panjang Road Singapore 117438/11743/117440.

⁴ Alexandra Precinct, which spans 13.5 hectares and comprises high quality developments catering to a wide range of office and business park uses, is located in the Queenstown Planning Area along Alexandra Road/Telok Blangah Road and is approximately a 10 minute-drive from the central business district of Singapore (the "CBD").

Mapletree Commercial Trust Management Ltd.

10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438
tel 65 6377 6111 fax 65 6274 3185 www.mapletreecommercialtrust.com
Co. Reg. No. 200708826C

acquisition cost is estimated at S\$1,575.8 million, which MCT intends to fund through a combination of debt and equity.

The Property has a total net lettable area (“NLA”) of approximately 1.2 million square feet and comprises four blocks of business park space (MBC 50, 60, 70 and 80) as well as the common carpark, multi-purpose hall, retail area and common property (including the landscape areas, driveways and walkways) of Mapletree Business City Development. In 2016, the Trustee acquired MBC I, the strata leasehold interest of four blocks of office and business park complex from the Sponsor, with the Sponsor retaining ownership of the Property. The Property, together with MBC I, forms Mapletree Business City Development, which is one of the largest integrated office and business park developments in Singapore with Grade A building specifications. It is also the closest business park to the Central Business District. Mapletree Business City Development, together with PSA Building (which is also owned by MCT), forms the Alexandra Precinct.

The Property stands out as a premium campus-style workplace, given its award-winning design, eco-friendly features, and comprehensive suite of recreational and lifestyle amenities all set amidst 2.8 hectares of lush landscape. As a result, the Property attracts high quality and reputable multinational companies as tenants. In particular, it houses the Asia Pacific headquarters of Google. Since relocating from Asia Square⁵ in 2016, Google has steadily increased its leased area in the Property, expanded its headcount, and invested significantly in its fit-out and interior design. The Property further boasts a high committed occupancy of 99.4% (as at 31 August 2019) with stable and growing cashflows - approximately 97% of leases by NLA are embedded with average annual rental step-ups of approximately 2.3%.

The Property is expected to be acquired at a Net Property Income (“NPI”) yield of approximately 5.0%⁶, which is higher than MCT’s existing portfolio’s NPI yield of approximately 4.7%⁷. The Acquisition is therefore expected to increase MCT’s pro forma DPU and NAV per Unit by 4.0% and 2.2% respectively.

⁵ A Grade A core building in the CBD.

⁶ Based on NPI over the agreed property value of the Property of S\$1,550.0 million. The NPI of the Property assumes that the Property had an occupancy rate of 99.4% for the entire financial year ended 31 March 2019 and all leases, whether existing or committed as at 31 August 2019, were in place since 1 April 2018 without taking into effect the amortisation of rental income for fit-out periods.

⁷ Based on NPI for the financial year ended 31 March 2019 over the value of MCT’s existing portfolio as at 31 August 2019.

On the Acquisition, Ms Sharon Lim, Chief Executive Officer of the Manager, said, “The Acquisition adds a property of exceptional quality to MCT’s stable. Its excellent location, high specifications and outstanding amenities distinguishes the Property from its peers. It is an appealing and cost-efficient alternative to the CBD at almost half the CBD’s rent. Since its completion, it has benefited from both decentralisation and flight to quality trends – tenants such as Google, Covidien and Pfizer have consolidated their operations, expanded their footprints cost-effectively, or relocated to the Property in pursuit of higher quality space. These trends, together with the limited upcoming supply of business parks, will continue to support the Property’s occupancy and rent.”

Ms Lim elaborated on the Acquisition’s benefits, “Similar to the acquisition of MBC I in 2016, our unitholders can expect this transaction to deliver both financial and long-term value. It will boost MCT’s NPI, DPU and NAV per unit, and enlarge its asset size from S\$7.4 billion to S\$8.9 billion. Post-Acquisition, MCT’s portfolio will be further elevated, with best-in-class assets, namely VivoCity, MBC I and MBC II, collectively constituting about 80% of the Enlarged Portfolio’s valuation and NPI.”

“The Property is an excellent fit with the existing portfolio and completes MCT’s control over the entire Alexandra Precinct. This gives MCT greater economies of scale and flexibility in meeting tenant space requirements. As the Singapore government has also announced plans to revamp the Greater Southern Waterfront⁸ into a new coastal “live-work-play” precinct, our deeper presence in the Alexandra/HarbourFront micro market makes MCT a prime beneficiary of the urban transformation.”

The completion of the Acquisition is subject to approvals from MCT’s unitholders at an extraordinary general meeting to be held on 15 October 2019 and a successful equity fund raising. Details of the latter will be announced at an appropriate time.

<End>

⁸ Singapore’s southern waterfront comprising 2,000 hectares of land with 30 kilometres of coastline which extends from Marina East to Pasir Panjang.

About Mapletree Commercial Trust

MCT is a Singapore-focused real estate investment trust that invests on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, in Singapore, as well as real estate related assets. MCT's portfolio comprises VivoCity, Mapletree Business City I ("MBC I"), PSA Building, Mapletree Anson and Bank of America Merrill Lynch HarbourFront ("MLHF"). These five assets have a total NLA of 3.9 million square feet with a total value of S\$7,350 million.

For more information, please visit www.mapletreecommercialtrust.com.

About the Manager – Mapletree Commercial Trust Management Ltd.

MCT is managed by Mapletree Commercial Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. The Manager's main responsibility is to manage MCT's assets and liabilities for the benefit of the unitholders of MCT ("Unitholders"). The Manager is also responsible for setting the strategic direction of MCT on the acquisition, divestment and/or enhancement of assets of MCT in accordance with its stated investment strategy. The Manager's key objectives are to provide Unitholders of MCT with an attractive rate of return on their investment through regular and relatively stable distributions and to achieve long-term growth in distribution per Unit and net asset value per Unit, with an appropriate capital structure for MCT.

About the Sponsor – Mapletree Investments Pte Ltd

Mapletree Investments Pte Ltd ("Mapletree") is a leading real estate development, investment, capital and property management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, Mapletree has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

Mapletree currently manages four Singapore-listed real estate investment trusts (REITs) and six private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom (UK) and the United States (US).

As at 31 March 2019, Mapletree owns and manages S\$55.7 billion of office, retail, logistics, industrial, residential and lodging properties.

The Group's assets are located across 12 markets globally, namely Singapore, Australia, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. To support its global operations, Mapletree has established an extensive network of offices in these countries.

For more information, please visit www.mapletree.com.sg.

IMPORTANT NOTICE

This release is for information only and does not constitute an offer or solicitation of an offer to sell or invitation to subscribe for or acquire any units ("Units") in MCT.

The past performance of MCT and the Manager is not necessarily indicative of the future

The past performance of MCT and the Manager is not necessarily indicative of the future performance of MCT or the Manager. The value of Units and the income 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 MCT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may also contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

Nothing in this release should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors. This release shall be read in conjunction with MCT's announcement in the SGXNET "THE PROPOSED ACQUISITION OF THE PROPERTY (COMPRISING MAPLETREE BUSINESS CITY (PHASE 2) AND THE COMMON PREMISES) THROUGH THE ACQUISITION OF THE SHARES OF MAPLETREE BUSINESS CITY PTE. LTD., AS AN INTERESTED PERSON TRANSACTION" dated 27 September 2019.

This release is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions. Any proposed issue of new Units described

in this release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or under the securities laws of any state or other jurisdiction of the United States, or under the securities laws of any other jurisdiction, and any such new Units may not be offered or sold, directly or indirectly, in the United States or any other jurisdiction except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws. The Manager does not intend to conduct a public offering of any securities of MCT in the United States.

For further information, please contact:

Mapletree Commercial Trust Management Ltd.

Teng Li Yeng
Director, Investor Relations
Tel: +65 6377 6836
Email: teng.liyeng@mapletree.com.sg
Website: www.mapletreecommercialtrust.com