(Constituted in the Republic of Singapore pursuant to a trust deed dated 25 August 2005 (as amended))

ANNOUNCEMENT

PROPOSED MERGER OF MAPLETREE COMMERCIAL TRUST AND MAPLETREE NORTH ASIA COMMERCIAL TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

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1. INTRODUCTION

1.1 The Merger

The board of directors of Mapletree Commercial Trust Management Ltd., as manager of Mapletree Commercial Trust ("**MCT**", and as manager of MCT, the "**MCT Manager**"), is pleased to announce the proposed merger of MCT and Mapletree North Asia Commercial Trust ("**MNACT**", and such merger, the "**Merger**").

The Merger is to be effected through the acquisition by MCT of all the issued and paid-up units in MNACT ("**MNACT Units**") by way of a trust scheme of arrangement (the "**Trust Scheme**").

The consideration for each MNACT Unit (the "**Scheme Consideration**") comprises either 0.5963 new units in MCT ("**MCT Units**", and the new MCT Units to be issued, the "**Consideration Units**") (the "**Scrip-Only Consideration**") or a combination of 0.5009 Consideration Units and S$0.1912 in cash (the "**Cash Consideration**", and together with the Consideration Units, the "**Cash-and-Scrip Consideration**"), at the election of each unitholder of MNACT ("**MNACT Unitholder**"). Based on an issue price of S$2.0039 per MCT Unit[1], the Scheme Consideration is S$1.1949 and implies a gross exchange ratio of 0.5963x.

The aggregate Scheme Consideration (the "**Total Scheme Consideration**") is S$4,215.6 million, comprising a combination of no more than S$417.3 million in cash (the "**Cash Consideration**") (being 9.9%[2] of the Total Scheme Consideration) and the balance amount in Consideration Units.

1.2 Joint Announcement

The full announcement of the Merger ("**Joint Announcement**"), made together with Mapletree North Asia Commercial Trust Management Ltd., as manager of MNACT (the "**MNACT Manager**"), is set out in **Appendix A** to this Announcement and is incorporated by reference into this Announcement. References to the Merger and its terms and conditions in this Announcement should be read together with, and are subject to, the Joint Announcement. Terms used but not defined herein have the same meanings given in the Joint Announcement.

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[1] Being the 1-day VWAP of an MCT Unit on 27 December 2021.

[2] Assumes that Mapletree Investments Pte Ltd ("**MIPL**", or the "**Sponsor**") elects to receive Scrip-Only consideration.

1.3 Expansion of Investment Mandate

The MCT Manager hereby gives notice of its intention to expand the investment mandate of the enlarged MCT entity (the "**Merged Entity**") on or before the Trust Scheme becoming effective in accordance with its terms and pursuant to the deed of trust constituting MCT entered into between the MCT Trustee (as defined herein) and the MCT Manager dated 25 August 2005 (as may be amended, supplemented or varied from time to time) (the "**MCT Trust Deed**").

Under the MCT Trust Deed, the MCT Manager may from time-to-time change MCT's investment policies subject to compliance with the listing manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), so long as it has given not less than 30 days' prior notice of the change to the MCT Trustee and the unitholders of MCT ("**MCT Unitholders**") by way of an announcement to the SGX-ST.

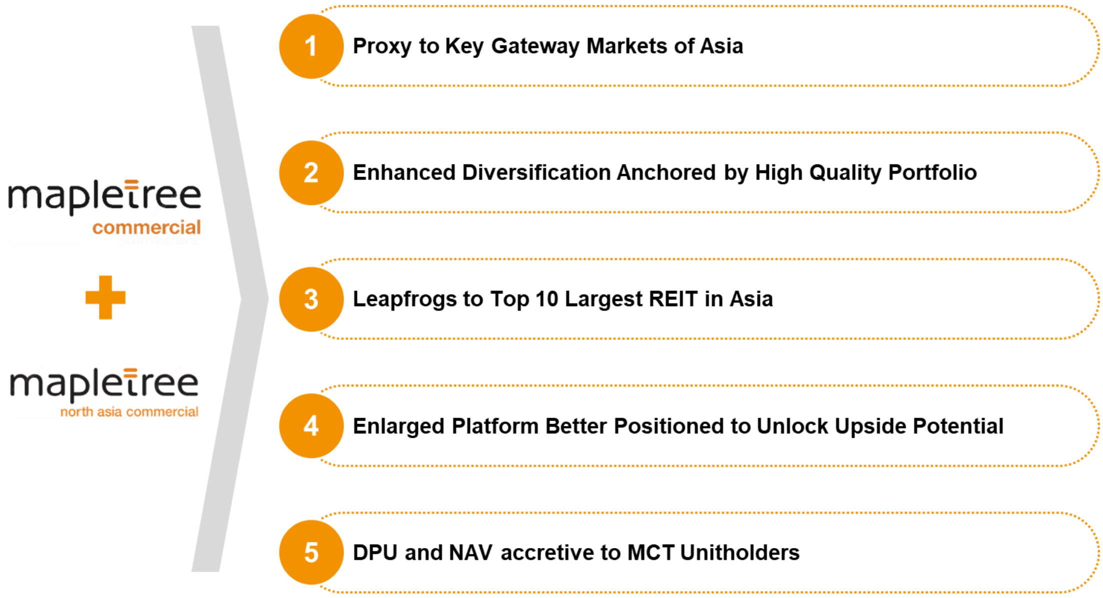
The expanded investment mandate of the Merged Entity (the "**Expanded Investment Mandate**") will be to invest on a long-term basis in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong Special Administrative Region ("**SAR**"), Japan and South Korea). The Expanded Investment Mandate takes into account the geographic focus of the Merged Entity portfolio post-Merger.

2. RATIONALE AND KEY BENEFITS OF THE MERGER

The managers of MCT and MNACT believe that the Merger will be transformative; upon completion, it will create a flagship commercial real estate investment trust ("**REIT**") in Asia with stability and scale across key Asian gateway markets. The Merged Entity combines the best qualities of both MCT and MNACT – (i) strength, driven by MCT, the largest pure-play Singapore commercial REIT with longstanding track record in delivering stable returns to unitholders, and (ii) growth potential, driven by MNACT, the first and only North Asia focused REIT listed in Singapore with properties in key gateway markets including China, Hong Kong SAR, Japan and South Korea.

The Merged Entity will comprise a diversified and high-quality portfolio, with a broadened investment mandate to invest in income-producing real estate used primarily for office and/or retail purposes and an expanded geographic scope to key gateway markets of Asia.

For MCT, the Merger offers a ready launchpad for Asian expansion to establish footholds in multiple cities swiftly.



2.1 Proxy to Key Gateway Markets of Asia

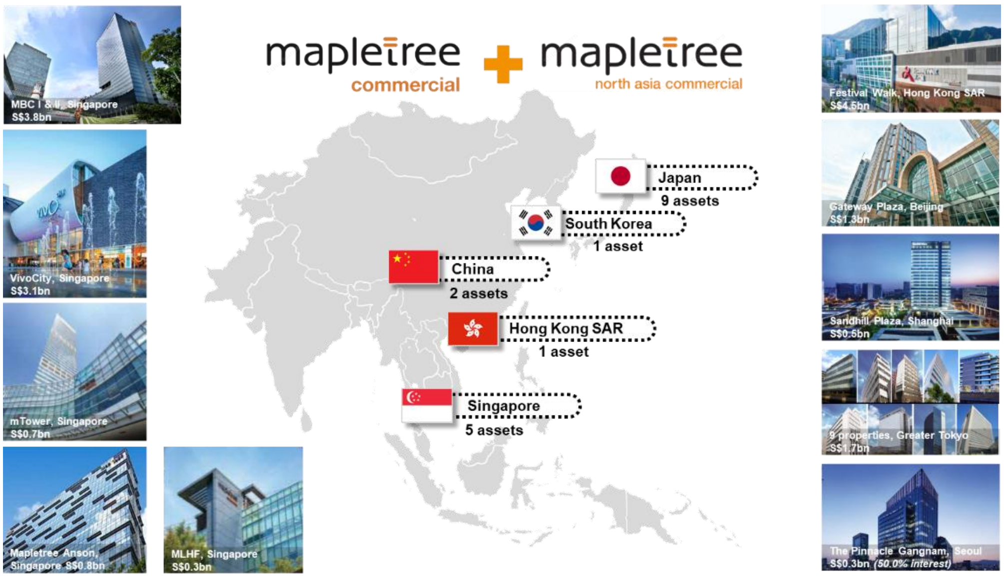
2.1.1 18 commercial properties across five key gateway markets of Asia with total assets under management of over S$17 billion

The Merged Entity combines two high-quality portfolios across five markets to create a proxy to key gateway markets of Asia, with a significant total assets under management ("**AUM**") of S$17.1 billion[3]. The increased scale of the combined portfolio will allow the Merged Entity to be better positioned to pursue growth in key gateway markets of Asia, including Singapore, China, Hong Kong SAR, Japan, and South Korea, and across commercial assets.

MCT's portfolio comprises five properties in Singapore – four located in the Greater Southern Waterfront (HarbourFront and Alexandra Precincts) and one in the Central Business District ("**CBD**"). Best-in-class assets, namely VivoCity and MBC, constitute close to 79.1% and 77.9% of MCT's portfolio valuation and net property income ("**NPI**") respectively as of 30 September 2021.

MNACT's portfolio comprises thirteen high quality properties – one landmark retail mall in Kowloon Tong, Hong Kong SAR; an office building in Beijing, China; a business park property in Shanghai, China; nine office properties in Greater Tokyo, Japan and one office building in Seoul, South Korea.

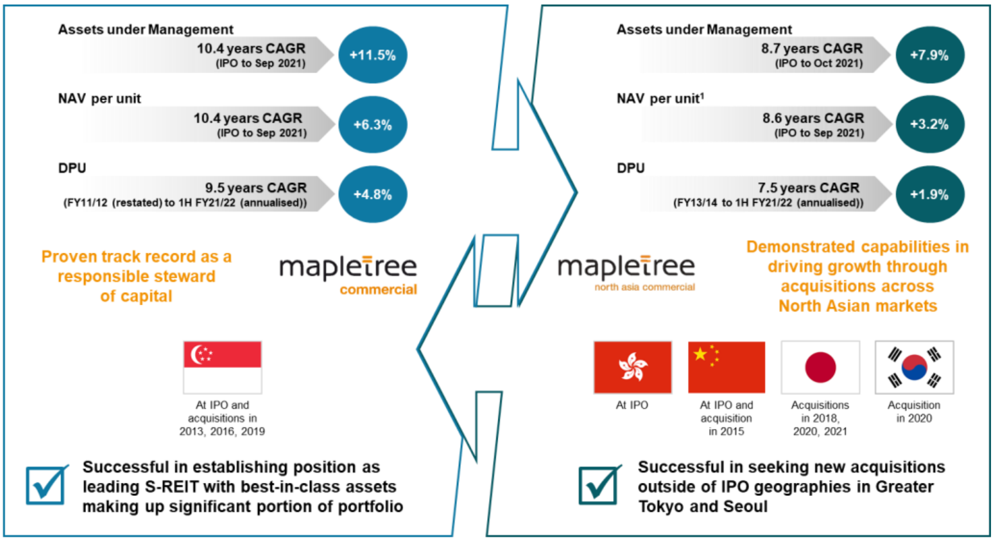
[3] AUM based on the latest available independent valuations. MCT's AUM is as of 30 September 2021 and MNACT's AUM is as of 31 October.



2.1.2 Combining regional and local operational capabilities with domain expertise to enhance further growth

The Merger seeks to create a robust platform that combines the respective strengths of MCT and MNACT, thereby unlocking the full potential of a multi-geography Asian platform.

MCT and MNACT each has a long-standing track record since their initial public offerings ("**IPO**") of more than ten and eight years respectively. MCT has established itself as a responsible steward of capital that has delivered steady compound annual growth rate ("**CAGR**") growth in AUM, net asset value ("**NAV**") per unit and distribution per unit ("**DPU**"). MNACT has demonstrated its capabilities in driving inorganic growth through acquisitions of high quality properties spanning across multiple North Asian markets; including expanding beyond its IPO geographies and successfully acquiring nine office properties in Greater Tokyo (2018, 2020 and 2021) and one office property in Seoul (2020).

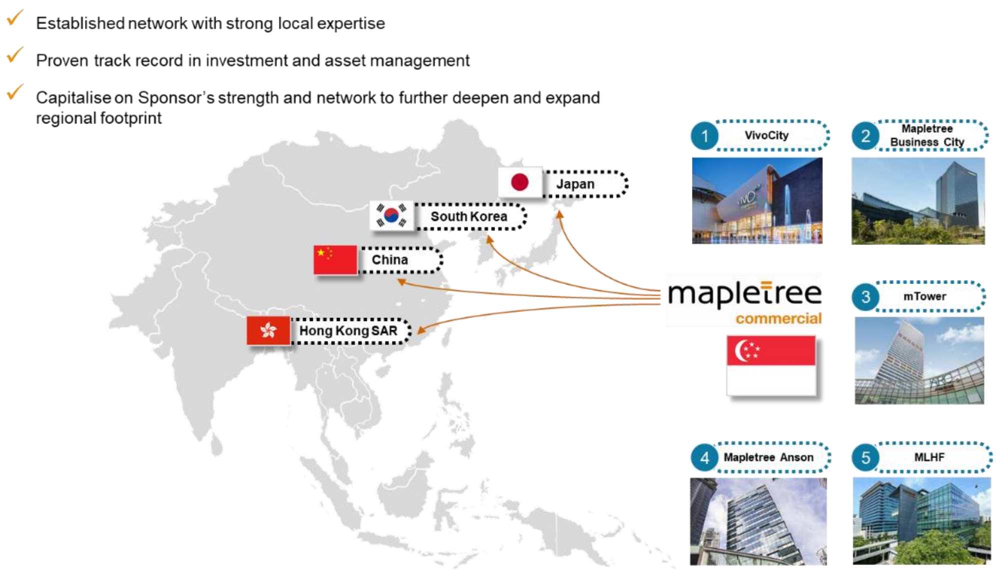


Notes:

(1) Based on MNACT's NAV per unit as of 30 September 2021 and applying the following adjustments: (i) excludes MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents paid on 24 December 2021, and (ii) assumes valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

2.1.3 A ready launchpad for Asian expansion, enabling the Merged Entity to establish footholds in multiple markets swiftly

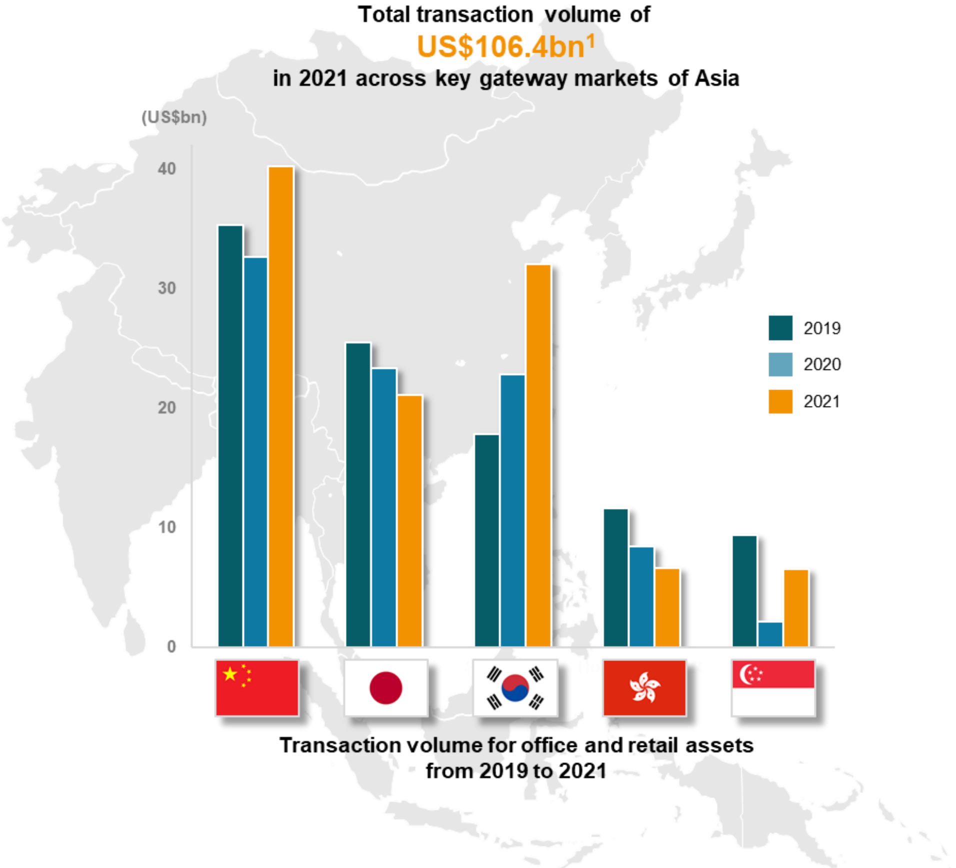
Through the Merger, MCT will gain ready access to footholds in key gateway cities across Asia, tapping on the established network, strong local expertise and on-the-ground presence of both MNACT and MIPL. Wider geographical exposure provides the Merged Entity a clear trajectory for overseas growth.



2.1.4 Deep liquidity in key gateway markets of Asia providing growth opportunities

The Merged Entity will be able to tap into some of the largest and most established real estate markets in Asia. The Merged Entity will have an entrenched presence within the markets of Singapore, China, Hong Kong SAR, Japan and South Korea, where the total transaction volume for office and retail assets in 2021 is US$106.4 billion[4]. In particular, there are continued growth opportunities where offices will continue to play an integral role, and opportunities continue to exist in Asia's retail markets where well-positioned shopping malls remain relevant.

By leveraging on the combined expertise of experienced on-the-ground teams across these markets, who have strong capabilities in asset and property management with an established local network, the Merged Entity will be better positioned to tap into the deep liquidity and opportunities (including investment and asset enhancement opportunities) offered by these markets.



Note:
(1) Sources: Colliers, RCA

2.1.5 Benefits from the long-term rise of Asia by capitalising on the resilient growth of key markets

The Merged Entity will be able to benefit from the long-term rise of Asia by capitalising on the resilient growth in the key gateway markets. Whilst the impact of COVID-19 continues to be felt globally, the economies of the key gateway Asian markets saw a rebound in gross domestic product ("**GDP**") growth in 2021 as initial restrictions were eased gradually and businesses resumed some form of normalcy.

Singapore: Singapore is one of the world's key global trade, logistics and financial hubs and ASEAN's primary business centre, underpinned by world-class infrastructure,

[4] Sources: Colliers International (Hong Kong) Limited ("**Colliers**"), Real Capital Analytics ("**RCA**").

a stable and efficient government and a competitive tax environment. Strong economic fundamentals, including near full employment, high disposable incomes, and sustained growth in consumer demand and GDP, provide a vital foundation for the continued performance of office, retail and business park sectors.

China: China is the second largest economy in the world and the only major economy to post a positive GDP growth rate in 2020, largely attributed to its “Zero-COVID” strategy. Its economy is underpinned and driven by the output of its Tier 1 cities which include Beijing, Shanghai, Guangzhou and Shenzhen that are frequently chosen by large domestic companies and multinationals as locations in which to establish a foothold and grow. China is the world’s largest manufacturer and exporter and with a population that is becoming wealthier rapidly, it is now also the second largest importer in the world. While geopolitical concerns remain, the domestic political environment is very stable. The government has recently announced measures to achieve common prosperity by narrowing the wealth gap and promoting economic rebalancing and long-term sustainability.

Hong Kong SAR: Strategically located within the Greater Bay Area, Hong Kong SAR has played a pivotal role in serving as a gateway connecting Mainland China with international markets, and provides the largest source of foreign direct investment in Mainland China. While Hong Kong SAR has gone through two consecutive years of recession, it has bottomed out and experienced substantial recovery through much of 2021. A strong fourth quarter may see nominal GDP returning to pre-COVID levels. It has also moved up one position in 2021 to take the third place in the Global Financial Centres Index 30 Report. Hong Kong SAR’s conducive business environment, coupled with its well-developed infrastructure and international communication network, makes it an attractive location for doing business in Asia. Domestic consumption, which took up less than 70.0% of the city’s total retail sales prior to the start of COVID-19, is expected to grow with improving labour market conditions. The return of mainland Chinese tourists, which is expected to be gradual at the initial stage, will ultimately drive further recovery in retail sales. Over the next few years, Hong Kong SAR will continue its integration into the Greater Bay Area and this will create increased opportunities for Hong Kong SAR to enhance its reputation as a global financial hub and develop into an innovation and technology hub.

Japan: Japan is the world’s third largest economy and has one of the most developed office markets in terms of transaction volumes and existing stock in the Asia Pacific. The manufacturing sector is Japan’s largest core industry and is a key driver of its economic recovery. The government's policies to promote digitalisation and improve productivity in other industries are expected to further enhance growth in the Japanese economy. There are also new policies focused on increasing middle-class incomes as a means to get the economy back on track. As a result, the office sector is expected to remain resilient, supported by the stable and sustainable outlook for Japan.

South Korea: South Korea is the tenth largest global economy and the fourth largest in Asia by GDP. Despite COVID-19, it advanced two places in the global economic ranks from 2019 as its economy remained relatively resilient and contracted to a lesser extent compared to other countries. South Korea has undergone one of the most significant economic transformations in recent history and rode on the growth of Asia to become the high-technology economy it is today. Its economy is led by electronics, telecommunications, automobile production, chemicals, shipbuilding, steel, with newcomers like microchips, bio-health and conceptual vehicles making a strong showing, domestically and globally. In August 2021, South Korea was the first major Asian economy to raise interest rates since the pandemic began, an indication of its economic recovery. The office sector has also benefitted from the expansion of global big tech companies and rapid growth of Korean tech startups.

Certain selected real estate indicators are highlighted below to illustrate the resilient performance in each of the key markets. Refer to **Appendix B** for a detailed market outlook.

Source: Colliers

Notes:

(1) Lufthansa is a well-established business sub-market within Beijing, where Gateway Plaza is located in.

(2) Zhangjiang Science City is a key business park and innovation hub in Pudong, Shanghai, where Sandhill Plaza is located in.

(3) Gangnam Business District ("**GBD**") is one of the three core business districts in Seoul, where The Pinnacle Gangnam ("**TPG**") is located in.

2.2 Enhanced Diversification Anchored by High Quality Portfolio

2.2.1 Diversification across geographies and reduced single asset concentration strengthens portfolio resilience

The Merged Entity will have a diversified mix of assets across geographies. Singapore assets will represent approximately 51.4% by AUM, while assets in Hong Kong SAR, China, Japan and South Korea will represent 26.0%, 10.8%, 10.2% and 1.6% respectively. This is compared to MCT's existing 100.0% Singapore exposure and MNACT's 53.5% exposure to Hong Kong SAR.

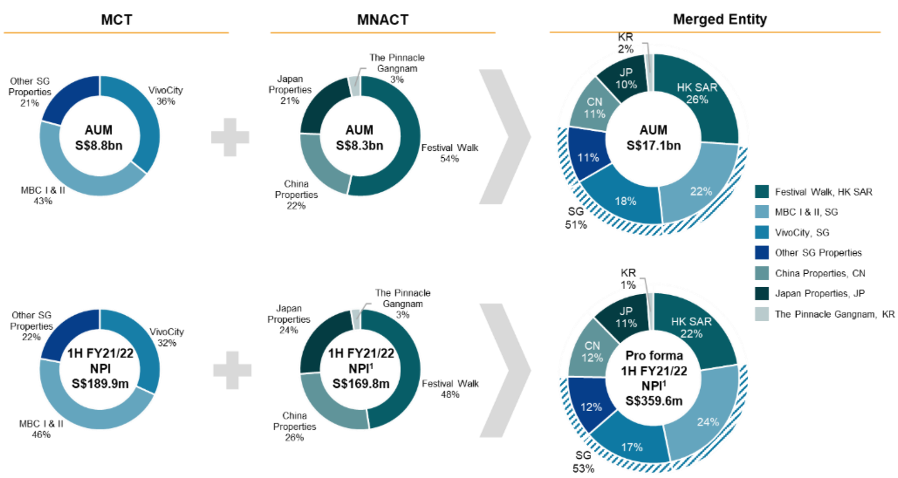
The Merged Entity will also continue to be well-balanced across the commercial sub asset classes, with the retail, office and business park segments representing 45.5%, 33.5% and 21.0% of AUM, respectively.

The Merged Entity will have a significantly reduced single asset concentration risk, with the exposure to any single asset being no more than 26.0% by AUM, compared to

MCT's existing 43.3% exposure to MBC I & II and MNACT's existing 53.5% exposure to Festival Walk respectively. Similarly, the Merged Entity's largest single asset contribution by pro forma NPI will be 24.3%, compared to MCT's existing 46.0% exposure to MBC I & II and MNACT's existing 47.6% exposure to Festival Walk.

This reduction in reliance on any single market, sub asset class, and single-asset earning vulnerability bolsters the Merged Entity's resilience through economic cycles.

In addition, best-in-class assets, namely Festival Walk, MBC I & II, and VivoCity, will continue to constitute a significant proportion of 66.6% of the portfolio, allowing the Merged Entity to diversify without compromising on asset portfolio quality.

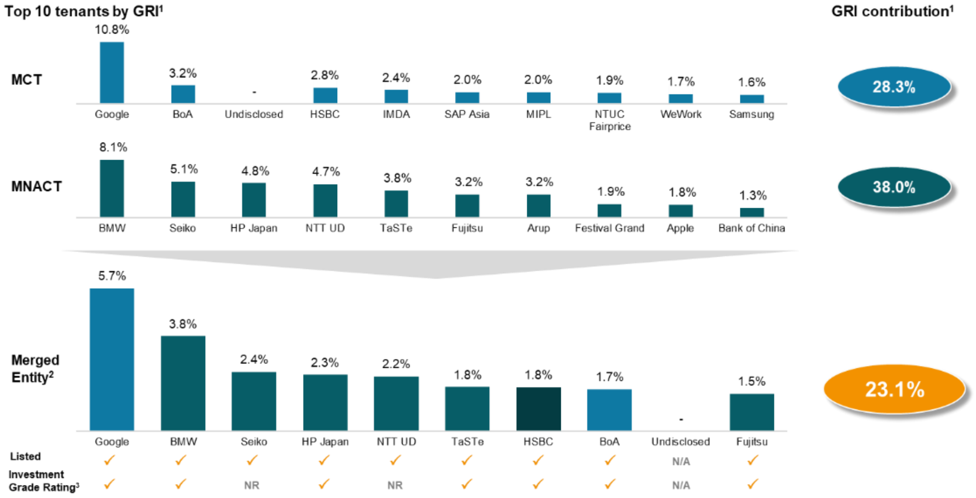


Notes: Total percentage value may not add up to 100% due to rounding differences.

(1) MNACT's 1H FY21/22 NPI value includes 50% share of NPI from TPG and assuming full half-year contribution from the Hewlett-Packard Japan Headquarters Building ("**HPB**"), which is based on unaudited financial information for the period from 18 June 2021 (date of acquisition) to 30 September 2021, pro-rated as if the acquisition was completed on 1 April 2021.

2.2.2 Improved cashflow stability from high quality tenants while reducing income concentration

Post-merger, the top 10 tenants will contribute approximately 23.1% of the Merged Entity's gross rental income ("**GRI**"). This is a healthy reduction compared to both MCT and MNACT before the Merger, whereby their respective top 10 tenants constituted 28.3% and 38.0% of GRI respectively. Post-merger, no single tenant will contribute more than 5.7% by monthly GRI to the enlarged portfolio. In addition, nine out of the top 10 tenants are listed on a stock exchange and/or have an investment grade rating for their bonds. Together, the reduced tenant concentration and the improved tenant profile will further boost cashflow stability of the portfolio.



Notes:

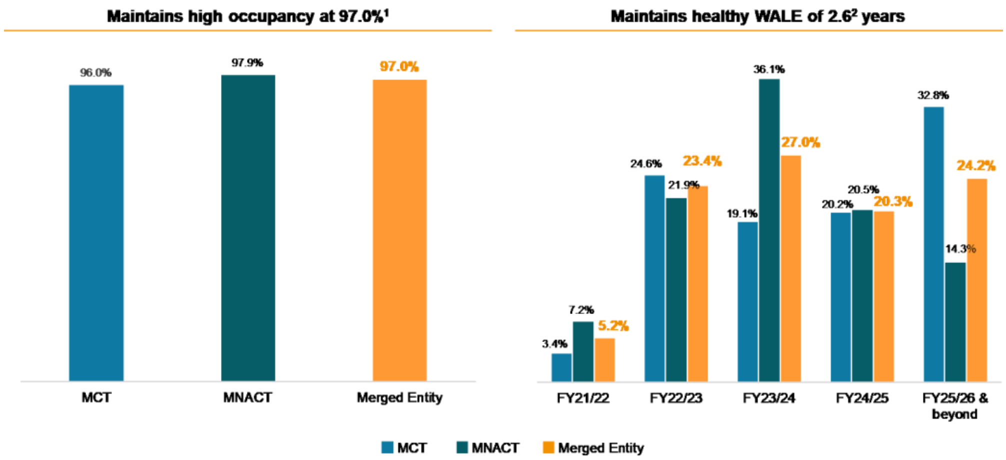
(1) GRI contribution for the month of September 2021. Top 10 tenants for MCT and the Merged Entity excludes an undisclosed tenant of MCT.

(2) The top tenants by GRI for the Merged Entity is based on the unique signing entity of each tenant.

(3) Based on latest disclosed credit rating. Not rated ("**NR**") indicates that a rating has not been assigned or is no longer assigned. Investment grade rating refers to bonds that are rated Baa 3 / BBB- or better. Google's rating is based off their ultimate parent, Alphabet Inc. Seiko Instruments Inc ("**Seiko**") rating is based off their ultimate parent, Seiko Holdings Corporation. Hewlett-Packard Japan ("**HP Japan**") rating is based off their ultimate parent HP Inc. NTT Urban Development ("**NTT UD**") rating is based off their ultimate parent, NTT UD REIT Investment Corporation. TaSTE's rating is based off their ultimate parent, CK Hutchinson Holdings. Merrill Lynch Global Services Pte. Ltd. ("**BoA**") rating is based off their ultimate parent, The Bank of America Corporation.

2.2.3 Continues to maintain high portfolio occupancy and well-staggered lease expiry profile

The Merged Entity will maintain a high portfolio occupancy of 97.0% and a well-staggered lease expiry profile with healthy weighted average lease expiry ("**WALE**") of 2.6 years.



Notes:

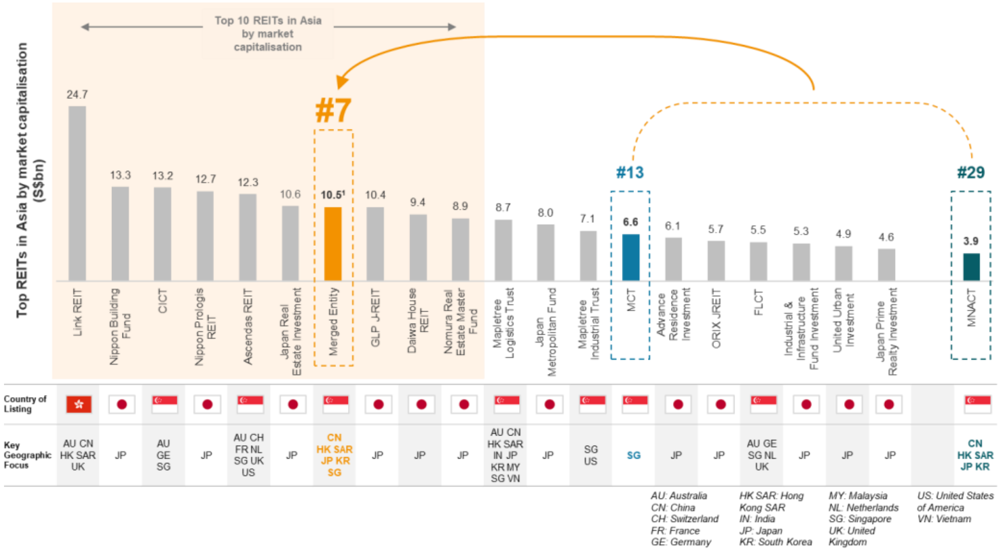
(1) Occupancy for MCT and MNACT refers to committed occupancy as of 30 September 2021. Occupancy for the Merged Entity is calculated on a pro forma basis.

(2) WALE by GRI for MCT and MNACT is based on the committed lease expiry dates (leases which have been renewed or re-let as of 30 September 2021) and GRI. WALE by GRI for the Merged Entity is calculated on a pro forma basis.

2.3 Leapfrogs to Top 10 Largest REIT in Asia

2.3.1 Secures position as a flagship commercial REIT with one of the broadest Asia mandates

The Merger is expected to create one of the top 10 largest REITs in Asia, with a market capitalisation of approximately S$10.5 billion as of 27 December 2021, a significant increase compared to MCT and MNACT's market capitalisation of S$6.6 billion and S$3.9 billion respectively before the Merger. The increased scale of the combined portfolio, with one of the broadest Asia mandates, will enhance the Merged Entity's visibility, entrench its position within the REITs universe in Asia, boosting its appeal and relevance amongst the global investment community.



Sources: FactSet dated 27 December 2021.
Assumes SGD/HKD = 5.7477 and SGD/JPY = 84.6579 as of 27 December 2021.
Countries: AU: Australia; CN: China; CH: Switzerland; FR: France; GE: Germany; HK SAR: Hong Kong SAR; IN: India; JP: Japan; MY: Malaysia; NL: Netherlands; SG: Singapore; KR: South Korea; UK: United Kingdom; US: United States of America; VN: Vietnam
Note:
(1) 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, 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 market capitalisation for Merged Entity would be S$10.9 billion.

2.3.2 Enhanced free float, trading liquidity and increased index representation

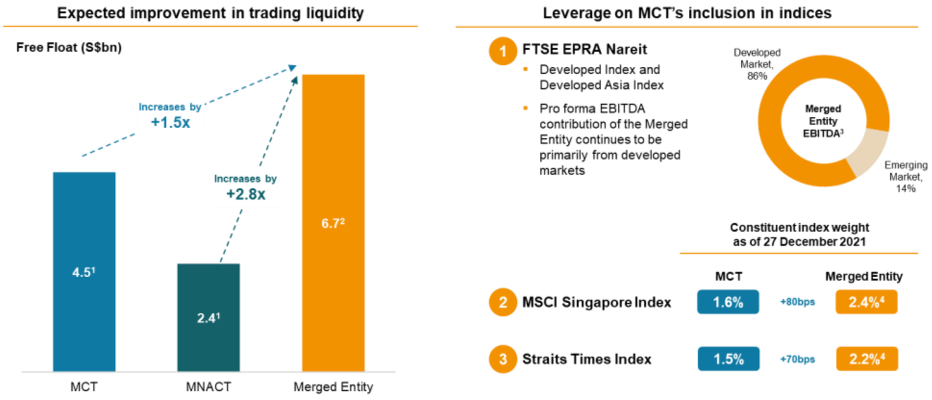
The Merged Entity is estimated to have a free float of approximately S$6.7 billion based on the Scheme Consideration. This is a significant uplift of 1.5x compared to MCT's present free float of S$4.5 billion and 2.8x compared to MNACT's present free float of S$2.4 billion as at 27 December 2021. Correspondingly, the Merged Entity would be the third[5] largest Singapore REITs ("**S-REITs**") in terms of free float market capitalisation. This is a significant improvement on MCT and MNACT's current ranking of fifth and tenth, respectively.

[5] Based on the top 10 S-REITs by free float market capitalisation (excluding the Merged Entity) as at 27 December 2021. Top 10 REITs by free float market cap: A REIT, CICT, MLT, MIT, MCT, FLCT, FCT, Keppel DC REIT, MNACT, KREIT. Free float calculated as total units excluding Sponsor held units.

Currently, MCT is a constituent in key representative indices including the FTSE EPRA Nareit Developed Index and Developed Asia Index, the MSCI Singapore Index and the Straits Times Index.

Based on the developed markets classification in the FTSE EPRA Nareit Developed Index and Developed Asia Index, the Merged Entity is expected to remain a constituent in the FTSE EPRA Nareit Developed Index and Developed Asia Index as the pro forma earnings before interest, tax, depreciation and amortization ("**EBITDA**") contribution of the Merged Entity will continue to be primarily from the developed markets, estimated at approximately 86.0%. In addition, the Merged Entity will have a larger representation in both the MSCI Singapore Index and Straits Times Index, with its respective constituent index weightage estimated to increase by over 70 basis points to 2.4% and 2.2% respectively, as compared to MCT's constituent index weightage currently.

The enlarged free float and greater index representation is expected to improve trading liquidity and further widen and deepen the Merged Entity's institutional investor base, which would ultimately be beneficial to the Merged Entity's Unitholders.



Sources: FactSet, Market data aligned to MSCI Singapore Index closing information as of 27 December 2021.

Notes:

(1) Free float for MCT excludes MCT Units held by the Sponsor via The HarbourFront Pte Ltd, HarbourFront Place Pte Ltd, HarbourFront Eight Pte Ltd, Sienna Pte Ltd and the MCT Manager. Free float for MNACT excludes MNACT Units held by the Sponsor via Kent Assets Pte Ltd, Suffolk Assets Pte Ltd, MNACT Manager and MNACT Property Manager. MCT's free float is computed based on 2,239.6 million free float units multiplied by MCT Unit price of S$2.0039 as of 27 December 2021. MNACT's free float is computed based on 2,182.3 million free float units multiplied by MNACT Unit price of S$1.1100 as of 27 December 2021.

(2) The Merged Entity's free float excludes units that would be held by the Sponsor through its various subsidiaries and associates. The Merged Entity's free float is computed based on 3,332.6 million free float units multiplied by the Scheme Issue Price of S$2.0039 per unit, assuming 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 free float for Merged Entity would be S$7.1 billion.

(3) Based on MCT and MNACT 1H FY21/22 Financial Results. EBITDA for the Merged Entity is calculated on a pro forma basis. Developed markets classification in the FTSE EPRA Nareit Developed Index includes Singapore, Hong Kong SAR, Japan and South Korea.

(4) Estimated constituent index weight assuming 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 estimated MSCI Singapore Index and Straits Times Index constituent index weight would be 2.5% and 2.3% respectively. SEA Ltd, a constituent in the MSCI Singapore Index, currently has an Index Inclusion Factor of 0.5 as of November 2021 and is expected to increase to 1.0 in February 2022. As a result, the Merged Entity's weightage in MSCI Singapore may be lower than the aforementioned, assuming all else being equal.

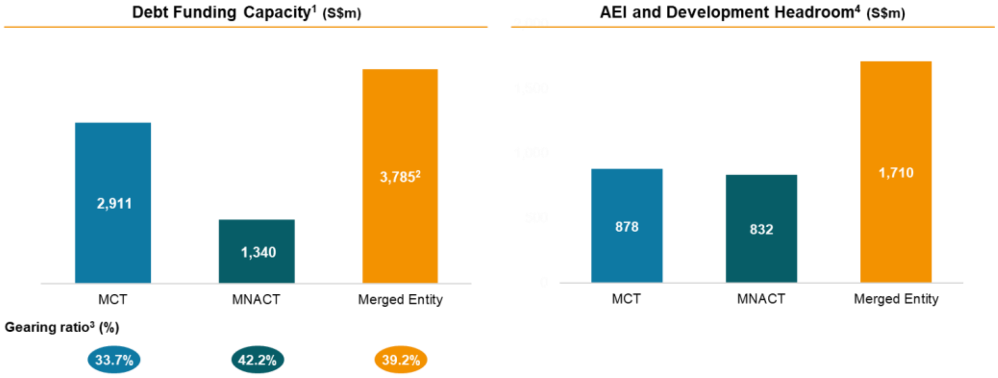
2.4 Enlarged Platform Better Positioned to Unlock Upside Potential

2.4.1 Enhanced financial flexibility to pursue more growth opportunities

The Merged Entity is expected to have a gearing ratio of 39.2% as at 30 September 2021, on a pro forma basis, and will have a larger debt funding capacity of approximately S$3.8 billion**.**

This will allow the Merged Entity to act more swiftly to capture investment opportunities as and when they present themselves, and have greater flexibility to pursue larger acquisitions and undertake capital recycling initiatives, strengthening its overall ability to compete for inorganic growth opportunities.

The Merged Entity is also expected to have a larger development headroom of S$1.7 billion and will be able to undertake more asset enhancement and development initiatives to boost organic growth for Unitholders.



Notes:

(1) Debt funding capacity based on the aggregate leverage limit of 50.0% as permitted by the Property Funds Appendix.

(2) Debt funding capacity based on 16.0% Cash Consideration assuming MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration. Assumes that an additional S$233.2 million of acquisition debt was drawn down on 1 April 2021 to partially fund the Cash Consideration and the Transaction Costs of the Merger.

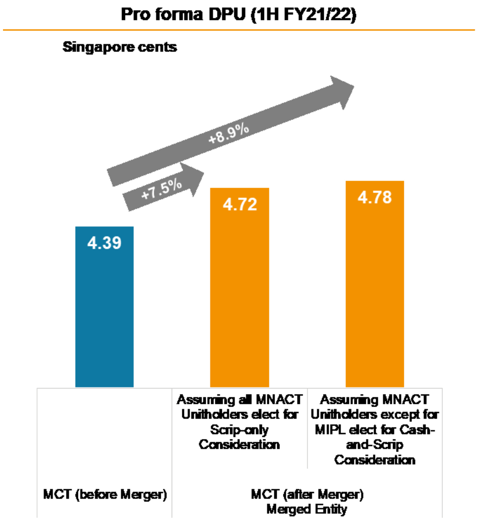
(3) Gearing ratio for MNACT assumes valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

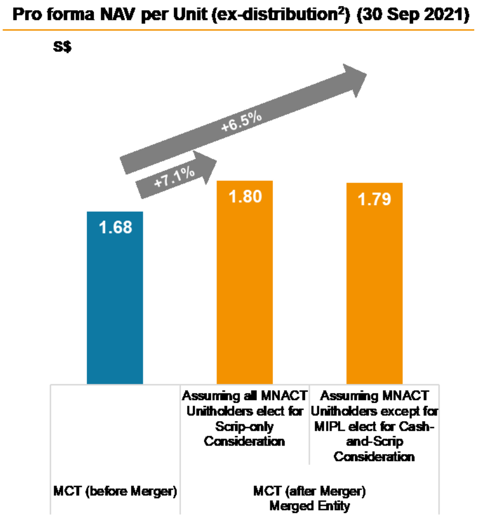
(4) Development headroom calculated based on 10.0% of the deposited property of MCT, MNACT and the Merged Entity respectively, with the deposited property of the Merged Entity based off the pro forma aggregate deposited property of MCT and MNACT. MCT's AUM as of 30 September 2021 and MNACT's AUM as of 31 October 2021 were used as proxy for the deposited property.

2.5 DPU and NAV Accretive to MCT Unitholders

Assuming that the Merger had been completed on 1 April 2021, the pro forma DPU for 1H FY21/22 would have increased from 4.39 cents to 4.72 cents (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration) or 4.78 cents (assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration). This translates to a DPU accretion of 7.5% and 8.9% respectively.

Additionally, assuming that the Merger had been completed on 30 September 2021, the pro forma NAV per Unit (ex-distribution) as at 30 September 2021 would have increased from S$1.68 to S$1.80 (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration) or S$1.79 (assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration). This translates to a NAV per Unit accretion of 7.1% and 6.5% respectively.





Notes:

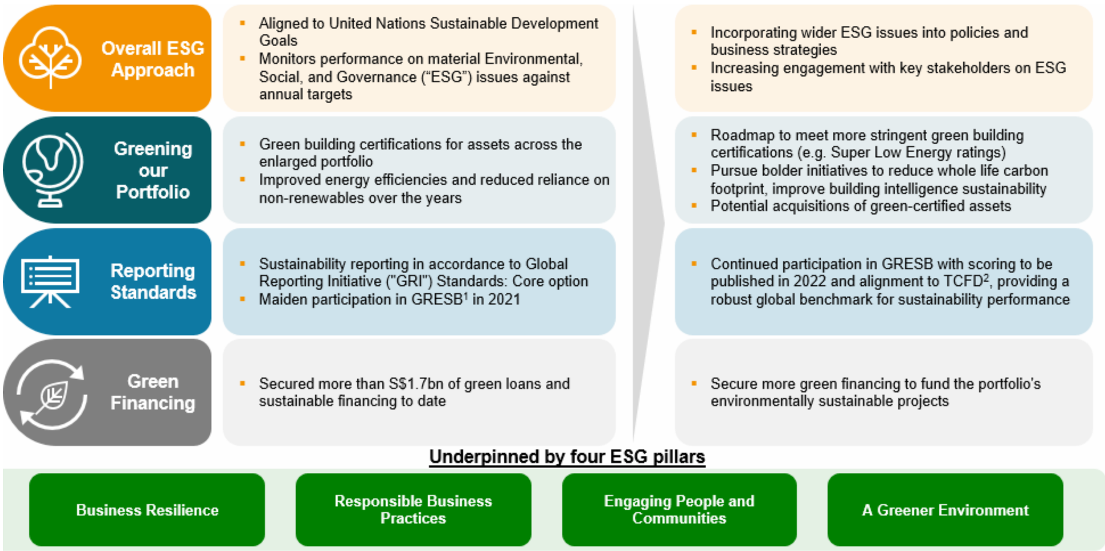
(1) Assuming gross exchange ratio of 0.5963x with Cash Consideration of 16.0%. The Scheme Consideration is assumed to comprise: (1) additional S$233.2 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued to fund the Cash Consideration and the Transaction Costs; (ii) 1,874.4 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit in satisfaction of the scrip component of the Scheme Consideration. For further information, please refer to Paragraphs 6.2.1 and 6.3.1.

(2) Excludes MCT's reported 1H FY21/22 DPU of 4.39 Singapore cents.

2.6 Reinforced Commitment to Sustainability

Both MCT and MNACT have demonstrated firm and longstanding commitment to sustainability and have been proactive in delivering long-term value while minimising the impact to the environment and community. To date, MCT and MNACT have aligned their sustainability approach and efforts to the United Nations Sustainable Development Goals ("**SDG**"), including relevant SDGs such as Affordable and Clean Energy, Sustainable Cities and Communities, and Decent Work and Economic Growth. Assets across both REITs' portfolios have also received various green building certifications. For example, Festival Walk and MBC have been accorded the highest green building accolades by the respective local authorities in recognition of the building's environmental impact and performance. The Merged Entity is expected to continue the sustainability reporting standards, sustainability practices and green financing efforts of both REITs.. This will enhance the business resilience of the Merged Entity and demonstrate its commitment to drive environmental stewardship, engage stakeholders and communities, as well as uphold high standards of corporate governance.

Post-merger, the Merged Entity will proactively pursue more environmental, social and governance ("**ESG**") initiatives such as incorporating wider ESG issues into business strategies and corporate policies. The Merged Entity will establish a roadmap for more assets to be green-certified. For existing assets with green certification, these are expected to meet more stringent green building certifications (such as Singapore Building and Construction Authority's Green Mark 2021 Platinum and Super Low Energy ratings), undertake bolder initiatives to reduce whole life carbon footprint and improve assets' overall sustainability. The Merged Entity will also enhance its ESG reporting standards through its participation in GRESB and alignment to the Task Force on Climate-Related Financial Disclosures ("**TCFD**"), as well as secure more green financing for environmentally-sustainable projects. These initiatives will improve the Merged Entity's ESG performance, thereby creating more value for stakeholders in the long run.



Notes:

(1) GRESB is an investor-driven organisation committed to assessing the ESG performance of real assets globally. The GRESB Real Estate Assessment provides the basis for systematic reporting, scoring and peer benchmarking of ESG management and performance of property companies and funds around the world.

(2) Task Force on Climate-related Financial Disclosures ("**TCFD**") was established to develop recommendations for more effective climate-related disclosures and, in turn, enable stakeholders to understand better the companies' exposures to climate-related risks.

2.7 Continued Support and Strong Commitment from Sponsor

2.7.1 Waiver of acquisition fees and election to receive Scrip-Only Consideration

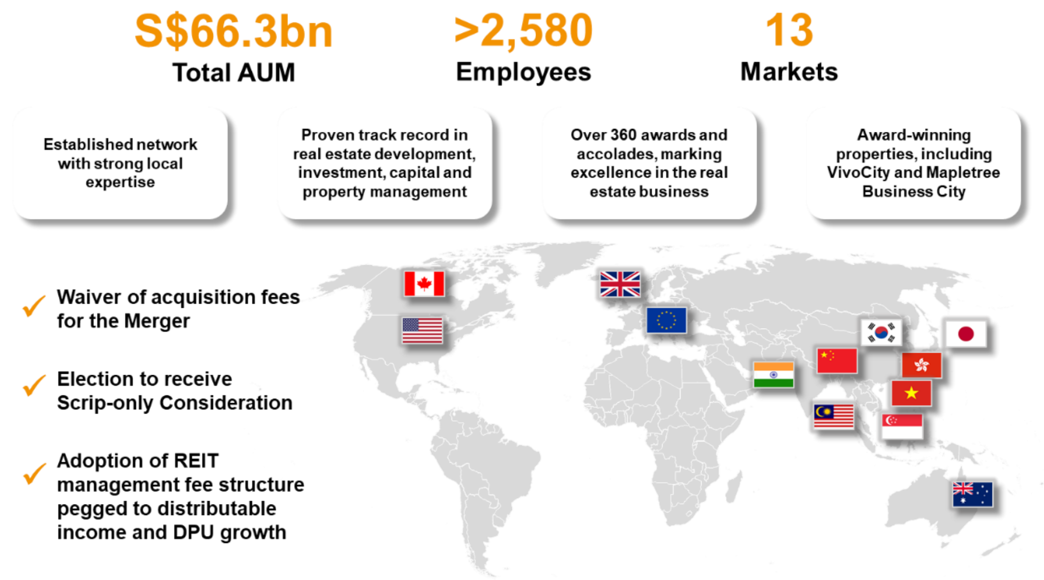
To demonstrate its commitment and support for the Merger and growth of the Merged Entity, the MCT Manager (with the support of MIPL, which owns 100.0% of the MCT Manager and is the Sponsor of both MCT and MNACT) has waived its acquisition fee entitlement under the MCT Trust Deed in respect of the Merger. In addition, the Sponsor has provided an undertaking to receive 100% Scrip-Only Consideration.

2.7.2 Adoption of REIT management fee structure pegged to distributable income and DPU growth

It is also intended that the management fee structure of the Merged Entity is to be pegged to distributable income and DPU growth. The revised fee structure enables closer alignment of interests with unitholders of the Merged Entity by incentivising sustainable distributable income and DPU growth.

2.7.3 Leverage on domain expertise and track record of Sponsor

The Sponsor has an established global presence in 13 markets and over S$66 billion in AUM as well as proven track record in real estate development investment capital and property management. The Merged Entity will ultimately be able to leverage on the domain expertise of the Sponsor to pursue active asset management and enhancement and capture accretive investment opportunities more proactively.



Source: MIPL figures as of 31 March 2021.

2.8 Rationale and Key Benefits: Conclusion

From a financial perspective, the Merger will be beneficial to both MCT and MNACT Unitholders. For MCT Unitholders, the transaction translates to a DPU and NAV accretion of 8.9% and 6.5% respectively, based on the Cash-and-Scrip Consideration.

Strategically, the Merger is expected to be a transformative merger combining strength and growth potential to create a flagship Asia commercial REIT with stability and scale. The Merged Entity will be a proxy to key gateway markets of Asia that is anchored by a high quality and diversified commercial portfolio. The integration of size and a ready platform will place the Merged Entity well to pursue growth opportunities across geographies. The Merged Entity is expected to have a higher trading liquidity arising from an improved free float and stronger index representation, ultimately benefitting all unitholders of the Merged Entity.

3. MCT UNITHOLDERS' APPROVAL

The acquisition of the MNACT Units by DBS Trustee Limited, as trustee of MCT (the "**MCT Trustee**"), in connection with the Merger requires the approval of the MCT Unitholders pursuant to the following rules under the Listing Manual and under Paragraph 5 of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"):

(a) Rule 1014(2) of the Listing Manual as a major transaction, as elaborated in **paragraph 7**;

(b) Rule 906(1) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix as an interested person transaction, as elaborated in **paragraph 8.**

In addition, the Manager will be seeking the approval of the MCT Unitholders under Rule 805(1) of the Listing Manual for the issuance of Consideration Units, as elaborated in **paragraph 9**.

Further, it is intended that the approval of the MCT Unitholders be sought for the amendments to the MCT Trust Deed to amend the fee structure of MCT to reflect the fee structure as set out in **Paragraph 10.1**.

4. TOTAL TRANSACTION OUTLAY

4.1 Total Transaction Outlay assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration

Assuming that all MNACT Unitholders elect to receive the Scrip-Only Consideration, the total cost of the Merger is currently estimated to be approximately S$4,233.7 million ("**Total Transaction Outlay**"), comprising:

(a) the Total Scheme Consideration of S$4,215.6 million, comprising 2,103.7 million Consideration Units[6]; and

(b) the estimated upfront financing costs, professional and other fees and expenses of S$18.1 million incurred or to be incurred in connection with the Merger ("**Transaction Costs**").

4.2 Total Transaction Outlay assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration

Assuming that all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration, the Total Transaction Outlay is estimated to be approximately S$4,236.2 million, comprising:

(a) the Total Scheme Consideration of S$4,215.6 million, comprising S$417.3 million as Cash Consideration and 1,895.4 million Consideration Units[7]; and

[6] Based on an issue price of S$2.0039 for each new MCT Unit and calculated based on a total of 3,527,974,156 MNACT Units as at the date hereof.

[7] Based on an issue price of S$2.0039 for each new MCT Unit and calculated based on a total of 3,527,974,156 MNACT Units as at the date hereof.

(b) the estimated Transaction Costs of S$20.6 million.

The Total Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of MCT, in compliance with its accounting policies. The fair value of a Consideration Unit will be based on the closing price of an MCT Unit as at the Effective Date and not at the issue price of S$2.0039 per Consideration Unit which was the 1-day VWAP of an MCT Unit on the SGX-ST on 27 December 2021, being the last trading day immediately prior to the Joint Announcement.

5. METHOD OF FINANCING

The MCT Manager intends to fund the cash component of the Total Transaction Outlay, including the Cash Consideration, with unsecured bank facilities and the issuance of perpetual securities[8].

6. PRO FORMA FINANCIAL EFFECTS

6.1 Pro Forma Financial Effects of Merger

Purely for illustrative purposes only, the pro forma financial effects of the Merger on MCT and its subsidiaries (the "**MCT Group**") are set out in the tables below.

6.2 Pro Forma DPU

6.2.1 For the six months ended 30 September 2021 (1H FY21/22)

	Effects of Merger		
	Before Merger	**After Merger(1)**	
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	**Assuming all MNACT Unitholders except for MIPL elect to receive Cash-and-Scrip Consideration**
Amount available for distribution to MCT Unitholders (S$ million)	146.5	254.8(2),(4),(5)	248.3 (5),(6),(7)
Number of MCT Units in issue (million)	3,321.3	5,403.3(3),(4),(5)	5,197.3 (5),(7),(8)
DPU (Singapore cents)	4.39	4.72(3),(4),(5)	4.78 (5),(7),(8)
Accretion (%)	-	7.5%	8.9%

[8] For avoidance of doubt, MCT has in place sufficient debt facility to fund the full cash component of the Total Transaction Outlay.

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the unaudited consolidated financial statements of MCT and MNACT for the six months ended 30 September 2021 ("**1H FY21/22 Unaudited Financial Statements**") and the October 2021 MNACT Independent Valuation Report.

(1) Assumes the Merger was completed on 1 April 2021, and that MCT held and operated the properties of MNACT for the six months ended 30 September 2021.

(2) Assumes an additional S$18.1 million of acquisition debt was drawn down on 1 April 2021 to fund the Transaction Costs of the Merger, at an all-in cost of 2.7%.

(3) Assumes 2,080.4 million Consideration Units are issued, based on the total number of MNACT Units in issue as of 30 September 2021, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(4) Assumes 1.7 million additional MCT units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in Units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

(5) Adjusted for the following assumptions:

- a. Assumes no new MCT Units issued as payment of the acquisition fee in respect of the Merger, as the MCT Manager has waived 100.0% of the acquisition fee in respect of the Merger on a one-off basis.
- b. Assumes the Merged Entity adopts a 100.0% distribution payout ratio.
- c. Includes full half-year contribution from Hewlett-Packard Japan Headquarters Building ("HPB"), which is based on unaudited financial information for the period from 18 June 2021 to 30 September 2021, pro rated as if the acquisition was completed on 1 April 2021 and adjusted for the implied incremental funding costs, management fees, trustee expense and income tax expense.
- d. Assumes the Merged Entity's management fee structure comprises:
  - i. Base fees calculated as 10.0% of distributable income (calculated before accounting for the base fee and performance fee);
  - ii. Performance fees calculated as 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Merged Entity’s units in issue for such financial year; and
  - iii. Property Manager's ("**PM**") / Lease Manager's ("**LM**") fees are paid entirely in cash.

(6) Assumes that an additional S$233.2 million of acquisition debt was drawn down at an all-in cost of 2.7% and S$200.0 million of perpetual securities were issued at coupon rate of 3.7% on 1 April 2021 to fund the Cash Consideration and the Transaction Costs of the Merger.

(7) Assumes 1.6 million additional MCT units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in Units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

(8) Assumes 1,874.4 million Consideration Units are issued, based on the total number of MNACT Units in issue as of 30 September 2021, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

6.2.2 For full year ended 31 March 2021 (FY20/21)

	Effects of Merger		
	Before Merger	After Merger[1]	
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	Assuming all MNACT Unitholders except for MIPL elect to receive Cash-and-Scrip Consideration
Amount available for distribution to MCT Unitholders (S$ million)	314.7	503.4[(2),(4),(5)]	490.6[(5),(6),(8)]
Number of MCT Units in issue (million)	3,316.2	5,361.2[(3),(4),(5)]	5,155.7[(5),(7),(8)]
DPU (Singapore cents)	9.49	9.39 [(3),(4),(5)]	9.51[(5),(7),(8)]
Accretion (%)	-	(1.1)%	0.2%

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the FY20/21 Audited Financial Statements of MCT and MNACT.

(1) Assumes that the Merger was completed on 1 April 2020, and that MCT held and operated the properties of MNACT for the twelve months ended 31 March 2021.

(2) Assumes an additional S$18.1 million of acquisition debt was drawn down on 1 April 2020 to fund the Transaction Costs of the Merger, at an all-in cost of 2.7%.

(3) Assumes 2,040.2 million Consideration Units are issued, based on the total number of MNACT Units in issued as of 31 March 2021, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(4) Assumes 4.7 million additional MCT units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in Units, at an illustrative issue price of S$2.0039 per new MCT Unit, being the Scheme Issue Price.

(5) Adjusted for the following assumptions:

a. Assumes no new MCT Units issued as payment of the acquisition fee in respect of the Merger, as the MCT Manager has waived 100.0% of the acquisition fee in respect of the Merger on a one-off basis.

b. Assumes the Merged Entity adopts a 100.0% distribution payout ratio.

c. Includes full year contribution from HPB, which was based on unaudited financial information for the period from 18 June 2021 to 30 September 2021, and TPG, which was based on audited financial information for the period from 30 October 2020 to 31 March 2021, prorated as if the acquisitions were completed on 1 April 2020 and adjusted for the implied incremental funding costs, management fees, trustee expense and income tax expense.

d. Assumes Merged Entity's management fee structure comprises:

i. Base fees calculated as 10.0% of distributable income (calculated before accounting for the base fee and performance fee);

ii. Performance fees calculated as 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Merged Entity’s units in issue for such financial year; and

iii. PM / LM fees are paid entirely in cash.

(6) Assumes that an additional S$231.9 million of acquisition debt was drawn down at an all-in cost of 2.7% and S$200.0 million of perpetual securities were issued at coupon rate of 3.7% on 1 April 2020 to fund the Cash Consideration and the Transaction Costs of the Merger.

(7) Assumes 1,835.0 million Consideration Units are issued, based on the total number of MNACT Units in issue as of 31 March 2021, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(8) Assumes 4.6 million additional MCT units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in Units, at an illustrative issue price of S$2.0039 per new MCT Unit, being the Scheme Issue Price.

6.3 Pro Forma NAV

6.3.1 As of 30 September 2021 (1H FY21/22)

	Effects of Merger		
	Before Merger	**After Merger**(1),(2)	
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	**Assuming all MNACT Unitholders except for MIPL elect to receive Cash-and-Scrip Consideration**
NAV (S$ million)	5,724.7	9,995.2(4),(5),(6)	9,582.5(4),(5),(8)
Number of MCT Units in issue (million)	3,321.3	5,401.6(7)	5,195.7(9)
NAV for each MCT Unit (S$)	1.72	1.85	1.84
NAV for each MCT Unit (ex-dividend) (S$)	1.68(3)	1.80	1.79

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the 1H FY21/22 Unaudited Financial Statements and the October 2021 MNACT Independent Valuation Report.

(1) Assumes the Merger was completed on 30 September 2021.

(2) Assumes the valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

(3) Excludes MCT's reported 1H FY21/22 DPU of 4.39 Singapore cents.

(4) Assumes no new MCT Units issued as payment of the acquisition fee in respect of the Merger, as the MCT Manager has waived 100.0% of the acquisition fee in respect of the Merger on a one-off basis.

(5) Assumes the Transaction Costs and the difference between the Scheme Consideration and the acquired NAV of MNACT as of 30 September 2021 are initially capitalised to the cost of the properties and subsequently recognised at fair value at the period end.

(6) Assumes that an additional S$18.1 million of acquisition debt was drawn down on 30 September 2021 to fund the Transaction Costs of the Merger.

(7) Assumes 2,080.4 million Consideration Units are issued (based on the total number of MNACT Units issued as of 30 September 2021) in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(8) Assumes an additional S$233.2 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued on 30 September 2021 to fund the Cash Consideration and the Transaction Costs of the Merger.

(9) Assumes 1,874.4 million Consideration Units are issued, based on the total number of MNACT Units in issue as of 30 September 2021, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

6.3.2 As of 31 March 2021 (FY20/21)

	Effects of Merger		
	Before Merger	**After Merger[1]**	
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	**Assuming all MNACT Unitholders except for MIPL elect to receive Cash-and-Scrip Consideration**
NAV (S$ million)	5,709.0	10,066.7[(3),(4),(5),(6)]	9,655.3[(3),(4),(5),(8)]
Number of MCT Units in issue (million)	3,316.2	5,364.1[(7)]	5,158.8[(9)]
NAV for each MCT Unit (S$)	1.72	1.88[(3),(4),(5),(6)]	1.87[(3),(4),(5),(8)]
NAV for each MCT Unit (ex-dividend) (S$)	1.67[(2)]	1.83	1.82

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the audited FY20/21 Financial Statements of MCT and MNACT.

(1) Assumes the Merger was completed on 31 March 2021.

(2) Excludes MCT's reported 2H FY20/21 DPU of 5.32 Singapore cents.

(3) Assumes no new MCT Units issued as payment of the acquisition fee in respect of the Merger, as the MCT Manager has waived 100.0% of the acquisition fee in respect of the Merger on a one-off basis.

(4) Assumes the Transaction Costs and the difference between the Scheme Consideration and the acquired NAV of MNACT as of 31 March 2021 are initially capitalised to the cost of the properties and subsequently recognised at fair value at the period end.

(5) Includes an additional S$486.5 milliion in investment property value and an additional S$7.2 million in non-controlling interest, attributable to HPB. Assumes that an additional S$231.5 million of debt (net of financing cost) was drawn down, and an additional S$247.8 million in perpetual securities (net of issue cost) were issued, on 1 April 2020, to fund the total cost of the HPB acquisition, based on unaudited financial information as of 30 September 2021.

(6) Assumes an additional S$18.1 million of acquisition debt was drawn down on 31 March 2021 to fund the Transaction Costs of the Merger.

(7) Assumes 2,047.9 million Consideration Units are issued, based on the total number of MNACT Units in issue as of 31 March 2021, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(8) Assumes that an additional S$231.9 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued on 31 March 2021 to fund the Cash Consideration and the Transaction Costs of the Merger.

(9) Assumes 1,842.6 million Consideration Units are issued, based on the total number of MNACT Units in issue as of 31 March 2021, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative price of S$2.0039, being the Scheme Issue Price.

6.4 Pro Forma Aggregate Leverage

6.4.1 As of 30 September 2021 (1H FY21/22)

	Effects of Merger		
	Before Merger	**After Merger(1)**	
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	**Assuming all MNACT Unitholders except for MIPL elect to receive Cash-and-Scrip Consideration**
Aggregate leverage (based on gross borrowings)	33.7%	38.0%	39.2%

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the 1H FY21/22 Unaudited Financial Statements and the October 2021 MNACT Independent Valuation Report.

(1) Assumptions are same as those set out in Paragraph 6.3.1

6.4.2 As of 31 March 2021 (FY20/21)

	Effects of Merger		
	Before Merger	**After Merger(1)**	
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	**Assuming all MNACT Unitholders except for MIPL elect to receive Cash-and-Scrip Consideration**
Aggregate leverage (based on gross borrowings)	33.9%	38.0%	39.2%

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the audited FY20/21 Financial Statements of MCT and MNACT.

(1) Assumptions are same as those set out in Paragraph 6.3.2

7. MAJOR TRANSACTION

The relative figures for the Merger under Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual are as follows:

	MNACT Group	MCT Group	Percentage
<u>Rule 1006(b)</u> Net property income attributable to the MNACT Group compared with the net property income of the MCT Group, in each case, for the 6 months period from 1 April 2021 to 30 September 2021(1)(2) (S$ million)	166.2	189.9	87.5%
<u>Rule 1006(c)</u> Total Scheme Consideration compared with MCT's market capitalisation as at **17 December 2021**, being the latest trading date prior to the date of this Announcement ("**Latest Trading Date**") (S$ million)	4,215.6	6,657.8	63.3%
<u>Rule 1006(d)</u> Number of MCT Units(3) to be issued as consideration pursuant to the Merger compared with number of MCT Units in issue as at the Latest Trading Date (million)	2,103.7	3,322.4	63.3%

Notes:

(1) In the case of a REIT, the net property income ("NPI") is a close proxy to the net profits attributable to its assets.

(2) Based on the NPI as disclosed in the 1H FY21/22 Unaudited Financial Statements of MCT and MNACT. The NPI attributable to MNACT has been adjusted to include MNACT's 50.0% share of the NPI from TPG located in South Korea, based on information as disclosed in MNACT's presentation slides published in conjunction with MNACT's 1H FY21/22 Unaudited Financial Statements.

(3) Based on an illustrative issue price of S$2.0039 per Consideration Unit, which was the 1-day VWAP of a MCT Unit on the SGX-ST on 27 December 2021, and the total number of MNACT Units issued as at 27 December 2021. On the assumption that all MNACT Unitholders elect to receive the Scrip-Only Consideration, there will be 2,103.7 million Consideration Units issued. For avoidance of doubt, the option to elect to receive the Cash-and-Scrip Consideration remains available for all MNACT Unitholders (save for MIPL).

As the relative figures for the Merger under Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual exceed 20.0% (but not 100.0%), the Merger is classified as a "**major transaction**" under Chapter 10 of the Listing Manual and, accordingly, is subject to the approval of MCT Unitholders at an extraordinary general meeting of MCT.

8. INTERESTED PERSON TRANSACTION

8.1 Interested Person Transaction

Under Chapter 9 of the Listing Manual, where MCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of MCT's latest audited net tangible assets ("**NTA**"), the approval of the MCT Unitholders is required in respect of the transaction.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for MCT Unitholders' approval for an interested party transaction by MCT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of MCT's latest audited NAV.

As at the date hereof, MIPL holds, through The HarbourFront Pte Ltd, ("**HFPL**"), HarbourFront Place Pte. Ltd. ("**HF Place**"), HarbourFront Eight Pte Ltd ("**HF Eight**"), Sienna Pte. Ltd. ("**Sienna**") and the MCT Manager, an aggregate interest in 1,082,793,377 MCT Units, which comprises approximately 32.6% of the total number of MCT Units in issue. MIPL also holds, through Kent Assets Pte. Ltd. ("**Kent**"), Suffolk Assets Pte. Ltd. ("**Suffolk**"), Mapletree North Asia Property Management Limited ("**MNAPML**") and the MNACT Manager, an aggregate interest in 1,345,663,544 MNACT Units, which comprises approximately 38.1% of the total number of MNACT Units in issue.

Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix:

(a) MCT is an "entity at risk";

(b) MIPL is a "controlling unitholder" of MCT and Kent, Suffolk, MNAPML and the MNACT Manager are associates of MIPL;

(c) pursuant to the Merger, MCT, an entity at risk, is acquiring MNACT Units from Kent, Suffolk, MNAPML and the MNACT Manager, associates of MIPL ("**Interested MNACT Units Acquisition**"); and

(d) the Merger, which includes the Interested MNACT Units Acquisition, constitutes an interested person transaction.

8.2 MCT Unitholders' Approval and Other Existing Interested Person Transactions

The consideration payable by MCT to Kent, Suffolk, MNAPML and the MNACT Manager is S$1,607.9 million[9], representing 28.2% of the audited NTA of the MCT Group of S$5,708.9 million as at 31 March 2021. Accordingly:

9 Calculated based on a total of 1,346,663,544 MNACT Units held by Kent, Suffolk, MNAPML and the MNACT Manager as at the date hereof.

(a) the Interested MNACT Units Acquisition is required to be approved by the MCT Unitholders under Rules 906(1) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix; and

(b) the Merger, which includes the Interested MNACT Units Acquisition, is conditional upon such approval.

As at the date hereof, other than the Interested MNACT Units Acquisition and excluding interested person transactions with a value of less than S$100,000 each, the value of all interested person transactions entered into between the MCT Group and MIPL, its subsidiaries and associates during the course of the current financial year is approximately S$36.5 million (which is approximately 0.64% of the audited NTA of the MCT Group as at 31 March 2021). Save as described in the foregoing, there were no interested person transactions entered into between the MCT Group and MIPL, its subsidiaries and associates during the course of the current financial year.

8.3 Abstention from Voting

As at the date hereof, Fullerton Management Pte Ltd ("**Fullerton**"), through its interest in MIPL, has a deemed interest in 1,082,793,377 MCT Units, which comprises 32.59% of the total number of MCT Units in issue. Temasek Holdings (Private) Limited ("**Temasek**"), through its interests in Fullerton and its other subsidiaries, has a deemed interest in 1,127,955,781 MCT Units, which comprises 33.95% of the total number of MCT Units in issue.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of Temasek, Fullerton and MIPL are "**interested persons**" and will, pursuant to Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, abstain, and procure that their associates (including HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstain, from voting on the relevant resolutions approving the Merger:

Name of Entity	No. of MCT Units	% of Total MCT Units in Issue (%)
The HarbourFront Pte Ltd	137,699,999	4.14%
HarbourFront Place Pte. Ltd.	442,846,329	13.33%
HarbourFront Eight Pte Ltd	352,238,977	10.60%
Sienna Pte. Ltd.	47,201,893	1.42%
Mapletree Commercial Trust Management Ltd.	102,806,179	3.09%
Temasek Holdings (Private) Limited (through entities unrelated to MIPL)	45,162,404	1.36%
Total	1,127,955,781	33.95%

In addition, each of Temasek, Fullerton, MIPL and their associates (including HFPL, HF Place, HF Eight, Sienna and the MCT Manager) will not accept proxies, powers of attorney or other authorisations to vote in respect of the relevant resolutions on the Merger where such proxies, powers of attorney or other authorisations do not clearly direct such entities to vote for or against such resolutions.

8.4 IFA

As noted in **paragraph 11.3** of the Joint Announcement, the MCT IFA will be appointed to advise the audit and risk committee of the MCT Manager (the "**Audit and Risk Committee**"), the MCT Independent Directors and the MCT Trustee as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of MCT and its minority unitholders.

The MCT Independent Directors and the Audit and Risk Committee will form their own views after reviewing the MCT IFA Letter, which will be included in the MCT Circular.

9. ISSUANCE OF CONSIDERATION UNITS

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in a general meeting for the issue of units unless such units are issued pursuant to a general mandate obtained from unitholders of the issuer.

Accordingly, the issuance of the Consideration Units by MCT is required to be approved by the MCT Unitholders under Rule 805 of the Listing Manual, with each of Temasek, Fullerton and MIPL abstaining, and procuring that their associates (including HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstain, from voting on such resolution.

10. REVISION OF FEE STRUCTURE

10.1 Proposed Fee Structure Amendments

It is intended that the MCT Trust Deed be amended to adopt a revised management fee structure for the Merged Entity (the "**Proposed Fee Structure Amendments**"). Under the revised management fee structure, the management fees (comprising the base fee and the performance fee) payable to the MCT Manager will comprise:

(a) base fee comprising 10.0% of the distributable income of the Merged Entity (calculated before accounting for the base fee and performance fee); and

(b) performance fee comprising 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.

The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding financial year.[10]

[10] As an illustration, if the DPU is 5.20 cents in Year 1, 5.10 cents in Year 2 and 5.15 cents in Year 3, the performance fee is payable in relation to Year 3 as the DPU for Year 3 exceeds Year 2, notwithstanding that the DPU for Year 3 is less than the DPU for year 1.

For the purpose of the computation of the performance fee only, the DPU shall be calculated based on all income of the Merged Entity arising from the operations of the Merged Entity, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the authorised investments of the Merged Entity but shall exclude any one-off income of the Merged Entity such as any income arising from any sale or disposal of (i) any real estate (whether directly or indirectly through one or more special purpose vehicles) or any part thereof, and (ii) any investments forming part of the assets of the Merged Entity or any part thereof.[11]

In accordance with MCT's current fee structure, there will be no change to the MCT Manager's ability to elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).

For the avoidance of doubt, the acquisition fee and the divestment fee structure of the MCT Manager will remain unchanged and will be applicable to the Merged Entity.

10.2 MCT Unitholders' Approvals

The Proposed Fee Structure Amendments are subject to the approval of not less than 75.0% of the total number of votes held by the MCT Unitholders present and voting for and against the resolution approving the Proposed Fee Structure Amendments at an extraordinary general meeting of the MCT Unitholders to be convened.

As the fees proposed to be amended pursuant to the Proposed Fee Structure Amendments are payable to the MCT Manager, the MCT Manager and its associates, (including Temasek, Fullerton, HFPL, HF Place, HF Eight and Sienna), will abstain from voting on the resolution approving the amendment.

11. DIRECTORS' SERVICE CONTRACTS

It is intended that following the completion of the Merger and in view of the Merged Entity, the board of the MCT Manager will review the composition of the board of directors and the management of the MCT Manager. Further details will be set out in the MCT Circular.

12. RESPONSIBILITY STATEMENT

The directors of the MCT Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement which relate to MCT and/or the MCT Manager (excluding those relating to MNACT and/or the MNACT Manager) are fair and accurate and that there are no other material facts not contained in this Announcement the omission of which would make any statement in this Announcement 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 (including MNACT and/or the MNACT Manager), the sole responsibility of the directors of the MCT Manager has been to ensure

[11] The rationale for computing the DPU in the manner described above is to ensure that the measure of the Manager of the Merged Entity's performance is based on the recurring income of the Merged Entity arising from the operations as opposed to one-off income such as a sale or disposal of assets which may skew the DPU in a relevant financial year.

through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the MCT Manager do not accept any responsibility for any information relating to MNACT and/or the MNACT Manager or any opinion expressed by MNACT and/or the MNACT Manager.

BY ORDER OF THE BOARD

Mapletree Commercial Trust Management Ltd.
(Company Registration No. 200708826C)
as manager of Mapletree Commercial Trust

Wan Kwong Weng
Joint Company Secretary

Any queries relating to this Announcement, the Merger or the Trust Scheme should be directed to one of the following:

Mapletree Commercial Trust Management Ltd.
Teng Li Yeng
Director, Investor Relations
Tel: +65 6377 6836
Email: teng.liyeng@mapletree.com.sg

DBS Bank Ltd.
Tel: +65 6878 4649

IMPORTANT NOTICE

The value of MCT Units and the income from them may fall as well as rise. MCT Units are not obligations of, deposits, or guaranteed by the MCT Manager, or any of its affiliates.

An investment in MCT 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 MCT Units while the MCT Units are listed. It is intended that MCT Unitholders may only deal in their MCT Units through trading on the SGX-ST. Listing of the MCT Units on the SGX-ST does not guarantee a liquid market for the MCT Units.

This announcement is for information purposes only and does not constitute an offer or solicitation of an offer to sell or invitation to subscribe for or acquire any units in MCT.

The past performance of MCT and MCT Manager, in its capacity as manager of MCT, is not indicative of the future performance of MCT and the MCT Manager.

This announcement may 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 factors 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), governmental and public policy changes and the continued availability of financing in the amounts and terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the MCT Manager's current view of future events.

Nothing in this announcement should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisers. 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 announcement or its contents or otherwise arising in connection with this announcement.

Mapletree Commercial Trust
(A real estate investment trust constituted on 25 August 2005 under the laws of the Republic of Singapore)

Managed by
Mapletree Commercial Trust Management Ltd.

(Company Registration No. 200708826C)

Mapletree North Asia Commercial Trust
(A real estate investment trust constituted on 14 February 2013 under the laws of the Republic of Singapore)

Managed by
Mapletree North Asia Commercial Trust Management Ltd.

(Company Registration No. 201229323R)

JOINT ANNOUNCEMENT

PROPOSED MERGER OF MAPLETREE COMMERCIAL TRUST AND MAPLETREE NORTH ASIA COMMERCIAL TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT

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1. INTRODUCTION

1.1 The Merger

The respective boards of directors of Mapletree Commercial Trust Management Ltd., as manager of Mapletree Commercial Trust ("**MCT**", and as manager of MCT, the "**MCT Manager**"), and Mapletree North Asia Commercial Trust Management Ltd., as manager of Mapletree North Asia Commercial Trust ("**MNACT**", and as manager of MNACT, the "**MNACT Manager**"), are pleased to announce the proposed merger of MCT and MNACT (the "**Merger**").

The Merger is to be effected through the acquisition by MCT of all the issued and paid-up units of MNACT ("**MNACT Units**") by way of a trust scheme of arrangement (the "**Trust Scheme**") in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**") and the deed of trust constituting MNACT dated 14 February 2013 (as amended) (the "**MNACT Trust Deed**").

The consideration for each MNACT Unit (the "**Scheme Consideration**") comprises either (a) 0.5963 new units in MCT ("**MCT Units**", and the new MCT Units to be issued, the "**Consideration Units**") (the "**Scrip-Only Consideration**"), or (b) a combination of 0.5009 Consideration Units and S$0.1912 in cash (the "**Cash Consideration**", and together with the Consideration Units, the "**Cash-and-Scrip Consideration**"), at the election of each unitholder of MNACT ("**MNACT Unitholder**"). Based on an issue price of S$2.0039 per MCT Unit[1], the Scheme Consideration is S$1.1949 and implies a gross exchange ratio of 0.5963x.

[1] Being the 1-day Volume-weighted Average Price **("VWAP")** of MCT Units on 27 December 2021.

It is contemplated that in the event the Merger is implemented, applications would be made to the relevant regulatory authorities to withdraw the authorisation of MNACT as an authorised scheme and to delist the MNACT Units from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). On completion of the Merger, the delisted and de-authorised MNACT would be wholly owned by MCT.

Following the Merger, it is intended that the Merged Entity will be renamed "Mapletree Pan Asia Commercial Trust" ("**MPACT**", or the "**Merged Entity**").

1.2 Structure

The unitholding percentages of Mapletree Investments Pte Ltd ("**MIPL**", or the "**Sponsor**") and certain of its wholly-owned subsidiaries as set out below ("**MIPL Entities**") as at the date of this Joint Announcement (the "**Joint Announcement Date**") in each of MCT, MNACT and (immediately upon completion of the Merger, on the bases and assumptions set out in this Joint Announcement) the Merged Entity are set out as follows and reflected in **Schedule 1**.

			Assuming all MNACT unitholders elect Scrip-Only	**Assuming all MNACT unitholders elect Cash-and-Scrip**
MIPL Entities	**MCT (%)(1) (as at 29 December 2021)**	**MNACT (%)(2) (as at 29 December 2021)**	**Merged Entity (%)(3)**	**Merged Entity (%)(4)**
The HarbourFront Pte Ltd	4.14	-	2.54	2.64
HarbourFront Place Pte. Ltd.	13.33	-	8.16	8.49
HarbourFront Eight Pte Ltd	10.60	-	6.49	6.75
Sienna Pte. Ltd.	1.42	-	0.87	0.90
Mapletree Commercial Trust Management Ltd.	3.09	-	1.89	1.97
Kent Assets Pte Ltd	-	22.08	8.56	8.90
Suffolk Assets Pte Ltd	-	7.80	3.02	3.15
Mapletree North Asia Property Management Limited	-	2.72	1.05	1.09
Mapletree North Asia Commercial Trust Management Ltd.	-	5.55	2.15	2.24
Total	**32.59**	**38.14**	**34.74**	**36.13**

Notes:

(1) Calculated based on a total of 3,322,353,562 MCT Units.

(2) Calculated based on a total of 3,527,974,156 MNACT Units.

(3) Based on an aggregate of 5,426,039,534 units in the Merged Entity assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager or the MNACT Manager prior to the Effective Date (as defined in **paragraph 8.4**).

(4) Based on an aggregate of 5,217,801,518 units in the Merged Entity assuming MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager or the MNACT Manager prior to the Effective Date.

1.3 MCT Announcement

The pro forma financial effects of the Merger and certain other information required to be disclosed by the MCT Manager pursuant to the Listing Manual of the SGX-ST ("**Listing Manual**"), are set out in the announcement of the Merger released by the MCT Manager on SGXNET dated 31 December 2021 titled "Proposed Merger of Mapletree Commercial Trust and Mapletree North Asia Commercial Trust By Way Of A Trust Scheme Of Arrangement" (the "**MCT Announcement**").

2. MCT AND THE MCT MANAGER

2.1 MCT

MCT is a Singapore-focused real estate investment trust ("**REIT**") established with the principal investment objective of investing 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, in Singapore, whether wholly or partially, as well as real estate used primarily for office and/or retail purposes, whether wholly or partially, as well as real estate-related assets. MCT has been listed on the SGX-ST since 27 April 2011 and has a market capitalisation of S$6.6 billion as at 27 December 2021. As at the Joint Announcement Date, MCT has a portfolio of five properties located in Singapore, with a total net lettable area ("**NLA**") of 5.0 million square feet.

Certain key financial information with respect to MCT and its subsidiaries (the "**MCT Group**" and each entity in the MCT Group, a "**MCT Group Entity**") as at 30 September 2021 and for the financial half-year ended 30 September 2021 ("**1H FY21/22**") is set out as follows:

MCT Group	Information
Net Asset Value ("**NAV**") (1)	S$5,578.9 million
NAV per MCT Unit(1)	S$1.68
Distributable income for 1H FY21/22	S$146.5 million
Distribution per MCT Unit for 1H FY21/22	4.39 Singapore cents
Net profits before tax for 1H FY21/22	S$175.3 million
Total assets	S$8,904.7 million
Aggregate valuation of portfolio(2)	S$8,784.0 million

Notes:

(1) For the purposes of this Joint Announcement, all references to NAV of the MCT Group exclude distributable income.

(2) The valuations were carried out by CBRE Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd as at 30 September 2021 using a combination of methods, namely discounted cash flow method and income capitalisation approach.

2.2 MCT Manager

MCT is managed by the MCT Manager. The MCT Manager is a wholly-owned subsidiary of MIPL. The MCT Manager holds a Capital Markets Services Licence ("**CMS Licence**") for REIT management pursuant to the Securities and Futures Act (Cap. 289 of Singapore) (the "**SFA**").

As at the Joint Announcement Date, the board of directors of the MCT Manager (the "**MCT**

Board") comprises the following persons (the "**MCT Directors**"): Mr Tsang Yam Pui, Ms Kwa Kim Li, Mr Premod P. Thomas, Mr Kan Shik Lum, Mr Koh Cheng Chua, Mr Wu Long Peng, Mr Mak Keat Meng, Mr Alvin Tay, Mr Hiew Yoon Khong, Ms Koh Mui Ai Wendy, Ms Amy Ng and Ms Sharon Lim.

3. MNACT AND THE MNACT MANAGER

3.1 MNACT

MNACT is the first and only North Asia focused commercial REIT listed in Singapore that aims to invest, directly or indirectly, in a diversified portfolio of income-producing real estate in China, Hong Kong SAR[2], Japan and South Korea which is used primarily for commercial purposes (including real estate used predominantly for retail and/or offices), as well as real-estate related assets. Listed on the SGX-ST on 7 March 2013, MNACT has a market capitalisation of S$3.9 billion as of 27 December 2021. As at the Joint Announcement Date, MNACT has a portfolio of 13 properties[3] located overseas in China, Hong Kong SAR, Japan and South Korea, with a NLA of 5.9 million square feet.

Certain key financial information with respect to MNACT and its subsidiaries (the "**MNACT Group**" and each entity in the MNACT Group, a "**MNACT Group Entity**") as at 30 September 2021 and for 1H FY21/22 (with the exception of the assets under management of MNACT's portfolio, which is as at 31 October 2021) is set out as follows:

MNACT Group	Information
NAV(1)	S$4,168.9 million
NAV per MNACT Unit(1)	S$1.1949
Distributable income for 1H FY21/22	S$119.5 million
Distribution per MNACT Unit for 1H FY21/22	3.426 Singapore cents
Profit before income tax for 1H FY21/22	S$118.3 million
Total assets	S$8,461.9 million
Assets under management (2)	S$8,319.5 million

Notes:

(1) For the purposes of this Joint Announcement, all references to "NAV" of the MNACT Group exclude non-controlling interests and distributable income. Based on MNACT's NAV per unit as of 30 September 2021 and applying the following adjustments: (i) excludes MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents paid on 24 December 2021; and (ii) assumes valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

(2) The valuations were carried out by Knight Frank Petty Ltd, JLL Morii Valuation & Advisory K.K. and CBRE Korea Company Limited as at 31 October 2021 using a combination of methods, namely discounted cash flow method, income capitalisation method and direct comparison method.

3.2 MNACT Manager

MNACT is managed by the MNACT Manager. The MNACT Manager is an indirect wholly-owned subsidiary of MIPL. The MNACT Manager holds a CMS Licence for REIT management pursuant to the SFA.

As at the Joint Announcement Date, the board of directors of the MNACT Manager comprises

[2] Where Hong Kong SAR is mentioned in the announcement, it refers to Hong Kong Special Administrative Region ("**SAR**").
[3] This includes 50.0% effective interest in The Pinnacle Gangnam (**"TPG"**) located in South Korea.

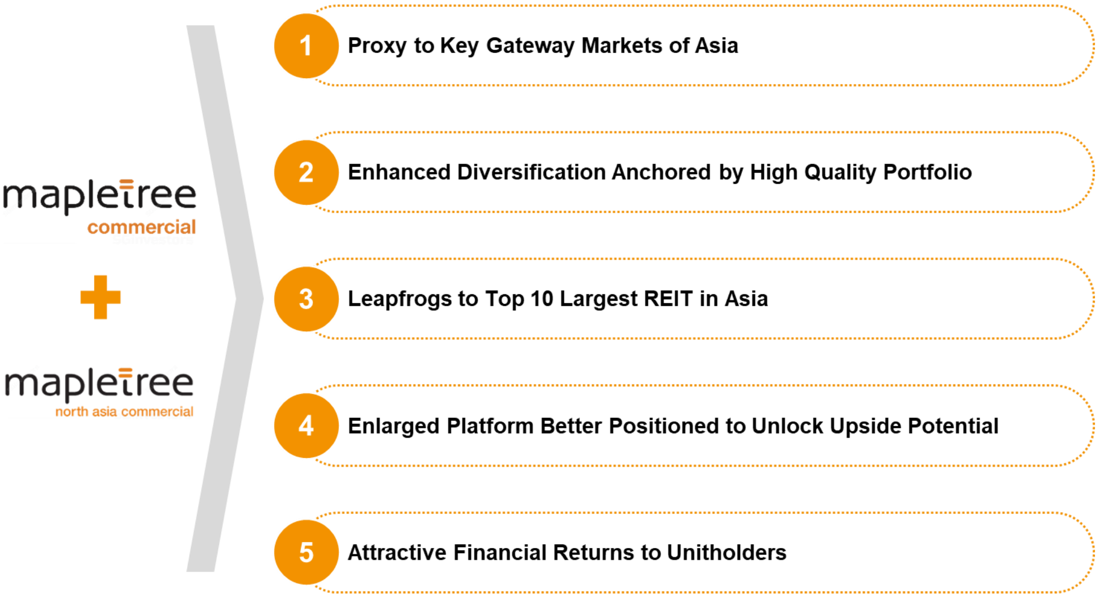
the following persons (the "**MNACT Directors**"): Mr Paul Ma Kah Woh, Mr Lok Vi Ming, Mr Kevin Kwok, Mr Chua Kim Chiu, Ms Chiang Sui Fook Lilian, Mr Lawrence Wong Liang Ying, Mr Michael Kok Pak Kuan, Ms Tan Su Shan, Mr Pascal Jean-Louis Lambert, Mr Chua Tiow Chye, Ms Koh Mui Ai Wendy and Ms Cindy Chow Pei Pei.

4. RATIONALE AND KEY BENEFITS OF THE MERGER

The managers of MCT and MNACT believe that the Merger will be transformative; upon completion it will create a flagship commercial REIT in Asia with stability and scale across key Asian gateway markets. The Merged Entity combines the best qualities of both MCT and MNACT – (i) strength, driven by MCT, the largest pure-play Singapore commercial REIT with longstanding track record in delivering stable returns to unitholders, and (ii) growth potential, driven by MNACT, the first and only North Asia focused REIT listed in Singapore with properties in key gateway markets including China, Hong Kong Special Administrative Region ("**SAR**"), Japan and South Korea.

The Merged Entity will comprise a diversified and high-quality portfolio, with a broadened investment mandate to invest in income-producing real estate used primarily for office and/or retail purposes and an expanded geographic scope to key gateway markets of Asia.

For MCT, the Merger offers a ready launchpad for Asian expansion to establish footholds in multiple cities swiftly. For MNACT, the Merger offers access to the stable and resilient Singapore market, and through an enlarged platform, provides higher financial capability and flexibility to accelerate growth.



4.1 Proxy to Key Gateway Markets of Asia

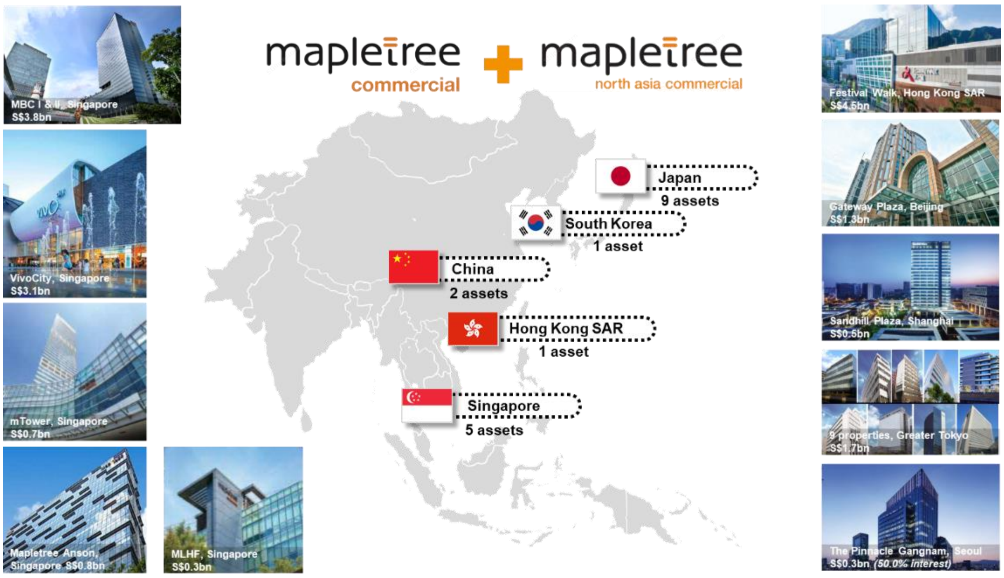
4.1.1 18 commercial properties across five key gateway markets of Asia with total assets under management of over S$17 billion

The Merged Entity combines two high quality portfolios across five markets to create a proxy to key gateway markets of Asia, with a significant total assets under management

("**AUM**") of S$17.1 billion[4]. The increased scale of the combined portfolio will allow the Merged Entity to be better positioned to pursue growth in key gateway markets of Asia, including Singapore, China, Hong Kong SAR, Japan, and South Korea, and across commercial assets.

MCT's portfolio comprises five properties in Singapore – four located in the Greater Southern Waterfront (HarbourFront and Alexandra Precincts) and one in the Central Business District ("**CBD**"). Best-in-class assets, namely VivoCity and MBC, constitute close to 79.1% and 77.9% of MCT's portfolio valuation and net property income ("**NPI**") respectively as of 30 September 2021.

MNACT's portfolio comprises thirteen high quality properties – one landmark retail mall in Kowloon Tong, Hong Kong SAR; an office building in Beijing, China; a business park property in Shanghai, China; nine office properties in Greater Tokyo, Japan and one office building in Seoul, South Korea.



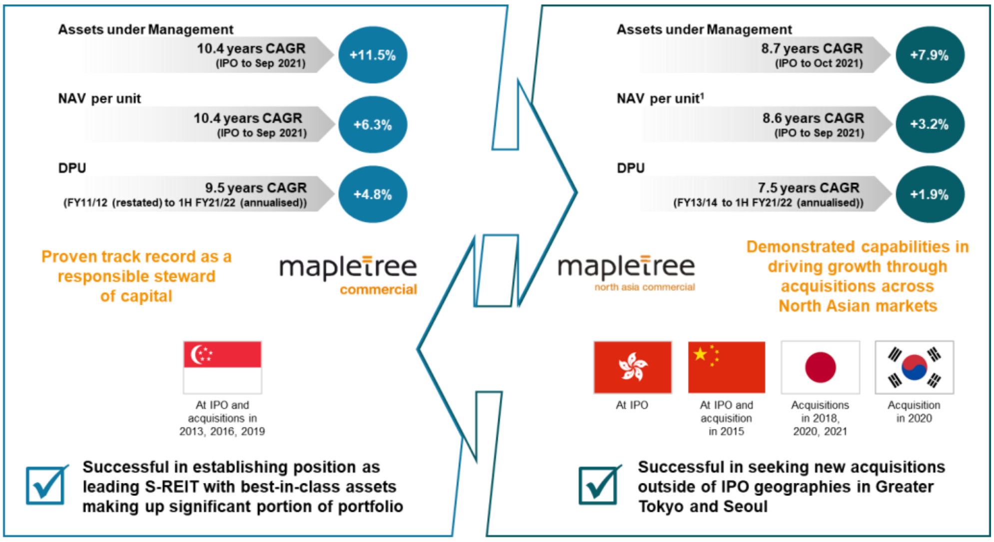
4.1.2 Combining regional and local operational capabilities with domain expertise to enhance further growth

The Merger seeks to create a robust platform that combines the respective strengths of MCT and MNACT, thereby unlocking the full potential of a multi-geography Asian platform.

MCT and MNACT each has a long-standing track record since their initial public offerings ("**IPO**") of more than ten and eight years respectively. MCT has established itself as a responsible steward of capital that has delivered steady compound annual growth rate ("**CAGR**") growth in AUM, NAV per unit and distribution per unit ("**DPU**"). MNACT has demonstrated its capabilities in driving inorganic growth through acquisitions of high quality properties spanning across multiple North Asian markets; including expanding beyond its IPO geographies and successfully acquiring nine office

[4] AUM based on MCT's valuation as of 30 September 2021 and MNACT's valuation as of 31 October 2021.

properties in Greater Tokyo (2018, 2020 and 2021) and one office property in Seoul (2020).

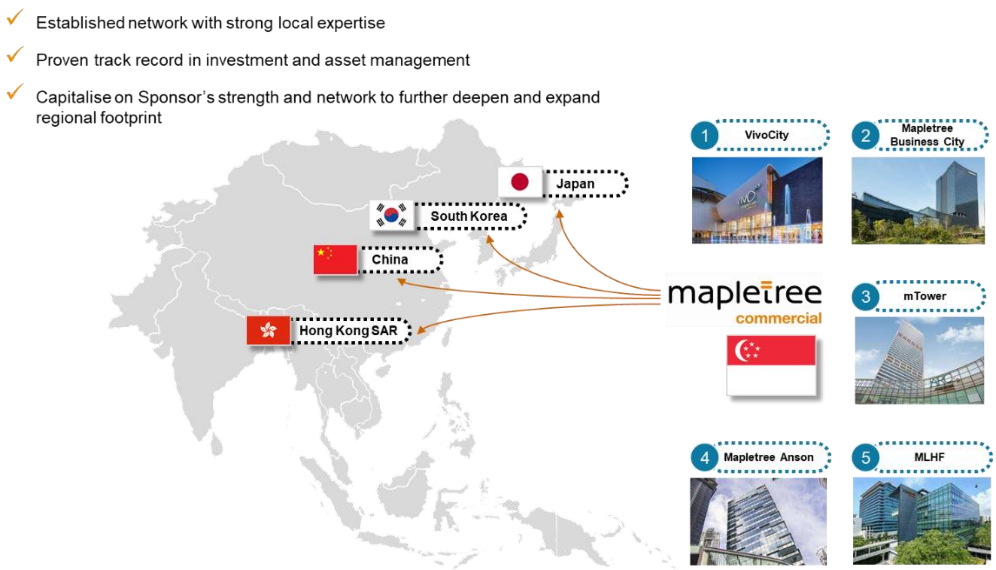


Notes:

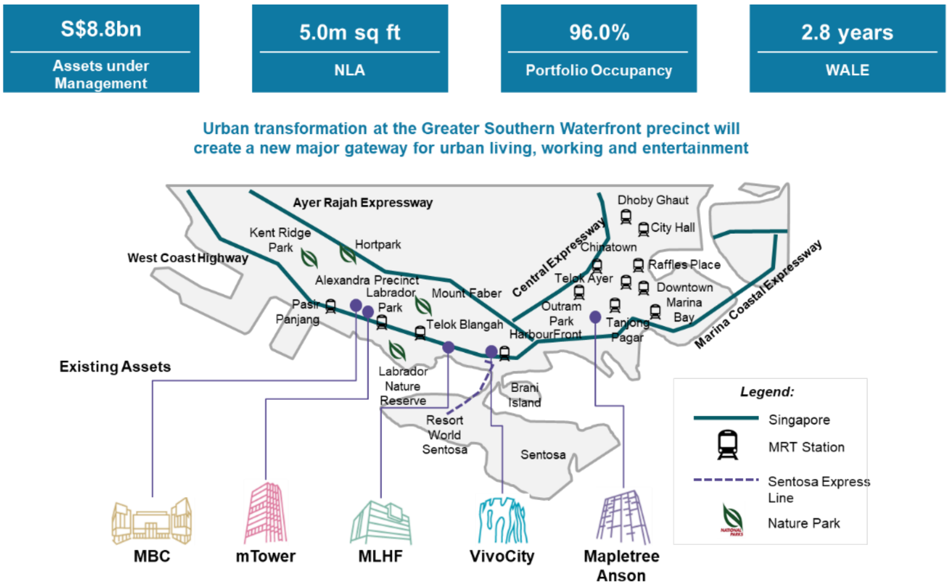
(1) Based on MNACT's NAV per unit as of 30 September 2021 and applying the following adjustments: (i) excludes MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents paid on 24 December 2021, and (ii) assumes valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

4.1.3 A ready launchpad for Asian expansion, enabling the Merged Entity to establish footholds in multiple markets swiftly

Through the Merger, MCT will gain ready access to footholds in key gateway cities across Asia, tapping on the established network, strong local expertise and on-the-ground presence of both MNACT and the Sponsor. Wider geographical exposure provides the Merged Entity a clear trajectory for overseas growth.



The Merger allows MNACT to expand into Singapore, another developed market in Asia, with a ready portfolio of stable and majority best-in-class commercial properties. The Merged Entity is well positioned to benefit from the future urban development and infrastructure projects at the Greater Southern Waterfront precinct, which will create a new major gateway for urban living, working and entertainment.

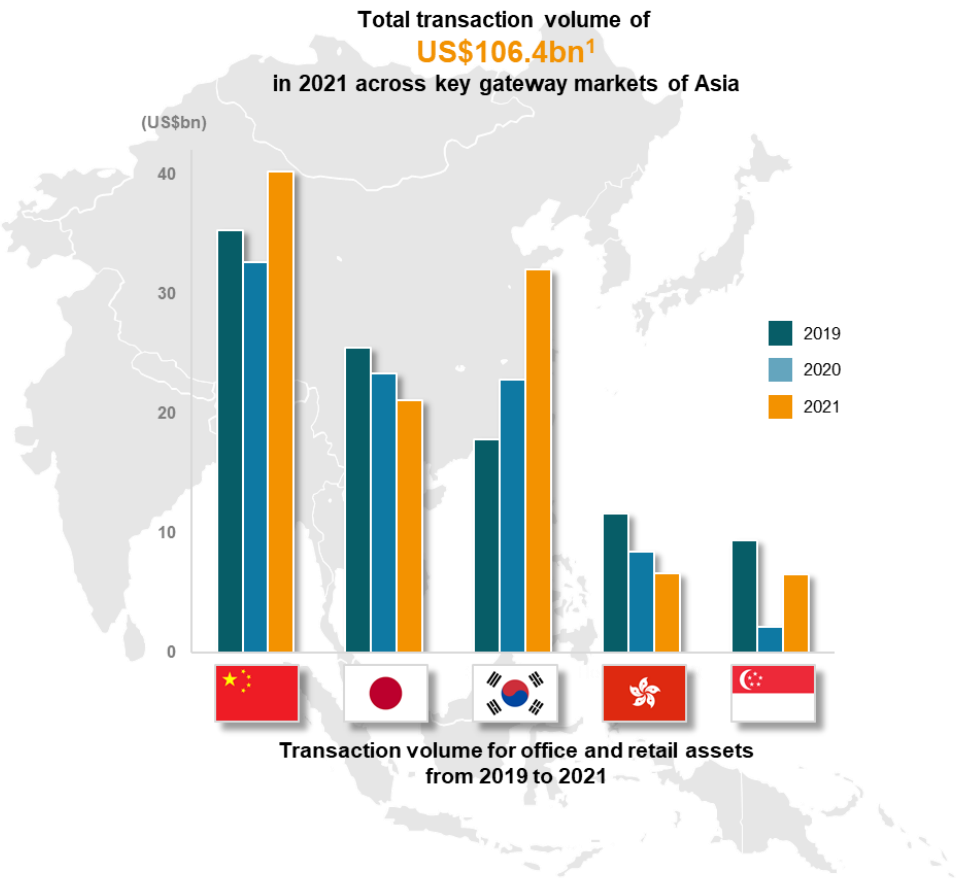


4.1.4 Deep liquidity in key gateway markets of Asia providing growth opportunities

The Merged Entity will be able to tap into some of the largest and most established real estate markets in Asia. The Merged Entity will have an entrenched presence within the markets of Singapore, China, Hong Kong SAR, Japan and South Korea, where the total transaction volume for office and retail assets in 2021 is US$106.4[5] billion. In particular, there are continued growth opportunities where offices will continue to play an integral role, and opportunities continue to exist in Asia's retail markets where well-positioned shopping malls remain relevant.

By leveraging on the combined expertise of experienced on-the-ground teams across these markets, who have strong capabilities in asset and property management with an established local network, the Merged Entity will be better positioned to tap into the deep liquidity and opportunities (including investment and asset enhancement opportunities) offered by these markets.

[5] Sources: Colliers International (Hong Kong) Limited ("**Colliers**"), Real Capital Analytics ("**RCA**")



Note:
(1) Sources: Colliers, RCA.

4.1.5 Benefits from the long-term rise of Asia by capitalising on the resilient growth of key markets

The Merged Entity will be able to benefit from the long-term rise of Asia by capitalising on the resilient growth in the key gateway markets. Whilst the impact of COVID-19 continues to be felt globally, the economies of the key gateway Asian markets saw a rebound in gross domestic product ("**GDP**") growth in 2021 as initial restrictions were eased gradually and businesses resumed some form of normalcy.

Singapore: Singapore is one of the world's key global trade, logistics and financial hubs and ASEAN's primary business centre, underpinned by world-class infrastructure, a stable and efficient government and a competitive tax environment. Strong economic fundamentals, including near full employment, high disposable incomes, and sustained growth in consumer demand and GDP, provide a vital foundation for the continued performance of office, retail and business park sectors.

China: China is the second largest economy in the world and the only major economy to post a positive GDP growth rate in 2020, largely attributed to its "Zero-COVID" strategy. Its economy is underpinned and driven by the output of its Tier 1 cities which include Beijing, Shanghai, Guangzhou and Shenzhen that are frequently chosen by large domestic companies and multinationals as locations in which to establish a foothold and grow. China is the world's largest manufacturer and exporter and with a population that is becoming wealthier rapidly, it is now also the second largest importer in the world. While geopolitical concerns remain, the domestic political environment is very stable. The government has recently announced measures to achieve common prosperity by narrowing the wealth gap and promoting economic rebalancing and long-term sustainability.

Hong Kong SAR: Strategically located within the Greater Bay Area, Hong Kong SAR has played a pivotal role in serving as a gateway connecting Mainland China with international markets, and provides the largest source of foreign direct investment in Mainland China. While Hong Kong SAR has gone through two consecutive years of recession, it has bottomed out and experienced substantial recovery through much of 2021. A strong fourth quarter may see nominal GDP returning to pre-COVID levels. It has also moved up one position in 2021 to take the third place in the Global Financial Centres Index 30 Report. Hong Kong SAR's conducive business environment, coupled with its well-developed infrastructure and international communication network, makes it an attractive location for doing business in Asia. Domestic consumption, which took up less than 70.0% of the city's total retail sales prior to the start of COVID-19, is expected to grow with improving labour market conditions. The return of mainland Chinese tourists, which is expected to be gradual at the initial stage, will ultimately drive further recovery in retail sales. Over the next few years, Hong Kong SAR will continue its integration into the Greater Bay Area and this will create increased opportunities for Hong Kong SAR to enhance its reputation as a global financial hub and develop into an innovation and technology hub.

Japan: Japan is the world's third largest economy and has one of the most developed office markets in terms of transaction volumes and existing stock in the Asia Pacific. The manufacturing sector is Japan's largest core industry and is a key driver of its economic recovery. The government's policies to promote digitalisation and improve productivity in other industries are expected to further enhance growth in the Japanese economy. There are also new policies focused on increasing middle-class incomes as a means to get the economy back on track. As a result, the office sector is expected to remain resilient, supported by the stable and sustainable outlook for Japan.

South Korea: South Korea is the tenth largest global economy and the fourth largest in Asia by GDP. Despite COVID-19, it advanced two places in the global economic ranks from 2019 as its economy remained relatively resilient and contracted to a lesser extent compared to other countries. South Korea has undergone one of the most significant economic transformations in recent history and rode on the growth of Asia to become the high-technology economy it is today. Its economy is led by electronics, telecommunications, automobile production, chemicals, shipbuilding, steel, with newcomers like microchips, bio-health and conceptual vehicles making a strong showing, domestically and globally. In August 2021, South Korea was the first major Asian economy to raise interest rates since the pandemic began, an indication of its economic recovery. The office sector has also benefitted from the expansion of global big tech companies and rapid growth of Korean tech startups.

Certain selected real estate indicators are highlighted below to illustrate the resilient performance in each of the key markets. Refer to **Appendix A** for a detailed market outlook.

Source: Colliers

Notes:

(1) Lufthansa is a well-established business sub-market within Beijing, where Gateway Plaza is located in.

(2) Zhangjiang Science City is a key business park and innovation hub in Pudong, Shanghai, where Sandhill Plaza is located in.

(3) Gangnam Business District ("GBD") is one of the three core business districts in Seoul, where TPG is located in.

4.2 Enhanced Diversification Anchored by High Quality Portfolio

4.2.1 Diversification across geographies and reduced single asset concentration strengthens portfolio resilience

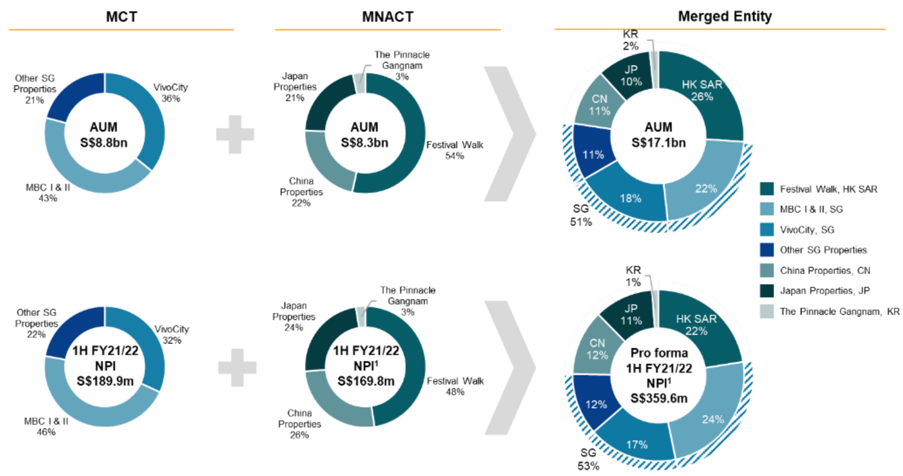
The Merged Entity will have a diversified mix of assets across geographies. Singapore assets will represent approximately 51.4% by AUM, while assets in Hong Kong SAR, China, Japan and South Korea will represent 26.0%, 10.8%, 10.2% and 1.6% respectively. This is compared to MCT's existing 100.0% Singapore exposure and MNACT's 53.5% exposure to Hong Kong SAR.

The Merged Entity will also continue to be well-balanced across the commercial sub asset classes, with the retail, office and business park segments representing 45.5%, 33.5% and 21.0% of AUM, respectively.

The Merged Entity will have a significantly reduced single asset concentration risk, with the exposure to any single asset being no more than 26.0% by AUM, compared to MCT's existing 43.3% exposure to MBC I & II and MNACT's existing 53.5% exposure to Festival Walk respectively. Similarly, the Merged Entity's largest single asset contribution by pro forma NPI will be 24.3%, compared to MCT's existing 46.0% exposure to MBC I & II and MNACT's existing 47.6% exposure to Festival Walk.

This reduction in reliance on any single market, sub asset class, and single-asset earning vulnerability bolsters the Merged Entity's resilience through economic cycles.

In addition, best-in-class assets, namely Festival Walk, MBC I & II, and VivoCity, will continue to constitute a significant proportion of 66.6% of the portfolio, allowing the Merged Entity to diversify without compromising on asset portfolio quality.

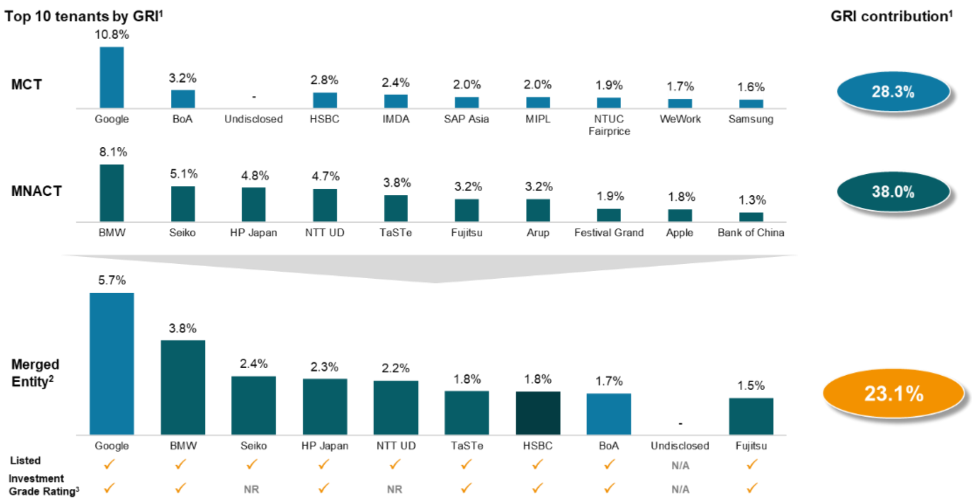


Notes: Total percentage value may not add up to 100% due to rounding differences.

(1) MNACT's 1H FY21/22 NPI value includes 50% share of NPI from TPG and assuming full half-year contribution from the Hewlett-Packard Japan Headquarters Building **("HPB")**, which is based on unaudited financial information for the period from 18 June 2021 (date of acquisition) to 30 September 2021, pro-rated as if the acquisition was completed on 1 April 2021.

4.2.2 Improved cashflow stability from high quality tenants while reducing income concentration

Post-merger, the top 10 tenants will contribute approximately 23.1% of the Merged Entity's gross rental income ("**GRI**"). This is a healthy reduction compared to both MCT and MNACT before the Merger, whereby their respective top 10 tenants constituted 28.3% and 38.0% of GRI respectively. Post-merger, no single tenant will contribute more than 5.7% by monthly GRI to the enlarged portfolio. In addition, nine out of the top 10 tenants are listed on a stock exchange and/or have an investment grade rating for their bonds. Together, the reduced tenant concentration and the improved tenant profile will further boost cashflow stability of the portfolio.



Notes:

(1) GRI contribution for the month of September 2021. Top 10 tenants for MCT and the Merged Entity excludes an undisclosed tenant of MCT.

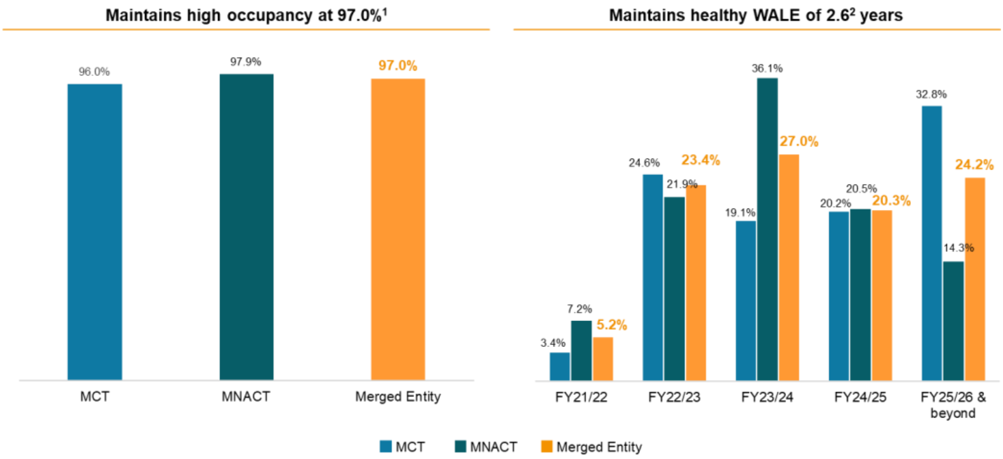
(2) The top tenants by GRI for the Merged Entity is based on the unique signing entity of each tenant.

(3) Based on latest disclosed credit rating. Not rated ("**NR**") indicates that a rating has not been assigned or is no longer assigned. Investment grade rating refers to bonds that are rated Baa 3 / BBB- or better.

Google's rating is based off their ultimate parent, Alphabet Inc. Seiko Instruments Inc ("**Seiko**") rating is based off their ultimate parent, Seiko Holdings Corporation. Hewlett-Packard Japan ("**HP Japan**") rating is based off their ultimate parent HP Inc. NTT Urban Development ("**NTT UD**") rating is based off their ultimate parent, NTT UD REIT Investment Corporation. TaSTE's rating is based off their ultimate parent, CK Hutchinson Holdings. Merrill Lynch Global Services Pte. Ltd. ("**BoA**") rating is based off their ultimate parent, The Bank of America Corporation.

4.2.3 Continues to maintain high portfolio occupancy and well-staggered lease expiry profile

The Merged Entity will maintain a high portfolio occupancy of 97.0% and a well-staggered lease expiry profile with healthy weighted average lease expiry ("**WALE**") of 2.6 years.



Notes:

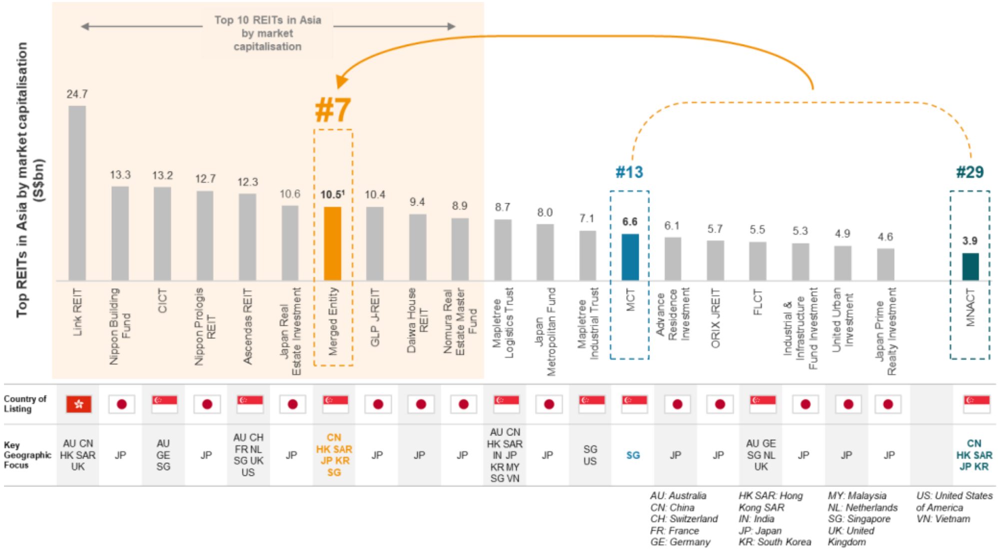
(1) Occupancy for MCT and MNACT refers to committed occupancy as of 30 September 2021. Occupancy for the Merged Entity is calculated on a pro forma basis.

(2) WALE by GRI for MCT and MNACT is based on the committed lease expiry dates (leases which have been renewed or re-let as of 30 September 2021) and GRI. WALE by GRI for the Merged Entity is calculated on a pro forma basis

4.3 Leapfrogs to Top 10 Largest REIT in Asia

4.3.1 Secures position as a flagship commercial REIT with one of the broadest Asia mandates

The Merger is expected to create one of the top 10 largest REITs in Asia, with a market capitalisation of approximately S$10.5 billion as of 27 December 2021, a significant increase compared to MCT and MNACT's market capitalisation of S$6.6 billion and S$3.9 billion respectively before the Merger. The increased scale of the combined portfolio, with one of the broadest Asia mandates, will enhance the Merged Entity's visibility, entrench its position within the REITs universe in Asia, boosting its appeal and relevance amongst the global investment community.



Sources: FactSet dated 27 December 2021.
Assumes SGD/HKD = 5.7477 and SGD/JPY = 84.6579 as of 27 December 2021.
Countries: AU: Australia; CN: China; CH: Switzerland; FR: France; GE: Germany; HK SAR: Hong Kong SAR; IN: India; JP: Japan; MY: Malaysia; NL: Netherlands; SG: Singapore; KR: South Korea; UK: United Kingdom; US: United States of America; VN: Vietnam
Note:
(1) 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, 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 market capitalisation for Merged Entity would be S$10.9 billion.

4.3.2 Enhanced free float, trading liquidity and increased index representation

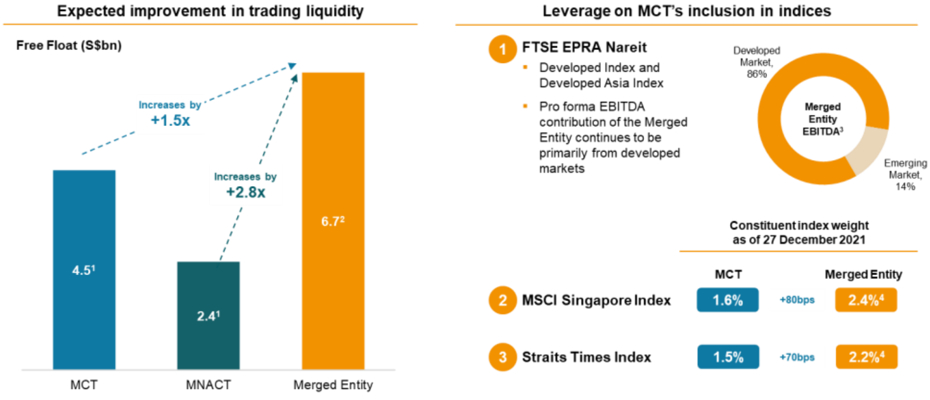
The Merged Entity is estimated to have a free float of approximately S$6.7 billion based on the Scheme Consideration. This is a significant uplift of 1.5x compared to MCT's present free float of S$4.5 billion and 2.8x compared to MNACT's present free float of S$2.4 billion as at 27 December 2021. Correspondingly, the Merged Entity would be the third[6] largest Singapore REIT ("**S-REIT**") in terms of free float market capitalisation. This is a significant improvement on MCT and MNACT's current ranking of fifth and tenth, respectively.

Currently, MCT is a constituent in key representative indices including the FTSE EPRA Nareit Developed Index and Developed Asia Index, the MSCI Singapore Index and the Straits Times Index.

Based on the developed markets classification in the FTSE EPRA Nareit Developed Index and Developed Asia Index, the Merged Entity is expected to remain a constituent in the FTSE EPRA Nareit Developed Index and Developed Asia Index as the pro forma earnings before interest, tax, depreciation and amortization ("**EBITDA**") contribution of the Merged Entity will continue to be primarily from the developed markets, estimated at approximately 86.0%. In addition, the Merged Entity will have a larger representation in both the MSCI Singapore Index and Straits Times Index, with its respective constituent index weightage estimated to increase by over 70 basis points to 2.4% and 2.2% respectively, as compared to MCT's constituent index weightage currently.

6 Based on the top 10 S-REITs by free float market capitalisation (excluding the Merged Entity) as at 27 December 2021. Top 10 REITs by free float market cap: A REIT, CICT, MLT, MIT, MCT, FLCT, FCT, Keppel DC REIT, MNACT, KREIT. Free float calculated as total units excluding Sponsor held units.

The enlarged free float and greater index representation is expected to improve trading liquidity and further widen and deepen the Merged Entity's institutional investor base, which would ultimately be beneficial to the Merged Entity's Unitholders.



Sources: FactSet, Market data aligned to MSCI Singapore Index closing information as of 27 December 2021.

Notes:

(1) Free float for MCT excludes MCT Units held by the Sponsor via The HarbourFront Pte Ltd, HarbourFront Place Pte Ltd, HarbourFront Eight Pte Ltd, Sienna Pte Ltd and the MCT Manager. Free float for MNACT excludes MNACT Units held by the Sponsor via Kent Assets Pte Ltd, Suffolk Assets Pte Ltd, MNACT Manager and MNACT Property Manager. MCT's free float is computed based on 2,239.6 million free float units multiplied by MCT Unit price of S$2.0000 as of 27 December 2021. MNACT's free float is computed based on 2,182.3 million free float units multiplied by MNACT Unit price of S$1.1100 as of 27 December 2021.

(2) The Merged Entity's free float excludes units that would be held by the Sponsor through its various subsidiaries and associates. The Merged Entity's free float is computed based on 3,332.6 million free float units multiplied by the Scheme Issue Price of S$2.0039 per unit, assuming 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 free float for Merged Entity would be S$7.1 billion.

(3) Based on MCT and MNACT 1H FY21/22 Financial Results. EBITDA for the Merged Entity is calculated on a pro forma basis. Developed markets classification in the FTSE EPRA Nareit Developed Index includes Singapore, Hong Kong SAR, Japan and South Korea.

(4) Estimated constituent index weight assuming 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 estimated MSCI Singapore Index and Straits Times Index constituent index weight would be 2.5% and 2.3% respectively. SEA Ltd, a constituent in the MSCI Singapore Index, currently has an Index Inclusion Factor of 0.5 as of November 2021 and is expected to increase to 1.0 in February 2022. As a result, the Merged Entity's weightage in MSCI Singapore may be lower than the aforementioned, assuming all else being equal.

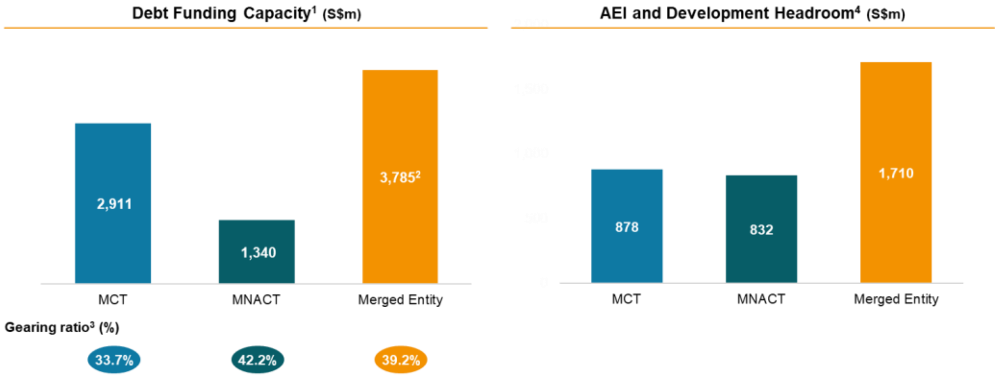
4.4 Enlarged Platform Better Positioned to Unlock Upside Potential

4.4.1 Enhanced financial flexibility to pursue more growth opportunities

The Merged Entity is expected to have a gearing ratio of 39.2% as at 30 September 2021, on a pro forma basis, and will have a larger debt funding capacity of approximately S$3.8 billion.

This will allow the Merged Entity to act more swiftly to capture investment opportunities as and when they present themselves, and have greater flexibility to pursue larger acquisitions and undertake capital recycling initiatives, strengthening its overall ability to compete for inorganic growth opportunities.

The Merged Entity is also expected to have a larger development headroom of S$1.7 billion and will be able to undertake more asset enhancement and development initiatives to boost organic growth for Unitholders.



Notes:

(1) Debt funding capacity based on the aggregate leverage limit of 50.0% as permitted by the Property Funds Appendix.

(2) Debt funding capacity based on 16.0% Cash Consideration assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration. Assumes that an additional S$233.2 million of acquisition debt was drawn down on 1 April 2021 to partially fund the Cash Consideration and the Transaction Costs of the Merger.

(3) Gearing ratio for MNACT assumes valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

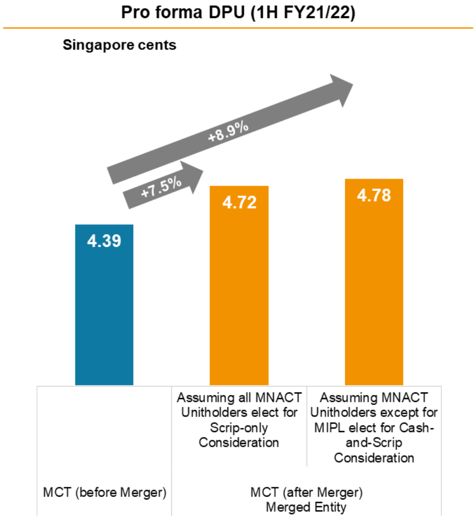
(4) Development headroom calculated based on 10.0% of the deposited property of MCT, MNACT and the Merged Entity respectively, with the deposited property of the Merged Entity based off the pro forma aggregate deposited property of MCT and MNACT. MCT's AUM as of 30 September 2021 and MNACT's AUM as of 31 October 2021 were used as proxy for the deposited property.

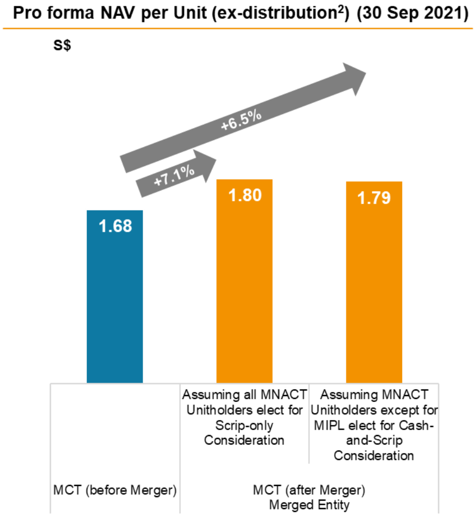
4.5 Attractive Financial Returns to Unitholders

4.5.1 MCT: DPU and NAV accretive to MCT Unitholders

Assuming that the Merger had been completed on 1 April 2021, the pro forma DPU for 1H FY21/22 would have increased from 4.39 cents to 4.72 cents (assuming all MNACT Unitholders elect to receive the Scrip-Only consideration) or 4.78 cents (assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration). This translates to a DPU accretion of 7.5% and 8.9% respectively.

Additionally, assuming that the Merger had been completed on 30 September 2021, the pro forma NAV per Unit (ex-distribution) as at 30 September 2021 would have increased from S$1.68 to S$1.80 (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration) or S$1.79 (assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration). This translates to a NAV per Unit accretion of 7.1% and 6.5% respectively.





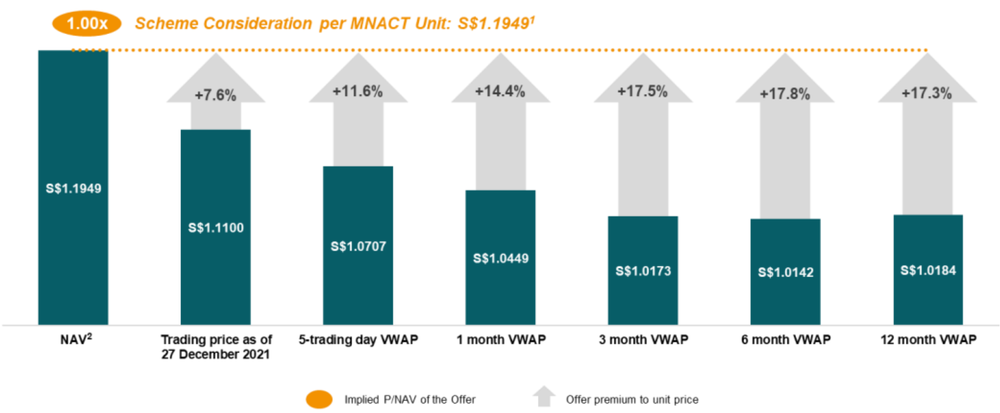
Notes:

(1) Assuming gross exchange ratio of 0.5963x with Cash Consideration of 16.0%. The Scheme Consideration is assumed to comprise: (1) additional S$233.2 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued to fund the Cash Consideration and the Transaction Costs; (ii) 1,874.4 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit in satisfaction of the scrip component of the Scheme Consideration. For further information, please refer to the 31 December 2021 MCT Announcement, Paragraphs 6.2.1 and 6.3.1.

(2) Excludes MCT's reported 1H FY21/22 DPU of 4.39 Singapore cents.

4.5.2 MNACT: Scheme Consideration is at a premium over MNACT's trading prices and in line with NAV per Unit

The Scheme Consideration is equivalent to the NAV. It is at an attractive premium of 7.6%, 11.6%, 14.4%, 17.5%, 17.8% and 17.3% over MNACT's trading price as of 27 December 2021, 5-trading day, 1-month, 3-month, 6-month, and 12-month VWAP of S$1.1100, S$1.0707, S$1.0449, S$1.0173, S$1.0142 and S$1.0184 per MNACT Unit, respectively.



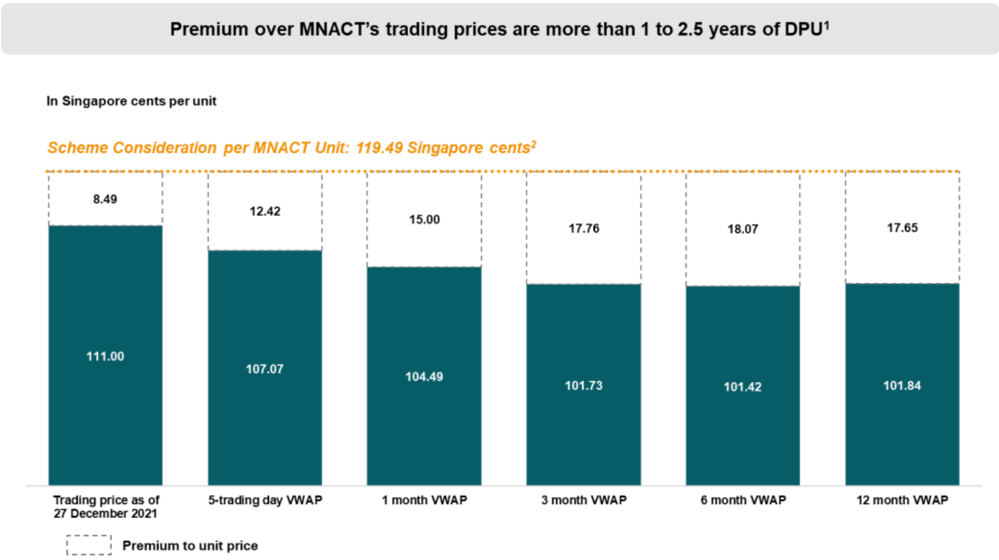
Source: Market data as of 27 December 2021.

Notes:

(1) Computed by multiplying the illustrative value of one new MCT Unit at the issue price of S$2.0039 by 0.5963x.

(2) Consideration per MNACT Unit of S$1.1949 implies price to NAV ("**P/NAV**") of 0.97x and 0.94x based on NAV per unit as of 30 June 2021 and 30 September 2021, which was S$1.238 and S$1.265 respectively.

The Scheme Consideration is at an attractive premium of 8.49, 12.42, 15.00, 17.76, 18.07 and 17.65 Singapore cents over MNACT's trading price as of 27 December 2021, 5-trading day, 1-month, 3-month, 6-month, and 12-month VWAP of 111.00, 107.07, 104.49, 101.73, 101.42 and 101.84 Singapore cents per MNACT Unit, respectively. This is more than 1 to 2.5 years' worth of DPU to MNACT Unitholders.



Source: Market data as of 27 December 2021. 1 month, 3 month, 6 month, 12 month VWAP based on calendar days.

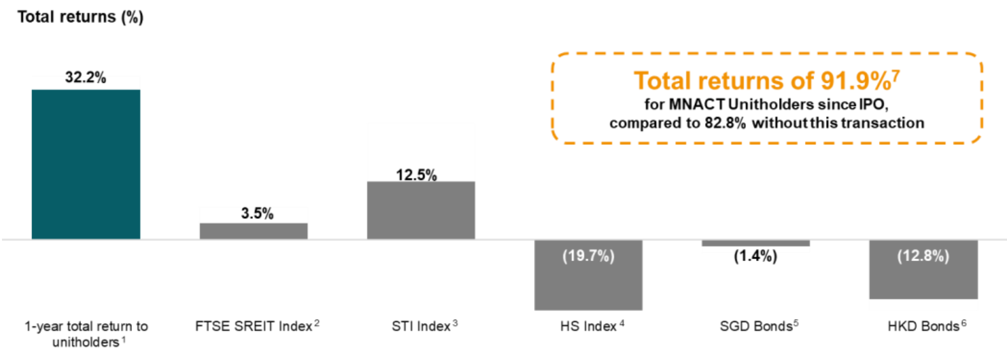
Notes:

(1) Based on total DPU of 6.7250 Singapore cents per unit for the Last Twelve Months ("**LTM**") and 16.7250 Singapore cents per unit from FY19/20 to 1H FY21/22.

(2) Computed by multiplying the illustrative value of one new MCT Unit at the issue price of S$2.0039 by 0.5963x.

4.5.3 MNACT: Superior total returns and attractive spreads over benchmark instruments

The Scheme Consideration of S$1.1949 translates to a 1-year total return of 32.2% to MNACT Unitholders, outperforming market benchmarks comprising Singapore and Hong Kong SAR market indices and bonds.



Source: Bloomberg, assuming period of 24 December 2020 to 27 December 2021 (no reinvestment of distributions). Total returns since IPO is calculated assuming a period of 7 March 2013 to 27 December 2021.

Notes:

(1) Derived 1-year total return comprising the sum of (i) illustrative capital appreciation based on the opening unit price of S$0.9550 and the Consideration of S$1.1949 per MNACT Unit, and ii) DPU yield based on DPU of 6.725 Singapore cents for the period from 2H FY20/21 and 1H FY21/22, assuming no reinvestment of distributions in security.

(2) Derived from 1 year total returns analysis on Lion-Phillip S-REIT ETF (Singapore).

(3) Derived from 1 year total returns analysis on SPDR Straits Time Index ETF (Singapore).

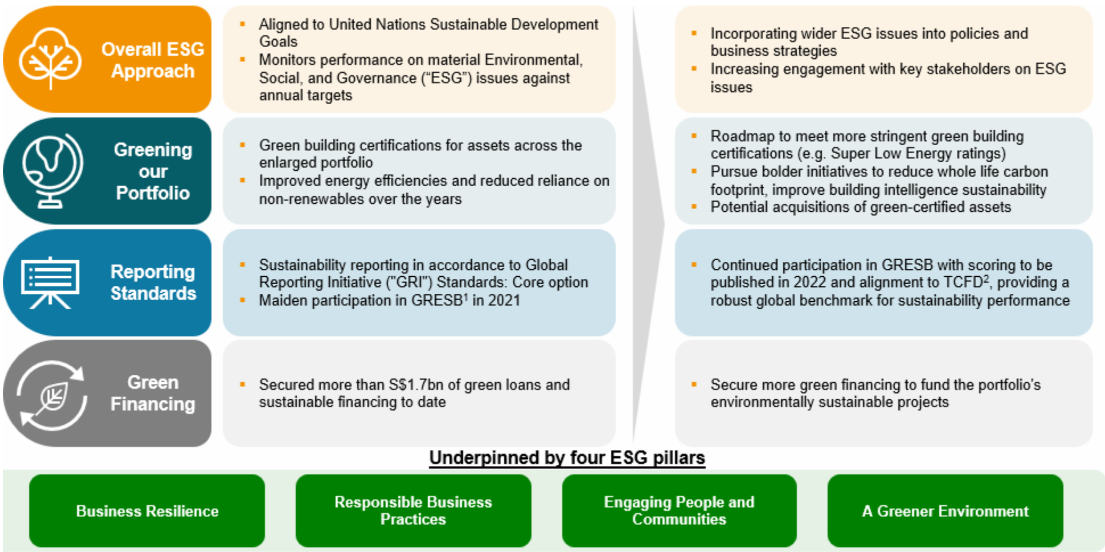
(4) Derived from 1 year total returns analysis on Hang Seng Investment Index Funds Series.

(5) Derived from 1 year total returns analysis on Legg Mason Western Asset Singapore Bond Fund which invests primarily in SGD denominated fixed income securities and money market instruments.
(6) Derived from 1 year total assets analysis on JP Morgan SAR Funds – HKD Bond Fund which invests primarily in HKD denominated interest bearing securities.
(7) Total returns since IPO based on capital appreciation on unit price since IPO (S$0.93) compared to the Consideration of S$1.1949 per MNACT Unit, and DPU yield based on DPU of 59.011 Singapore cents for the period from 1 April 2013 to 30 September 2021, and assuming no reinvestment of distributions in security.

4.6 Reinforced Commitment to Sustainability

Both MCT and MNACT have demonstrated firm and longstanding commitment to sustainability and have been proactive in delivering long-term value while minimising the impact to the environment and community. To date, MCT and MNACT have aligned their sustainability approach and efforts to the United Nations Sustainable Development Goals ("**SDG**"), including relevant SDGs such as Affordable and Clean Energy, Sustainable Cities and Communities, and Decent Work and Economic Growth. Assets across both REITs' portfolios have also received various green building certifications. For example, Festival Walk and MBC have been accorded the highest green building accolades by the respective local authorities in recognition of the building's environmental impact and performance. The Merged Entity is expected to continue the sustainability reporting standards, sustainability practices and green financing efforts of both REITs. This will enhance the business resilience of the Merged Entity and demonstrate its commitment to drive environmental stewardship, engage stakeholders and communities, as well as uphold high standards of corporate governance.

Post-merger, the Merged Entity will proactively pursue more environmental, social and governance ("**ESG**") initiatives such as incorporating wider ESG issues into business strategies and corporate policies. The Merged Entity will establish a roadmap for more assets to be green-certified. For existing assets with green certification, these are expected to meet more stringent green building certifications (such as Singapore Building and Construction Authority's Green Mark 2021 Platinum and Super Low Energy ratings), undertake bolder initiatives to reduce whole life carbon footprint and improve assets' overall sustainability. The Merged Entity will also enhance its ESG reporting standards through its participation in GRESB and alignment to the Task Force on Climate-Related Financial Disclosures ("**TCFD**"), as well as secure more green financing for environmentally-sustainable projects. These initiatives will improve the Merged Entity's ESG performance, thereby creating more value for stakeholders in the long run.



Notes:

(1) GRESB is an investor-driven organisation committed to assessing the ESG performance of real assets globally. The GRESB Real Estate Assessment provides the basis for systematic reporting, scoring and peer benchmarking of ESG management and performance of property companies and funds around the world.

(2) Task Force on Climate-related Financial Disclosures ("TCFD") was established to develop recommendations for more effective climate-related disclosures and, in turn, enable stakeholders to understand better the companies' exposures to climate-related risks.

4.7 Continued Support and Strong Commitment from Sponsor

4.7.1 Waiver of acquisition fees and election to receive Scrip-Only Consideration

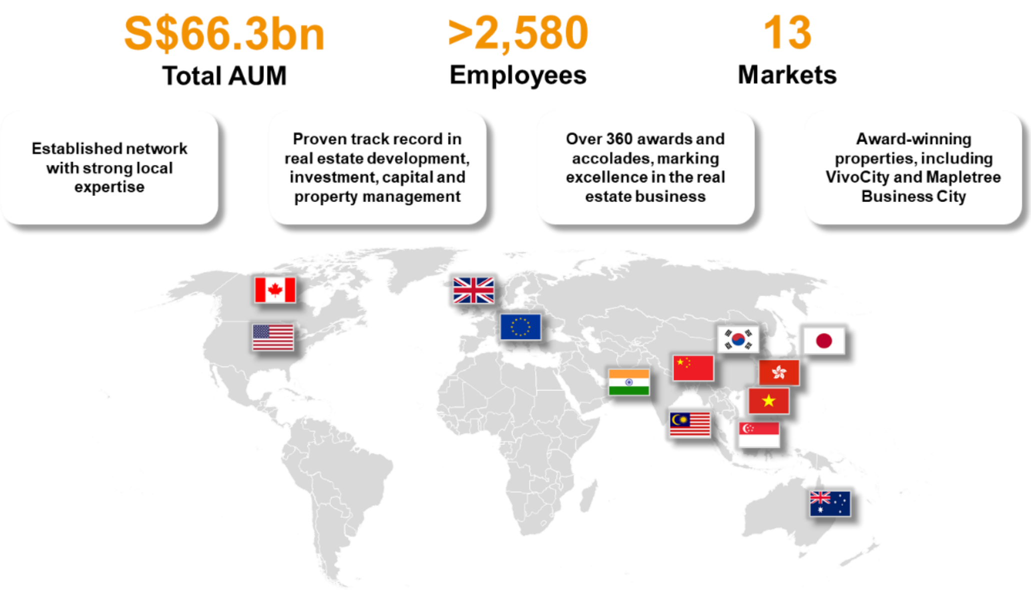
To demonstrate its commitment and support for the Merger and growth of the Merged Entity, the MCT Manager (with the support of MIPL, which owns 100.0% of the MCT Manager and is the Sponsor of both MCT and MNACT) has waived its acquisition fee entitlement under the trust deed constituting MCT. In addition, the Sponsor has provided an undertaking to receive 100.0% Scrip-Only Consideration.

4.7.2 Adoption of REIT management fee structure pegged to distributable income and DPU growth

It is also intended that the management fee structure of the Merged Entity is to be pegged to distributable income and DPU growth. The revised fee structure enables closer alignment of interests with unitholders of the Merged Entity by incentivising sustainable distributable income and DPU growth.

4.7.3 Leverage on domain expertise and track record of Sponsor

The Sponsor has an established global presence in 13 markets and over S$66 billion in AUM as well as proven track record in real estate development, investment, capital and property management. The Merged Entity will ultimately be able to leverage on the domain expertise of the Sponsor to pursue active asset management and enhancement and capture accretive investment opportunities more proactively.



Source: MIPL figures as of 31 March 2021.

4.8 Rationale and Key Benefits: Conclusion

From a financial perspective, the Merger will be beneficial to both MCT and MNACT Unitholders. For MCT Unitholders, the transaction translates to a DPU and NAV accretion of 8.9% and 6.5% respectively, based on the Cash-and-Scrip Consideration. For MNACT Unitholders, the Scheme Consideration is at a premium to MNACT's historical trading price and in line with NAV, provides an attractive and immediate cash benefit, and offers superior total returns as compared to benchmark instruments.

Strategically, the Merger is expected to be a transformative merger combining strength and growth potential to create a flagship Asian commercial REIT with stability and scale. The Merged Entity will be a proxy to key gateway markets of Asia that is anchored by a high quality and diversified commercial portfolio. The integration of size and a ready platform will place the Merged Entity well to pursue growth opportunities across geographies. The Merged Entity is expected to have a higher trading liquidity arising from an improved free float and stronger index representation, ultimately benefitting all unitholders of the Merged Entity.

5. FUTURE INTENTIONS FOR MERGED ENTITY

5.1 Expansion of Investment Mandate

The MCT Manager intends to expand the investment mandate of MCT upon the Trust Scheme becoming effective in accordance with its terms. The new investment mandate of the Merged Entity will be to invest on a long-term basis in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong SAR, Japan and South Korea). For purposes of the deed of trust constituting MCT dated 25 August 2005 (as amended) (the "**MCT Trust Deed**"), the MCT Announcement is deemed to be the notice of the proposed change of investment mandate of MCT.

5.2 Revised Fee Structure

As the MCT Manager will be the manager of the Merged Entity (including MNACT), it is currently intended that the fees which would otherwise have been payable to the MNACT Manager (comprising the base fees, performance fees, acquisition and divestment fees) will, instead, be payable to the MCT Manager. It is also intended that a revised management fee structure will be adopted such that management fees payable to the MCT Manager will constitute:

(a) base fee comprising 10.0% of the distributable income of the Merged Entity (calculated before accounting for the base fee and performance fee); and

(b) performance fee comprising 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.

The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding financial year.[7]

For the purpose of the computation of the performance fee only, the DPU shall be calculated based on all income of the Merged Entity arising from the operations of the Merged Entity, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the authorised investments of the Merged Entity but shall exclude any one-off income of the Merged Entity such as any income arising from any sale or disposal of (i) any real estate (whether directly or indirectly through one or more special purpose vehicles) or any part thereof, and (ii) any investments forming part of the assets of the Merged Entity or any part thereof.[8]

In accordance with MCT's current fee structure, there will be no change to the MCT Manager's ability to elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).

The acquisition fee and the divestment fee structure of the MCT Manager will remain unchanged and will be applicable to the Merged Entity.

5.3 Review of Board Composition

In view of the Merged Entity, the MCT Board will review the composition of the board of directors and management of the MCT Manager after the completion of the Merger. The appointment of any new directors or key management staff of the MCT Manager (if any) will be subject to the approval of the MCT Board and (if applicable) the Monetary Authority of Singapore (the "**MAS**").

Save as set out above, there is presently no intention to (i) introduce any major changes to the business of MNACT, (ii) re-deploy the fixed assets of MNACT or (iii) discontinue the

[7] As an illustration, if the DPU is 5.20 cents in Year 1, 5.10 cents in Year 2 and 5.15 cents in Year 3, the performance fee is payable in relation to Year 3 as the DPU for Year 3 exceeds Year 2, notwithstanding that the DPU for Year 3 is less than the DPU for year 1.

[8] The rationale for computing the DPU in the manner described above is to ensure that the measure of the Manager of the Merged Entity's performance is based on the recurring income of the Merged Entity arising from the operations as opposed to one-off income such as a sale or disposal of assets which may skew the DPU in a relevant financial year.

employment of the employees of the MNACT Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Merged Entity which may be implemented after the Merger. However, the MCT Board retains and reserves the right and flexibility at any time and from time to time to consider any options in relation to the Merged Entity which may present themselves and which they may regard to be in the interests of the Merged Entity.

6. CONSIDERATION

6.1 Scheme Consideration

In consideration of the transfer of the MNACT Units referred to in **paragraph 8.1**, each of DBS Trustee Limited (in its capacity as trustee of MCT) (the "**MCT Trustee**") and the MCT Manager agrees, subject to the Trust Scheme becoming effective in accordance with its terms, each MNACT Unitholder will be entitled to receive for each MNACT Unit held by it as at 5.00 pm of the Record Date[9] the following Scheme Consideration, at its election:

6.1.1 the Scrip-Only Consideration in the form of the allotment and issuance of 0.5963 Consideration Units (the issue price of which will be based on the 1-day VWAP per MCT Unit as at the last trading day immediately prior to the date of the Implementation Agreement), or

6.1.2 in lieu of the Scrip-Only Consideration, the payment of S$0.1912 in cash and the allotment and issuance of 0.5009 Consideration Units (the issue price of which will be based on the 1-day VWAP per MCT Unit as at the last trading day immediately prior to the date of the Implementation Agreement),

in accordance with the terms and conditions of the Implementation Agreement. The number of Consideration Units under the Scrip-Only Consideration and the number of Consideration units under the Cash-and-Scrip Consideration are computed based on a pre-determined exchange ratio. The implied value of the Scrip-Only Consideration and the implied value of the Cash-and-Scrip Consideration will be the same.

For the avoidance of doubt, each MNACT Unitholder may elect to receive either the Scrip-Only Consideration or the Cash-and-Scrip Consideration (but not both or a combination of the two) as the form of Scheme Consideration in respect of its entire holdings of MNACT Units held as at 5.00 pm on the Record Date. MNACT Unitholders who do not make any election or fail to make a valid election for the Cash-and-Scrip Consideration shall be deemed to have elected to receive the Scrip-Only Consideration if the Scheme becomes effective. MIPL, the sponsor of both MCT and MNACT, intends to elect to receive the Scrip-Only Consideration in respect of all its MNACT Units and has provided an undertaking to the MCT Manager to this effect.

The Scheme Consideration was determined by taking into consideration, among other factors:

(a) the prevailing and historical relative market prices of the MCT Units and the MNACT Units;

[9] "**Record Date**" means the date to be announced (before the Effective Date) by the MNACT Manager on which the register of MNACT Unitholders will be closed in order to determine the entitlements of the MNACT Unitholders in respect of the Trust Scheme.

(b) the prevailing and historical distribution yields of MCT and MNACT;

(c) the prevailing and historical price to NAV per Unit of MCT and MNACT;

(d) relevant precedent trust scheme transactions in Singapore;

(e) the latest available ex-distribution NAV of each MCT Unit and each MNACT Unit;

(f) the resulting pro forma consolidated financial effects of the Merger;

(g) the amount of MCT Permitted Distributions (as defined in **paragraph 8.6.1**) and the amount of MNACT Permitted Distributions (as defined in **paragraph 8.6.2**);

(h) the market values of the respective property portfolios; and

(i) the resulting potential benefits to be derived from the merger of MCT and MNACT.

The aggregate Cash Consideration to be paid to each MNACT Unitholder shall be rounded to the nearest S$0.01. The number of Consideration Units which each MNACT Unitholder shall be entitled to pursuant to the Trust Scheme, based on the number of the MNACT Units held by such MNACT Unitholder as at the Record Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded.

The MCT Trustee, the MCT Manager, the MNACT Manager and DBS Trustee Limited (in its capacity as trustee of MNACT) (the "**MNACT Trustee**") are currently discussing in good faith with a view to agreeing to the appropriate arrangements (subject to the approval of the Securities Industry Council (the "**SIC**"), if required) in relation to the Consideration Units in excess of the nearest multiple of 100 or the Consideration Units which amount to less than 100, which a MNACT Unitholder would otherwise be entitled to receive pursuant to the Trust Scheme. Details of any such arrangements will be notified to MNACT Unitholders in due course.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, an MNACT Unitholder will receive 5,963 Consideration Units or 5,009 Consideration Units and S$1,912 in cash for every 10,000 MNACT Units held by it as at the Record Date.

The MCT Manager reserves the right to adjust the Scheme Consideration by reducing the Cash Consideration, the number of Consideration Units issued or by any combination of such cash and unit components, if and to the extent any distribution in excess of the MNACT Permitted Distributions (as defined in **paragraph 8.6.2**) is declared, made or paid by the MNACT Manager on or after the Joint Announcement Date.

6.2 Consideration Units

The Consideration Units will:

(a) when issued, be duly authorised, validly issued and fully paid-up and will rank *pari passu* in all respects with the existing MCT Units as at the date of their issue; and

(b) be issued free from any and all encumbrances and restrictions on transfers and no person shall have any rights of pre-emption over any Consideration Unit.

For the avoidance of doubt:

(i) the Consideration Units will be issued with all rights, benefits and entitlements attaching on and from the date of their issue (and not as at the Joint Announcement Date), including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the MCT Manager on or after the date of their issue (and not on or after the Joint Announcement Date);

(ii) the Consideration Units will not be entitled to the MCT Permitted Distributions (as defined in **paragraph 8.6.1**); and

(iii) the Parties shall be entitled to declare, make or pay the MCT Permitted Distributions and the MNACT Permitted Distributions (as the case may be) without any adjustment to the Scheme Consideration. The MNACT Unitholders shall have the right to receive and retain the MNACT Permitted Distributions in addition to the Scheme Consideration.

6.3 Cash Confirmation

DBS Bank Ltd. ("**DBS**"), the sole financial adviser to the MCT Manager in respect of the Merger, confirms that sufficient financial resources are available to MCT to satisfy in full the aggregate Cash Consideration payable by the MCT Trustee for all the MNACT Units to be acquired by MCT pursuant to the Merger.

7. PRO FORMA FINANCIAL EFFECTS OF THE MERGER ON MNACT

Purely for illustrative purposes only, the pro forma financial effects of the Merger on MNACT and the Merged Entity are set out below.

7.1 Pro Forma DPU Attributable to MNACT Unitholders

7.1.1 For the Six Months Ended 30 September 2021 (1H FY21/22)

<table>
<tr><th></th><th colspan="3">Effects of Merger</th></tr>
<tr><th rowspan="3"></th><th>Before Merger</th><th colspan="2">After Merger[1]</th></tr>
<tr><th rowspan="2">MNACT
(as reported)</th><th colspan="2">Merged Entity
(pro forma distribution attributable to MNACT Unitholders)</th></tr>
<tr><th>Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration</th><th>Assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration</th></tr>
<tr><td>DPU (Singapore cents)</td><td>3.426</td><td>2.81[2],[3],[5]</td><td>2.85[3],[4],[6]</td></tr>
</table>

Assuming that the Merger had been completed on 1 April 2021, the pro forma DPU attributable to MNACT Unitholders for the financial half-year ended 30 September 2021 would have been 2.85[10,11] Singapore cents. This is approximately 0.58 Singapore cents[10] lower than the reported distribution of 3.426 Singapore cents which MNACT Unitholders would have received for the same period.

The Scheme Consideration implies a premium of 8.49 to 18.07 Singapore cents[12] over various trading periods in the last 12 months, which is significantly higher than the change in distribution for 1H FY21/22.

Notes: The pro forma financial effects of the Merger on MNACT and the Merged Entity have been prepared based on the unaudited consolidated financial statements of MCT and MNACT for the six months ended 30 September 2021 ("**1H FY21/22 Unaudited Financial Statements**") and the October 2021 MNACT Independent Valuation Report.

(1) Assumes that the Merger was completed on 1 April 2021, and that MCT held and operated the properties of MNACT for the six months ended 30 September 2021.

(2) The Merged Entity's pro forma DPU, assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. For further information on the pro forma financial effects of the Merger on MCT and the Merged Entity, please refer to the 31 December 2021 MCT Announcement, Paragraph 6.2.1.

a. Assumes that an additional S$18.1 million of debt was drawn down on 1 April 2021 to fund the Transaction Costs of the Merger, at an all-in cost of 2.7%.

b. Assumes 2,080.4 million Consideration Units are issued, based on the total number of MNACT Units issued as of 30 September 2021, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

c. Assumes 1.7 million additional MCT Units are issued as payment to the MCT Manager as base fee, assuming 40.0% of the Merged Entity's management fees are paid in units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

(3) The Merged Entity's pro forma DPU is adjusted for the following assumptions:

a. Assumes no new MCT Units issued as payment of the acquisition fee in respect of the Merger, as the MCT Manager has agreed to waive 100.0% of the acquisition fee in respect of the Merger on a one-off basis.

b. Assumes the Merged Entity adopts a 100.0% distribution payout ratio;

c. Includes full half-year contribution from HPB, which is based on unaudited financial information for the period from 18 June 2021 (date of acquisition) to 30 September 2021, pro-rated as if the acquisition was completed on 1 April 2021 and adjusted for the implied incremental finance costs, management fees, trustee expense and income tax expense.

d. Assumes the Merged Entity's management fee structure comprises:

i. Base fees calculated as 10.0% of distributable income (calculated before accounting for the base fee and performance fee).

ii. Performance fees calculated as 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.

iii. Property Manager's (**"PM"**) / Lease Manager's (**"LM"**) fees are paid entirely in cash.

(4) The Merged Entity's pro forma DPU, assuming MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration. For further information on the pro forma financial effects of the Merger on MCT and the Merged Entity, please refer to the 31 December 2021 MCT Announcement, Paragraph 6.2.1.

a. Assumes that an additional S$233.2 million of acquisition debt was drawn down at an all-in cost of 2.7% and S$200.0 million of perpetual securities were issued at coupon rate of 3.7% on 1 April 2021 to fund the Cash Consideration and the Transaction Costs of the Merger.

[10] Assuming that MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration.
[11] Please refer to Section 7.1.1 (Notes 3, 4, 5).
[12] Please refer to Section 4.5.2.

b. Assumes 1,874.4 million Consideration Units are issued, based on the total number of MNACT Units issued as of 30 September 2021, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

c. Assumes 1.6 million additional MCT Units are issued as payment to the MCT Manager as base fee, assuming 40.0% of the Merged Entity's management fees are paid in units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

(5) The pro forma DPU attributable to MNACT Unitholders is based on the Merged Entity's pro forma DPU multiplied by the gross exchange ratio of 0.5963x.

(6) The pro forma DPU attributable to MNACT Unitholders is based on the Merged Entity's pro forma DPU multiplied by the gross exchange ratio of 0.5963x, which assumes that the Cash Consideration of S$0.1912 is reinvested in MCT Units at the Scheme Issue Price of S$2.0039.

7.1.2 For the Full Year Ended 31 March 2021 (FY20/21)

	Effects of Merger		
	Before Merger	**After Merger[(1)]**	
	MNACT (as reported)	**Merged Entity (pro forma distribution attributable to MNACT Unitholders)**	
		Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration	**Assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration**
DPU (Singapore cents)	6.175	5.60[(2),(3),(5)]	5.67[(3),(4),(6)]

Assuming that the Merger had been completed on 1 April 2021, the pro forma DPU attributable to MNACT Unitholders for the financial half-year ended 30 September 2021 would have been 5.67[13,14] Singapore cents. This is approximately 0.51 Singapore cents[10] lower than the reported distribution of 6.175 Singapore cents which MNACT Unitholders would have received for the same period.

The Scheme Consideration implies a premium of 8.49 to 18.07 Singapore cents[15] over various trading periods in the last 12 months, which is significantly higher than the change in distribution for FY20/22.

Notes: The pro forma financial effects of the Merger on MNACT and the Merged Entity have been prepared based on the FY20/21 Audited Financial Statements of MCT and MNACT.

(1) Assumes that the Merger was completed on 1 April 2020, and that MCT held and operated the properties of MNACT for the twelve months ended 31 March 2021.

(2) The Merged Entity's pro forma DPU, assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. For further information on the pro forma financial effects of the Merger on MCT and the Merged Entity, please refer to the 31 December 2021 MCT Announcement, Paragraph 6.2.2.

a. Assumes an additional S$18.1 million of acquisition debt was drawn down on 1 April 2020 to fund the Transaction Costs of the Merger, at an all-in cost of 2.7%.

b. Assumes 2,040.2 million Consideration Units are issued, based on the total number of MNACT Units issued as of 31 March 2021, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

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[13] Assuming that MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration.
[14] Please refer to Section 7.1.1 (Notes 3, 4, 5).
[15] Please refer to Section 4.5.2.

c. Assumes 4.7 million additional MCT Units are issued as payment to the MCT Manager as base fee, assuming 40.0% of the Merged Entity's management fees are paid in units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

(3) The Merged Entity's pro forma DPU is adjusted for the following assumptions:

a. Assumes no new MCT Units issued as payment of the acquisition fee in respect of the Merger, as the MCT Manager has waived 100.0% of the acquisition fee in respect of the Merger on a one-off basis.

b. Assumes the Merged Entity adopts a 100.0% distribution payout ratio.

c. Includes full-year contribution from HPB, which was based on unaudited financial information for the period from 18 June 2021 to 30 September 2021, and TPG, which was based on audited financial information for the period from 30 October 2020 to 31 March 2021, pro-rated as if the acquisitions were completed on 1 April 2020 and adjusted for the implied incremental funding costs, management fees, trustee expense and income tax expense.

d. Assumes the Merged Entity's management fee structure comprises:

i. Base fees calculated as 10.0% of distributable income (calculated before accounting for the base fee and performance fee).

ii. Performance fees calculated as 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.

iii. PM / LM fees are paid entirely in cash.

(4) The Merged Entity's pro forma DPU, assuming MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration. For further information on the pro forma financial effects of the Merger on MCT and the Merged Entity, please refer to the 31 December 2021 MCT Announcement, Paragraph 6.2.2.

a. Assumes that an additional S$231.9 million of acquisition debt was drawn down at an all-in cost of 2.7% and S$200.0 million of perpetual securities were issued at coupon rate of 3.7% on 1 April 2020 to fund the Cash Consideration and the Transaction Costs of the Merger.

b. Assumes 1,835.0 million Consideration Units are issued, based on the total number of MNACT Units issued as of 31 March 2021, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

c. Assumes 4.6 million additional MCT Units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

(5) Pro forma DPU attributable to MNACT Unitholders is based on the Merged Entity's pro forma DPU multiplied by the gross exchange ratio of 0.5963x.

(6) The pro forma DPU attributable to MNACT Unitholders is based on the Merged Entity's pro forma DPU multiplied by the gross exchange ratio of 0.5963x, which assumes that the Cash Consideration of S$0.1912 is reinvested in MCT Units at the Scheme Issue Price of S$2.0039.

7.2 Pro Forma NAV Attributable to MNACT Unitholders

7.2.1 As at 30 September 2021 (1H FY21/22)

	Effects of Merger			
	Before Merger		After Merger(1),(2)	
			Merged Entity (pro forma NAV attributable to MNACT Unitholders)	
	MNACT (as reported)	MNACT (based on valuation of MNACT's properties as of 31 October 2021)(2)	Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration	Assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration
Net Asset Value per unit (S$)	1.265	1.229	1.10(4),(5),(6),(7)	1.10(4),(8),(9),(10)
Net Asset Value per unit (ex-distribution) (S$)	1.230(3)	1.195(3)	1.07(4),(5),(6),(7)	1.07(4),(8),(9),(10)

Notes: The pro forma financial effects of the Merger on MNACT and the Merged Entity have been prepared based on the 1H FY21/22 Unaudited Financial Statements and the October 2021 MNACT Independent Valuation Report.

(1) Assumes the Merger was completed on 30 September 2021.

(2) Assumes the valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

(3) Excludes MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents.

(4) The Merged Entity's pro forma NAV. For further information on the pro forma financial effects of the Merger on MCT and the Merged Entity, please refer to the 31 December 2021 MCT Announcement, Paragraph 6.3.1.

   a. Assumes the Transaction Costs and the difference between the Scheme Consideration and the acquired NAV of MNACT as of 30 September 2021 are initially capitalised to the cost of the properties and subsequently recognised at fair value at the period end.

   b. Assumes no new MCT Units issued as payment of the acquisition fee in respect of the Merger, as the MCT Manager has agreed to waive 100.0% of the acquisition fee in respect of the Merger on a one-off basis.

(5) Assumes that an additional S$18.1 million of acquisition debt was drawn down on 30 September 2021 to fund the Transaction Costs of the Merger.

(6) Assumes 2,080.4 million Consideration Units are issued, based on the total number of MNACT Units issued as of 30 September 2021, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(7) Pro forma NAV per unit attributable to MNACT Unitholders is based on the Merged Entity's pro forma NAV per unit multiplied by the gross exchange ratio of 0.5963x.

(8) Assumes that an additional S$233.2 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued on 30 September 2021 to fund the Cash Consideration and the Transaction Costs of the Merger.

(9) Assumes 1,874.4 million Consideration Units are issued, based on the total number of MNACT Units issued as of 30 September 2021, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(10) Pro forma NAV per unit attributable to MNACT Unitholders is based on the Merged Entity's pro forma NAV per unit multiplied by the gross exchange ratio of 0.5963x, which assumes that the Cash Consideration of S$0.1912 is reinvested in MCT Units at the Scheme Issue Price of S$2.0039.

7.2.2 As at 31 March 2021 (FY20/21)

	Effects of Merger		
	Before Merger	After Merger[1]	
	MNACT (as reported)	Merged Entity (pro forma NAV attributable to MNACT Unitholders)	
		Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration	Assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration
Net Asset Value per unit (S$)	1.274	1.12[(3),(4),(5),(6)]	1.12[(3),(7),(8),(9)]
Net Asset Value per unit (ex-distribution) (S$)	1.241[(2)]	1.09[(3),(4),(5),(6)]	1.09[(3),(7),(8),(9)]

Notes: The pro forma financial effects of the Merger on MNACT and the Merged Entity have been prepared based on the audited FY20/21 Financial Statements of MCT and MNACT.

(1) Assumes the Merger was completed on 31 March 2021.

(2) Excludes MNACT's reported 2H FY20/21 DPU of 3.299 Singapore cents.

(3) The Merged Entity's pro forma NAV. For further information on the pro forma financial effects of the Merger on MCT and the Merged Entity, please refer to the 31 December 2021 MCT Announcement, Paragraph 6.3.2.

   a. Assumes the Transaction Costs and the difference between the Scheme Consideration and the acquired NAV of MNACT as of 31 March 2021 are initially capitalised to the cost of the properties and subsequently recognised at fair value at the period end.

   b. Assumes no new MCT Units issued as payment of the acquisition fee in respect of the Merger, as the MCT Manager has agreed to waive 100.0% of the acquisition fee in respect of the Merger on a one-off basis.

   c. Includes an additional S$486.5 million in investment property value and an additional S$7.2 million in non-controlling interest, attributable to HPB. Assumes that an additional S$231.5 million of debt (net of financing cost) was drawn down, and an additional S$247.8 million in perpetual securities (net of issue cost) were issued, on 31 March 2021, to fund the total cost of the HPB acquisition, based on unaudited financial information as of 30 September 2021.

(4) Assumes that an additional S$18.1 million of acquisition debt was drawn down on 31 March 2021 to fund the Transaction Costs of the Merger.

(5) Assumes 2,047.9 million Consideration Units are issued, based on the total number of MNACT Units issued as of 31 March 2021, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(6) Pro forma NAV per unit attributable to MNACT Unitholders is based on the Merged Entity's pro forma NAV per unit multiplied by the gross exchange ratio of 0.5963x.

(7) Assumes that an additional S$231.9 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued on 31 March 2021 to fund the Cash Consideration and the Transaction Costs of the Merger.

(8) Assumes 1,842.6 million Consideration Units are issued, based on the total number of MNACT Units issued as of 31 March 2021, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(9) Pro forma NAV per unit attributable to MNACT Unitholders is based on the Merged Entity's pro forma NAV per unit multiplied by the gross exchange ratio of 0.5963x, which assumes that the Cash Consideration of S$0.1912 is reinvested in MCT Units at the Scheme Issue Price of S$2.0039.

7.3 Pro Forma Aggregate Leverage

7.3.1 As at 30 September 2021 (1H FY21/22)

	Effects of Merger			
	Before Merger		After Merger(1)	
			Merged Entity (pro forma)	
	MNACT (as reported)	MNACT (based on valuation of MNACT's properties as of 31 October 2021)(2)	Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration	Assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration
Aggregate leverage (based on gross borrowings)	41.4%(3)	42.2%	38.0%	39.2%

Notes: The pro forma financial effects of the Merger on MNACT and the Merged Entity have been prepared based on the 1H FY21/22 Unaudited Financial Statements and the October 2021 MNACT Independent Valuation Report.

(1) Assumptions are same as those set out in Section 7.2.1.

(2) Assumes the valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

(3) Based on net borrowings, as reported.

7.3.2 As at 31 March 2021 (FY20/21)

	Effects of Merger		
	Before Merger	After Merger(1)	
		Merged Entity (pro forma)	
	MNACT (as reported)	Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration	Assuming all MNACT Unitholders except for MIPL elect to receive the Cash-and-Scrip Consideration
Aggregate leverage (based on gross borrowings)	41.5%(2)	38.0%	39.2%

Notes: The pro forma financial effects of the Merger on MNACT and the Merged Entity have been prepared based on the audited FY20/21 Financial Statements of MCT and MNACT.

(1) Assumptions are same as those set out in Section 7.2.2.

(2) Based on net borrowings, as reported.

8. KEY TERMS OF MERGER

8.1 Implementation Agreement and Trust Scheme

In connection with the Merger, the MCT Trustee, the MCT Manager, the MNACT Trustee and the MNACT Manager (each a "**Party**" and collectively the "**Parties**") have today entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Merger will be implemented.

The Merger will be effected by way of the MNACT Trustee and the MNACT Manager implementing the Trust Scheme which will involve, among others, the transfer of all the MNACT Units to the MCT Trustee:

8.1.1 fully paid;

8.1.2 free from all encumbrances; and

8.1.3 together with all rights, benefits and entitlements attaching on and from the date of the Implementation Agreement, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the MNACT Manager on or after the date of the Implementation Agreement, except for the MNACT Permitted Distributions.

Such acquisition by the MCT Trustee, in consideration for the Scheme Consideration (the "**MCT Acquisition**"), requires the approval of the MCT Unitholders under Rules 812(2), 906(1) and 1014(2) of the Listing Manual and Paragraph 5.2(b) of Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the "**Property Funds Appendix**"). Further details with respect to the MCT Acquisition, including parties which are required to abstain from voting on the MCT Acquisition, are set out in the MCT Announcement.

8.2 Conditions to Completion

8.2.1 The Merger is subject to the satisfaction or waiver of the conditions (the "**Conditions**") set out in **Schedule 2**.

8.2.2 The Implementation Agreement may be terminated if any Condition set out in:

(i) **paragraph (1), (2), (3), (8) or (9)** of **Schedule 2** has not been satisfied (or, where applicable, has not been waived) by 11.59 p.m. on 30 June 2022 (or such other time and date as the Parties may agree in writing) (the "**Long-Stop Date**") and the non-satisfaction of such Condition is material in the context of the Merger; or

(ii) **paragraph (4), (5), (6) or (7)** of **Schedule 2** is not satisfied (or, where applicable, has not been waived) on the business day immediately preceding the Effective Date (the "**Relevant Date**") and the non-satisfaction of such Condition is material in the context of the Merger,

in each case, by the relevant Party or Parties having the right to terminate the Implementation Agreement for the non-satisfaction of such Condition.

8.2.3 Without prejudice to any other rights of termination under the Implementation Agreement, the Implementation Agreement may be terminated at any time from the date of the Implementation Agreement to (and including) the Relevant Date:

(i) if there has been a decree, determination, injunction, judgment or other order (which is final and non-appealable) issued by any court of competent jurisdiction or by any governmental authority which has the effect of permanently enjoining, restraining or otherwise prohibiting the Merger or the Trust Scheme or any part thereof;

(ii) if there is a breach of certain warranties given by the MCT Trustee or the MCT Manager in the Implementation Agreement (the "**MCT Warranties**") which are material in the context of the Merger and the MCT Trustee or the MCT Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the MNACT Trustee or the MNACT Manager to do so;

(iii) if there is a breach of certain warranties given by the MNACT Trustee or the MNACT Manager in the Implementation Agreement (the "**MNACT Warranties**") which are material in the context of the Merger and the MNACT Trustee or the MNACT Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the MCT Trustee or the MCT Manager to do so;

(iv) if there has been an occurrence of a MCT Material Adverse Effect (as defined in **paragraph 1(a)** of **Schedule 2**; or

(v) if there has been an occurrence of a MNACT Material Adverse Effect (as defined in **paragraph 1(b)** of **Schedule 2**,

in each case, by the relevant Party or Parties having the right to terminate the Implementation Agreement for the non-satisfaction of the relevant Condition to which such matters relate.

8.3 Implementation

Each of the MCT Trustee (to the extent applicable), the MCT Manager, the MNACT Trustee (to the extent applicable) and the MNACT Manager have agreed to execute all documents and do or cause to be done all acts and things necessary for the implementation of the Merger, the MCT Acquisition and the Trust Scheme, as expeditiously as practicable.

8.4 Effective Date

The Trust Scheme will become effective upon the written notification to the MAS of the grant of the order of the High Court of the Republic of Singapore (the "**Court**") sanctioning the Trust Scheme (the "**Trust Scheme Court Order**"), which shall be effected by or on behalf of the MCT Manager:

8.4.1 on a date to be mutually agreed in writing between the MCT Manager and the MNACT Manager, being a date within 25 business days from the date that the last of the Conditions set out in **paragraphs (1), (2), (3), (8) and (9)** of **Schedule 2** is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement; and

8.4.2 provided that the Conditions set out in **paragraphs (4), (5), (6) and (7)** of **Schedule 2** are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Implementation Agreement,

(such date on which the Trust Scheme becomes effective in accordance with its terms, the "**Effective Date**").

8.5 Conduct of Business

Each Party has agreed not to, during the period from the date of the Implementation Agreement to the Effective Date, without the prior written consent of the other Parties (as relevant), take or refrain from taking any action which is reasonably within its power or control that would or is reasonably likely to result in a MCT Prescribed Occurrence or, as the case may be, a MNACT Prescribed Occurrence (as set out in **Schedule 3**), save to the extent:

8.5.1 required by applicable laws and subject to any fiduciary duties, statutory or legal obligations; or

8.5.2 required to give effect to and comply with the Implementation Agreement; or

8.6 MCT Permitted Distributions and MNACT Permitted Distributions

The MCT Manager and the MNACT Manager are permitted to declare, make or pay distributions to the MCT Unitholders and the MNACT Unitholders (as the case may be) only if such distributions by:

8.6.1 the MCT Manager, in respect of MCT, were declared, paid or made in the ordinary course of business in respect of the period from 1 October 2021 up to the day immediately before the Effective Date (including any capital distribution or clean-up distribution to the MCT Unitholders in respect of the period from the day following the latest completed financial half-year of MCT preceding the Effective Date, up to the day immediately before the Effective Date) (the "**MCT Permitted Distributions**"); and

8.6.2 the MNACT Manager, in respect of MNACT, were declared, paid or made in the ordinary course of business in respect of the period from 1 April 2021 up to the day immediately before the Effective Date (including any capital distribution or clean-up distribution to the MNACT Unitholders in respect of the period from the day following the latest completed financial half-year of MNACT preceding the Effective Date, up to the day immediately before the Effective Date) (the "**MNACT Permitted Distributions**").

8.7 Switch Option

The Parties have agreed that if:

8.7.1 MNACT receives any offer from any person, acting together with its concert parties, other than the MCT Trustee or the MCT Manager involving:

(i) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the MNACT Group, whether in a single transaction or a series of related transactions;

(ii) a general offer for the MNACT Units;

(iii) a scheme of arrangement involving MNACT or any MNACT Group Entity or the merger of MNACT or any MNACT Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any MNACT Group Entity (other than MNACT), such scheme of arrangement or merger is material to the MNACT Group (taken as a whole);

(iv) any other agreement or arrangement having an effect similar to any of (i) to (iii); or

(v) a transaction or series of related transactions which would or is reasonably likely to preclude, restrict or frustrate the Merger or the Trust Scheme,

(such offer, a "**MNACT Switch Option Competing Offer**"). A MNACT Switch Option Competing Offer will be deemed to be for all or substantially all of the assets, business and/or undertakings of the MNACT Group if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code; or

8.7.2 an intention to make an MNACT Switch Option Competing Offer is announced (whether or not such MNACT Switch Option Competing Offer is pre-conditional),

in each case, without the prior written consent of the MCT Trustee and the MCT Manager in respect of such MNACT Switch Option Competing Offer, the MCT Trustee shall have the right at its discretion to elect at any time, subject to prior consultation with the SIC, to proceed with a Merger by way of a voluntary conditional offer to acquire all the MNACT Units (an "**Offer**") in lieu of proceeding with the Merger by way of the Trust Scheme, such Offer to be on the same or better terms as those which apply to the Trust Scheme or the MNACT Switch Option Competing Offer (whichever is the higher), including the same or a higher consideration than the Scheme Consideration for each MNACT Unit (being the implied dollar value of the Consideration Units, based on the fixed number of Consideration Units issued for each MNACT Unit assuming Scrip-Only Consideration and the issue price per Consideration Unit), and conditional upon a level of acceptances set at only more than 50.0% of the units to which the Offer relates and not conditional on a higher level of acceptances (such right of the MCT Trustee to proceed with the Merger by way of an Offer, the "**Switch Option**").

The exercise of the Switch Option by the MCT Trustee shall terminate the Implementation Agreement (other than certain surviving provisions) with effect from the date of announcement by or on behalf of the MCT Trustee of a firm intention to make the Offer.

8.8 Exclusivity

The MNACT Trustee and the MNACT Manager have agreed to grant the MCT Trustee and the MCT Manager exclusivity for a period commencing on the date of the Implementation

Agreement and ending on the earliest of the date on which the Implementation Agreement is terminated, the Scheme Settlement Date and the Long-Stop Date, during which the MNACT Trustee and the MNACT Manager shall not:

8.8.1 solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do the foregoing, with a view to obtaining, or to the extent reasonably likely to result in or lead to, any MNACT Competing Offer (as defined below); or

8.8.2 negotiate or enter into, or participate in negotiations or discussions with any person (other than the MCT Trustee or the MCT Manager) in relation to, any MNACT Competing Offer or any agreement, understanding or arrangement which was not directly or indirectly solicited, invited, encouraged or initiated by the MNACT Trustee, the MNACT Manager, or their affiliates or their respective representatives or advisers,

except where failing to take action with respect to, or failing to respond to, such MNACT Competing Offer would or is reasonably likely to constitute a breach of the MNACT Directors' fiduciary, regulatory or statutory obligations (including those under the Code).

For the purpose of this section, "**MNACT Competing Offer**" means any expression of interest, offer or proposal by any person, acting together with its concert parties, other than the MCT Trustee or the MCT Manager involving:

(a) a sale, conveyance, transfer, assumption or other disposal ("**disposal**") of any direct or indirect interest in some or all of the MNACT Units exceeding 5% of all the MNACT Units, whether in a single transaction or series of related transactions;

(b) an allotment or issuance of the MNACT Units or securities in any MNACT Group Entity (or Convertible Securities in respect of such MNACT Units or securities) in each case exceeding 5% of all the MNACT Units or such securities, as the case may be, immediately after such allotment or issuance, whether in a single transaction or series of related transactions;

(c) a Material Disposal of any real property, assets or securities in any MNACT Group Entity (save for the MNACT Units);

(d) an offer (whether partial or otherwise) for the MNACT Units;

(e) a scheme of arrangement involving MNACT or any MNACT Group Entity or the merger of MNACT or any MNACT Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any MNACT Group Entity (other than MNACT), such scheme of arrangement or merger is material to the MNACT Group (taken as a whole);

(f) any agreement or other arrangement intended to achieve or having an effect similar to any of (a) to (e); or

(g) a transaction or series of related transactions which would, or is reasonably likely to, preclude, restrict or frustrate, or delay or impede, the Merger or the Trust Scheme;

For the purpose of this definition only, "**Material Disposal**" means any sale, conveyance, transfer, assumption or disposal of any real property, assets or securities in any entity, partnership or trust, the carrying value of which in the MNACT 1H FY21/22 Unaudited Financial Statements, individually or when aggregated with the carrying value of other real property, assets or securities in the MNACT 1H FY21/22 Unaudited Financial Statements disposed of in any and all other related disposals on or after the date hereof, exceeds S$423.1 million (or its equivalent in other currencies), being 5% of the deposited property of the MNACT Group as at 30 September 2021 (adjusted to take into account the updated valuation of the deposited property of the MNACT Group as at 31 October 2021).

8.9 Termination

Notwithstanding any other provision in the Implementation Agreement, the Implementation Agreement may be terminated at any time prior to the Effective Date pursuant to such terms of the Implementation Agreement as set out in **paragraph 8.2.2** or **8.2.3** above, provided that (i) the Party seeking to terminate the Implementation Agreement, including in the event of non-satisfaction of any Condition, shall only terminate the Implementation Agreement with the prior consultation of the SIC and subject to the SIC giving its approval for, and stating that it has no objections to, such termination and (ii) the Party seeking to terminate the Implementation Agreement shall provide written notice to all the other Parties promptly upon the SIC stating that it has no objection to such termination.

Upon the termination of the Implementation Agreement, no Party shall have a claim against any other Party except for claims in relation to certain surviving provisions after such termination, and in each case without prejudice to the rights of the Parties to seek specific performance or other equitable remedies.

9. APPROVALS REQUIRED

9.1 Extraordinary General Meeting, Trust Scheme Meeting and Court Sanction

The Trust Scheme will require, *inter alia*, the following approvals:

9.1.1 the approval of MNACT Unitholders holding in aggregate not less than 75.0% of the total number of votes held by the MNACT Unitholders present and voting either in person or by proxy to amend the MNACT Trust Deed to include provisions for the implementation of the Trust Scheme, in such form and substance as may be agreed in writing by the Parties (the "**MNACT Trust Deed Amendments**"), at the extraordinary general meeting (the "**MNACT EGM**") of the MNACT Unitholders to be convened (the "**MNACT Trust Deed Amendments Resolution**");

9.1.2 the approval of a majority in number of the MNACT Unitholders representing at least three-fourths in value of the MNACT Units held by the MNACT Unitholders present and voting either in person or by proxy at the Trust Scheme Meeting (as defined in **paragraph 1(b)**) to approve the Trust Scheme (the "**Trust Scheme Resolution**"); and

9.1.3 the Trust Scheme Court Order being obtained.

The Trust Scheme Resolution is contingent upon the approval of the MNACT Trust Deed Amendments Resolution at the MNACT EGM. In the event that the MNACT Trust Deed Amendments Resolution is not passed at the MNACT EGM, the MNACT Manager will not

proceed with the Trust Scheme Meeting. This means that the Trust Scheme cannot be implemented by the MCT Manager and the MNACT Manager unless both the MNACT Trust Deed Amendments Resolution and the Trust Scheme Resolution are passed at the MNACT EGM and the Trust Scheme Meeting respectively.

In addition, the Trust Scheme will only come into effect if all the other Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

9.2 SIC Confirmations

Pursuant to the application made by the MCT Manager to the SIC, the SIC has confirmed, *inter alia*, that:

9.2.1 the Trust Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Takeover Code, subject to the following conditions:

(i) the MCT Manager and its concert parties, as well as the common substantial unitholders of MCT and MNACT Unitholders (i.e. those holding 5.0% or more interests in both MCT and MNACT, such unitholders, the "**Common Substantial Unitholders**"), including MIPL, abstain from voting on the Trust Scheme;

(ii) the MNACT Manager appoints an independent financial adviser to advise the MNACT Unitholders on the Trust Scheme;

(iii) the Trust Scheme is approved by a majority in number representing three-fourths in value of the MNACT Units held by the MNACT Unitholders present and voting either in person or by proxy at a meeting convened to approve the Trust Scheme;

(iv) the MNACT Trustee obtains Court approval for the Trust Scheme under Order 80 of the Rules of Court, Chapter 322, R 5 of Singapore; and

(v) the Trust Scheme being completed within 6 months from the Joint Announcement Date.

9.3 Rule 1309(1)(b) Waiver

9.3.1 An application was made to the SGX-ST to, among others, seek approval for a waiver to comply with Rule 1309(1)(b) of the Listing Manual, which requires a cash alternative be offered as a default alternative for delisting (the "**Rule 1309(1)(b) Waiver**"). The Rule 1309(1)(b) Waiver was sought for the following reasons:

(i) MCT is listed on the Main Board of the SGX-ST and the Consideration Units will be listed on the SGX-ST. Accordingly, the Consideration Units are readily tradable and the MNACT Unitholders have the ability to exit their investment after the Merger if they wish to do so; and

(ii) the Trust Scheme process provides sufficient safeguards for the MNACT Unitholders:

(a) an independent financial adviser would be appointed to advise on the Trust Scheme, and their advice will be made known to MNACT Unitholders in the Scheme Document;

(b) the Trust Scheme will require, among others, the approval of a majority in number of the MNACT Unitholders representing at least 75.0% in value of the MNACT Units present and voting in person or by proxy at the Trust Scheme Meeting; and

(c) assuming that the Trust Scheme is approved by the MNACT Unitholders at the Trust Scheme Meeting, the Trust Scheme will still be subject to sanction by the Court.

9.3.2 Under Rule 107 of the Listing Manual, the SGX-ST may grant a waiver from compliance with a listing rule (or part of a rule) subject to such conditions as it considers appropriate. If the SGX-ST waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective. Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

9.3.3 The SGX-ST has advised that it has no objection to the application for the Rule 1309(1)(b) Waiver, subject to the following conditions:

(i) MNACT announcing the Rule 1309(1)(b) Waiver granted, the reasons for seeking the Rule 1309(1)(b) Waiver, the conditions as required under Rule 107 of the Listing Manual, and if the Rule 1309(1)(b) Waiver conditions have been satisfied. If the Rule 1309(1)(b) Waiver conditions have not been met on the date of this Joint Announcement, MNACT must make an update announcement when the conditions have all been met;

(ii) an opinion from an independent financial adviser that the financial terms of the Trust Scheme are fair and reasonable to the MNACT Unitholders; and

(iii) the Trust Scheme being effective.

9.4 MCT Extraordinary General Meeting

An extraordinary general meeting of MCT (the "**MCT EGM**") will also be convened to seek the approval of the MCT Unitholders for (i) the proposed amendments to the MCT Trust Deed to amend the fee structure of MCT with respect to the fees payable to the MCT Manager to reflect the revised fee structure as set out in **paragraph 5.2** with effect from the Effective Date (and such other amendments to the MCT Trust Deed as may be agreed between the MCT Manager, the MCT Trustee and the MNACT Manager) (the "**MCT Trust Deed Amendments**"), (ii) the MCT Acquisition and (iii) the issue of the Consideration Units as consideration for the MCT Acquisition.

Further information on the approvals required from the MCT Unitholders, the Merger from the perspective of MCT are further described in the MCT Announcement.

9.5 Other Regulatory Approvals

The Trust Scheme will also require other regulatory approvals, as described in **Schedule 2** to this Joint Announcement, from the Inland Revenue Authority of Singapore, the SGX-ST and the MAS.

10. ABSTENTION FROM VOTING ON TRUST SCHEME RESOLUTION

In accordance with the SIC's rulings as set out in **paragraph 9.2**, the MCT Manager and its concert parties (including The HarbourFront Pte Ltd, HarbourFront Place Pte. Ltd., HarbourFront Eight Pte Ltd, Sienna Pte. Ltd.), as well as the Common Substantial Unitholders, including MIPL, will abstain from voting on the Trust Scheme. In addition, the MNACT Manager will abstain from voting on the Trust Scheme pursuant to Rule 748(5) of the Listing Manual.

11. FINANCIAL ADVISERS

11.1 Financial Adviser to MCT Manager

DBS Bank Ltd. is the sole financial adviser to the MCT Manager in respect of the Merger.

11.2 Financial Adviser to MNACT Manager

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch is the sole financial adviser to the MNACT Manager in respect of the Merger.

11.3 Independent Financial Adviser to MCT

Pursuant to Chapter 9 of the Listing Manual, the MCT Manager has appointed Australia and New Zealand Banking Group Limited as the independent financial adviser (the "**MCT IFA**") to advise the audit committee of the MCT Manager, its directors who are considered independent for the purposes of the interested person transaction and interested party transaction (the "**MCT Independent Directors**") and the MCT Trustee as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of MCT and its minority unitholders.

Full details of the MCT Acquisition, including the recommendation of the MCT Independent Directors along with the advice of the MCT IFA (the "**MCT IFA Letter**"), will be included in the circular to be issued by the MCT Manager to the MCT Unitholders (the "**MCT Circular**").

11.4 Independent Financial Adviser to MNACT

Deloitte and Touche Corporate Finance Pte Ltd has been appointed as the independent financial adviser (the "**MNACT IFA**") to advise the directors of the MNACT Manager who are considered independent for the purposes of the Trust Scheme (the "**MNACT Independent Directors**") as to whether the financial terms of the Trust Scheme are fair and reasonable.

Full details of the Merger and the Trust Scheme, including the recommendation of the MNACT Independent Directors along with the advice of the MNACT IFA (the "**MNACT IFA Letter**"), will be included in the Scheme Document.

12. OTHER INFORMATION

12.1 Timeline

An indicative timeline listing certain important dates and times relating to the Merger is set out in **Schedule 4**. A detailed timeline will be set out in the MCT Circular and the Scheme Document.

12.2 MCT Circular and Scheme Document

(a) The MCT Circular, containing full details of the Merger (including the recommendation of the MCT Independent Directors and the MCT IFA Letter) and giving notice of the MCT EGM in relation to the Merger will be despatched to the MCT Unitholders in due course.

(b) The Scheme Document containing full details of the Merger and the Trust Scheme (including the recommendation of the MNACT Independent Directors and the MNACT IFA Letter) and giving notice of the MNACT EGM and Court-convened meeting (the "**Trust Scheme Meeting**") of MNACT Unitholders in relation to the Merger will be despatched to the MNACT Unitholders in due course.

MCT Unitholders and MNACT Unitholders are advised to refrain from taking any action in relation to the MCT Units and the MNACT Units (as the case may be) which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the MCT Independent Directors and the MNACT Independent Directors, as well as the MCT IFA Letter and the MNACT IFA Letter (as the case may be).

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

12.3 MCT 805 Auditors Opinion and MNACT 805 Auditors Opinion

The Parties have agreed to instruct, in the case of MCT, Ernst & Young LLP (the "**MCT 805 Auditors**") and in the case of MNACT, KPMG LLP (the "**MNACT 805 Auditors**") to:

(a) perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) on Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, on:

(i) in the case of the MCT 805 Auditors, the Statement of Investment Properties of MNACT Group and of its Joint Venture[16], including by, among other things, reviewing the valuation reports as at 31 October 2021 commissioned by the MNACT Manager in respect of the MNACT Properties; and

(ii) in the case of the MNACT 805 Auditors, the Statement of Investment Properties of MCT Group[17], including by, among other things, reviewing the

[16] Statement of Investment Properties of MNACT Group and of its joint venture means the statements prepared or to be prepared by the MNACT Manager setting out the carrying values of its investment properties and "investment in joint venture" (only in respect of the amounts titled "investment property") as at 31 October 2021, and related notes.

[17] Statements of Investment Properties of MCT Group means the statements prepared or to be prepared by the MCT Manager setting out the carrying values of its investment properties as at 30 September 2021, and related notes.

valuation reports as at 30 September 2021 commissioned by the MCT Manager in respect of the MCT Properties;

(b) deliver an audit opinion setting out its opinion as to whether, in the case of the MCT 805 Auditors, the Statement of Investment Properties of MNACT Group and of its joint venture as at 31 October 2021, and, in the case of the MNACT 805 Auditors, the Statement of Investment Properties of MCT Group as at 30 September 2021, have been prepared, in all material respects, in accordance with the relevant accounting policies of the MCT Group and MNACT Group (as the case may be) (respectively, the "**MCT 805 Auditors Opinion**" and "**MNACT 805 Auditors Opinion**").

The MCT Circular despatched to the MCT Unitholders will contain a copy of the MCT 805 Auditors Opinion and the Scheme Document despatched to the MNACT Unitholders will contain a copy of the MNACT 805 Auditors Opinion.

12.4 Overseas Unitholders

The applicability of the Trust Scheme to MNACT Unitholders, whose addresses are outside Singapore, as shown on the Register of Unitholders of MNACT, or as the case may be, in the records of The Central Depository (Pte) Limited ("**Overseas Unitholder**"), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Unitholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the MNACT Manager reserves the right not to send such documents to the MNACT Unitholders in such overseas jurisdiction. For the avoidance of doubt, the Trust Scheme is being proposed to all the MNACT Unitholders (including, in each case, the Overseas Unitholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Trust Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Trust Scheme would not be in compliance with the laws of such jurisdiction.

Overseas Unitholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.

Further details in relation to the Overseas Unitholders will be contained in the Scheme Document.

12.5 Disclosure of Interests

MCT Relevant Parties in MNACT Relevant Securities

As at the Joint Announcement Date, based on the latest information available to the MCT Manager and save as disclosed in **Schedule 5Part 1** and **Schedule 5Part 2**, none of (i) the MCT Manager, (ii) the MCT Directors, (iii) the MCT Trustee (in its capacity as trustee of MCT), (iv) MIPL, (v) the directors of MIPL, (vi) the MIPL Entities, (vii) the directors of the MIPL Entities and (viii) DBS (collectively, the "**MCT Relevant Parties**"):

(a) owns, controls or has agreed to acquire any MNACT Units, securities which carry voting rights in MNACT or convertible securities, warrants, options or derivatives in respect of the MNACT Units or securities which carry voting rights in MNACT (collectively, "**MNACT Relevant Securities**"); or

(b) has dealt for value in any MNACT Relevant Securities in the period commencing on 1 October 2021, being the date falling three months prior to the Joint Announcement Date and ending on the Joint Announcement Date ("**Relevant Period**").

As at the Joint Announcement Date, based on the latest information available to the MCT Manager, none of the MCT Relevant Parties has:

(i) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to any MNACT Relevant Securities or the securities of MNACT which might be material to the Merger;

(ii) received any irrevocable commitment to vote in favour of the Merger in respect of any MNACT Relevant Securities;

(iii) granted any security interest in respect of any MNACT Relevant Securities in favour of any other person, whether through a charge, pledge or otherwise;

(iv) borrowed any MNACT Relevant Securities from any other person (excluding those which have been on-lent or sold); or

(v) lent any MNACT Relevant Securities to any other person.

MCT Relevant Parties in MCT Relevant Securities

As at the Joint Announcement Date, based on the latest information available to the MCT Manager and save as disclosed in **Schedule 5Part 3** and **Schedule 5Part 4**, none of MCT Relevant Parties:

(a) owns, controls or has agreed to acquire any MCT Units, securities which carry voting rights in MCT or convertible securities, warrants, options or derivatives in respect of the MCT Units or securities which carry voting rights in MCT ("**MCT Relevant Securities**"); or

(b) has dealt for value in any MCT Relevant Securities in the Relevant Period.

MNACT Directors in MNACT Units

As at the Joint Announcement Date, based on the latest information available to the MNACT Manager, the interests in the MNACT Units held by the MNACT Directors are disclosed in **Schedule 5Part 5.**

12.6 Confidentiality

In the interests of confidentiality, the MCT Manager has not made enquiries prior to the Joint Announcement Date in respect of certain other parties who are or may be deemed to be acting in concert with the MCT Trustee and the MCT Manager in connection with the Merger pursuant to the Code. Similarly, DBS has not made any enquiries in respect of the other members of its group. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the MCT Circular.

12.7 Document for Inspection

Copies of the Implementation Agreement will be made available for inspection during normal business hours at the offices of:

(a) the MCT Manager at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438[18]; and

(b) the MNACT Manager at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438[19],

in each case, from the Joint Announcement Date until (and including) the Effective Date.

13. LIFTING OF TRADING HALT

With respect to the trading halt in MCT and MNACT announced on 28 December 2021, the trading halt will remain until the end of trading hours today (31 December 2021), as approved by the SGX-ST.

14. RESPONSIBILITY STATEMENTS

14.1 MCT Manager

The directors of the MCT Manager (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement which relate to MCT and/or the MCT Manager (excluding those relating to MNACT and/or the MNACT Manager) are fair and accurate and that there are no other material facts not contained in this Joint Announcement the omission of which would make any statement in this Joint Announcement 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 (including MNACT and/or the MNACT Manager), 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 Joint Announcement. The directors of the MCT Manager do not accept any responsibility for any information relating to MNACT and/or the MNACT Manager or any opinion expressed by MNACT and/or the MNACT Manager.

14.2 MNACT Manager

The directors of the MNACT Manager (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts

18 Prior appointment with the MCT Manager is required. Please contact MCT Investor Relations (Tel: 6377 6111).

19 Prior appointment with the MNACT Manager is required. Please contact MNACT Investor Relations (Tel: 6807 4211) during normal business hours.

stated and opinions expressed in this Joint Announcement which relate to MNACT and/or the MNACT Manager (excluding those relating to MCT and/or the MCT Manager) are fair and accurate and that there are no other material facts not contained in this Joint Announcement the omission of which would make any statement in this Joint Announcement misleading. The directors of the MNACT 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 (including MCT and/or the MCT Manager), the sole responsibility of the directors of the MNACT 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 Joint Announcement. The directors of the MNACT Manager do not accept any responsibility for any information relating to MCT and/or the MCT Manager or any opinion expressed by MCT and/or the MCT Manager.

By Order of the Board

MAPLETREE COMMERCIAL TRUST MANAGEMENT LTD.
(Company Registration No. 200708826C)
As Manager of Mapletree Commercial Trust

By Order of the Board

MAPLETREE NORTH ASIA COMMERCIAL TRUST MANAGEMENT LTD.
(Company Registration No. 201229323R)
As Manager of Mapletree North Asia Commercial Trust

31 December 2021

Any queries relating to this Joint Announcement, the Merger or the Trust Scheme should be directed to one of the following:

Mapletree Commercial Trust Management Ltd.

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

Mapletree North Asia Commercial Trust Management Ltd.

Elizabeth Loo
Director, Investor Relations
Tel: +65 6377 6705
Email: elizabeth.loo@mapletree.com.sg

DBS Bank Ltd.

Tel: +65 6878 4649

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Tel: +65 9784 9209

IMPORTANT NOTICE

The value of the MCT Units and the MNACT Units and the income derived from them may fall as well as rise. The MCT Units and the MNACT Units are not obligations of, deposits in, or guaranteed by, the MCT Manager or the MNACT Manager (as the case may be) or any of their respective affiliates.

An investment in the MCT Units or the MNACT Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the MCT Manager or the MNACT Manager to redeem their MCT Units or MNACT Units while the MCT Units or the MNACT Units are listed. It is intended that MCT Unitholders and MNACT Unitholders may only deal in their MCT Units and MNACT Units through trading on the SGX-ST. Listing of the MCT Units and MNACT Units on the SGX-ST does not guarantee a liquid market for the MCT Units and MNACT Units.

This Joint Announcement is for information purposes only and does not constitute an offer or solicitation of an offer to sell or invitation to subscribe for or acquire MCT Units or MNACT Units.

The past performance of MCT, the MCT Manager, MNACT and the MNACT Manager is not necessarily indicative of their respective future performances.

This Joint Announcement may 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 factors 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 and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. None of MCT, the MCT Manager, MNACT and the MNACT Manager undertakes any obligation to update publicly or revise any forward-looking statements.

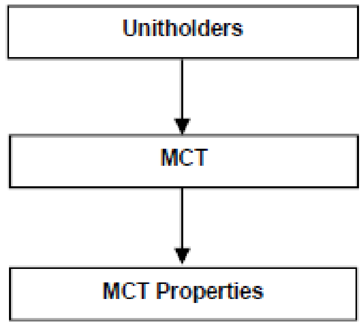
Unitholders are cautioned not to place undue reliance on these forward-looking statements, which are based on the MCT Manager and/or the MNACT Manager current view on future events.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the MCT Manager and the MNACT 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 Joint Announcement. The directors of the MCT Manager do not accept any responsibility for any information relating to MNACT and/or the MNACT Manager or any opinion expressed by MNACT and/or the MNACT Manager. The directors of the MNACT Manager do not accept any responsibility for any information relating to MCT and/or the MCT Manager or any opinion expressed by MCT and/or the MCT Manager.

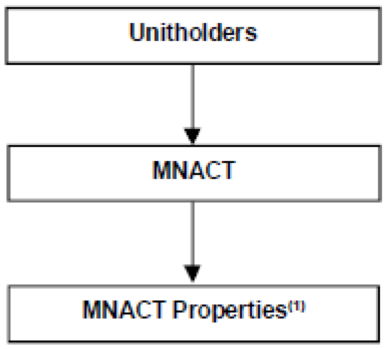
Schedule 1
Current and Resultant Structures

Structure as at the Joint Announcement Date

Current Structure of MCT



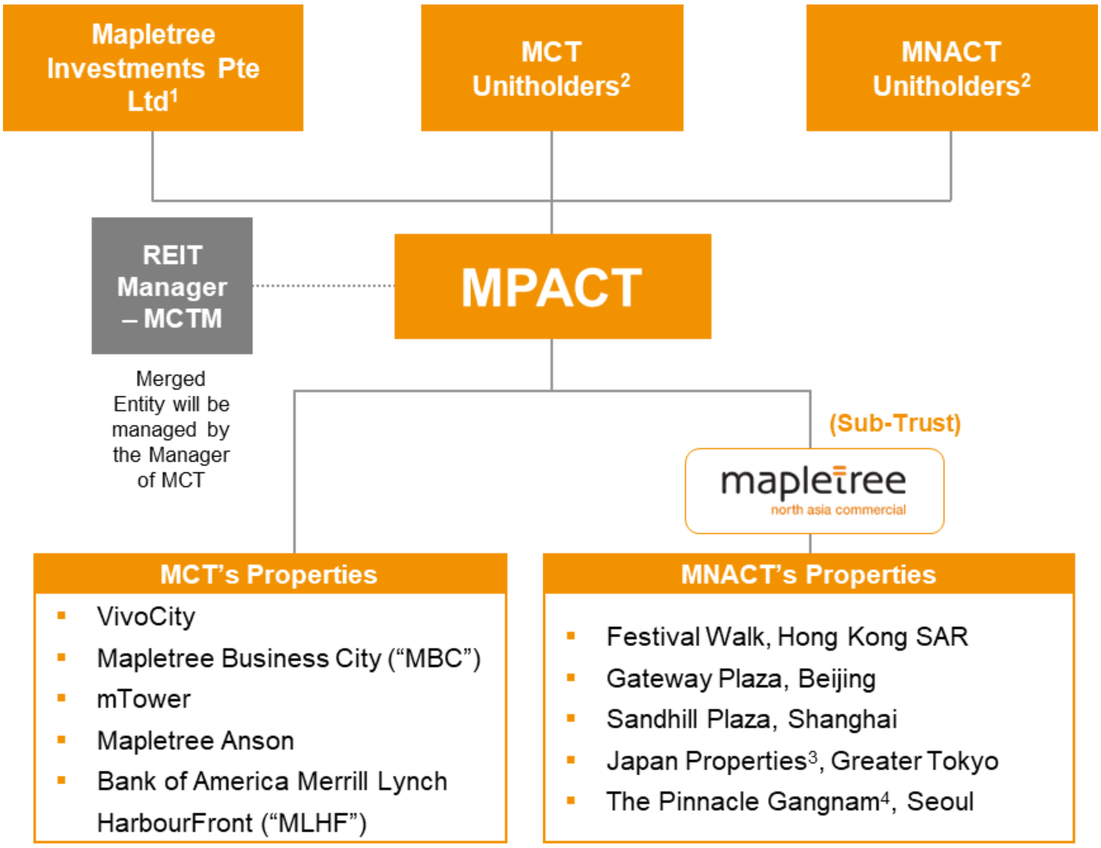
Current Structure of MNACT



Note:

(1) This includes MNACT's 50.0% effective interest in TPG located in South Korea.

Post-Merger Structure of Enlarged REIT



Notes:

(1) Before Merger, as of 24 December 2021, Mapletree Investments Pte Ltd ("MIPL" or the "Sponsor") held 32.6% interest (including indirect interest) in MCT, and 38.1% interest in MNACT (including indirect interest).

(2) Before Merger, as of 24 December 2021, unitholders except for MIPL held 67.4% interest in MCT, and 61.9% interest in MNACT.

(3) MNACT's Japan properties comprise IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building, TS Ikebukuro Building, Omori Prime Building, Hewlett-Packard Japan Headquarters Building, ABAS Shin-Yokohama Building, SII Makuhari Building, Fujitsu Makuhari Building, and mBAY POINT Makuhari (collectively the "**Japan Properties**").

(4) MNACT's effective interest in TPG is 50.0%.

Schedule 2
Conditions

1. Unitholders' Approvals

The following approvals set out in Column (1) from the MCT Unitholders and the MNACT Unitholders (as the case may be) having been obtained, based on the approval threshold set out in Column (2), and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

No.	Column (1) – Approval	Column (2) – Approval Threshold
	MCT Unitholders	
(i)	Subject to the resolutions in **paragraph 1(ii) and paragraph 1(iii)** having been approved, the approval by the MCT Unitholders for the MCT Acquisition at the MCT EGM.	More than 50% of the MCT Unitholders present and voting either in person or by proxy cast for and against this resolution.
(ii)	Subject to the resolutions in **paragraph 1(i)** and **paragraph 1(iii)** of this **Schedule 2** having been approved, the approval by the MCT Unitholders for the issuance of the Consideration Units as part or all of the consideration for the Merger, at the MCT EGM.	More than 50% of the MCT Unitholders present and voting either in person or by proxy cast for and against this resolution.
(iii)	Subject to the resolutions in **paragraph 1(i)** and **paragraph 1(ii)** of this **Schedule 2** having been approved, the approval by the MCT Unitholders to amend the MCT Trust Deed to reflect the MCT Trust Deed Amendments at the MCT EGM.	Not less than 75% of the total number of votes held by the MCT Unitholders present and voting either in person or by proxy cast for and against this resolution.
	MNACT Unitholders	
(iv)	The approval by the MNACT Unitholders to amend the MNACT Trust Deed to reflect the MNACT Trust Deed Amendments at the MNACT EGM.	Not less than 75% of the total number of votes held by the MNACT Unitholders present and voting either in person or by proxy cast for and against this resolution.
(v)	Subject to the resolution in **paragraph 1(iv)** of this **Schedule 2** being approved, the approval by the MNACT Unitholders for the Trust Scheme at the Trust Scheme Meeting.	A majority in number of the MNACT Unitholders representing at least 75% in value of the MNACT Units held by the MNACT Unitholders present and voting either in person or by proxy cast for and against this resolution.

2. Regulatory Approvals

The following regulatory approvals having been obtained, and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

(a) confirmations or exemptions from the MAS, that:

(i)

(1) the Merger will not require two independent valuations of the real estate assets of MNACT, with one of the valuers commissioned independently by the MCT Trustee; and

(2) the consideration to be paid by the MCT Trustee to the MNACT Unitholders need not be at a price not more than the higher of the assessed values of the real estate assets of MNACT undertaken by each of the two independent valuers;

(ii) in the event the Merger is implemented, the MAS would have no objection to the withdrawal of the authorisation of MNACT as an authorised collective investment scheme, and MNACT as a private sub-trust would no longer be subject to the requirements governing collective investment schemes;

(iii) in the event the authorisation of MNACT as an authorised collective investment scheme is withdrawn pursuant to Section 337 of the SFA, the MAS would have no objections to granting MNACT an exemption from Section 295(2) of the SFA; and

(iv) the MAS would grant an exemption from compliance with the requirements set out in Subdivision (3) of Division 2 (Collective Investment Schemes) of Part XIII (Offers of Investments) of the SFA, which relates to prospectus requirements, for the purposes of the Trust Scheme;

(b) confirmations from the SIC, that:

(i) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Trust Scheme, subject to any conditions that the SIC may deem fit to impose; and

(ii) the SIC has no objections to the Conditions;

(c) the grant of the Trust Scheme Court Order by the Court;

(d) the approval-in-principle from the SGX-ST for:

(i) the MCT Circular;

(ii) the Scheme Document;

(iii) the proposed delisting of MNACT from the SGX-ST after the Trust Scheme becomes effective and binding in accordance with its terms; and

(iv) the listing and quotation of the Consideration Units.

3. Tax Approvals

(i) Confirmation from the Inland Revenue Authority of Singapore (Comptroller of Stamp Duties) that stamp duty is not chargeable on the transfer of the MNACT Units to MCT and the issuance of the Consideration Units by MCT.

(ii) Confirmation from the Singapore Ministry of Finance that the existing tax rulings granted to the MNACT Group on the foreign-sourced income receivable from its investments in China, Hong Kong SAR and South Korea will continue to apply after the implementation of the Merger and Trust Scheme.

4. No Legal or Regulatory Restraint

Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no decree, determination, injunction, judgment or other order (in each case, whether temporary, preliminary or permanent) issued by any court of competent jurisdiction or by any Governmental Authority which has the effect of enjoining, restraining or otherwise prohibiting the Merger, the Trust Scheme or any part thereof, and which remains in force and effect as at the Relevant Date.

Where "**Governmental Authority**" means any supranational, national, federal, state, municipal or local court, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity, or other governmental, semi-governmental or quasi-governmental entity or authority, or any securities exchange, wherever located.

5. No Prescribed Occurrence

(a) Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no MCT Prescribed Occurrence in relation to the MCT Group, other than as required or contemplated by the Implementation Agreement, the Merger, the MCT Acquisition or the Trust Scheme or save to the extent disclosed.

(b) Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no MNACT Prescribed Occurrence in relation to the MNACT Group, other than as required or contemplated by the Implementation Agreement, the Merger, the MCT Acquisition or the Trust Scheme or save to the extent disclosed.

6. No Breach of Warranties

(a) With respect to MCT, there having been no breach of the MCT Warranties which are material in the context of the Merger as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date).

(b) With respect to MNACT, there having been no breach of the MNACT Warranties which are material in the context of the Merger as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date).

7. No Material Adverse Effect

(a) There having been no occurrence of any MCT Material Adverse Effect from the date of the Implementation Agreement up to the Relevant Date (both inclusive).

Where "**MCT Material Adverse Effect**" means any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the value of all the assets of the MCT Group by more than S$445.2 million, being 5% of all the assets of the MCT Group as at 30 September 2021. For the avoidance of doubt, none of the distributions which have been paid to the MCT Unitholders prior to the date of the Implementation Agreement or the MCT Permitted Distributions shall be taken into account in determining if there has been a MCT Material Adverse Effect;

(b) There having been no occurrence of any MNACT Material Adverse Effect from the date of the Implementation Agreement up to the Relevant Date (both inclusive).

Where "**MNACT Material Adverse Effect**" means any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the value of all the assets of the MNACT Group by more than S$423.1 million, being 5% of all the assets of the MNACT Group as at 30 September 2021 (adjusted to take into account the updated valuation of all the assets of the MNACT Group as at 31 October 2021). For the avoidance of doubt, none of the distributions which have been paid to the MNACT Unitholders prior to the date of the Implementation Agreement or the MNACT Permitted Distributions shall be taken into account in determining if there has been a MNACT Material Adverse Effect.

8. Authorisations and Consents

In addition to the approvals set out in **paragraphs 2** and **3** of this **Schedule 2**, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by any and all Parties under any and all applicable laws, from all Governmental Authorities (as defined in **paragraph 4** of this **Schedule 2**), for or in respect of the implementation of the Trust Scheme and the transactions contemplated under the Implementation Agreement.

9. Third Parties

The receipt of all authorisations, consents, waivers, clearances, permissions and approvals as are necessary or required by MNACT from the Third Parties, for or in respect of the implementation of the Trust Scheme and/or the Merger.

Where, for the purpose of this **paragraph 9** of **Schedule 2**:

"**MNACT Group**" means MNACT and its subsidiaries, and any trusts and limited liability partnerships in which MNACT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), each entity in the MNACT Group shall be referred to as a "**MNACT

Group Entity", and "**MNACT Group**" and "**MNACT Group Entity**" shall be construed accordingly; and

"**Third Parties**" means certain financial institutions which have extended banking or credit facilities to any MNACT Group Entity or have entered into derivative arrangements with any MNACT Group Entity or otherwise have financial arrangements with any MNACT Group Entity.

Schedule 3
Prescribed Occurrences

Part 1 Prescribed Occurrences with respect to MCT

1. Amendment of Trust Deeds

The MCT Manager making any amendment to the MCT Trust Deed without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed), save for the MCT Trust Deed Amendments or amendments necessary or required to facilitate the implementation of, or to give effect to, the Merger, or the MCT Acquisition and the transactions contemplated by the Implementation Agreement.

2. Conversion of MCT Units

The MCT Trustee sub-dividing or consolidating any or all of the MCT Units into a larger or smaller number of MCT Units without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed).

3. Issuance of Units or Shares

The MCT Trustee (or any MCT Group Entity) allotting or issuing, or granting an option to subscribe for, any MCT Units, shares, units or equity securities of any MCT Group Entity (including pursuant to the MCT Distribution Reinvestment Plan), or securities convertible into MCT Units or into such shares, units or equity securities, save for any issuance of MCT Units to the MCT Manager as payment of fees (including base management fees, performance management fees and, if any, acquisition or divestment fees), as consistent with its usual policy of electing to receive MCT Units in line with past practice.

4. Securities Buy-back

The MCT Trustee (or any MCT Group Entity):

(a) entering into a securities buy-back or repurchase agreement;

(b) resolving to approve the terms of a securities buy-back or repurchase agreement under the relevant securities legislation or the MCT Trust Deed (save for any unit buy-back mandate that may be approved at the annual general meeting of MCT); or

(c) buying-back or repurchasing any issued MCT Units,

without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed).

5. Distributions

Save for the MCT Permitted Distributions, the MCT Manager declaring, making or paying any distribution to the MCT Unitholders without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed), for avoidance of doubt, no distribution (including the MCT Permitted Distributions) may be made pursuant to the MCT Distribution Reinvestment

Plan and no new MCT Units may be issued to the MCT Unitholders in lieu of the cash amount of any distribution which is declared on the MCT Units held by them.

6. Borrowings, Indebtedness

The MCT Trustee (or any MCT Group Entity) incurring any additional borrowings or indebtedness, including by way of the issuance of bonds, notes or other debt securities (whether or not convertible or exchangeable into units and whether or not accounted as equity), save for:

(a) any securities issued pursuant to the MCT Programmes or any securities issued for the purposes of refinancing or funding the redemption of any securities issued pursuant to the MCT Programmes;

(b) the refinancing of any debt obligations prior to their due date;

(c) any borrowing or indebtedness incurred to finance the Scheme Consideration, or to fund any capital expenditure permitted in **paragraph 9** of this **Schedule 3, Part 1** or any acquisition permitted in **paragraph 10** of this **Schedule 3, Part 1**;

(d) any borrowing or indebtedness incurred from time to time in relation to working capital requirements not exceeding S$50.0 million; and

(e) any borrowing or indebtedness incurred from time to time under the MCT Revolving Credit Facilities not exceeding the total amount outstanding under all the existing MCT Revolving Credit Facilities as at the date of this Agreement.

7. Guarantees, Indemnities

The MCT Trustee (or any MCT Group Entity) shall not:

(a) enter into any guarantee, indemnity or other arrangement to secure any obligation of any Person (other than a MCT Group Entity); or

(b) create any Encumbrance over any of MCT (or any MCT Group Entity)'s assets or undertakings,

in each case without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed), save in the ordinary course of business or in respect of any borrowings or indebtedness permitted in **paragraph 6** of this **Schedule 3, Part 1**.

8. Hedging

The MCT Trustee (or any MCT Group Entity) entering into any material hedging and other derivative or off-balance sheet transactions without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed), save with respect to any cash-flow hedging for an underlying exposure which is permitted in **paragraph 6** of this **Schedule 3, Part 1**.

9. Capital expenditure

The MCT Trustee (or any MCT Group Entity) making or incurring any capital expenditure without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed), save for:

(a) any MCT Approved Capex; and

(b) any capital expenditure incurred in the ordinary course of business, including but not limited to reconfiguration of units, building rectifications and fitting renewals, equipment repairs and replacements but excluding any fitout contributions granted to tenants.

10. Acquisitions and Disposals

The MCT Trustee (or any MCT Group Entity):

(a) entering into, undertaking or completing any acquisition of any real property, assets or securities in any entity, partnership or trust;

(b) entering into, undertaking or completing any sale, conveyance, transfer, assumption or disposal of any real property, assets or securities in any entity, partnership or trust; or

(c) creating any Encumbrance over or granting any rights or easements over any MCT Property,

without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed).

11. Real Property

In relation to the MCT Properties, the MCT Trustee (or any MCT Group Entity):

(a) applying for any planning permission or sub-division of any MCT Property, or implementing any planning permission or sub-division of any MCT Property already obtained but not implemented, in each case which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the MCT Group, taken as a whole (save in respect of any MCT Approved Capex);

(b) carrying out any alteration or addition to any MCT Property which has not been approved or budgeted for as at the date of the Implementation Agreement, save for any fitting out works carried out by an Occupier pursuant to an Occupation Agreement or other than in the ordinary course of business;

(c) terminating, or agreeing to any variation of, or entering into any new lease in replacement of the leases entered into with any of the MCT Top Tenants;

(d) effecting any change of use of any MCT Property which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the MCT Group, taken as a whole;

(e) amending, modifying or varying any Title Document in each case, except as will not have a material adverse effect on the business, operations, assets or financial condition of the MCT Group, taken as a whole; or

(f) releasing the lessor, grantor or issuer under any Title Document(s) from any of its obligations, failing to exercise any rights or powers of termination under any Title Document(s) or waiving any breaches of any Title Document(s), in each case, in any material respect,

without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed). Further, in the event that MCT gives notice in writing to MNACT on the matters under sub-paragraph (c) above in order to seek consent from MNACT on the matters thereto and MNACT does not inform MCT whether it consents to the foregoing (or fails to respond within five Business Days of the date of the notice), MNACT shall be deemed to have consented to the matters which MCT had sought consent for.

12. Investigations

If MCT (or any MCT Group Entity), the MCT Trustee or the MCT Manager or any of their respective directors is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation or Proceeding.

13. Proceedings

The MCT Trustee or the MCT Manager (or any MCT Group Entity) initiating, compromising, settling or making any offer to compromise, settle or pay any claim, legal action or Proceeding in excess of S$2.0 million (or its equivalent in other currencies) individually or in the aggregate with any and all other claims, legal actions or Proceedings, save in the ordinary course of business.

14. Cessation of Business

MCT (or any MCT Group Entity) ceases or threatens to cease for any reason to carry on business in the ordinary and usual course.

15. Amend Accounting Policies

MCT (or any MCT Group Entity) making any change to its accounting practices or policies (save for changes in accordance with SFRS (I)).

16. Resolution for Winding Up

Any resolution that MCT (or any MCT Group Entity) be Wound-up, save with respect to any MCT Group Entity that is dormant.

17. Appointment of Liquidator and Judicial Manager

The appointment of a liquidator, provisional liquidator, judicial manager or provisional judicial manager of MCT (or any MCT Group Entity).

18. Order of Court for Winding-Up

The making of an order by a court of competent jurisdiction for MCT (or any MCT Group Entity) to be Wound-up.

19. Composition

Entering into any arrangement or general assignment or composition for the benefit of the creditors generally of MCT (or any MCT Group Entity).

20. Appointment of Receiver

The appointment of a receiver or a receiver and manager in relation to the property or assets of MCT (or any MCT Group Entity).

21. Insolvency

MCT (or any MCT Group Entity) becoming or being deemed by applicable laws to be insolvent, or stops or suspends or defaults on or threatens to stop or suspend or default on, payment of its debts.

22. Analogous Event

Any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events, or any agreement or commitment by any MCT Group Entity to do any of the foregoing.

Part 2 Prescribed Occurrences with respect to MNACT

1. Amendment of Trust Deeds

The MNACT Manager making any amendment to the MNACT Trust Deed without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed), save for the MNACT Trust Deed Amendments or amendments necessary or required to facilitate the implementation of, or to give effect to, the Merger or the Trust Scheme and the transactions contemplated by the Implementation Agreement.

2. Conversion of MNACT Units

The MNACT Trustee sub-dividing or consolidating any or all of the MNACT Units into a larger or smaller number of MNACT Units without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed).

3. Issuance of Units or Shares

The MNACT Trustee (or any MNACT Group Entity) allotting or issuing, or granting an option to subscribe for, any MNACT Units, shares, units or equity securities of any MNACT Group Entity (including pursuant to the MNACT Distribution Reinvestment Plan), or securities convertible into MNACT Units or into such shares, units or equity securities, save for any issuance of MNACT Units to the MNACT Manager as payment of fees (including base management fees, performance management fees and, if any, acquisition or divestment fees), as consistent with its usual policy of electing to receive MNACT Units in line with past practice.

4. Securities Buy-back

The MNACT Trustee (or any MNACT Group Entity):

(a) entering into a securities buy-back or repurchase agreement;

(b) resolving to approve the terms of a securities buy-back or repurchase agreement under the relevant securities legislation or the MNACT Trust Deed (save for any unit buy-back mandate that may be approved at the annual general meeting of MNACT); or

(c) buying-back or repurchasing any issued MNACT Units,

without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed).

5. Distributions

Save for the MNACT Permitted Distributions, the MNACT Manager declaring, making or paying any distribution to the MNACT Unitholders without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed), and for avoidance of doubt, no distribution (including the MNACT Permitted Distributions) may be made pursuant to the MNACT Distribution Reinvestment Plan and no new MNACT Units may be issued to the MNACT Unitholders in lieu of the cash amount of any distribution which is declared on the MANCT Units held by them.

6. Borrowings, Indebtedness

The MNACT Trustee (or any MNACT Group Entity) incurring any additional borrowings or indebtedness, including by way of the issuance of bonds, notes or other debt securities (whether or not convertible or exchangeable into units and whether or not accounted as equity) without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed), save for:

(a) any securities issued pursuant to the MNACT Programme or any securities issued for the purposes of refinancing or funding the redemption of any securities issued pursuant to the MNACT Programme;

(b) the refinancing of any debt obligations prior to their due date;

(c) any borrowing or indebtedness incurred to fund any capital expenditure permitted in **paragraph 9** of this **Schedule 3, Part 2** or any acquisition permitted in **paragraph 10** of this **Schedule 3, Part 2**; and

(d) any borrowing or indebtedness incurred from time to time in relation to working capital requirements not exceeding S$50.0 million; and

(e) any borrowing or indebtedness incurred from time to time under the MNACT Revolving Credit Facilities not exceeding the total amount outstanding under all the existing MNACT Revolving Credit Facilities as at the date of this Agreement.

7. Guarantees, Indemnities

The MNACT Trustee (or any MNACT Group Entity) shall not:

(a) enter into any guarantee, indemnity or other arrangement to secure any obligation of any Person (other than a MNACT Group Entity); or

(b) create any Encumbrance over any of MNACT (or any MNACT Group Entity)'s assets or undertakings,

in each case without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed), save in the ordinary course of business or in respect of any borrowings or indebtedness permitted in **paragraph 6** of this **Schedule 3, Part 2**.

8. Hedging

The MNACT Trustee (or any MNACT Group Entity) entering into any material hedging and other derivative or off-balance sheet transactions without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed), save with respect to any cash-flow hedging for an underlying exposure which is permitted in **paragraph 6** of this **Schedule 3, Part 2**.

9. Capital expenditure

The MNACT Trustee (or any MNACT Group Entity) making or incurring any capital expenditure without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed), save for:

(a) any MNACT Approved Capex; and

(b) any capital expenditure incurred in the ordinary course of business, including but not limited to reconfiguration of units, building rectifications and fitting renewals, equipment repairs and replacements but excluding any fitout contributions granted to tenants.

10. Acquisitions and Disposals

The MNACT Trustee (or any MNACT Group Entity):

(a) entering into, undertaking or completing any acquisition of any real property, assets or securities in any entity, partnership or trust;

(b) entering into, undertaking or completing any sale, conveyance, transfer, assumption or disposal of any real property, assets or securities in any entity, partnership or trust; or

(c) creating any Encumbrance over or granting any rights or easements over any MNACT Property,

without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed).

11. Real Property

In relation to the MNACT Properties, the MNACT Trustee (or any MNACT Group Entity):

(a) applying for any planning permission or sub-division of any MNACT Property, or implementing any planning permission or sub-division of any MNACT Property already obtained but not implemented, in each case which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the MNACT Group, taken as a whole (save in respect of any MNACT Approved Capex);

(b) carrying out any alteration or addition to any MNACT Property which has not been approved or budgeted for as at the date of the Implementation Agreement, save for any fitting out works carried out by an Occupier pursuant to an Occupation Agreement or other than in the ordinary course of business;

(c) terminating, or agreeing to any variation of, or entering into any new leases in replacement of the leases entered into with any of the MNACT Top Tenants;

(d) effecting any change of use of any MNACT Property which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the MNACT Group, taken as a whole;

(e) amending, modifying or varying any Title Document in each case, except as will not have a material adverse effect on the business, operations, assets or financial condition of the MNACT Group, taken as a whole; or

(f) releasing the lessor, grantor or issuer under any Title Document(s) from any of its obligations, failing to exercise any rights or powers of termination under any Title

Document(s) or waiving any breaches of any Title Document(s), in each case, in any material respect,

without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed). Further, in the event that MNACT gives notice in writing to MCT on the matters under sub-paragraph (c) above in order to seek consent from MCT on the matters thereto and MCT does not inform MNACT whether it consents to the foregoing (or fails to respond within five Business Days of the date of the notice), MCT shall be deemed to have consented to the matters which MNACT had sought consent for.

12. Investigations

If MNACT (or any MNACT Group Entity), the MNACT Trustee or the MNACT Manager or any of their respective directors is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation or Proceeding.

13. Proceedings

The MNACT Trustee or the MNACT Manager (or any MNACT Group Entity) initiating, compromising, settling or making any offer to compromise, settle or pay any claim, legal action or Proceeding in excess of S$2.0 million (or its equivalent in other currencies) individually or in the aggregate with any and all other claims, legal actions or Proceedings, save in the ordinary course of business.

14. Cessation of Business

MNACT (or any MNACT Group Entity) ceases or threatens to cease for any reason to carry on business in the ordinary and usual course.

15. Amend Accounting Policies

MNACT (or any MNACT Group Entity) making any change to its accounting practices or policies (save for changes in accordance with SFRS (I)).

16. Resolution for Winding Up

Any resolution that MNACT (or any MNACT Group Entity) be Wound-up, save with respect to any MNACT Group Entity that is dormant.

17. Appointment of Liquidator and Judicial Manager

The appointment of a liquidator, provisional liquidator, judicial manager or provisional judicial manager of MNACT (or any MNACT Group Entity).

18. Order of Court for Winding-Up

The making of an order by a court of competent jurisdiction for MNACT (or any MNACT Group Entity) to be Wound-up.

19. Composition

Entering into any arrangement or general assignment or composition for the benefit of the creditors generally of MNACT (or any MNACT Group Entity).

20. Appointment of Receiver

The appointment of a receiver or a receiver and manager in relation to the property or assets of MNACT (or any MNACT Group Entity).

21. Insolvency

MNACT (or any MNACT Group Entity) becoming or being deemed by applicable laws to be insolvent, or stops or suspends or defaults on or threatens to stop or suspend or default on, payment of its debts.

22. Analogous Event

Any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events, or any agreement or commitment by any MNACT Group Entity to do any of the foregoing.

Part 3 Definitions

In this **Schedule 3**, unless the context otherwise requires:

"**Encumbrances**" means, with respect to any asset or real property:

(a) any charge, claim, hypothecation, lien, mortgage, power of sale, retention of title, or security interest of any kind over and in respect of such asset or real property; and

(b) any right of pre-emption, first offer, first refusal, tag-along or drag-along of any kind to which any such asset or real property is subject or any right or option for the sale or purchase of any such asset or real property,

and any other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing;

"**SFRS (I)**" means the Singapore Financial Reporting Standards (International);

"**MCT Approved Capex**" means:

(a) any capital expenditure; or

(b) any alteration or addition to any MCT Property,

which has been approved and budgeted for as at the date of the Implementation Agreement, or to be approved and budgeted for in respect of FY22/23 with the amount reasonably consistent with the previous financial years;

"**MCT Distribution Reinvestment Plan**" means the distribution reinvestment plan of MCT under which MCT Unitholders may elect to receive fully paid MCT Units in lieu of the cash amount of any distribution which is declared on the MCT Units held by them (after the deduction of applicable income tax, if any), subject to such terms and conditions set out in the distribution reinvestment plan statement as may be amended from time to time;

"**MCT Properties**" means the properties listed in the announcement titled "Valuation of Properties under Mapletree Commercial Trust Group" released by the MCT Group on SGXNET on 27 October 2021, and "**MCT Property**" means any one of them;

"**MCT Revolving Credit Facilities**" means the existing revolving credit facilities entered into by the MCT Group as at the date of the Implementation Agreement, namely the revolving credit facilities under the:

(a) S$70,000,000 Facility Agreement entered into between the MCT Trustee and Credit Industriel et Commercial, Singapore Branch dated 23 April 2021;

(b) S$670,000,000 Facility Agreement entered into between the MCT Trustee and Bank of China Limited, Singapore Branch, Citibank N.A., Singapore Branch, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and Sumitomo Mitsui Banking Corporation, Singapore Branch dated 21 October 2019;

(c) S$50,000,000 Facility Agreement entered into between the MCT Trustee and Oversea-Chinese Banking Corporation Limited dated 21 June 2018;

(d) S$100,000,000 Facility Agreement entered into between the MCT Trustee and United Overseas Bank Limited dated 21 June 2018; and

(e) S$200,000,000 Facility Agreement entered into between the MCT Trustee and Mizuho Bank Ltd dated 21 January 2014 and amended by the amendment letters dated 9 December 2014, 6 December 2016 and 26 March 2018

and "**MCT Revolving Credit Facility**" means any one of the MCT Revolving Credit Facilities;

"**MCT Top Tenants**" means the top ten tenants of the portfolio of MCT Properties based on the aggregate gross rental income across the portfolio;

"**MNACT Approved Capex**" means:

(a) any capital expenditure; or

(b) any alteration or addition to any MNACT Property,

which has been approved and budgeted for as at the date of the Implementation Agreement or to be approved and budgeted for in respect of FY22/23 with the amount reasonably consistent with previous financial years;

"**MNACT Distribution Reinvestment Plan**" means the distribution reinvestment plan of MNACT under which MNACT Unitholders may elect to receive fully paid MNACT Units in lieu of the cash amount of any distribution which is declared on the MNACT Units held by them (after the deduction of applicable income tax, if any), subject to such terms and conditions set out in the distribution reinvestment plan statement as may be amended from time to time;

"**MNACT Properties**" means the properties listed in the announcement titled "Valuation of Properties in Mapletree North Asia Commercial Trust" released by the MNACT Group on SGXNET on 31 December 2021, and "**MNACT Property**" means any one of them;

"**MNACT Revolving Credit Facilities**" means the existing revolving credit facilities entered into by the MNACT Group as at the date of this Agreement, namely the revolving credit facilities under the:

(a) HKS$500,000,000 Facility Agreement entered into between Mapletree North Asia Commercial Treasury Company (HKSAR) Limited (the "**Hong Kong Treasury Company**") and BNP Paribas dated 25 August 2020;

(b) HKS$500,000,000 Facility Agreement entered into between the Hong Kong Treasury Company and Credit Industrial et Commercial, Hong Kong Branch dated 31 May 2017;

(c) S$100,000,000 Facility Agreement entered into between Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd. (the "**Singapore Treasury Company**") and DBS Bank Ltd. dated 17 February 2020;

(d) S$200,000,000 Facility Agreement entered into between the Hong Kong Treasury Company, the Singapore Treasury Company and DBS Bank Ltd. dated 26 June 2020;

(e) S$105,000,000 Facility Agreement entered into between the Hong Kong Treasury Company, the Singapore Treasury Company and DBS Bank Ltd. dated 7 November 2017; and

(f) HKS$300,000,000 Multicurrency Facility Agreement entered into between the Hong Kong Treasury Company, the Singapore Treasury Company and the Hongkong and Shanghai Banking Corporation Limited, Singapore Branch dated 30 June 2021;

and "**MNACT Revolving Credit Facility**" means any one of the MNACT Revolving Credit Facilities;

"**MNACT Top Tenants**" means the top ten tenants of the portfolio of MNACT Properties based on aggregate gross income across the portfolio;

"**Occupation Agreements**" means all accepted letters of offer, leases, tenancies, letting arrangements, options for renewals, occupation agreements and licences and any other agreements or options of whatever kind (including any side letters or variations relating thereto, if any) in relation to the use, occupation or possession of the MCT Properties or any part(s) thereof or the MNACT Properties or any part(s) thereof, as the case may be, and "**Occupation Agreement**" means any one of them;

"**Occupiers**" means the tenants or licensees under the Occupation Agreements, and "**Occupier**" means any one of them;

"**Person**" means any individual, company, corporation, general partnership, limited partnership, trust or other entity, organisation or unincorporated association, wherever constituted or located and whether or not having separate legal personality, including any Governmental Authority;

"**Proceeding**" means any action, claim, demand, appeal, litigation, arbitration or dispute resolution proceeding, or any disciplinary or enforcement proceeding, in any jurisdiction; and

"**Winding-up**" means, in relation to any Person, the bankruptcy, winding-up, liquidation, dissolution or striking-off of that Person or such other analogous process under applicable Laws as will result in that Person ceasing to exist (other than pursuant to a merger, amalgamation or similar process), and "**Wind-up**" and "**Wound-up**" shall be construed accordingly.

Schedule 4
Indicative Timeline

All dates and times referred to below are to Singapore dates and times. The timeline below is indicative only and subject to change. Please refer to future SGXNET announcement(s) by the MCT Manager and/or the MNACT Manager for the exact dates of these events.

Event	:	Date
Joint Announcement of Trust Scheme	:	31 December 2021
Expected date of first Court hearing of the application to convene the Trust Scheme Meeting(1)	:	By end-March 2022
Expected date of the MCT EGM Expected date of the MNACT EGM and the Trust Scheme Meeting	:	By mid-April 2022
Expected date of second Court hearing for court approval of the Trust Scheme(1)	:	By early-May 2022
Expected Effective Date of Trust Scheme	:	By end-May 2022
Expected date of payment of Scheme Consideration to MNACT Unitholders	:	By early-June 2022
Expected commencement date of trading of Consideration Units	:	By early-June 2022
Expected delisting of MNACT	:	By mid-June 2022

Note:

(1) The dates of the Court hearings will depend on the dates that are allocated by the Court.

Schedule 5
Interests of MCT Relevant Parties and MNACT Directors

Part 1 – MCT Relevant Parties' Unitholdings in MNACT Relevant Securities

Name	Direct		Deemed	
	No. of MNACT Units	%	No. of MNACT Units	%
MIPL	-	-	1,345,663,544(1)	38.142
Suffolk Assets Pte. Ltd.	275,246,124	7.801	-	-
Kent Assets Pte. Ltd.	778,884,967	22.077	-	-
Mapletree North Asia Property Management Limited	95,786,228	2.715	-	-
MNACT Manager	195,746,225	5.548	-	-
Tsang Yam Pui (Director of MIPL and MCT Manager)	-	-	540,000	0.015
Kwa Kim Li (Director of MCT Manager)	120,000	0.003	44,440	0.001
Hiew Yoon Khong (Director of MIPL and MCT Manager)	830,000	0.023	6,582,495	0.186
Wendy Koh (Director of MCT Manager)	-	-	416,000	0.011
Amy Ng (Director of MCT Manager)	419,228	0.011	-	-
Sharon Lim (Director of MCT Manager)	-	-	70,000	0.002
Edmund Cheng (Director of MIPL)	-	-	6,257,967	0.177
Lee Chong Kwee (Director of MIPL)	400,000	0.0113	-	-
Paul Ma Kah Woh (Director of MIPL)	1,232,527	0.034	100,000	0.002
Wong Meng Meng (Director of MIPL)	500,000	0.014	-	-
Lim Hng Kiang (Director of MIPL)	73,000	0.002	-	-
Cheah Kim Teck (Director of MIPL)	540,000	0.015	200,000	0.005
Lena Paw (Director of MIPL Entities)	4,000	0.0001	610,000	0.017
Moses Lee (Director of MIPL Entities)	50,000	0.001	-	-
Chua Tiow Chye (Director of MIPL Entities)	-	-	2,763,687	0.078
DBS	24,739,113	-	-	-

Note:

(1) MIPL is deemed to have an interest in the unitholdings of its wholly-owned subsidiaries, Kent Assets Pte. Ltd., Suffolk Assets Pte. Ltd., Mapletree North Asia Property Management Limited and the MNACT Manager.

Part 2 – MCT Relevant Parties' Dealings in MNACT Relevant Securities in the Relevant Period

Name	Date	No. of MNACT Units Bought	No. of MNACT Units Sold	Transaction Price per MNACT Unit (S$)	%
Edmund Cheng (Director of MIPL)	24 December 2021	67,287[(1)]	-	0.9630	0.00001
Mapletree North Asia Property Management Limited	19 November 2021	5,632,165[(2)]	-	0.9716	0.018
MNACT Manager	19 November 2021	9,627,017[(3)]	-	0.9716	0.037

Notes:

(1) Issuance of MNACT Relevant Securities pursuant to the MNACT Distribution Reinvestment Plan.
(2) Issuance of MNACT Relevant Securities as payment of management fees.
(3) Issuance of MNACT Relevant Securities as payment of management fees.

Part 3 – MCT Relevant Parties' Unitholdings in MCT Relevant Securities

Name	Direct		Deemed	
	No. of MCT Units	%	No. of MCT Units	%
MIPL	-	-	1,082,793,377[(1)]	32.591
The HarbourFront Pte Ltd	137,699,999	4.144	795,085,306	23.931
HarbourFront Place Pte. Ltd.	442,846,329	13.329	-	-
HarbourFront Eight Pte Ltd	352,238,977	10.602	-	-
Sienna Pte. Ltd.	47,201,893	1.420	-	-
MCT Manager	102,806,179	3.094	-	-
Tsang Yam Pui (Director of MIPL and MCT Manager)	-	-	426,043	0.012
Kwa Kim Li (Director of MCT Manager)	10,000	0.0003	29,600	0.0009
Hiew Yoon Khong (Director of MIPL and MCT Manager)	612,751	0.018	4,476,380	0.134
Wendy Koh (Director of MCT Manager)	-	-	1,128,699	0.034
Amy Ng (Director of MCT Manager)	680,513	0.020	-	-
Sharon Lim (Director of MCT Manager)	-	-	20,200	0.0006
Edmund Cheng (Director of MIPL)	-	-	907,518	0.027
Lee Chong Kwee (Director of MIPL)	420,000	0.012	-	-
Paul Ma Kah Woh (Director of MIPL)	246	0.0000	645,000	0.019
Wong Meng Meng (Director of MIPL)	340,000	0.10	-	-
Lim Hng Kiang (Director of MIPL)	100,000	0.003	-	-
Cheah Kim Teck (Director of MIPL)	435,800	0.013	-	-
Lena Paw (Director of MIPL Entities)	4,000	0.0001	310,000	0.009
Chua Tiow Chye (Director of MIPL Entities)	-	-	1,515,596	0.045
DBS	19,908,918	-	-	-

Note:

(1) MIPL is deemed to have an interest in the unitholdings of its wholly-owned subsidiaries, The HarbourFront Pte Ltd, HarbourFront Place Pte. Ltd., HarbourFront Eight Pte Ltd, Sienna Pte. Ltd. and the MCT Manager.

Part 4 – MCT Relevant Parties' Dealings in MCT Relevant Securities in the Relevant Period

Name	Date	No. of MCT Units Bought	No. of MCT Units Sold	Transaction Price per MCT Unit (S$)	%
MCT Manager	10 November 2021	1,085,779[(1)]	-	2.1156	0.031

Note:

(1) Issuance of MCT Relevant Securities as payment of management fees.

Part 5 – MNACT Directors' Unitholdings in MNACT Units

Name	Direct		Deemed	
	No. of MNACT Units	%	No. of MNACT Units	%
Paul Ma Kah Woh	1,232,527	0.034	100,000	0.002
Lok Vi Ming	-	-	190,000	0.005
Kevin Kwok	775,156	0.021	-	-
Chiang Sui Fook Lilian	-	-	49,000	0.001
Chua Kim Chiu	-	-	-	-
Lawrence Wong Liang Ying	-	-	-	-
Michael Kok Pak Kuan	540,000	0.015	-	-
Pascal Jean-Louis Lambert	-	-	-	-
Tan Su Shan	-	-	-	-
Chua Tiow Chye		-	2,763,687	0.078
Wendy Koh	-	-	416,000	0.011
Cindy Chow Pei Pei	-	-	1,010,868	0.028

APPENDIX A
MARKET OUTLOOK

Source: Colliers International (Hong Kong) Limited ("Colliers")
As of 30 December 2021

1. Singapore

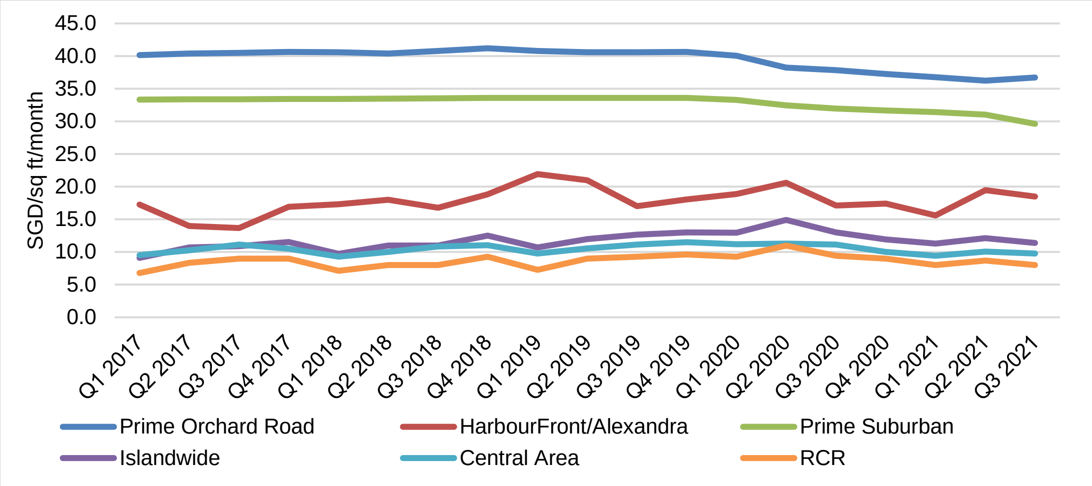
The economy grew by 6.5% YoY in Q3 2021 and is expected to record a 7% growth for the full year. The preliminary growth forecast for 2022 is approximately 3% to 5% as the economy gradually recovers from the impact of COVID-19.

<u>Retail</u>
Key developments in the HarbourFront / Alexandra micro-market include VivoCity, HarbourFront Centre and ARC, which are about a ten-minute drive from the central business district ("CBD"). They provide a range of retail and dining offerings, solidifying the precinct's position with a strong retail presence that caters across demographics. Benefitting from the excellent connectivity, the precinct continues to be popular with retailers and has had new store openings despite the pandemic. As a result, rents have remained stable in this micro-market and increased by 0.8% YoY as at Q3 2021. Suburban malls have been more resilient due to the work from home arrangements as they have greater exposure to retail tenants serving necessity needs. In comparison, the Orchard Road micro-market was hit the hardest from the travel restrictions due to the pandemic and saw the most decline in rents.

Singapore's retail sales are expected to gradually return to its pre-COVID levels in 2023 amid the expected lifting of restrictions, reopening of international borders, resumption of inbound tourism and an improvement in consumer and business confidence. Notwithstanding that new supply will remain muted in the short-term, average rents are expected to stay flat in 2022. Rents are expected to edge up after 2022 as retail sales and footfall improve and occupancy levels return to pre-pandemic levels.

Looking forward, uncertainties are expected to remain due to the evolving nature of COVID-19, and e-commerce will continue to be combined into retailers' online and offline strategies. However, well-positioned malls with a complete range of retail and experiential offerings will continue to stay relevant and benefit from the tourism and retail recovery. The lack of future retail supply in the HarbourFront/Alexandra precinct, as well as the Greater Southern Waterfront ("GSW") development and future developments on Sentosa and Brani Islands, are further expected to benefit existing retail properties in the HarbourFront/Alexandra micro-market.

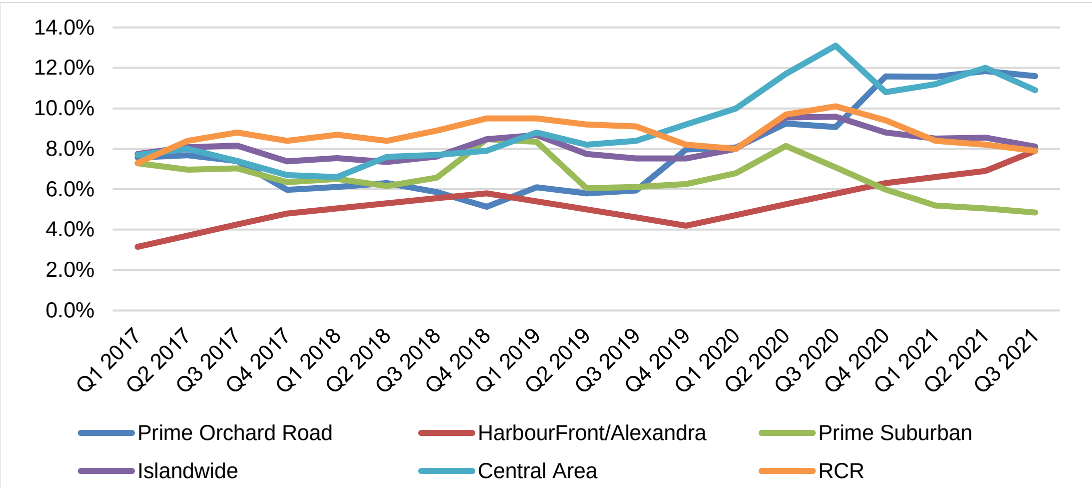
Singapore Retail Rents (2017 – Q3 2021)



Source: Colliers

Note: RCR stands for the Rest of Central Region ("**RCR**").

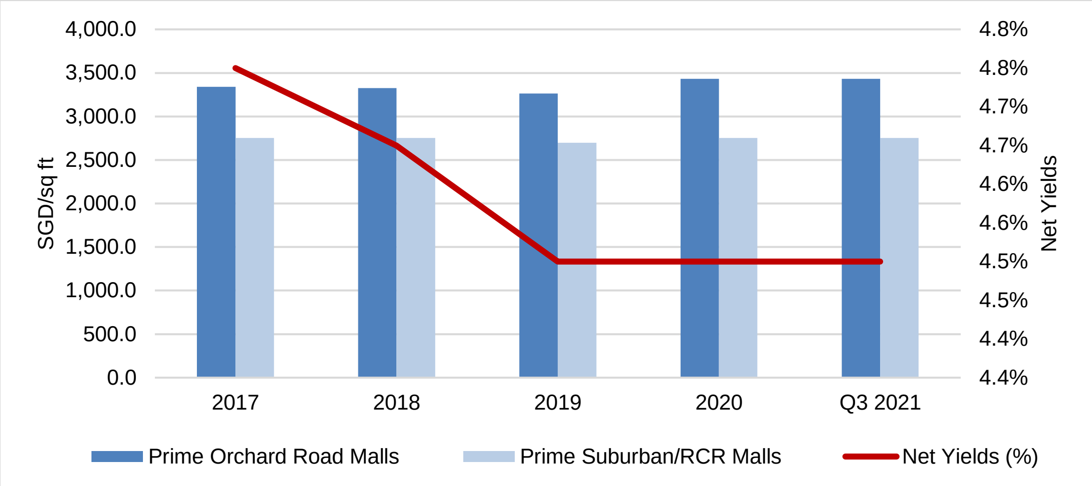
Singapore Retail Vacancies (2017 – Q3 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**")

Capital values and net yields have been flat throughout 2021 and are expected to remain that way in 2022, tracking rental rates and stable yields. Capital values will continue to appreciate amid robust investor appetite for and limited supply of quality retail assets.

Singapore Retail Capital Values & Yields by Area and Grade (2017 – Q3 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**").
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

Office

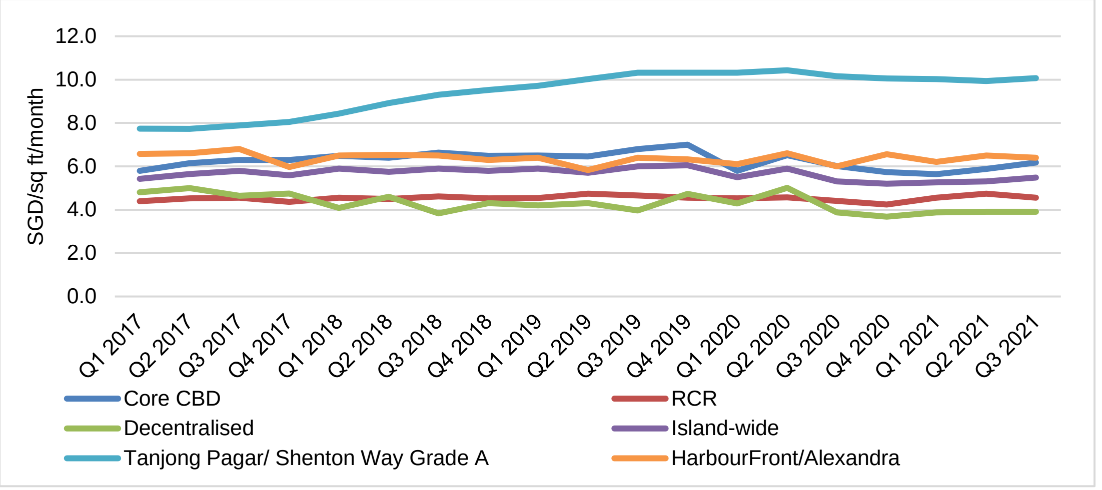
Office rents in the HarbourFront/Alexandra micro-market have been resilient in the face of the pandemic, recording no decline compared to their 2019 levels. This can be attributed to strong tenant profile, long term tenancies and exposure to growth sectors which benefited from the pandemic.

Market dynamics are conducive to recovery in the office property market sector, which is expected to gradually return to its pre-pandemic performance by the end of 2024. New office demand continues to be driven by the technology sector, an overall post-pandemic business recovery and the gradual but widespread return to the office.

There will be limited new office supply levels in the short term, with the upcoming next new supply being relatively low compared to historic levels. Despite the rise of permanent work from home and hybrid work arrangements, the Singapore office sector will remain relevant for occupiers across most industries, particularly growth sectors such as finance, technology and business services where face to face interactions and relationship building will remain key conditions for success. Rental rates are projected to improve over the next five years in all submarkets amid limited new supply and strong economic and business fundamentals in Singapore.

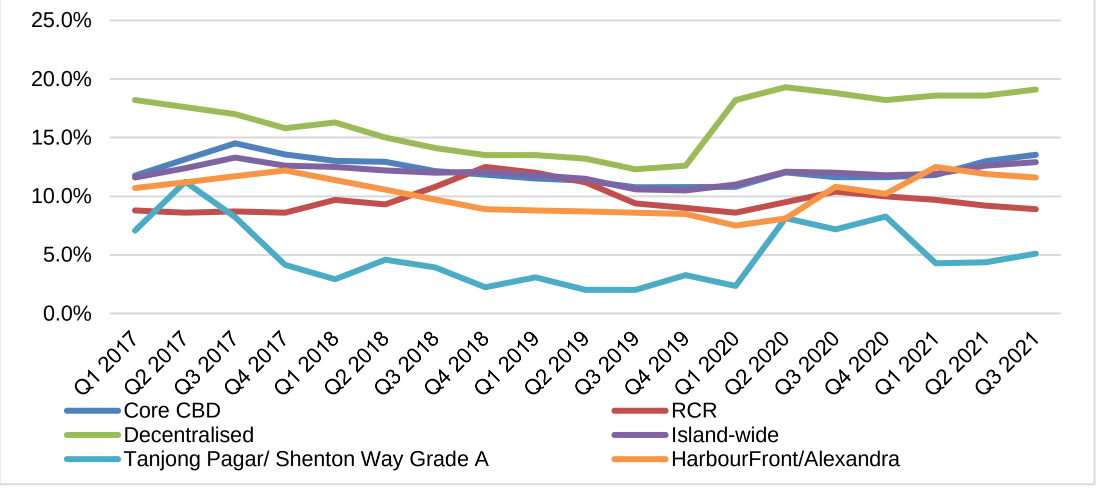
Demand for office space in the HarbourFront/Alexandra micro-market will remain resilient in the near to medium term as more office occupiers look to the decentralised business locations outside the CBD to save on rental costs and adopt a hybrid strategy. In addition, in view of the projected growth of the technology sector and their penchant for locating in the RCR/suburban market, a healthy and resilient demand for office spaces in this micro-market is expected in the coming years.

Singapore Office Rents (2017 – Q3 2021)



Source: Colliers

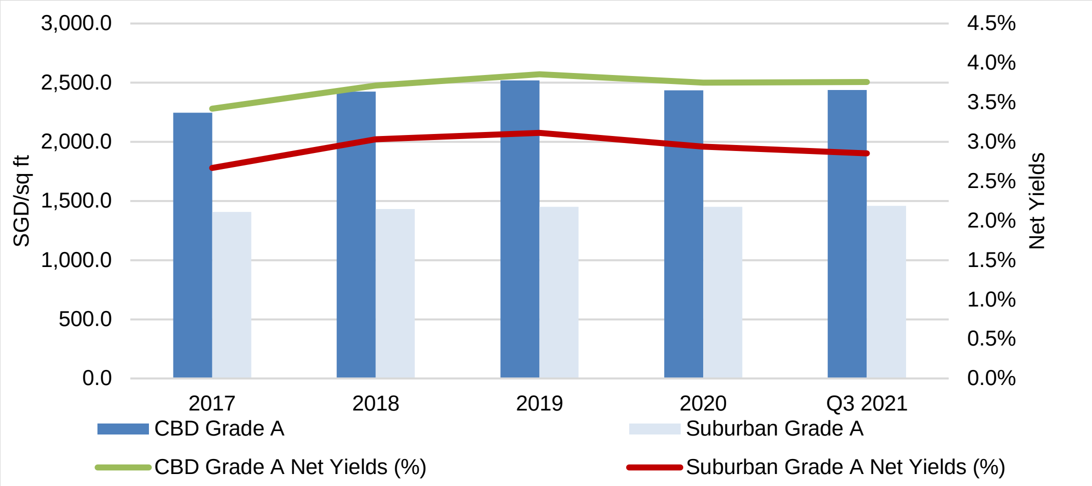
Singapore Office Vacancies (2017 – Q3 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**")

Capital value growth of good quality office assets are expected to remain healthy amid the increasing weight of capital allocation to gateway cities in Asia. Rental yields are expected to remain relatively constant amid the low interest rate environment and the desirability of Singapore office properties as an investment asset class.

Singapore Office Capital Values and Yields by Area and Grade (2017 – Q3 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**")
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

<u>Business Parks</u>

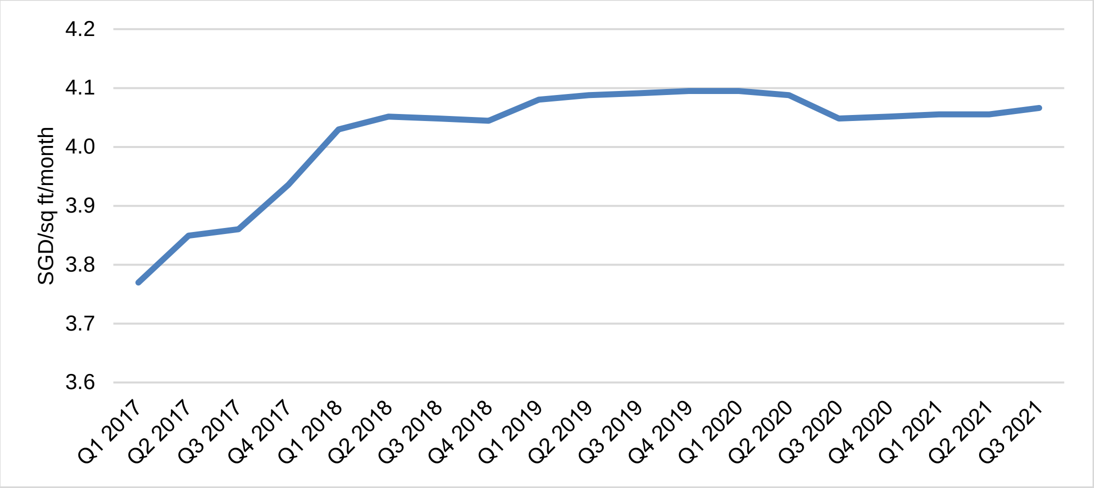
Business park rents have fared well given their lower costs relative to CBD office spaces and their substantial exposure to occupiers who benefited from the pandemic including the pharmaceutical, technology and health sectors. They have increased by an average CAGR of 1.31% per year from Q3 2017 to Q3 2021 and have stayed resilient with only a minor dip in Q2 2020.

Singapore's business park rents are expected to return to their pre-pandemic performance level by the end of 2022 and reach a new peak in 2024 for rents due to strong occupier and investor interest and sustained growth in the technology, pharmaceutical and health sectors. Business park properties are also becoming increasingly attractive for large corporate occupiers interested in consolidating their regional headquarters, R&D and industrial activities in a single location. Two new upcoming clusters in Jurong Innovation District and Punggol Digital District that are due to complete in 2024, will bring the total number of business park clusters in Singapore to nine.

Business park properties located in the RCR submarket, comprising one-north, Singapore Science Park and MBC, have always enjoyed rental premiums compared to other business park clusters given its clear advantage in locational attributes, close proximity to the CBD as well as its good quality stock. Rental rates for the RCR submarket have performed well since 2020 as a result of the limited supply of new business park projects in the area such as 3 Media Close and 28 Biopolis Road, coupled with strong demand for decentralised business locations close to the CBD. On the other hand, business park clusters located in the rest of Singapore have seen rents remaining stable which is slightly lower than RCR rents. This diverging performance is expected to continue. Rents for RCR business parks are projected to increase given steady demand, while rents for those in the rest of Singapore are projected to remain stable.

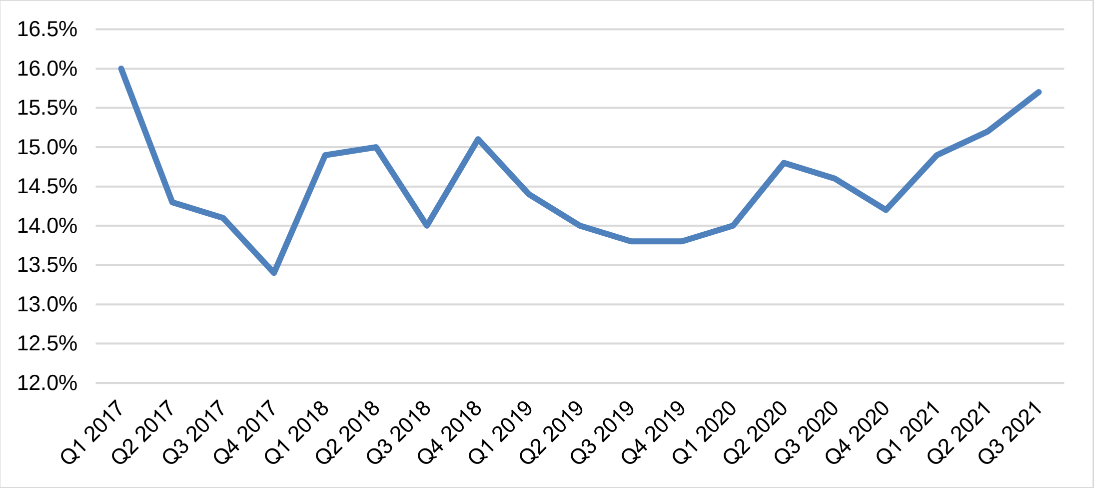
With hybrid work arrangements becoming more permanent across most business sectors, corporate occupiers will increasingly adopt a multiple office location strategy with appropriate cost and quality levels according to business functions. The business park segment will attract a fair share of business functions that do not require day-to-day face-to-face interactions and that require specialised on-site facilities such as lab, R&D spaces and testing facilities. MBC is one of the key business park assets located in the RCR that will continue to benefit from the decentralisation trend given its prime positioning and location, Grade A building specifications, campus-style environment and proximity to amenities.

Singapore Business Park Rents (2017 – Q3 2021)



Source: Colliers, JTC Space ("**JSpace**")

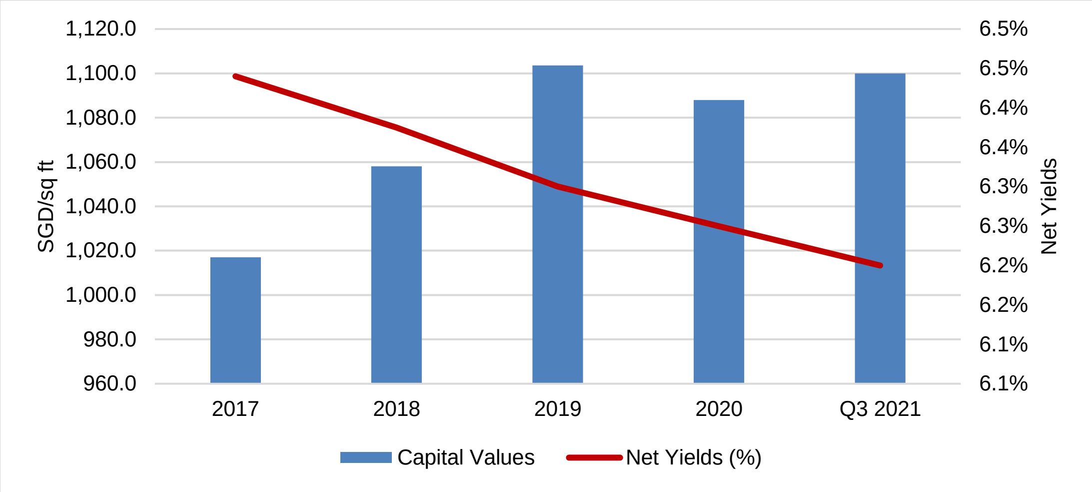
Singapore Business Park Vacancies (2017 – Q3 2021)



Source: Colliers, JTC Space ("**JSpace**")

Business parks have become a favoured investment asset class by institutional and private equity investors given their attractive rental yields and more attractive price point compared to office and retail assets. Capital values for business parks are expected to continue to appreciate at a rate of about 2.5% per year over the coming years amid strong occupier and investor interest for the business park segment in Singapore. Yields are expected to compress only gradually in the coming years to about 6.0% amid the prospect of rising interest rate environment.

Singapore Business Park Capital Values & Yields (2017 – Q3 2021)



Source: Colliers, JTC Space ("**JSpace**")
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

2. China

China was the only major economy to post a positive GDP growth rate in 2020 and the post-COVID recovery gathered further momentum in 2021 with a forecast GDP growth rate of 8.0%. It is expected that the GDP growth target for 2022 will be between 5.0% and 6.0%.

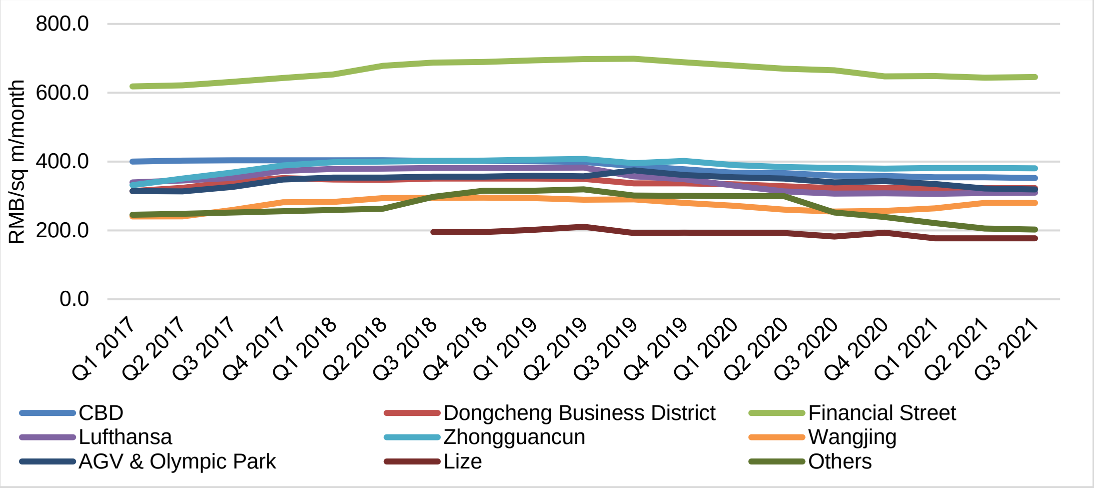
<u>Beijing Office</u>
Beijing is expected to transform into an international consumption-focused city by 2025 with improved key indicators such as international popularity, consumption prosperity, commercial activity, and tourism arrivals. The establishment of the Beijing Stock Exchange is expected to drive a new wave of demand from small and medium enterprises along with global and domestic financial institutions in 2022 and 2023.

Compared to pre-COVID in 4Q 2019, average Grade A office rent in Beijing has moderated by 10.3% as of 3Q 2021. With the opening of the Beijing Stock Exchange and continued strong economic growth forecast in 2022, rents are expected to rise from 2021 to 2025. For markets such as Lufthansa, which are nearer to the CBD area where high levels of new supply exist, rents are expected to remain stable in the near-term and will likely rise in late 2022 or early 2023. Over the next few years, domestic insurance, wealth management and media companies, and international tenants in the financial services and media sector will form the bulk of leasing demand at Lufthansa in line with Beijing's opening up of the services industry.

Given the limited new office supply level in Lufthansa over the next five years and the gradual absorption of demand, this may result in the vacancy rate dropping below 10% by 2025 from the current 10.9% as of 3Q 2021. At such levels of 10% by 2025, Lufthansa's vacancy rate will be lower than average office vacancy rates in Beijing, in line with the office district's positioning as a popular district for international and domestic occupiers.

In China, there is a higher preference to work from the office given smaller flats and extended families often living together. As a result, the impact of working from home arising from COVID-19 has been much less significant in China than other markets. Offices are expected to continue to remain relevant and important.

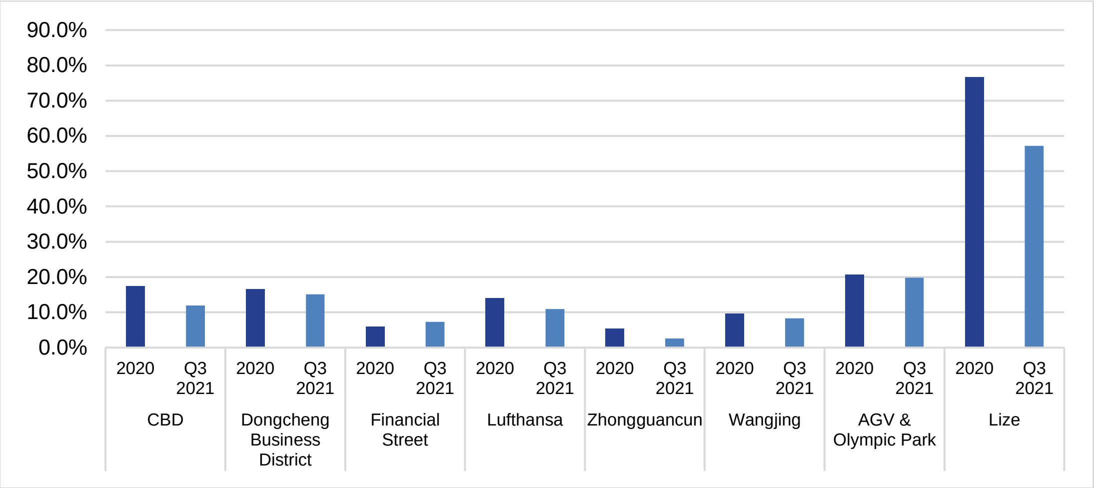
Beijing Grade A Office Rents (2017 – Q3 2021)



Source: Colliers

Note: AGV stands for Asian Games Village ("AGV").

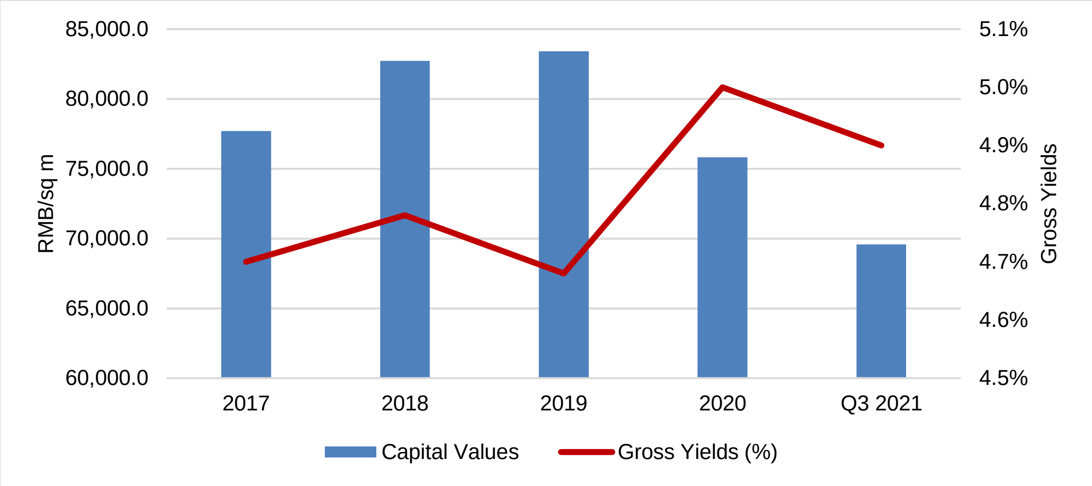
Beijing Grade A Office Vacancies (2020 – Q3 2021)



Source: Colliers

Being the capital of China, Beijing remains a key location favoured by investors. With the global economy continuing to improve, we forecast that capital value should continue to track back towards pre-COVID levels by the middle part of 2023. We expect to see yields return to pre-COVID levels by mid to late 2023 if capital values increase at a faster rate than rents.

Beijing Office Capital Values & Yields (2017 – Q3 2021)



Source: Colliers

Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

Shanghai Business Park

Based on the Shanghai Master Plan (2017 – 2035), Shanghai's vision is to be a modern international metropolis and an excellent global city by 2035. The cosmopolitan nature of Shanghai and the high living standards within the city also make it a popular China base for multinationals.

Compared to the business park average, the Zhangjiang Science City district ("Zhangjiang"), where Sandhill Plaza is located, consistently records lower than average vacancy rates. This can be attributed to it being one of the most popular business parks where biomedical, semi-conductor and technology companies have clustered together. It is an innovation hub within the Pudong Free Trade Zone, and this is expected to be so for years to come.

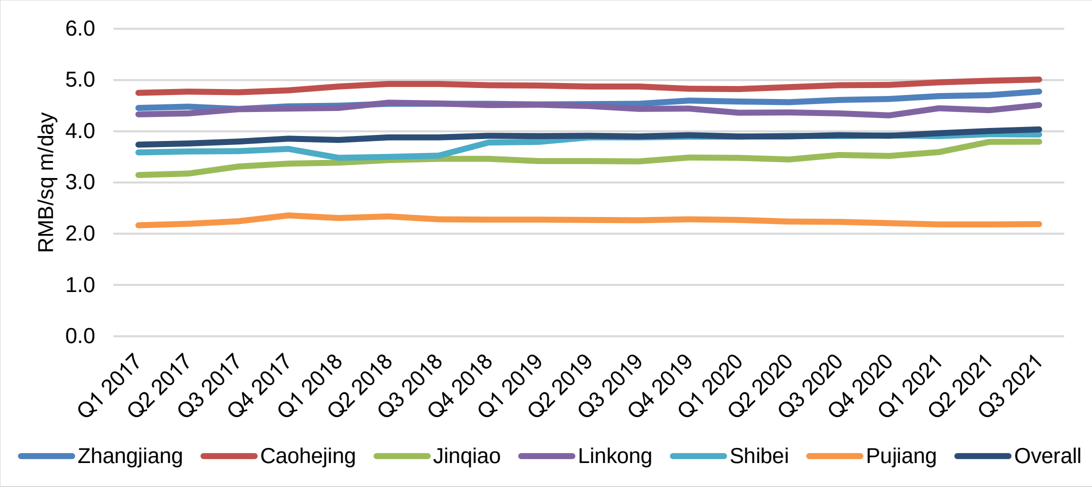
There is growing occupier demand for office space in decentralised business parks rather than the traditional office in the CBD and the decentralisation trend is expected to gather pace as a significant rent differential is likely to persist for at least the next five years.

Occupiers looking for business park space are likely to continue to be predominantly engaged in technology and medical focused industries. With the government placing significant emphasis on the development of semiconductor industry and extra focus being placed on medical innovation, we expect demand from these sectors to drive demand over the next five years.

Further rental growth for the six key business parks in Shanghai, including Zhangjiang, is expected for the next five years. This is due to demand projected to outstrip supply over the next few years, resulting in the overall vacancy rate improving each year starting from 2023.

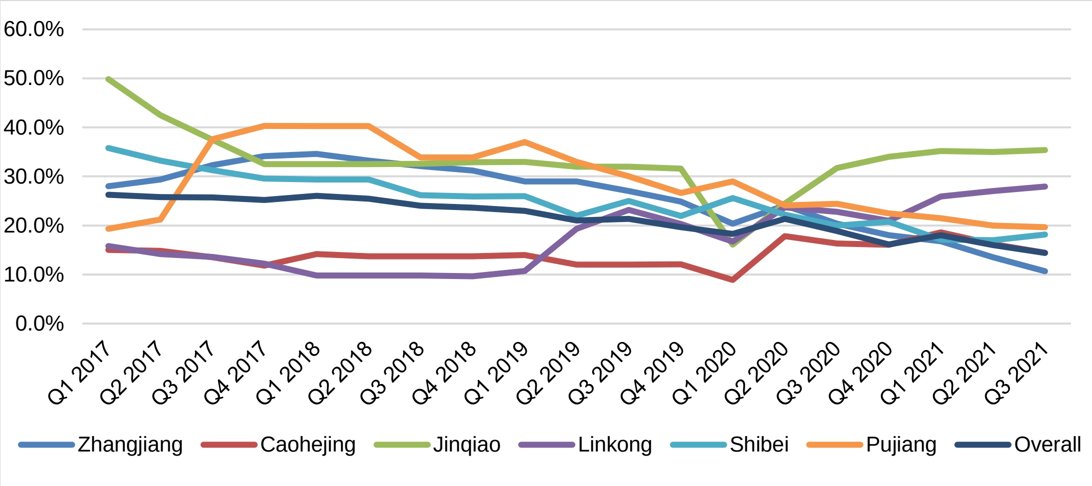
The impact of working from home has been much less pronounced than in many other markets as there is a stronger cultural tie to the office and having visibility to the employer.

Shanghai Business Park Rents (2017 – Q3 2021)



Source: Colliers

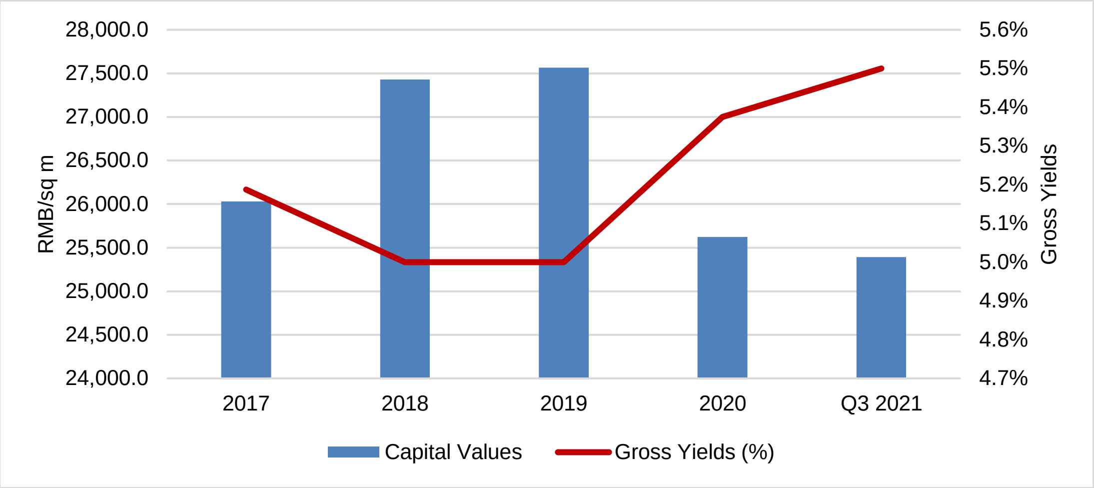
Shanghai Business Park Vacancies (2017 – Q3 2021)



Source: Colliers

While average capital value has fallen over the past two years, we anticipate a gradual recovery over 2022 as investors re-focus on this market. A return to pre-COVID levels should be reached by the end of next year, but a return to the peak of 2018 and 1H 2019 may not be reached again until later into 2023.

Shanghai Business Park Capital Values & Yields (2017 – Q3 2021)



Source: Colliers, Rating and Valuation Department
Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

3. Hong Kong SAR

Since the Global Financial Crisis, Hong Kong SAR's economy has, up until 2019, enjoyed solid growth at an annual average rate of 3.0%. However, 2019 and 2020 both saw GDP growth decline, primarily due to the pandemic. The economy has shown substantial growth through much of 2021, with the first three quarters recording GDP growth in excess of 5.0%. A strong Q4 may see nominal GDP return to pre-COVID levels.

Retail

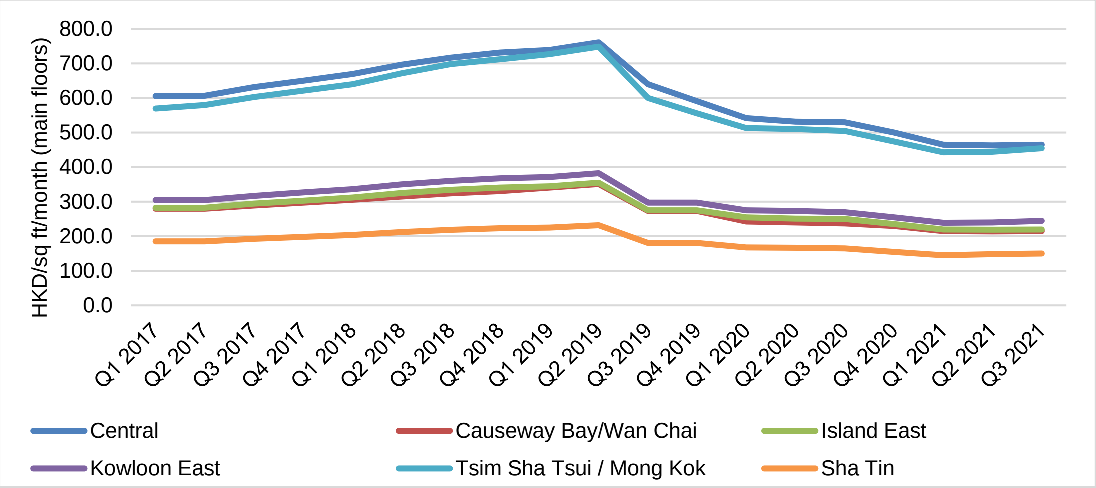
Hong Kong SAR was most impacted by the pandemic in 2020, when restrictions on dining, temporary closures of certain businesses and social distancing measures had a substantial effect on the economy and the retail market. Retail sales have bottomed out and recorded growth of 8.5% YoY from January to October 2021. This was driven by strong growth in apparel, luxury goods and electronic goods and a low base effect, supplemented by the local Government's Consumption Voucher Scheme. While the impact of COVID-19 will continue to weigh on the performance of the retail sector in 2022, it is expected that retail market and shopper sentiments will continue to recover gradually. The ongoing mass vaccination campaign and booster shots should further stimulate the economic recovery and benefit the retail sector. It is widely expected that the border with China will see a phased re-opening, which will speed up the recovery of the local economy.

Driven by the social distancing measures, shoppers increasingly turned to online shopping. The online retail sales penetration rate has witnessed significant growth since the start of COVID-19, with the value of online sales making up 8.0% of total Hong Kong SAR retail sales in October 2021 compared to 3.3% at the start of COVID-19 in January 2020. This has prompted a shift by shopping mall landlords to enhance their retail mix by offering more experiential and F&B brands which provide experiences that cannot be replicated online. Some have also introduced more reward-based programmes and aggressive promotions to enrich digital touchpoints and entice purchases.

Kowloon East has approximately 3.8 million sq ft slated for completion from 2022 to 2026, principally around Kwun Tong and Kai Tak, some distance away from Festival Walk, located in Kowloon Tong. Malls well-connected to transportation nodes and with established consumer base are expected to remain popular among shoppers and be preferred choice locations among retailers.

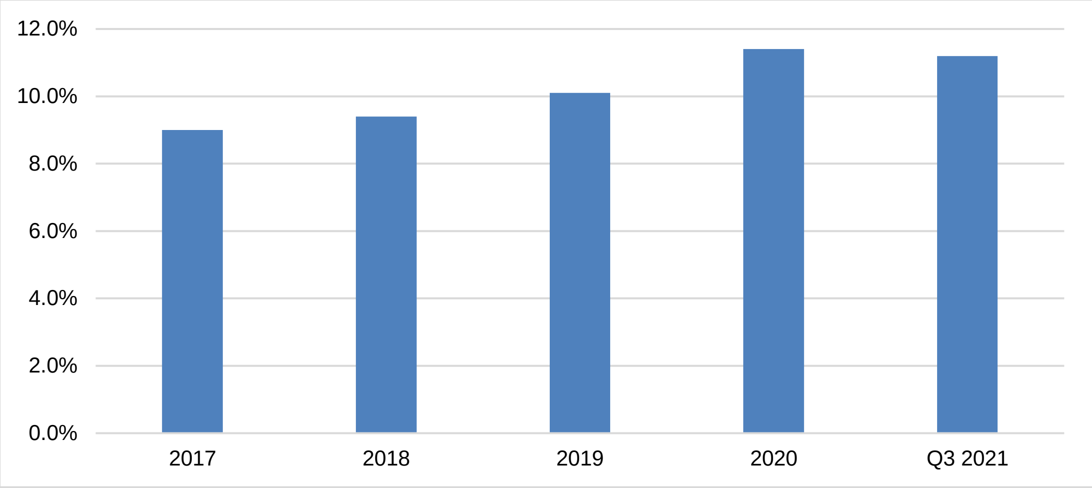
Retail rents have come down by -19% since the start of COVID-19 in January 2020. Rents are expected to remain stable in the next few quarters, with incremental growth only likely to materialise once cross-border travel is back to normal. The increase is expected to be mainly driven by a recovery in rental values for the hardest hit markets of Tsim Sha Tsui / Mongkok and Causeway Bay. Kowloon East, while not tourist-focused, will benefit from the improved consumer sentiments due to the re-opening of borders and is expected to see some recovery in rents, albeit at a moderated pace.

Hong Kong SAR Shopping Mall Main Floor Retail Rents by District (2017 – Q3 2021)



Source: Colliers

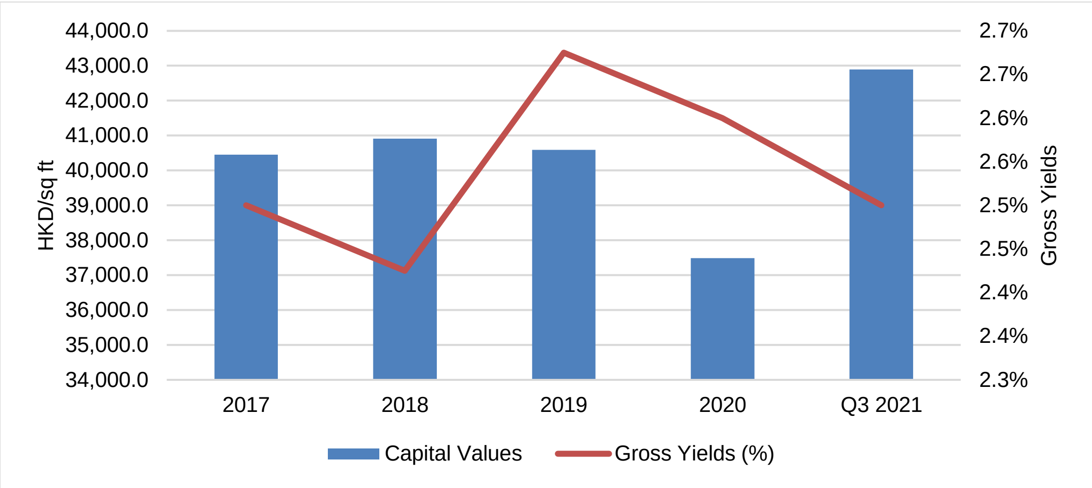
Hong Kong SAR Retail Vacancies (2017 – Q3 2021)



Source: Colliers, Rating and Valuation Department

While average rents have remained largely flat, capital values have increased by around 14.0% year-to–date ("YTD")[20], leading to a compression of average yields by 10 basis points to 2.50%. In 2022, gross yield is expected to remain flat as any increase in rent are expected to be countered by rising capital values. Beyond 2022, yields are expected to remain broadly stable while capital value will continue to recover.

Hong Kong SAR Retail Capital Values and Yields (2017 – Q3 2021)



Source: Colliers, Rating and Valuation Department
Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

<u>Office</u>

As business sentiment and the domestic economy continue to recover, leasing demand is returning. Overall net take-up turned positive after eight consecutive negative quarters, and occupancy levels are starting to stabilise. Recent discussions between Hong Kong SAR and mainland Chinese authorities have raised hopes for the re-opening of the border. Should this materialise, demand from China corporates is likely to improve. September 2021's launch of the cross-boundary Wealth Management Connect Scheme covering the Greater Bay Area should provide impetus to Hong Kong SAR's financial sector, benefitting the long-term office leasing demand.

[20] In this report, "year-to-date" refers to Q3 2021.

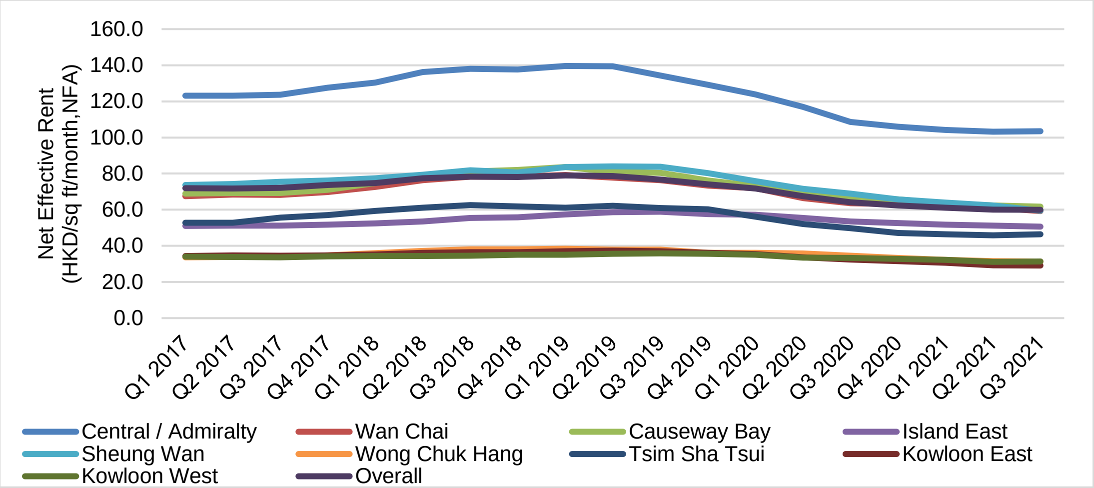
While many companies in Hong Kong SAR have now permanently adopted flexible work from home policies, most staff still prefer to work from the office, often due to the limited size of apartments and lack of suitable workspace at home.

Overall, average Grade A office rents are HKD59.7 per sq ft per month as at the end of Q3 2021. This is 4.2% down YTD, compared to the 15.9% drop in 2020. This slowdown in rental declines suggests that the market has hit or is about to hit its nadir.

Supply pressure will inevitably weigh on the recovery of rental rates. The 7,527,763 sq ft combined pipeline for 2022 and 2023 will add to the approx. 9.3 million sq ft of existing vacancy, providing occupiers with more options. While occupier demand and leasing volume are expected to recover as the economic outlook improves, the huge volume of space will take years to absorb.

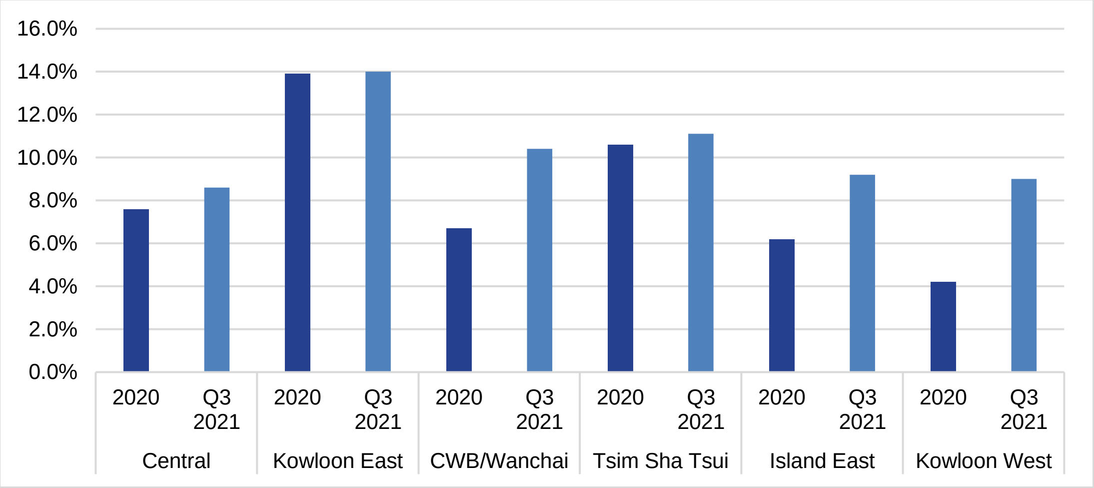
For Kowloon East, we forecast rents to remain stable and incrementally pick up once the strong levels of new supply are gradually absorbed. However, like in all sub-markets, better quality buildings or those well-located buildings near to major transportation nodes will be more resilient as staff retention becomes ever more important.

Hong Kong SAR Average Office Rents by District (2017 – Q3 2021)



Source: Colliers

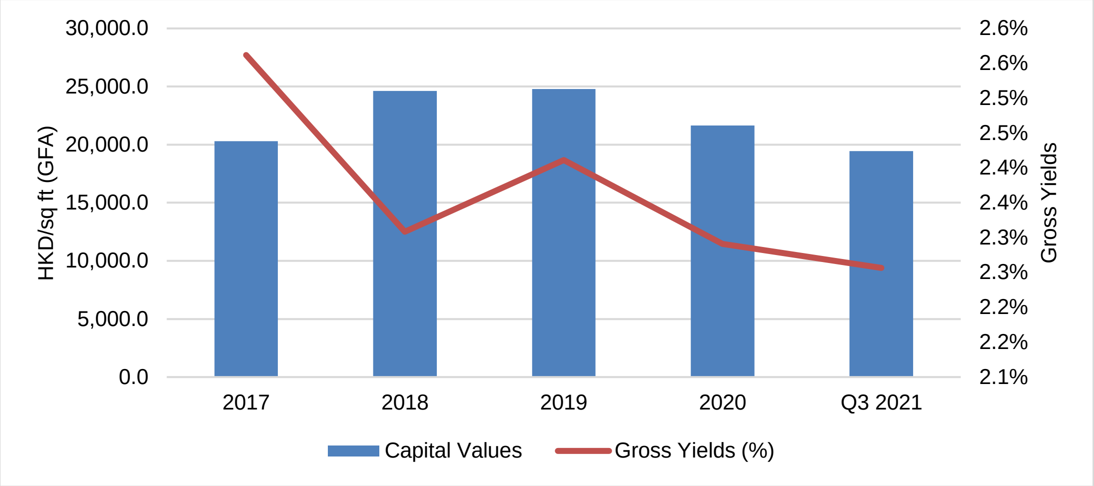
Hong Kong SAR Office Vacancies by District (2020 – Q3 2021)



Source: Colliers

At the end of Q3 2021, the average capital value fell by 9.5% compared to Q3 2020 and 5.5% compared to Q4 2020, while the average yield remained unchanged. The principal reason for the fall in average capital value was the decline in rents, which resulted in the value falling relative to a stable yield. We forecast that capital values will increase over the next five years as rents recover and yields compress in line with investors' risk perception.

Hong Kong SAR Office Capital Values and Yields (2017 – Q3 2021)



Source: Colliers
Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

4. Japan

Although COVID-19 slowed GDP growth in 2020, the number of infections has remained very low, presumably due to rapidly increased vaccination coverage. Real GDP growth in Q3 2021 slowed by 3.6% YoY, down 0.9% QoQ However, fundamental economic activity was maintained even during the pandemic, as the Government's imposition of a state of emergency was primarily focused on restricting travel and entertainment. Overall market recovery is expected in 2022.

The pandemic substantially impacted the Japanese economy in 2020 and 2021, but the overall pessimistic sentiment has eased as public health and economic counter-measures have been effected to restore confidence. Although emerging COVID-19 variants remain a risk, Japan's economy as a whole has avoided severe damage, and a steady recovery is expected as the pandemic subsides.

Tokyo 5 wards is expected to maintain its crown as a central location for company headquarters for many Japanese firms. However, lower rents in peripheral areas, including Tokyo Outer 18 wards, Yokohama and Chiba, where the Japan Properties are located, will particularly attract occupiers seeking to reduce costs.

In Tokyo 5 wards, vacancy rates are likely to rise, especially in areas with sizeable new supply, and rents are likely to continue to fall. In Tokyo 18 wards[21], where future new supply volume is modest, the rents are expected to be resilient over the next five years. Yokohama has a

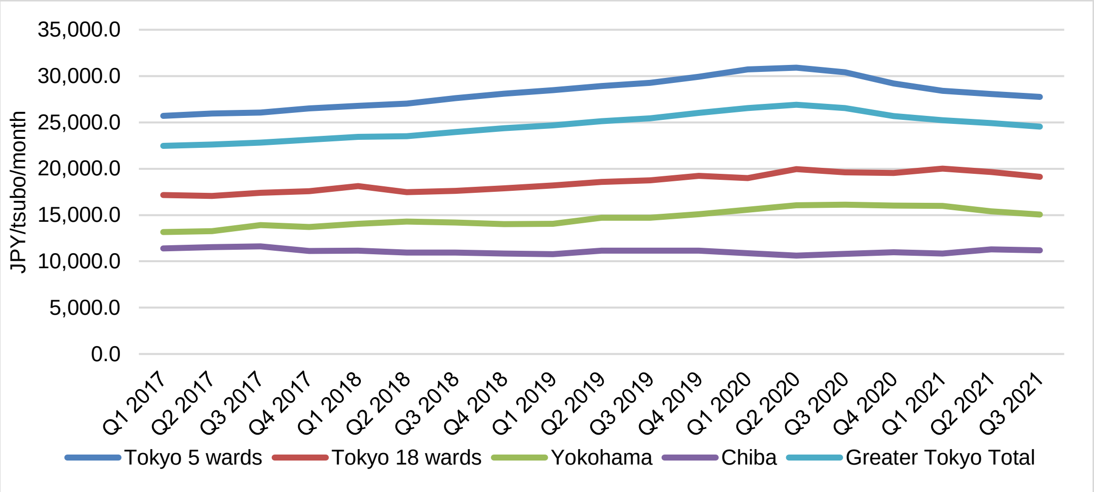
[21] Higashi-nihonbashi 1-chome Building is located at the fringe of Chuo ward, one of the central five wards in Tokyo. IXINAL Monzen-nakacho Building, TS Ikebukuro Building, Omori Prime Building and Hewlett Packard Japan Headquarters Building are located in the outer 18 wards of Tokyo.

concentration of high-rise office buildings in the Minato Mirai district, where several large office buildings are scheduled to complete in the next five years. Due to increased supply, vacancy rates are likely to rise slightly. The average rents in the Minato Mirai district may be suppressed on the overall down-trend in Greater Tokyo. However, rental performance in the rest of Yokohama, where ABAS Shin-Yokohama building is located, is expected to be stable overall due to its relatively small market. Chiba is the smallest of Greater Tokyo's markets, and previous vacancy rates have registered only minor fluctuations. With no significant new office supply in the pipeline for the next five years, we expect vacancies and rents not to move out of this historically narrow range. Overall, demand is expected to recover as pandemic countermeasures are gradually eased, and businesses return to growth.

Office attendance should increase according to a recent Xymax survey in August, with many companies expressing their intention to reduce teleworking after the risks from COVID-19 subside. Indeed, the office is still considered as a key point of collaboration and innovation for companies, where 80% of respondents believe that working in the office makes communication easier.

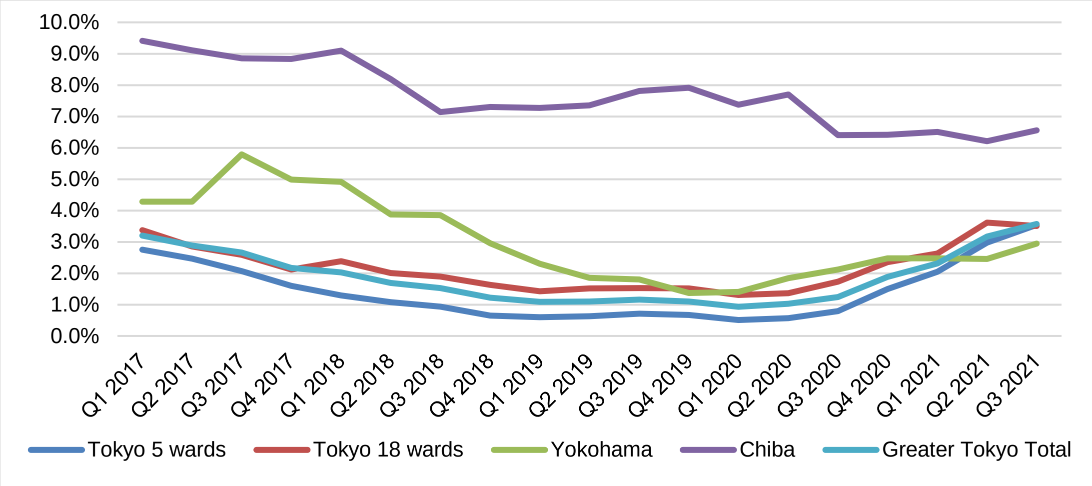
Housing conditions in Japan do not afford many workers a suitable work-from-home environment, creating a demand for workplaces closer to home, which has led to companies opening satellite offices. Many of Japan's large corporations employ tens of thousands of office workers and continue to relocate or consolidate space as they restructure or expand. Several companies have set up satellite offices in the suburbs since 2019, dispersing the demand for space previously concentrated in the city centre. Looking forward, satellite offices located in peripheral areas outside of Tokyo 5 wards will likely become even more popular.

Japan Average Office Rents by District (2017 – Q3 2021)



Source: Colliers

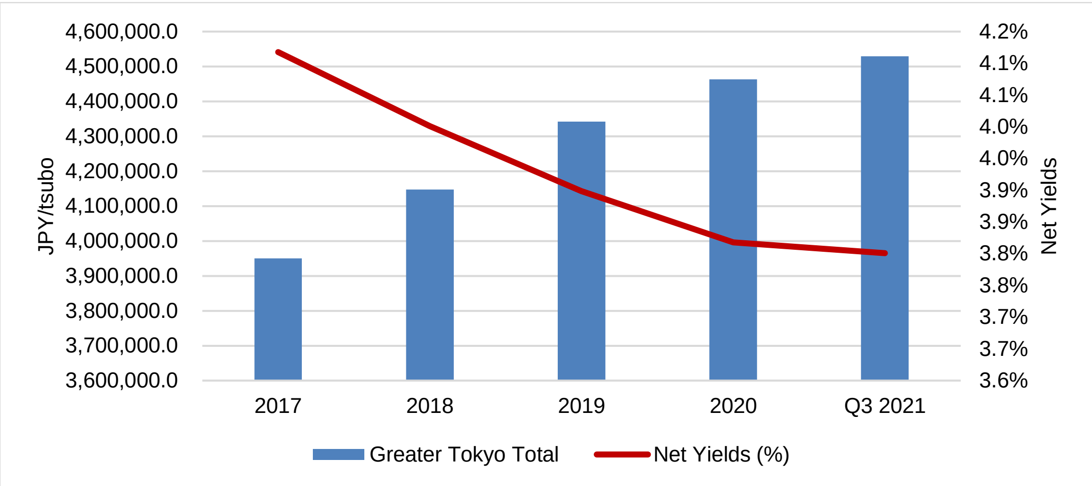
Japan Average Office Vacancies by District (2017 – Q3 2021)



Source: Colliers

Given the strong demand for quality office assets in Japan, the capital value in Tokyo 5 wards increased 1.7% YoY in Q3 2021. Tokyo 18 wards also faced a capital value appreciation of 0.8% YoY despite an economic downturn during the pandemic. Capital value in Tokyo 5 wards is expected to reach its peak in Q3 2022 and will slowly adjust downward to reflect the future supply. Tokyo 18 wards is expected to follow a similar trend as that of Tokyo 5 wards, while Yokohama and Chiba will face a mild increase for the next three years.

Greater Tokyo Office Capital Values and Yields (2017 – Q3 2021)



Source: Colliers

Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

5. South Korea

The economy recovered from its pandemic-induced 0.9% YoY drop in 2020 to grow 4% in H1 2021 and 3.9% in H2. It's on track for a 4% annual increase. The economy is expected to remain robust in 2022 (3%) and 2023 (2.7%), averaging close to 3%. A near 80% vaccination rate accelerated private consumption as people's lives returned to normal.

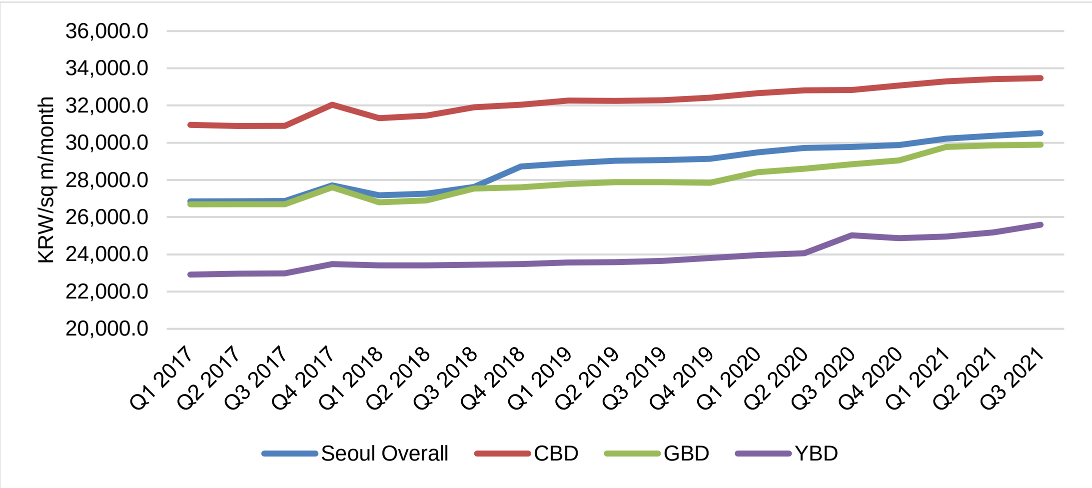
Demand in Seoul's office market showed strong growth in 2021 despite the uncertainty caused by COVID-19. Vacancy rates decreased in all major districts, supported by tech companies which are new economy sectors that are still performing well despite COVID-19.

While the financial industry has the largest share of occupied space in the Grade A office market, accounting for over 30% of the total, big tech companies, such as Naver and Kakao, and fintech companies have been expanding quickly and they may soon overtake the traditional finance sector as the biggest office demand driver. Expansion momentum was also strong among startup tenants, with a rapidly expanding startup ecosystem, mainly attracted to the GBD. With rapid growth in their online business and strong financial backing, tech companies are emerging as big players with increasing importance in the office sector, especially in the GBD.

Grade A office supply, which peaked in 2020, is decreasing, so we expect the market to stabilise and rents to increase. Given that no supply has been scheduled in GBD, office rent will continue to outperform other sub markets and this will benefit The Pinnacle Gangnam Building, a Grade A office located in the GBD.

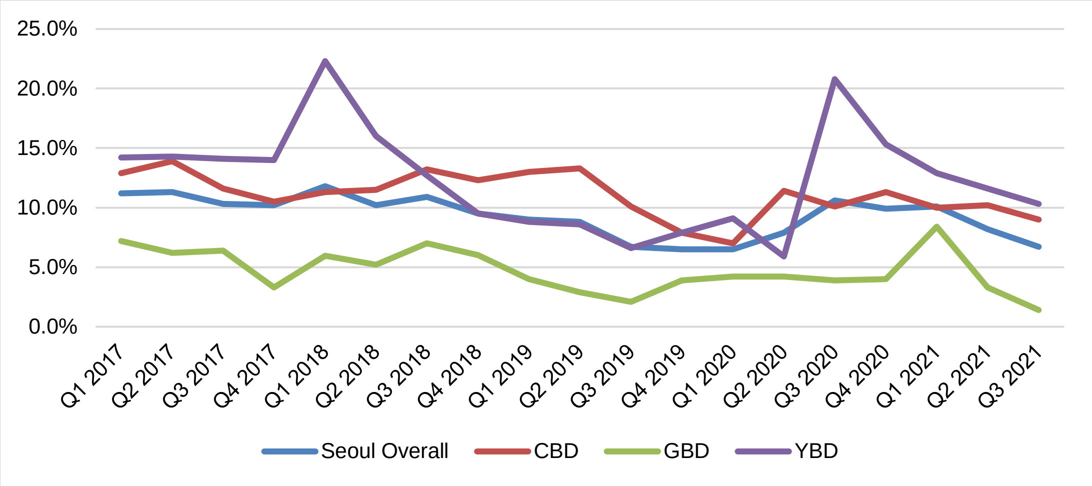
Vacancy in Grade A offices in the GBD area reached its lowest rate in 2019 since 2010 due to major tenant contracts in prime GBD buildings. Office vacancy rates in Seoul's three major submarkets are expected to continue stabilising due to decreased supply in the next five years. Effective rents are expected to continue to increase due to the built-in rental escalations that are common among the leases in the office districts. GBD, supported by the expanding technology sector, is expected to enjoy higher growth due to limited supply.

South Korea Office Average Face Rents (2017 – Q3 2021)



Source: Colliers

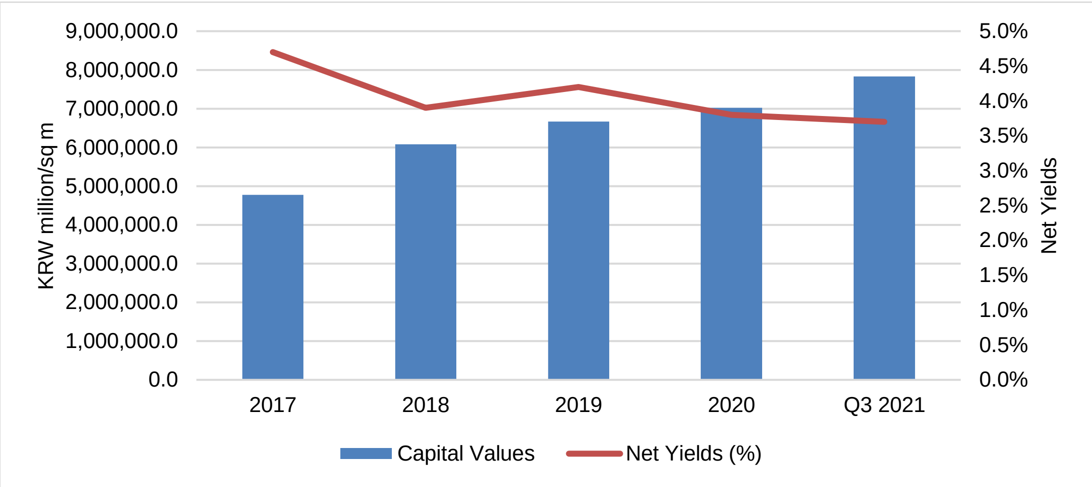
South Korea Office Average Vacancies (2017 – Q3 2021)



Source: Colliers

2021 YTD, Seoul's office capital market witnessed a 11.6% YoY growth, exceeding the capital value over KRW 7.8 million per sq m. The yield also compressed to 3.7% in Q3 2021. Capital values in Seoul office market are forecasted to continue to grow from 2021 to 2025, as global investors are eager to enter the market. Buildings with high occupancy will be the most popular options and can be traded with premium.

South Korea Office Capital Values and Yields (2017 – Q3 2021)



Source: Colliers

Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

Appendix B

Market Outlook

Source: Colliers International (Hong Kong) Limited ("Colliers")

As of 30 December 2021

1. Singapore

The economy grew by 6.5% YoY in Q3 2021 and is expected to record a 7% growth for the full year. The preliminary growth forecast for 2022 is approximately 3% to 5% as the economy gradually recovers from the impact of COVID-19.

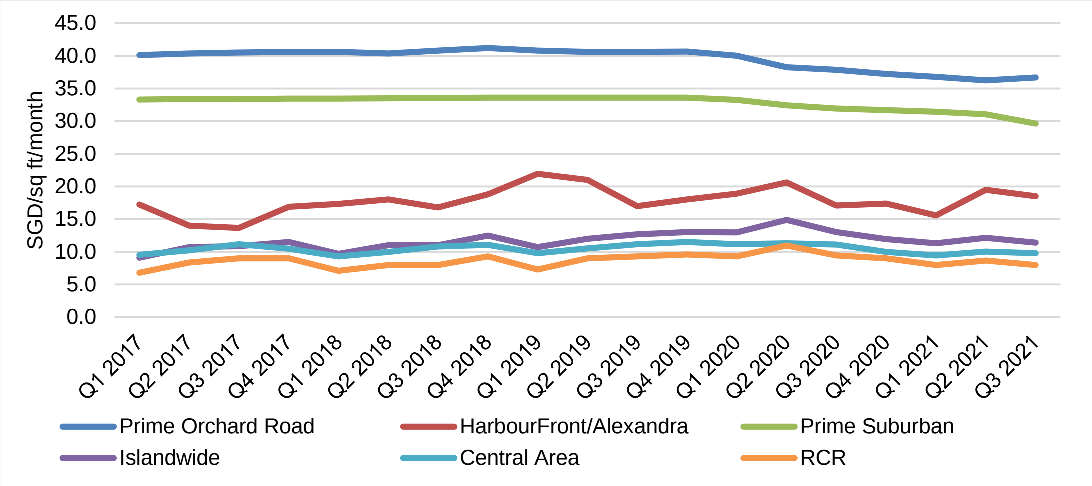
<u>Retail</u>

Key developments in the HarbourFront / Alexandra micro-market include VivoCity, HarbourFront Centre and ARC, which are about a ten-minute drive from the central business district ("CBD"). They provide a range of retail and dining offerings, solidifying the precinct's position with a strong retail presence that caters across demographics. Benefitting from the excellent connectivity, the precinct continues to be popular with retailers and has had new store openings despite the pandemic. As a result, rents have remained stable in this micro-market and increased by 0.8% YoY as at Q3 2021. Suburban malls have been more resilient due to the work from home arrangements as they have greater exposure to retail tenants serving necessity needs. In comparison, the Orchard Road micro-market was hit the hardest from the travel restrictions due to the pandemic and saw the most decline in rents.

Singapore's retail sales are expected to gradually return to its pre-COVID levels in 2023 amid the expected lifting of restrictions, reopening of international borders, resumption of inbound tourism and an improvement in consumer and business confidence. Notwithstanding that new supply will remain muted in the short-term, average rents are expected to stay flat in 2022. Rents are expected to edge up after 2022 as retail sales and footfall improve and occupancy levels return to pre-pandemic levels.

Looking forward, uncertainties are expected to remain due to the evolving nature of COVID-19, and e-commerce will continue to be combined into retailers' online and offline strategies. However, well-positioned malls with a complete range of retail and experiential offerings will continue to stay relevant and benefit from the tourism and retail recovery. The lack of future retail supply in the HarbourFront/Alexandra precinct, as well as the Greater Southern Waterfront ("GSW") development and future developments on Sentosa and Brani Islands, are further expected to benefit existing retail properties in the HarbourFront/Alexandra micro-market.

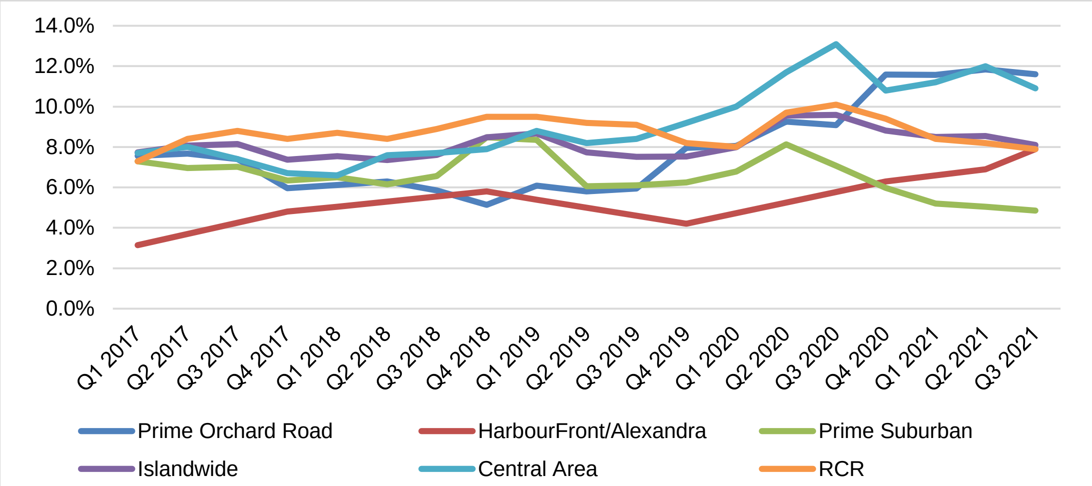
Singapore Retail Rents (2017 – Q3 2021)



Source: Colliers

Note: RCR stands for the Rest of Central Region (“**RCR**”).

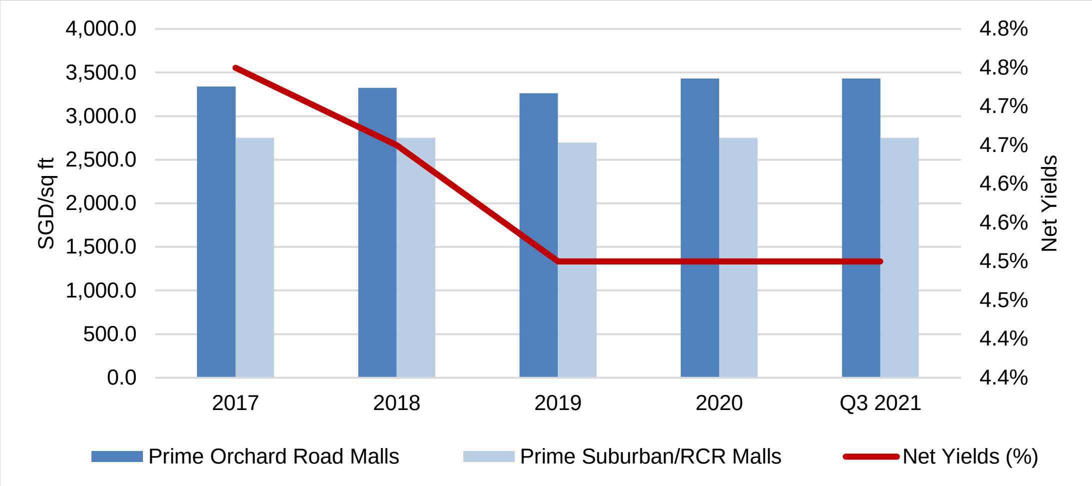
Singapore Retail Vacancies (2017 – Q3 2021)



Source: Colliers, Urban Redevelopment Authority (“**URA**”)

Capital values and net yields have been flat throughout 2021 and are expected to remain that way in 2022, tracking rental rates and stable yields. Capital values will continue to appreciate amid robust investor appetite for and limited supply of quality retail assets.

Singapore Retail Capital Values & Yields by Area and Grade (2017 – Q3 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**").
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

<u>Office</u>

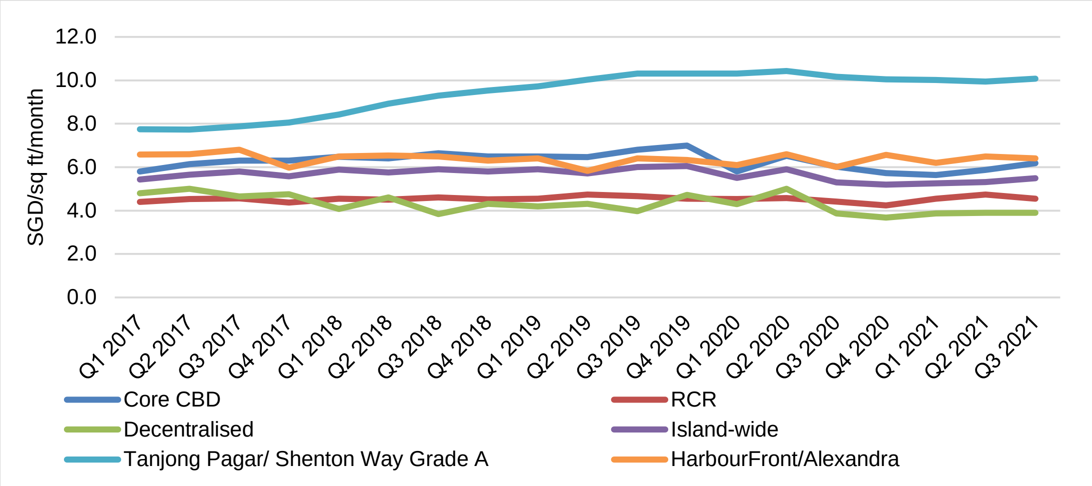
Office rents in the HarbourFront/Alexandra micro-market have been resilient in the face of the pandemic, recording no decline compared to their 2019 levels. This can be attributed to strong tenant profile, long term tenancies and exposure to growth sectors which benefited from the pandemic.

Market dynamics are conducive to recovery in the office property market sector, which is expected to gradually return to its pre-pandemic performance by the end of 2024. New office demand continues to be driven by the technology sector, an overall post-pandemic business recovery and the gradual but widespread return to the office.

There will be limited new office supply levels in the short term, with the upcoming next new supply being relatively low compared to historic levels. Despite the rise of permanent work from home and hybrid work arrangements, the Singapore office sector will remain relevant for occupiers across most industries, particularly growth sectors such as finance, technology and business services where face to face interactions and relationship building will remain key conditions for success. Rental rates are projected to improve over the next five years in all submarkets amid limited new supply and strong economic and business fundamentals in Singapore.

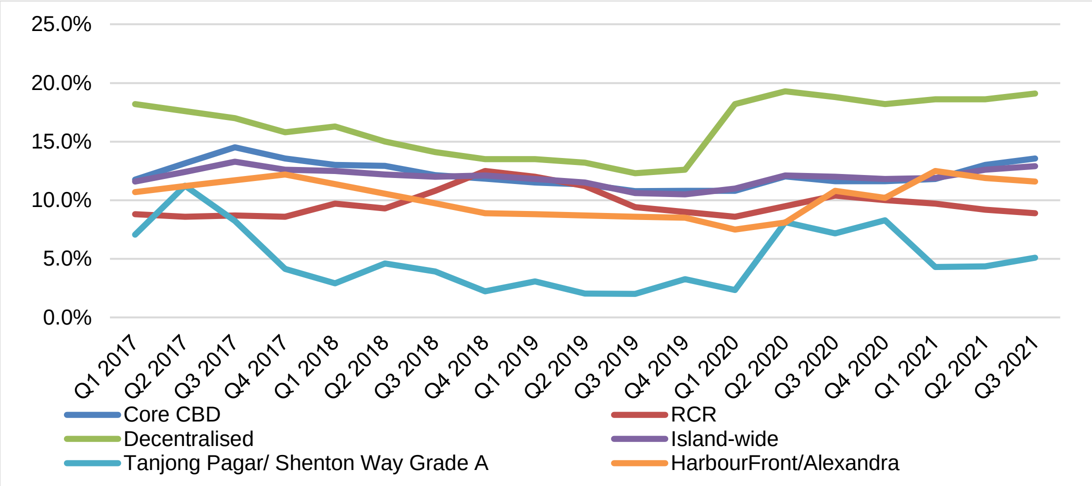
Demand for office space in the HarbourFront/Alexandra micro-market will remain resilient in the near to medium term as more office occupiers look to the decentralised business locations outside the CBD to save on rental costs and adopt a hybrid strategy. In addition, in view of the projected growth of the technology sector and their penchant for locating in the RCR/suburban market, a healthy and resilient demand for office spaces in this micro-market is expected in the coming years.

Singapore Office Rents (2017 – Q3 2021)



Source: Colliers

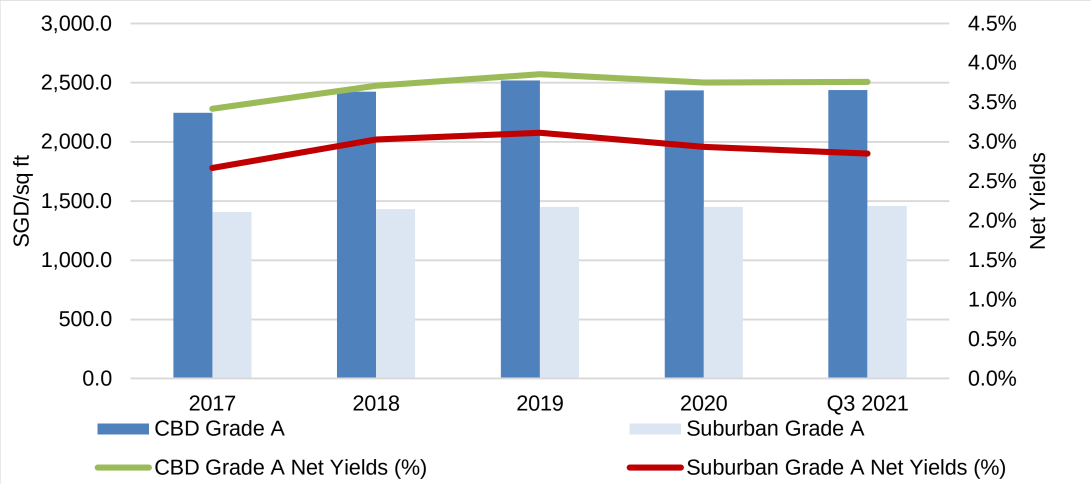
Singapore Office Vacancies (2017 – Q3 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**")

Capital value growth of good quality office assets are expected to remain healthy amid the increasing weight of capital allocation to gateway cities in Asia. Rental yields are expected to remain relatively constant amid the low interest rate environment and the desirability of Singapore office properties as an investment asset class.

Singapore Office Capital Values and Yields by Area and Grade (2017 – Q3 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**")
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

<u>Business Parks</u>

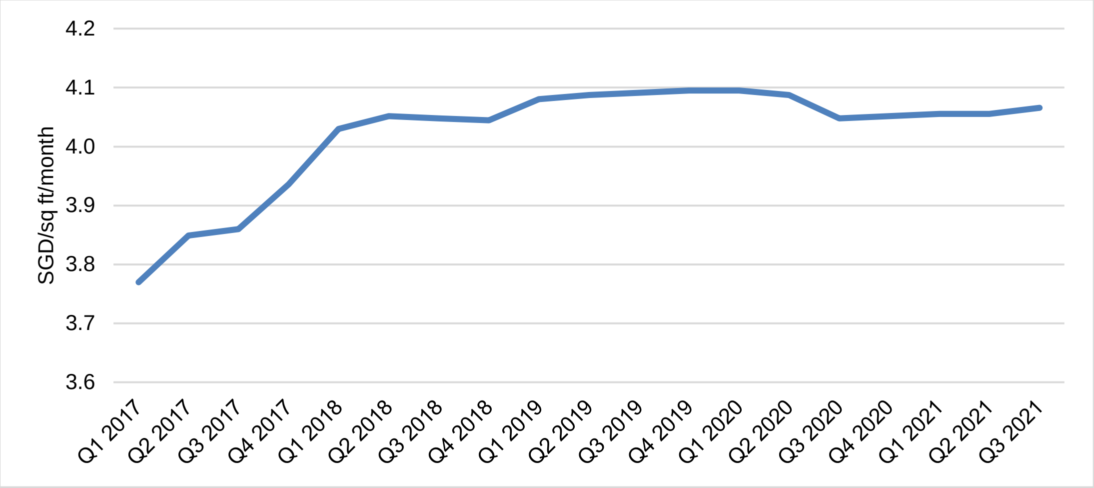
Business park rents have fared well given their lower costs relative to CBD office spaces and their substantial exposure to occupiers who benefited from the pandemic including the pharmaceutical, technology and health sectors. They have increased by an average CAGR of 1.31% per year from Q3 2017 to Q3 2021 and have stayed resilient with only a minor dip in Q2 2020.

Singapore's business park rents are expected to return to their pre-pandemic performance level by the end of 2022 and reach a new peak in 2024 for rents due to strong occupier and investor interest and sustained growth in the technology, pharmaceutical and health sectors. Business park properties are also becoming increasingly attractive for large corporate occupiers interested in consolidating their regional headquarters, R&D and industrial activities in a single location. Two new upcoming clusters in Jurong Innovation District and Punggol Digital District that are due to complete in 2024, will bring the total number of business park clusters in Singapore to nine.

Business park properties located in the RCR submarket, comprising one-north, Singapore Science Park and MBC, have always enjoyed rental premiums compared to other business park clusters given its clear advantage in locational attributes, close proximity to the CBD as well as its good quality stock. Rental rates for the RCR submarket have performed well since 2020 as a result of the limited supply of new business park projects in the area such as 3 Media Close and 28 Biopolis Road, coupled with strong demand for decentralised business locations close to the CBD. On the other hand, business park clusters located in the rest of Singapore have seen rents remaining stable which is slightly lower than RCR rents. This diverging performance is expected to continue. Rents for RCR business parks are projected to increase given steady demand, while rents for those in the rest of Singapore are projected to remain stable.

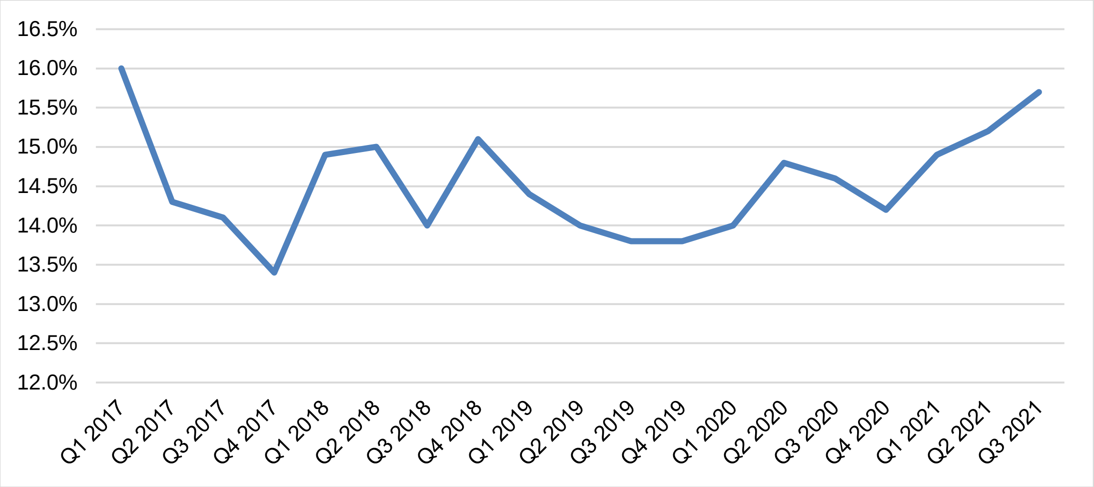
With hybrid work arrangements becoming more permanent across most business sectors, corporate occupiers will increasingly adopt a multiple office location strategy with appropriate cost and quality levels according to business functions. The business park segment will attract a fair share of business functions that do not require day-to-day face-to-face interactions and that require specialised on-site facilities such as lab, R&D spaces and testing facilities. MBC is one of the key business park assets located in the RCR that will continue to benefit from the decentralisation trend given its prime positioning and location, Grade A building specifications, campus-style environment and proximity to amenities.

Singapore Business Park Rents (2017 – Q3 2021)



Source: Colliers, JTC Space ("**JSpace**")

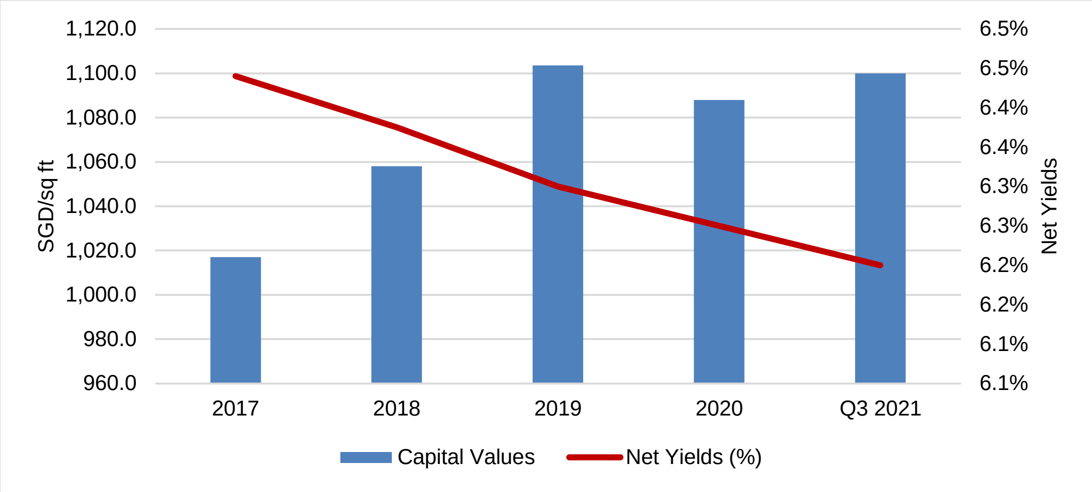
Singapore Business Park Vacancies (2017 – Q3 2021)



Source: Colliers, JTC Space ("**JSpace**")

Business parks have become a favoured investment asset class by institutional and private equity investors given their attractive rental yields and more attractive price point compared to office and retail assets. Capital values for business parks are expected to continue to appreciate at a rate of about 2.5% per year over the coming years amid strong occupier and investor interest for the business park segment in Singapore. Yields are expected to compress only gradually in the coming years to about 6.0% amid the prospect of rising interest rate environment.

Singapore Business Park Capital Values & Yields (2017 – Q3 2021)



Source: Colliers, JTC Space ("**JSpace**")
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

2. China

China was the only major economy to post a positive GDP growth rate in 2020 and the post-COVID recovery gathered further momentum in 2021 with a forecast GDP growth rate of 8.0%. It is expected that the GDP growth target for 2022 will be between 5.0% and 6.0%.

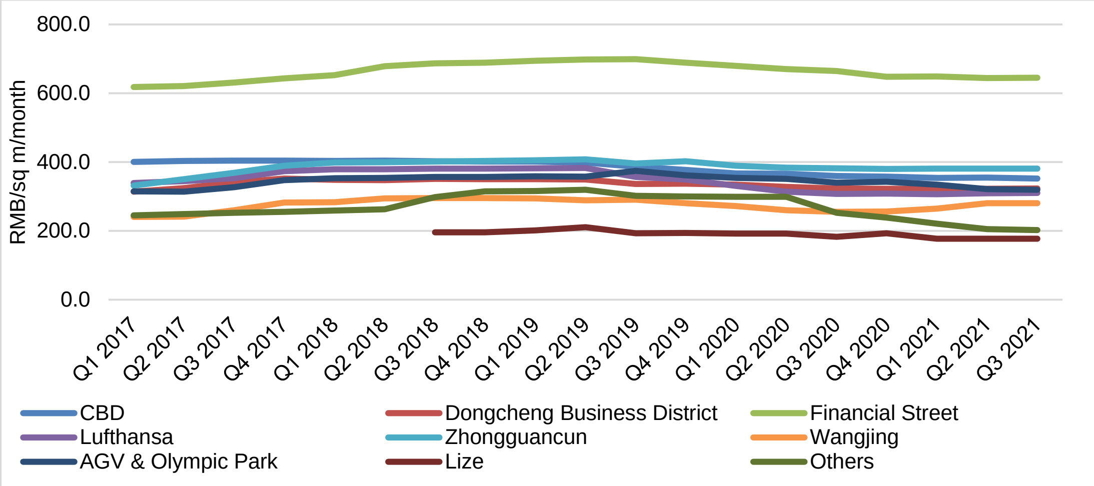
Beijing Office
Beijing is expected to transform into an international consumption-focused city by 2025 with improved key indicators such as international popularity, consumption prosperity, commercial activity, and tourism arrivals. The establishment of the Beijing Stock Exchange is expected to drive a new wave of demand from small and medium enterprises along with global and domestic financial institutions in 2022 and 2023.

Compared to pre-COVID in 4Q 2019, average Grade A office rent in Beijing has moderated by 10.3% as of 3Q 2021. With the opening of the Beijing Stock Exchange and continued strong economic growth forecast in 2022, rents are expected to rise from 2021 to 2025. For markets such as Lufthansa, which are nearer to the CBD area where high levels of new supply exist, rents are expected to remain stable in the near-term and will likely rise in late 2022 or early 2023. Over the next few years, domestic insurance, wealth management and media companies, and international tenants in the financial services and media sector will form the bulk of leasing demand at Lufthansa in line with Beijing's opening up of the services industry.

Given the limited new office supply level in Lufthansa over the next five years and the gradual absorption of demand, this may result in the vacancy rate dropping below 10% by 2025 from the current 10.9% as of 3Q 2021. At such levels of 10% by 2025, Lufthansa's vacancy rate will be lower than average office vacancy rates in Beijing, in line with the office district's positioning as a popular district for international and domestic occupiers.

In China, there is a higher preference to work from the office given smaller flats and extended families often living together. As a result, the impact of working from home arising from COVID-19 has been much less significant in China than other markets. Offices are expected to continue to remain relevant and important.

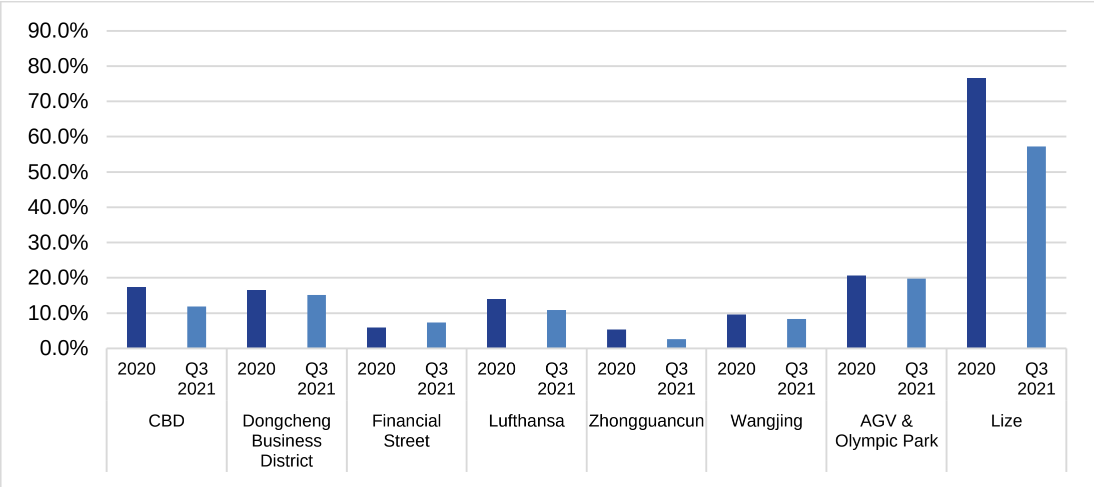
Beijing Grade A Office Rents (2017 – Q3 2021)



Source: Colliers

Note: AGV stands for Asian Games Village ("AGV").

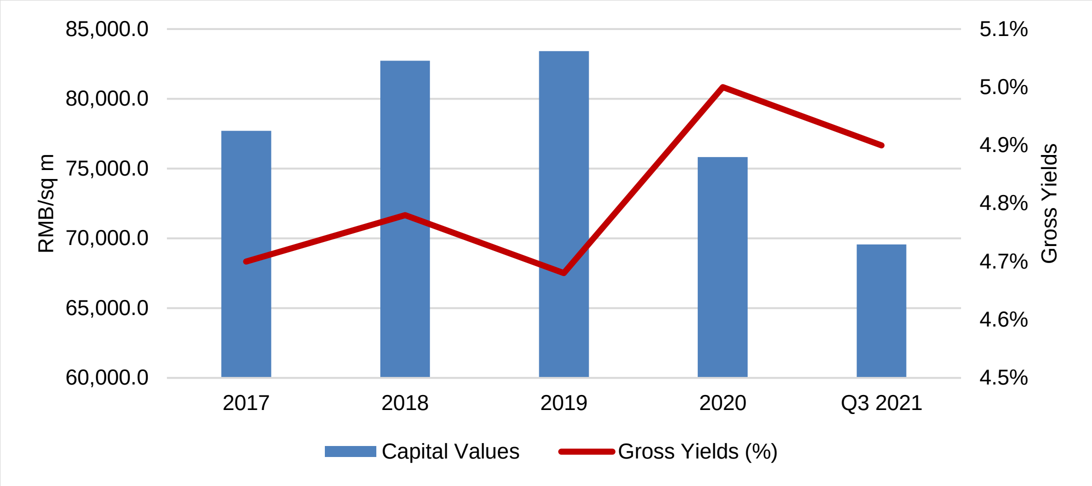
Beijing Grade A Office Vacancies (2020 – Q3 2021)



Source: Colliers

Being the capital of China, Beijing remains a key location favoured by investors. With the global economy continuing to improve, we forecast that capital value should continue to track back towards pre-COVID levels by the middle part of 2023. We expect to see yields return to pre-COVID levels by mid to late 2023 if capital values increase at a faster rate than rents.

Beijing Office Capital Values & Yields (2017 – Q3 2021)



Source: Colliers
Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

<u>Shanghai Business Park</u>
Based on the Shanghai Master Plan (2017 – 2035), Shanghai's vision is to be a modern international metropolis and an excellent global city by 2035. The cosmopolitan nature of Shanghai and the high living standards within the city also make it a popular China base for multinationals.

Compared to the business park average, the Zhangjiang Science City district ("Zhangjiang"), where Sandhill Plaza is located, consistently records lower than average vacancy rates. This can be attributed to it being one of the most popular business parks where biomedical, semi-conductor and technology companies have clustered together. It is an innovation hub within the Pudong Free Trade Zone, and this is expected to be so for years to come.

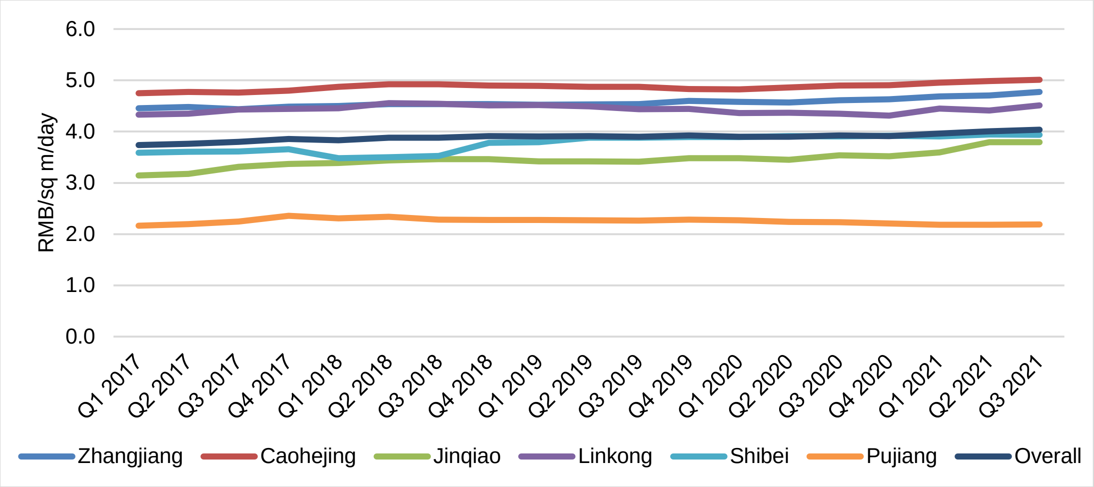
There is growing occupier demand for office space in decentralised business parks rather than the traditional office in the CBD and the decentralisation trend is expected to gather pace as a significant rent differential is likely to persist for at least the next five years.

Occupiers looking for business park space are likely to continue to be predominantly engaged in technology and medical focused industries. With the government placing significant emphasis on the development of semiconductor industry and extra focus being placed on medical innovation, we expect demand from these sectors to drive demand over the next five years.

Further rental growth for the six key business parks in Shanghai, including Zhangjiang, is expected for the next five years. This is due to demand projected to outstrip supply over the next few years, resulting in the overall vacancy rate improving each year starting from 2023.

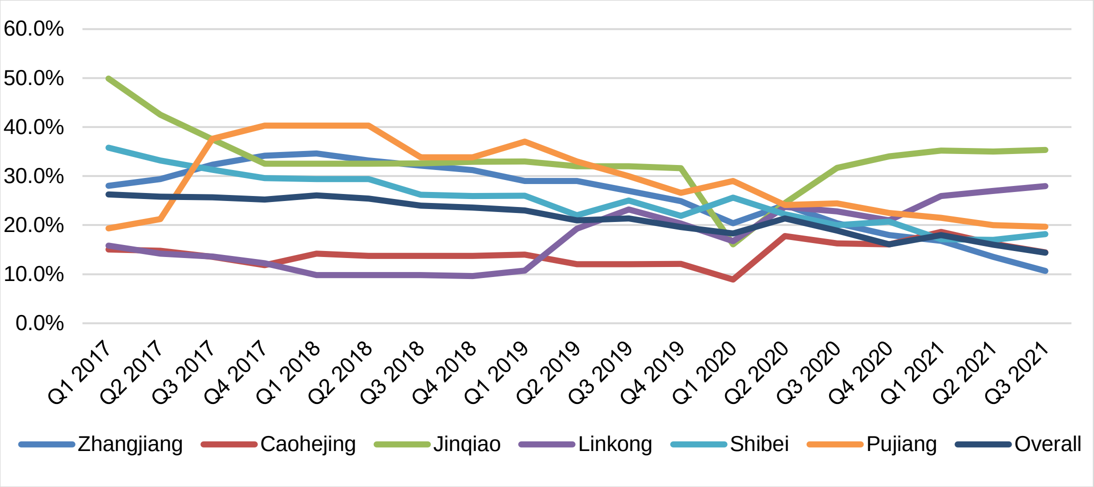
The impact of working from home has been much less pronounced than in many other markets as there is a stronger cultural tie to the office and having visibility to the employer.

Shanghai Business Park Rents (2017 – Q3 2021)



Source: Colliers

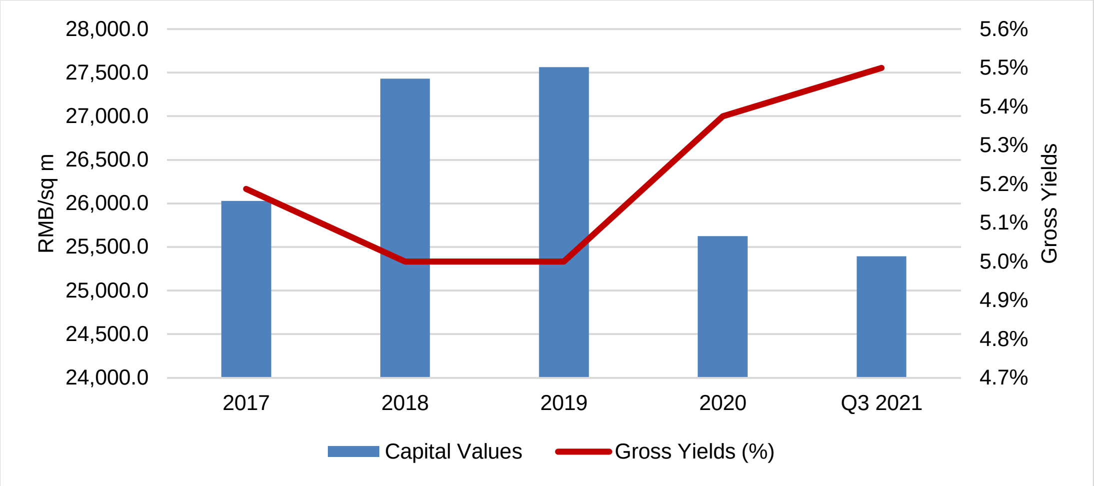
Shanghai Business Park Vacancies (2017 – Q3 2021)



Source: Colliers

While average capital value has fallen over the past two years, we anticipate a gradual recovery over 2022 as investors re-focus on this market. A return to pre-COVID levels should be reached by the end of next year, but a return to the peak of 2018 and 1H 2019 may not be reached again until later into 2023.

Shanghai Business Park Capital Values & Yields (2017 – Q3 2021)



Source: Colliers, Rating and Valuation Department
Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

3. Hong Kong SAR

Since the Global Financial Crisis, Hong Kong SAR's economy has, up until 2019, enjoyed solid growth at an annual average rate of 3.0%. However, 2019 and 2020 both saw GDP growth decline, primarily due to the pandemic. The economy has shown substantial growth through much of 2021, with the first three quarters recording GDP growth in excess of 5.0%. A strong Q4 may see nominal GDP return to pre-COVID levels.

<u>Retail</u>
Hong Kong SAR was most impacted by the pandemic in 2020, when restrictions on dining, temporary closures of certain businesses and social distancing measures had a substantial effect on the economy and the retail market. Retail sales have bottomed out and recorded growth of 8.5% YoY from January to October 2021. This was driven by strong growth in apparel, luxury goods and electronic goods and a low base effect, supplemented by the local Government's Consumption Voucher Scheme. While the impact of COVID-19 will continue to weigh on the performance of the retail sector in 2022, it is expected that retail market and shopper sentiments will continue to recover gradually. The ongoing mass vaccination campaign and booster shots should further stimulate the economic recovery and benefit the retail sector. It is widely expected that the border with China will see a phased re-opening, which will speed up the recovery of the local economy.

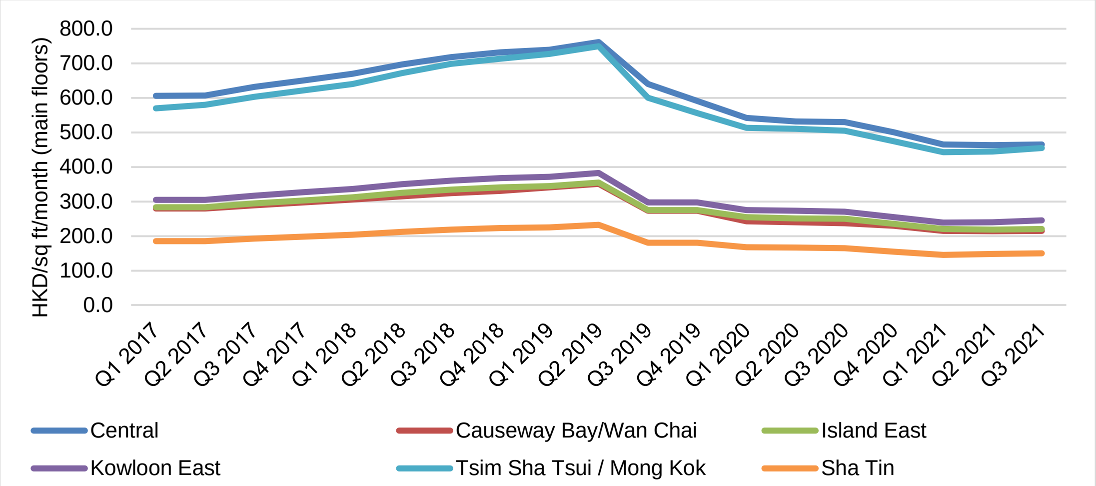
Driven by the social distancing measures, shoppers increasingly turned to online shopping. The online retail sales penetration rate has witnessed significant growth since the start of COVID-19, with the value of online sales making up 8.0% of total Hong Kong SAR retail sales in October 2021 compared to 3.3% at the start of COVID-19 in January 2020. This has prompted a shift by shopping mall landlords to enhance their retail mix by offering more experiential and F&B brands which provide experiences that cannot be replicated online. Some have also introduced more reward-based programmes and aggressive promotions to enrich digital touchpoints and entice purchases.

Kowloon East has approximately 3.8 million sq ft slated for completion from 2022 to 2026, principally around Kwun Tong and Kai Tak, some distance away from Festival Walk, located in

Kowloon Tong. Malls well-connected to transportation nodes and with established consumer base are expected to remain popular among shoppers and be preferred choice locations among retailers.

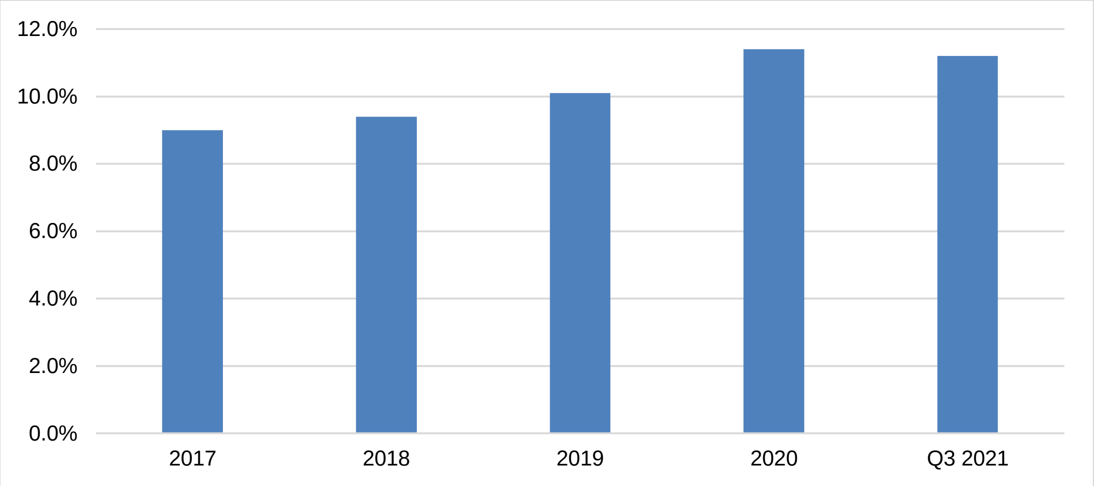
Retail rents have come down by -19% since the start of COVID-19 in January 2020. Rents are expected to remain stable in the next few quarters, with incremental growth only likely to materialise once cross-border travel is back to normal. The increase is expected to be mainly driven by a recovery in rental values for the hardest hit markets of Tsim Sha Tsui / Mongkok and Causeway Bay. Kowloon East, while not tourist-focused, will benefit from the improved consumer sentiments due to the re-opening of borders and is expected to see some recovery in rents, albeit at a moderated pace.

Hong Kong SAR Shopping Mall Main Floor Retail Rents by District (2017 – Q3 2021)



Source: Colliers

Hong Kong SAR Retail Vacancies (2017 – Q3 2021)



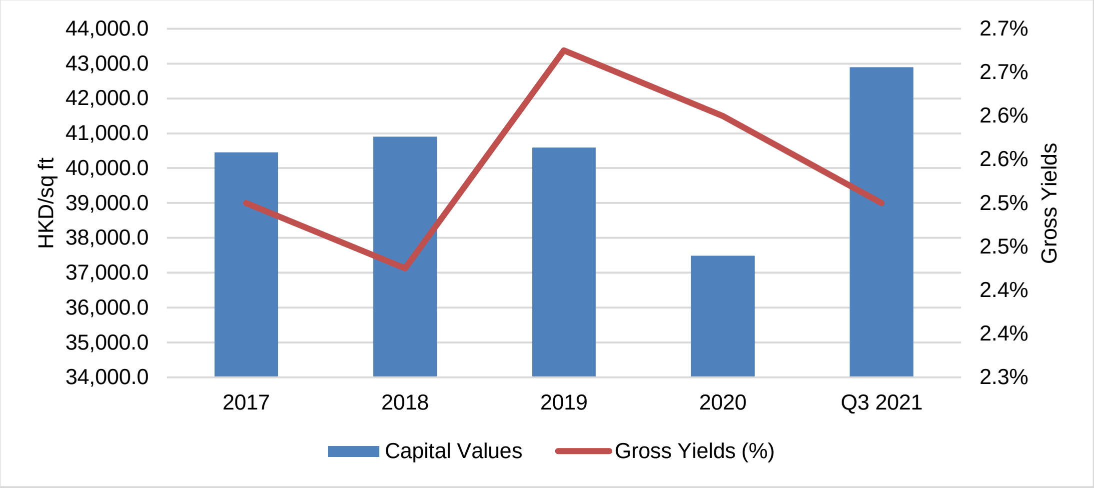
Source: Colliers, Rating and Valuation Department

While average rents have remained largely flat, capital values have increased by around 14.0% year-to–date ("YTD")[12], leading to a compression of average yields by 10 basis points to 2.50%. In 2022, gross yield is expected to remain flat as any increase in rent are expected to be

[12] In this report, "year-to-date" refers to Q3 2021.

countered by rising capital values. Beyond 2022, yields are expected to remain broadly stable while capital value will continue to recover.

Hong Kong SAR Retail Capital Values and Yields (2017 – Q3 2021)



Source: Colliers, Rating and Valuation Department
Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

<u>Office</u>

As business sentiment and the domestic economy continue to recover, leasing demand is returning. Overall net take-up turned positive after eight consecutive negative quarters, and occupancy levels are starting to stabilise. Recent discussions between Hong Kong SAR and mainland Chinese authorities have raised hopes for the re-opening of the border. Should this materialise, demand from China corporates is likely to improve. September 2021's launch of the cross-boundary Wealth Management Connect Scheme covering the Greater Bay Area should provide impetus to Hong Kong SAR's financial sector, benefitting the long-term office leasing demand.

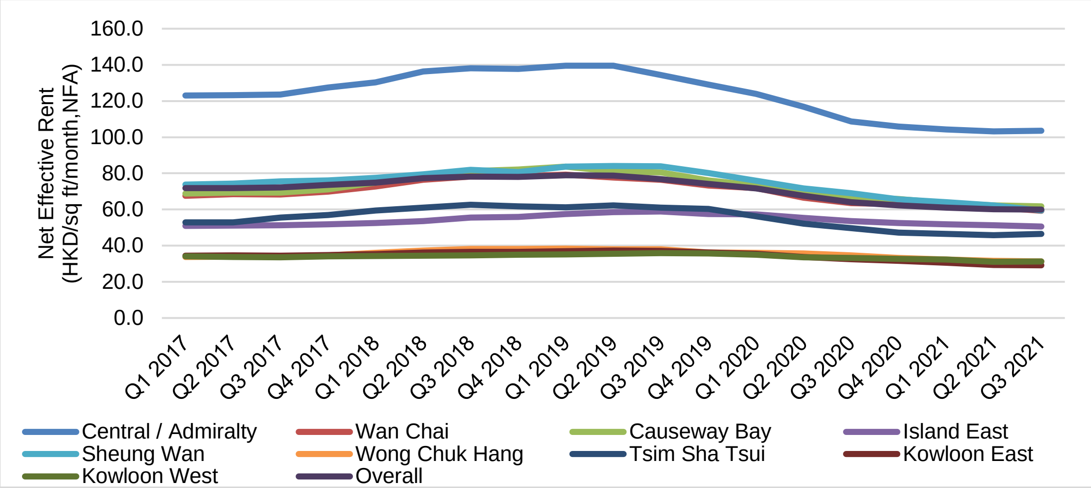
While many companies in Hong Kong SAR have now permanently adopted flexible work from home policies, most staff still prefer to work from the office, often due to the limited size of apartments and lack of suitable workspace at home.

Overall, average Grade A office rents are HKD59.7 per sq ft per month as at the end of Q3 2021. This is 4.2% down YTD, compared to the 15.9% drop in 2020. This slowdown in rental declines suggests that the market has hit or is about to hit its nadir.

Supply pressure will inevitably weigh on the recovery of rental rates. The 7,527,763 sq ft combined pipeline for 2022 and 2023 will add to the approx. 9.3 million sq ft of existing vacancy, providing occupiers with more options. While occupier demand and leasing volume are expected to recover as the economic outlook improves, the huge volume of space will take years to absorb.

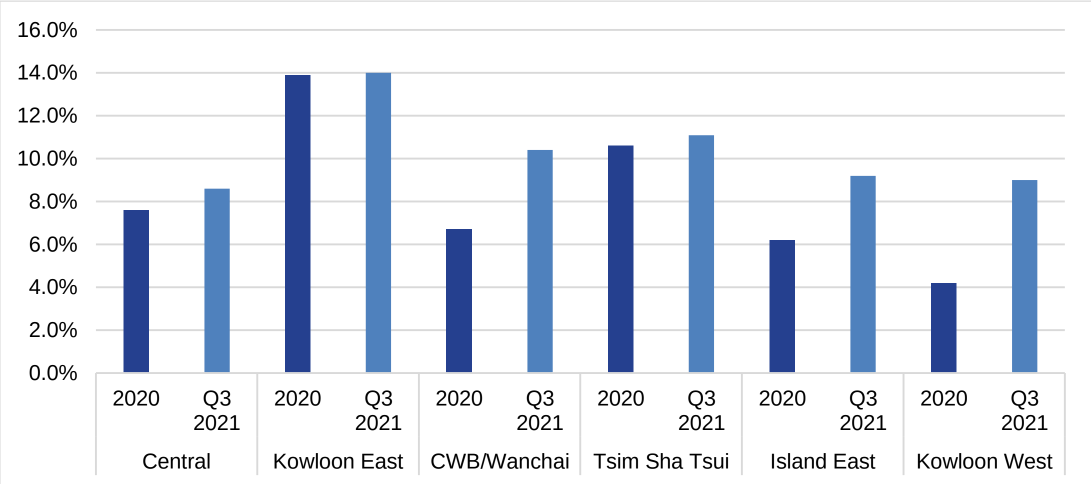
For Kowloon East, we forecast rents to remain stable and incrementally pick up once the strong levels of new supply are gradually absorbed. However, like in all sub-markets, better quality buildings or those well-located buildings near to major transportation nodes will be more resilient as staff retention becomes ever more important.

Hong Kong SAR Average Office Rents by District (2017 – Q3 2021)



Source: Colliers

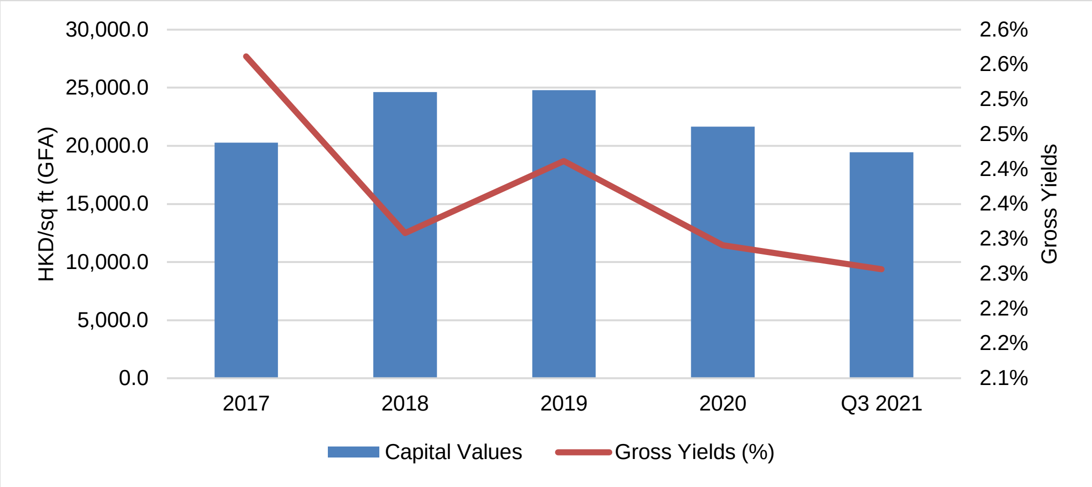
Hong Kong SAR Office Vacancies by District (2020 – Q3 2021)



Source: Colliers

At the end of Q3 2021, the average capital value fell by 9.5% compared to Q3 2020 and 5.5% compared to Q4 2020, while the average yield remained unchanged. The principal reason for the fall in average capital value was the decline in rents, which resulted in the value falling relative to a stable yield. We forecast that capital values will increase over the next five years as rents recover and yields compress in line with investors' risk perception.

Hong Kong SAR Office Capital Values and Yields (2017 – Q3 2021)



Source: Colliers

Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

4. Japan

Although COVID-19 slowed GDP growth in 2020, the number of infections has remained very low, presumably due to rapidly increased vaccination coverage. Real GDP growth in Q3 2021 slowed by 3.6% YoY, down 0.9% QoQ However, fundamental economic activity was maintained even during the pandemic, as the Government's imposition of a state of emergency was primarily focused on restricting travel and entertainment. Overall market recovery is expected in 2022.

The pandemic substantially impacted the Japanese economy in 2020 and 2021, but the overall pessimistic sentiment has eased as public health and economic counter-measures have been effected to restore confidence. Although emerging COVID-19 variants remain a risk, Japan’s economy as a whole has avoided severe damage, and a steady recovery is expected as the pandemic subsides.

Tokyo 5 wards is expected to maintain its crown as a central location for company headquarters for many Japanese firms. However, lower rents in peripheral areas, including Tokyo Outer 18 wards, Yokohama and Chiba, where the Japan Properties are located, will particularly attract occupiers seeking to reduce costs.

In Tokyo 5 wards, vacancy rates are likely to rise, especially in areas with sizeable new supply, and rents are likely to continue to fall. In Tokyo 18 wards[13], where future new supply volume is modest, the rents are expected to be resilient over the next five years. Yokohama has a concentration of high-rise office buildings in the Minato Mirai district, where several large office buildings are scheduled to complete in the next five years. Due to increased supply, vacancy rates are likely to rise slightly. The average rents in the Minato Mirai district may be suppressed on the overall down-trend in Greater Tokyo. However, rental performance in the rest of Yokohama, where ABAS Shin-Yokohama building is located, is expected to be stable overall

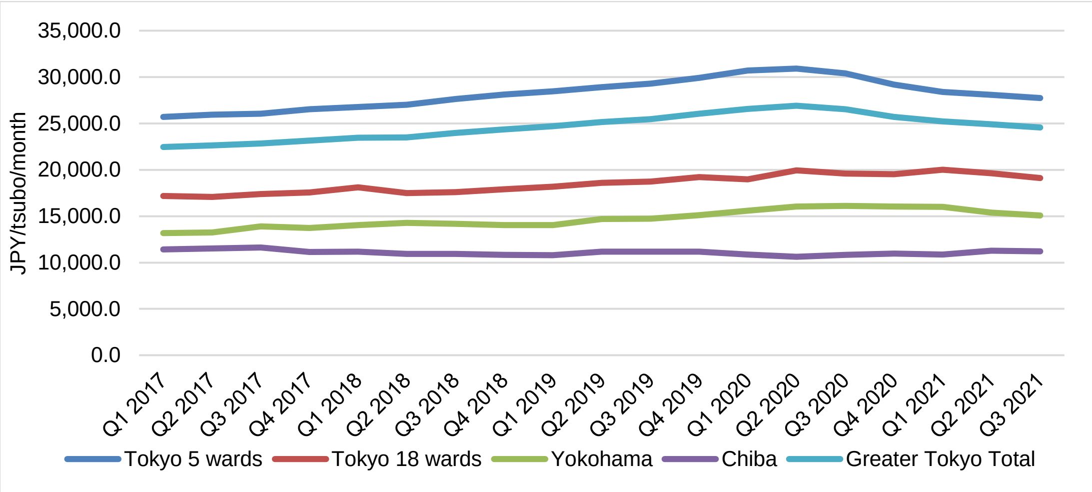
[13] Higashi-nihonbashi 1-chome Building is located at the fringe of Chuo ward, one of the central five wards in Tokyo. IXINAL Monzen-nakacho Building, TS Ikebukuro Building, Omori Prime Building and Hewlett Packard Japan Headquarters Building are located in the outer 18 wards of Tokyo.

due to its relatively small market. Chiba is the smallest of Greater Tokyo's markets, and previous vacancy rates have registered only minor fluctuations. With no significant new office supply in the pipeline for the next five years, we expect vacancies and rents not to move out of this historically narrow range. Overall, demand is expected to recover as pandemic countermeasures are gradually eased, and businesses return to growth.

Office attendance should increase according to a recent Xymax survey in August, with many companies expressing their intention to reduce teleworking after the risks from COVID-19 subside. Indeed, the office is still considered as a key point of collaboration and innovation for companies, where 80% of respondents believe that working in the office makes communication easier.

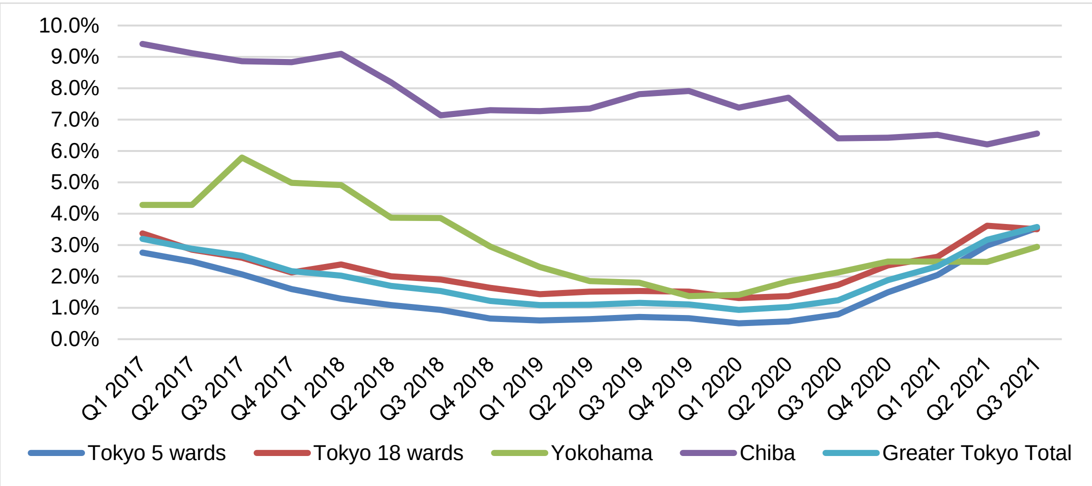
Housing conditions in Japan do not afford many workers a suitable work-from-home environment, creating a demand for workplaces closer to home, which has led to companies opening satellite offices. Many of Japan's large corporations employ tens of thousands of office workers and continue to relocate or consolidate space as they restructure or expand. Several companies have set up satellite offices in the suburbs since 2019, dispersing the demand for space previously concentrated in the city centre. Looking forward, satellite offices located in peripheral areas outside of Tokyo 5 wards will likely become even more popular.

Japan Average Office Rents by District (2017 – Q3 2021)



Source: Colliers

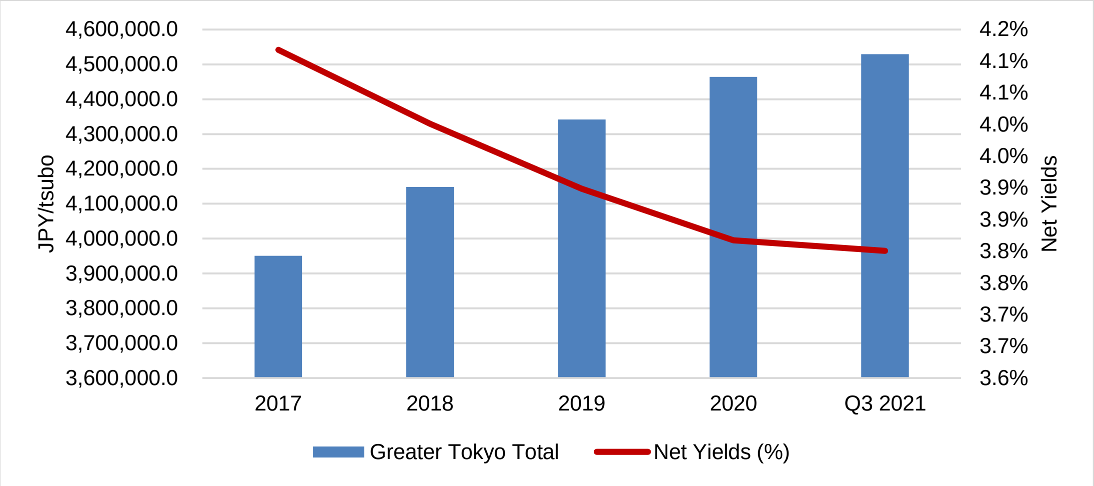
Japan Average Office Vacancies by District (2017 – Q3 2021)



Source: Colliers

Given the strong demand for quality office assets in Japan, the capital value in Tokyo 5 wards increased 1.7% YoY in Q3 2021. Tokyo 18 wards also faced a capital value appreciation of 0.8% YoY despite an economic downturn during the pandemic. Capital value in Tokyo 5 wards is expected to reach its peak in Q3 2022 and will slowly adjust downward to reflect the future supply. Tokyo 18 wards is expected to follow a similar trend as that of Tokyo 5 wards, while Yokohama and Chiba will face a mild increase for the next three years.

Greater Tokyo Office Capital Values and Yields (2017 – Q3 2021)



Source: Colliers
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

5. South Korea

The economy recovered from its pandemic-induced 0.9% YoY drop in 2020 to grow 4% in H1 2021 and 3.9% in H2. It's on track for a 4% annual increase. The economy is expected to remain robust in 2022 (3%) and 2023 (2.7%), averaging close to 3%. A near 80% vaccination rate accelerated private consumption as people's lives returned to normal.

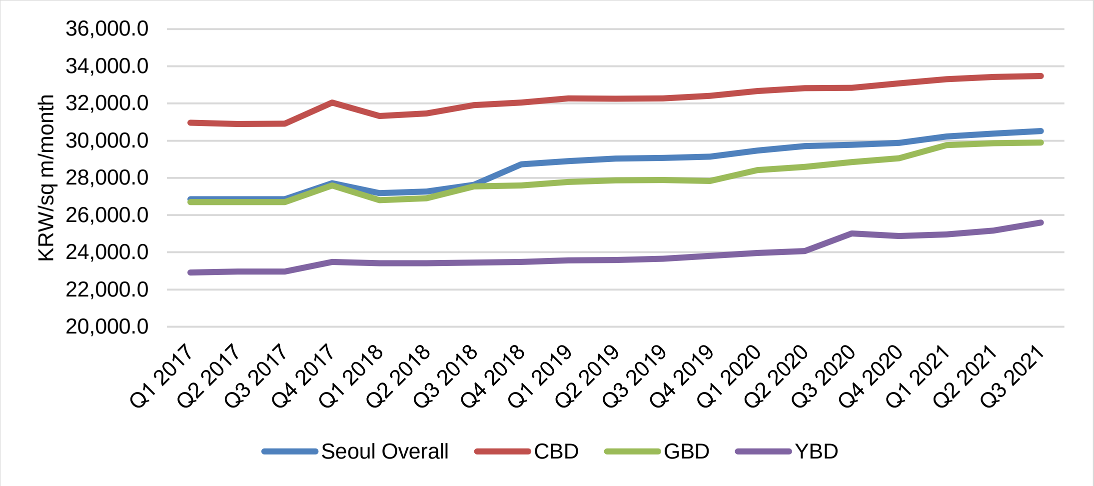
Demand in Seoul's office market showed strong growth in 2021 despite the uncertainty caused by COVID-19. Vacancy rates decreased in all major districts, supported by tech companies which are new economy sectors that are still performing well despite COVID-19.

While the financial industry has the largest share of occupied space in the Grade A office market, accounting for over 30% of the total, big tech companies, such as Naver and Kakao, and fintech companies have been expanding quickly and they may soon overtake the traditional finance sector as the biggest office demand driver. Expansion momentum was also strong among startup tenants, with a rapidly expanding startup ecosystem, mainly attracted to the GBD. With rapid growth in their online business and strong financial backing, tech companies are emerging as big players with increasing importance in the office sector, especially in the GBD.

Grade A office supply, which peaked in 2020, is decreasing, so we expect the market to stabilise and rents to increase. Given that no supply has been scheduled in GBD, office rent will continue to outperform other sub markets and this will benefit The Pinnacle Gangnam Building, a Grade A office located in the GBD.

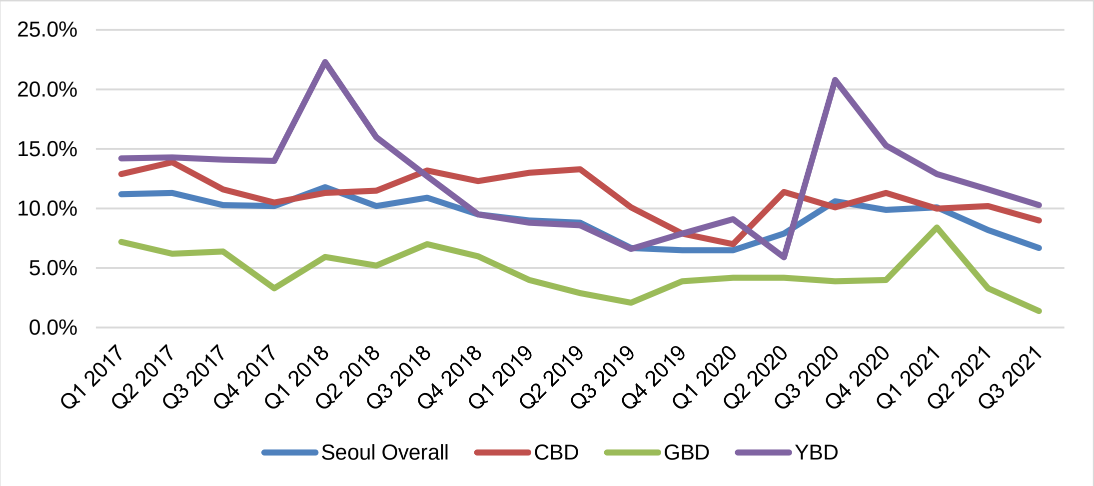
Vacancy in Grade A offices in the GBD area reached its lowest rate in 2019 since 2010 due to major tenant contracts in prime GBD buildings. Office vacancy rates in Seoul's three major submarkets are expected to continue stabilising due to decreased supply in the next five years. Effective rents are expected to continue to increase due to the built-in rental escalations that are common among the leases in the office districts. GBD, supported by the expanding technology sector, is expected to enjoy higher growth due to limited supply.

South Korea Office Average Face Rents (2017 – Q3 2021)



Source: Colliers

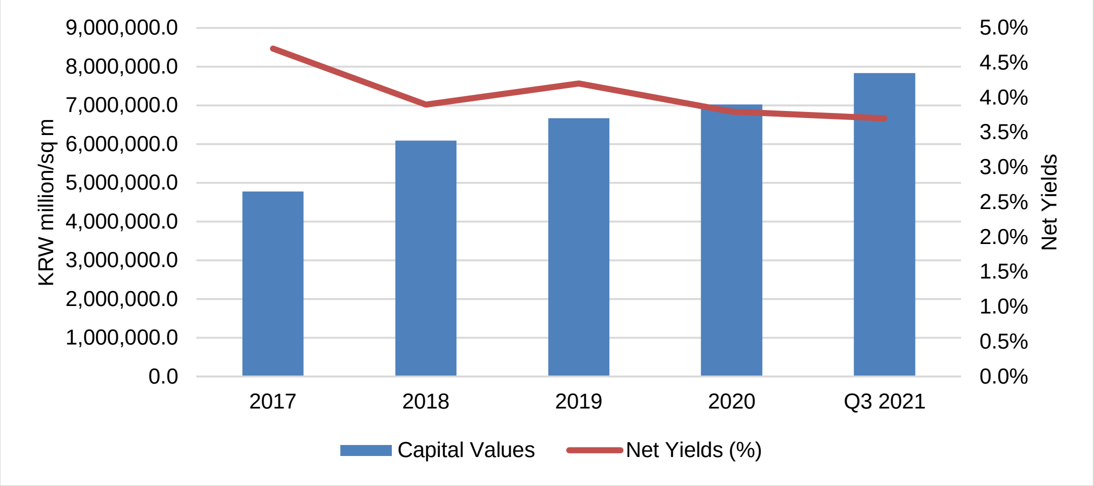
South Korea Office Average Vacancies (2017 – Q3 2021)



Source: Colliers

2021 YTD, Seoul's office capital market witnessed a 11.6% YoY growth, exceeding the capital value over KRW 7.8 million per sq m. The yield also compressed to 3.7% in Q3 2021. Capital values in Seoul office market are forecasted to continue to grow from 2021 to 2025, as global investors are eager to enter the market. Buildings with high occupancy will be the most popular options and can be traded with premium.

South Korea Office Capital Values and Yields (2017 – Q3 2021)



Source: Colliers

Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.