

*For Immediate Release*

## Sustained YTD FY21/22 Performance Continued Impact from COVID-19

- VivoCity's 3Q FY21/22 tenant sales grew 3.7% year-on-year, reaching almost 90% of pre-COVID levels
- Higher YTD FY21/22 gross revenue and net property income ("NPI") mainly due to lower rental rebates and higher compensation received from lease pre-terminations
- Maintained portfolio resilience with 96.3% committed occupancy
- Proposed merger with Mapletree North Asia Commercial Trust ("MNACT") to form Mapletree Pan Asia Commercial Trust ("MPACT"), Asia's top ten largest REIT

**Singapore, 26 January 2022** – Mapletree Commercial Trust Management Ltd. ("MCTM"), as manager of Mapletree Commercial Trust ("MCT" and as manager of MCT, the "MCT Manager"), reported that YTD gross revenue and NPI rose 7.3% and 5.6% respectively on a year-on-year basis. This was mainly due to lower rental rebates compared to a year ago, as well as higher compensation received from lease pre-terminations.

### Summary of MCT's Results

	YTD FY21/22	YTD FY20/21	Variance %
Gross revenue (S\$'000)	373,999	348,698	7.3
Property operating expenses (S\$'000)	(82,694)	(72,798)	(13.6)
Net property income (S\$'000)	291,305	275,900	5.6

Ms Sharon Lim, Chief Executive Officer of the MCT Manager, said, "Despite continued impact from COVID-19, our portfolio posted sustained performance. At VivoCity, 3Q FY21/22 tenant sales grew by 3.7% year-on-year, reaching almost 90% of pre-COVID levels. In tandem with gradually easing COVID-19 measures and sales improvements observed, tenant rebates have tapered in 3Q FY21/22. On a year-to-date basis, we have rendered rental rebates amounting to approximately 1.1 month of fixed rents to eligible tenants and we stand ready to support them

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where warranted. Notwithstanding the emergence of the Omicron variant and fluidity of the COVID-19 situation, we remain hopeful of an imminent recovery given the country's high vaccination rate and relaxation of work-from-home requirements since the start of 2022. We will continue to work towards further strengthening the portfolio's performance, and seize opportunities to position MCT for the eventual upturn."

Commenting on MCT's proposed merger with MNACT (the "Merger") to create MPACT, Ms Lim said, "Nearly every REIT has been focused on growing through the acquisition of assets. When we consider MCT's long-term growth profile, we believe that the key is to add a platform with scale and reach in Pan Asia. The Merger is undoubtedly a big step, but a transformative one that will put MCT on the best path forward. Financially, MCT Unitholders can immediately enjoy DPU and NAV accretion. Strategically, this is an exceptional opportunity to combine MCT's strength and MNACT's growth."

"Subject to Unitholders' approval, we have a post-merger plan to pursue a proactive strategy to fully realise the benefits of the Merger and crystallise MPACT's position as the proxy to Asia's long-term rise. The immediate focus will be on harnessing the best of both teams to capitalise on market recovery. The enlarged scale and stronger financial muscles will enable MPACT to undertake capital recycling opportunities, take on value-enhancing asset enhancement and development initiatives, and pursue larger acquisitions in Asia's key gateway markets. All these will be firmly rooted to a prudent capital management approach that prioritises resilience for the vehicle. We are thus confident that by coming together as MPACT, we can be even more successful in driving DPU growth, and delivering sustainable value and return for all unitholders."

## **OPERATIONAL PERFORMANCE**

Portfolio NPI for YTD FY21/22 was up 5.6% year-on-year to S\$291.3 million, with a 77.9% NPI margin. As at 31 December 2021, the committed occupancy of the portfolio was 96.3%.

### **Healthy Performance at VivoCity**

Various COVID-19 restrictions continued to be in place throughout the quarter. Largely driven by strong festive spending and some relaxation of measures from November 2021, 3Q FY21/22 tenant sales improved by 3.7% year-on-year, reaching almost 90% of pre-COVID levels. Recovery in tenant sales has outpaced shopper traffic throughout YTD FY21/22, with tenant

sales growing by 17.8% year-on-year as compared to shopper traffic growing by 10.2% year-on-year.

As at 31 December 2021, VivoCity was 98.9% committed.

### **Office/Business Park Assets**

YTD FY21/22 gross revenue from the office/business park assets was 3.3% higher as compared to YTD FY20/21. This was driven by higher year-on-year contribution from MBC, mTower and Bank of America Merrill Lynch HarbourFront (“MLHF”). NPI for the same period was 2.1% higher on a year-on-year basis.

Progress continued to be made in backfilling mTower, resulting in its committed occupancy improving to 87.6% (as at 31 December 2021) from 80.4% (as at 30 September 2021). The majority of mTower’s vacancy was due to the negotiated pre-termination of a lease, and the compensation received in 2Q FY21/22 was able to provide more than a year’s cover for it. As at 31 December 2021, MBC and Mapletree Anson reported 96.7% and 95.9% committed occupancy respectively while MLHF continued to enjoy full occupancy.

### **CAPITAL MANAGEMENT**

MCT continues to stay disciplined and prudent in managing its balance sheet. As at 31 December 2021, the debt maturity profile remained well-distributed with no more than 24% of debt due in any financial year. More than S\$400 million of cash and undrawn committed facilities have been put in place to ensure ample financial liquidity to meet working capital and financial obligations.

As at 31 December 2021, the average term to maturity of debt was 3.5 years and the aggregate leverage was 34.1%. Approximately 75.3% of the total debt of S\$3,014.0 million was fixed by way of fixed rate debt or interest rate swaps. As at 31 December 2021, the weighted average all-in cost of debt was 2.39% per annum and the interest coverage ratio was approximately 4.8 times on a 12-month trailing basis.

## Proposed Merger with MNACT

On 31 December 2021, MCT announced a proposed merger with MNACT to form MPACT, a flagship commercial REIT positioned to be the proxy to key gateway markets of Asia. The Merger will be effected by a trust scheme of arrangement with MCT acquiring all MNACT Units in exchange for new units in MCT (“MCT Units”) or a combination of cash and MCT Units.

With a market capitalisation of approximately S\$10.5 billion<sup>1</sup> post-merger, MPACT is expected to become Asia’s top ten largest REIT. It will hold a diversified and high quality portfolio of 18 commercial assets across Singapore, China, Hong Kong SAR, Japan and South Korea, with assets under management (“AUM”) of approximately S\$17.1 billion<sup>2</sup>.

To demonstrate its commitment and support to the Merger and growth of the Merged Entity, the MCT Manager (with the support of MIPL, which owns 100.0% of the MCT Manager and is the Sponsor of both MCT and MNACT) has waived its acquisition fees entitlement under the deed of trust constituting MCT dated 25 August 2005 (as amended) (the “MCT Trust Deed”). In addition, the Sponsor has provided an undertaking to receive its Scheme Consideration in 100.0% Consideration Units. Following the Merger, MIPL will hold approximately 36.1%<sup>3</sup> of the total issued units in the Merged Entity. To better align interests with unitholders, it is also intended that the management fee structure of the Merged Entity is to be pegged to distributable income and DPU growth.

Subject to, among other things, approvals by MCT and MNACT Unitholders and the Singapore Court, the Merger (including the delisting of MNACT) is currently expected to complete by 1H FY22/23. Please refer to the respective announcement(s), press release(s) and investor presentation(s) for more information on the Merger.

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<sup>1</sup> Illustrative market capitalisation of the Merged Entity is calculated based on the scheme issue price of S\$2.0039 and the pro forma total number of units outstanding for the Merged Entity of 5,217.8 million as at the Last Trading Date, assuming all MNACT Unitholders except for Mapletree Investments Pte Ltd (“MIPL” or the “Sponsor”) elect to receive the Cash-and-Scrip Consideration. Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the market capitalisation for Merged Entity would be S\$10.9 billion.

<sup>2</sup> AUM based on the latest available independent valuations. MCT’s AUM is based on MCT’s valuation as of 30 September 2021 and MNACT’s AUM is based on MNACT’s valuation as of 31 October 2021.

<sup>3</sup> The Sponsor’s stake in the Merged Entity is calculated based on the pro forma total number of units outstanding for the Merged Entity of 5,217.8 million as at the Last Trading Date, assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration. Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Sponsor’s stake in the Merged Entity would be 34.7%.

### **About Mapletree Commercial Trust**

Mapletree Commercial Trust (“MCT”) is a Singapore-focused real estate investment trust (“REIT”) 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, MBC, mTower, Mapletree Anson and MLHF. These five assets have a total NLA of 5.0 million square feet with a total value of S\$8.8 billion.

For more information, please visit [www.mapletreecommercialtrust.com](http://www.mapletreecommercialtrust.com).

### **About the MCT Manager – Mapletree Commercial Trust Management Ltd.**

MCT is managed by Mapletree Commercial Trust Management Ltd. (“the “MCT Manager”), a wholly-owned subsidiary of Mapletree Investments Pte Ltd.. The MCT Manager’s main responsibility is to manage MCT’s assets and liabilities for the benefit of the unitholders of MCT (“Unitholders”). The MCT 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 MCT Manager’s key objectives are to provide the Unitholders with an attractive rate of return on their investment through regular and relatively stable distributions and to achieve long-term growth in DPU and net asset value per Unit, with an appropriate capital structure for MCT.

### **About the Sponsor – Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd (“MIPL”) 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, the Group has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

As at 31 March 2021, MIPL has assets under management of S\$66.3 billion, comprising office, retail, logistics, industrial, data centre, residential, and lodging properties. The Group manages four Singapore-listed REITs and seven 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”).

The Group’s assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the UK, the US and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.

For more information, please visit [www.mapletree.com.sg](http://www.mapletree.com.sg).

## RESPONSIBILITY STATEMENT

### **Mapletree Commercial Trust Management Ltd. (as manager of Mapletree Commercial Trust) (“MCT Manager”)**

The directors of the MCT Manager (including those who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release which relate to MCT and/or the MCT Manager are fair and accurate and that there are no other material facts not contained in this press release the omission of which would make any statement in this press release misleading. The directors of the MCT Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the MCT Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this press release.

## 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 in Mapletree Commercial Trust (“MCT”, and the units in MCT, the “Units”).

The past performance of MCT and Mapletree Commercial Trust Management Ltd., in its capacity as manager of MCT (the “MCT Manager”), is not indicative of the future performance of MCT and the MCT Manager. The value of the units in MCT (the “Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the MCT Manager or any of its affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the MCT Manager to redeem their Units while the Units are listed. It is intended that unitholders of MCT (the “Unitholders”) may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

This release may also contain forward-looking statements that involve assumptions, 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 risks, uncertainties and assumptions include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Neither MCT nor the MCT Manager undertakes any obligation to update publicly or revise any forward-looking statements.

Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the MCT Manager's current view on 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. Neither the MCT Manager nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this release or its contents or otherwise arising in connection with this release. This release shall be read in conjunction with MCT's business updates for Third Quarter and Financial Period from 1 April 2021 to 31 December 2021 in the SGXNET announcement dated 26 January 2022.

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