

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

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INTRODUCTION

Mapletree Pan Asia Commercial Trust (“MPACT”) is a real estate investment trust (“REIT”) positioned to be the proxy to key gateway markets of Asia. Listed on the SGX-ST, it made its public market debut as Mapletree Commercial Trust (“MCT”) on 27 April 2011.

On 21 July 2022, the Manager announced the completion of the merger of MCT and Mapletree North Asia Commercial Trust (“MNACT”) by way of a trust scheme of arrangement (the “Merger”, the “Trust Scheme”). Following which, MNACT Group’s financials was consolidated into MPACT Group from 21 July 2022, the effective date of the Trust Scheme. On this date, the new management fee structure pegged to distributable income and DPU growth also took effect. On 3 August 2022, MNACT was delisted and consequently on the same day the merged entity was renamed MPACT.

MPACT’s principal investment objective is to invest 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, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong, Japan and South Korea).

As at 31 March 2023, MPACT’s total assets under management was S\$16.6 billion¹, comprising 18 commercial properties (the “Properties”) across five key gateway markets of Asia - five in Singapore, one in Hong Kong, two in China, nine in Japan and one in South Korea.

Within Singapore, the Properties are:

- VivoCity – Singapore’s largest mall located in the HarbourFront Precinct;
- Mapletree Business City (“MBC”) – a large-scale integrated office, business park and retail complex with Grade A building specifications, supported by ancillary retail space, located in the Alexandra Precinct;
- mTower – an established integrated development with a 40-storey office block and a three-storey retail centre, Alexandra Retail Centre (“ARC”), located in the Alexandra Precinct;
- Mapletree Anson – a 19-storey premium office building located in Singapore’s Central Business District; and
- Bank of America HarbourFront (“BOAHF”) – a premium six-storey office building located in the HarbourFront Precinct.

Outside Singapore, the Properties are:

- Festival Walk, Hong Kong – a landmark territorial retail mall with an office component;
- Gateway Plaza, China – a quality office building with a podium area in Lufthansa sub-market within Beijing;
- Sandhill Plaza, China – a quality business park development in Zhangjiang Science City (Zhangjiang), a key business and innovation hub in Pudong, Shanghai;
- Japan Properties – nine freehold properties comprising five office buildings in Tokyo (IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building, TS Ikebukuro Building, Omori Prime Building and Hewlett-Packard Japan Headquarters Building (“HPB”)); an office building in Yokohama (ABAS Shin-Yokohama Building) and three office buildings in Chiba (SII Makuhari Building, Fujitsu Makuhari Building and mBAY POINT Makuhari); and
- The Pinnacle Gangnam (“TPG”), South Korea – a freehold high-performing office building with retail amenities located in Gangnam Business District, Seoul.

MPACT’s distribution policy is to distribute at least 90% of its taxable income. From 1 April 2020 to 30 September 2022, the distributions were paid out on a half-yearly basis. The Group has reverted to quarterly distribution policy with effect from 3Q FY22/23.

Footnote:

1. Includes MPACT’s 50% effective interest in TPG.

Note: Where “Hong Kong” is mentioned, it refers to the Hong Kong Special Administrative Region.

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SUMMARY RESULTS OF MAPLETREE PAN ASIA COMMERCIAL TRUST GROUP

	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	Variance %
Gross revenue	233,271	125,476	85.9
Property operating expenses	(55,893)	(28,100)	(98.9)
Net property income	177,378	97,376	82.2
Income available for distribution	118,885	74,426	59.7
- to Unitholders	117,590	74,426	58.0
- to Perpetual securities holders	1,295	-	N.M.
Amount available for distribution	118,885	90,179	31.8
- to Unitholders	117,590	90,179 ¹	30.4
- to Perpetual securities holders	1,295	-	N.M.
Distribution per unit (cents)			
- Including release of retained cash	2.25	2.72	(17.3)
- Excluding release of retained cash	2.25	2.25	-

	FY22/23² (S\$'000)	FY21/22 (S\$'000)	Variance %
Gross revenue	826,185	499,475	65.4
Property operating expenses	(194,243)	(110,794)	(75.3)
Net property income	631,942	388,681	62.6
Income available for distribution	449,200	301,229	49.1
- to Unitholders	445,598	301,229	47.9
- to Perpetual securities holders	3,602	-	N.M.
Amount available for distribution	449,200	316,982	41.7
- to Unitholders	445,598	316,982 ¹	40.6
- to Perpetual securities holders	3,602	-	N.M.
Distribution per unit (cents)			
- Including release of retained cash	9.61 ³	9.53	0.8
- Excluding release of retained cash	9.61 ³	9.06	6.1

N.M.: Not meaningful

Footnotes:

1. This includes the release of the remaining S\$15.7 million retained in 4Q FY19/20.
2. The FY22/23 results include MNACT Group's contribution from 21 July 2022 to 31 March 2023.
3. This includes clean-up distribution ("Clean-up Distribution") of 3.04 cents per unit for the period from 1 April 2022 to 20 July 2022 paid on 25 August 2022.

DISTRIBUTION DETAILS

Distribution period	1 January 2023 to 31 March 2023
Distribution rate/type	Taxable income distribution of 1.48 cents per unit Tax-exempt income distribution of 0.60 cent per unit Capital distribution of 0.17 cent per unit
Trade ex-date	5 May 2023, 9.00 a.m.
Record date	8 May 2023, 5.00 p.m.
Payment date	15 June 2023

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CONDENSED INTERIM FINANCIAL STATEMENTS

1(a) Consolidated Statement of Profit or Loss and Distribution Statement

Consolidated Statement of Profit or Loss	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	Variance %	FY22/23 (S\$'000)	FY21/22 (S\$'000)	Variance %
Gross revenue	233,271	125,476	85.9	826,185	499,475	65.4
Property operating expenses ¹	(55,893)	(28,100)	(98.9)	(194,243)	(110,794)	(75.3)
Net property income	177,378	97,376	82.2	631,942	388,681	62.6
Finance income	565	60	N.M.	1,603	284	N.M.
Finance expenses	(51,485)	(17,998)	N.M.	(163,762)	(72,575)	N.M.
Manager's management fees ²						
- Base fees	(12,510)	(5,503)	N.M.	(43,416)	(22,218)	(95.4)
- Performance fees	-	(3,895)	100.0	(5,217)	(15,547)	66.4
Trustee's fees	(452)	(257)	(75.9)	(1,652)	(1,039)	(59.0)
Other trust expenses	(440)	(444)	0.9	(2,823)	(1,388)	N.M.
Foreign exchange (loss)/ gain ³	(12,649)	5,472	N.M.	(3,746)	8,926	N.M.
Net change in fair value of financial derivatives ⁴	11,809	(5,149)	N.M.	19,159	(8,390)	N.M.
Profit before tax and fair value change in investment properties and share of profit of a joint venture	112,216	69,662	61.1	432,088	276,734	56.1
Net change in fair value of investment properties ⁵	(98,664)	28,405	N.M.	43,511	70,290	(38.1)
Share of profit of a joint venture ⁶	2,091	-	N.M.	9,425	-	N.M.
Profit for the financial period/year before tax	15,643	98,067	(84.0)	485,024	347,024	39.8
Income tax credit/(expense) ⁷	19,328	(1)	N.M.	1,725	(5)	N.M.
Profit for the financial period/year after tax	34,971	98,066	(64.3)	486,749	347,019	40.3
Attributable to:						
- Unitholders	33,566	98,066	(65.8)	482,596	347,019	39.1
- Perpetual securities holders ⁸	1,295	-	N.M.	3,602	-	N.M.
- Non-controlling interest ⁹	110	-	N.M.	551	-	N.M.
Profit for the financial period/year after tax	34,971	98,066	(64.3)	486,749	347,019	40.3
Earnings per unit (cents)						
- Basic	0.64	2.95	(78.3)	10.45	10.45	-
- Diluted	0.64	2.95	(78.3)	10.45	10.45	-

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1(a) Consolidated Statement of Profit or Loss and Distribution Statement (continued)

Distribution Statement	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	Variance %	FY22/23 (S\$'000)	FY21/22 (S\$'000)	Variance %
Profit for the financial period/year after tax before distribution	33,566	98,066	(65.8)	482,596	347,019	39.1
Adjustments:						
- Trustee's fees	452	257	75.9	1,652	1,039	59.0
- Financing fees	2,158	863	N.M.	7,354	3,436	N.M.
- Management fees paid/ payable in units	5,003	3,833	30.5	19,521	15,497	26.0
- Net change in fair value of financial derivatives	(11,809)	5,149	N.M.	(6,225)	8,390	N.M.
- Net change in fair value of investment properties	98,527	(28,405)	N.M.	(43,648)	(70,290)	37.9
- Net unrealised foreign exchange loss/(gain)	11,715	(5,472)	N.M.	2,708	(8,926)	N.M.
- Share of net change in fair value of investment property of a joint venture	(612)	-	N.M.	(5,430)	-	N.M.
- Deferred tax (credit)/ expense	(390)	-	N.M.	4,018	-	N.M.
- Income tax credit ¹⁰	(24,155)	-	N.M.	(24,155)	-	N.M.
- Net effect of other non-tax deductible items and other adjustments ¹¹	3,135	135	N.M.	7,207	5,064	42.3
Income available for distribution to Unitholders	117,590	74,426	58.0	445,598	301,229	47.9
Amount available for distribution to Unitholders	117,590	90,179¹²	30.4	445,598	316,982¹²	40.6
Comprising:						
- Taxable income	77,604	73,970	4.9	316,952	285,847 ¹³	10.9
- Tax-exempt income	31,608	-	N.M.	95,682	10,699 ¹⁴	N.M.
- Capital distribution	8,378	16,209 ¹²	(48.3)	32,964	20,436 ¹²	61.3
	117,590	90,179	30.4	445,598	316,982	40.6

Footnotes:

1. Included as part of the property operating expenses were the following:

	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	Variance %	FY22/23 (S\$'000)	FY21/22 (S\$'000)	Variance %
Depreciation	272	35	N.M.	831	148	N.M.
Impairment of trade receivables	11	128	91.4	14	256	94.5
Plant and equipment written off	-	-	-	11	-	N.M.

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1(a) Consolidated Statement of Profit or Loss and Distribution Statement (continued)

2. Effective from 21 July 2022, the management fee structure is pegged to distributable income and DPU growth.
3. This mainly relates to the Japanese Yen (“JPY”) denominated medium term notes (“MTN”) issued in March 2015 which were fully redeemed on the final maturity date of 16 March 2023. The foreign exchange gain/(loss) was unrealised and arose from the translation of the JPY MTN into MPACT Treasury Company Pte. Ltd.’s (“MPACT TCo”) functional currency in Singapore dollar. A cross currency interest rate swap (“CCIRS”) has been entered into to hedge against any foreign exchange exposure on the principal and interest payments. The unrealised foreign exchange gain/(loss) has no impact on the amount available for distribution to Unitholders.
4. This relates to the revaluation of the CCIRS which was entered into to hedge against foreign exchange risk, the revaluation of the currency forwards which were entered into to hedge against the foreign exchange risks arising from highly probable transactions and any cumulative gain on the financial derivative instruments, previously recognised directly in other comprehensive income, reclassified to profit or loss when hedge accounting was discontinued and the hedged cash flows were no longer expected to occur. The CCIRS and currency forwards are not designated for hedge accounting and any change in fair value of these derivative financial instruments have been taken to profit or loss. The unrealised fair value change of financial derivatives has no impact on amount available for distribution to Unitholders.
5. This relates to the net change in investment properties values. The breakdown was as follows:

	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	Variance %	FY22/23 (S\$'000)	FY21/22 (S\$'000)	Variance %
Change in fair value of investment properties	(102,432)	26,658	N.M.	(102,432)	65,696	N.M.
Excess of fair value of investment properties acquired over fair value of consideration transferred	-	-	N.M.	142,175	-	N.M.
Effect of recognising rental incentives on a straight-line basis over the lease terms	3,768	1,747	N.M.	3,768	4,594	(18.0)
Net change in fair value of investment properties recognised in profit or loss	(98,664)	28,405	N.M.	43,511	70,290	(38.1)

The change in fair value of investment properties arose from the independent valuations carried out as at 31 March 2023, 30 September 2022 and 31 March 2022.

The excess of fair value of investment properties acquired over fair value of consideration transferred arose from the movement in unit price of the scheme consideration. The Merger was accounted for as an asset acquisition on completion of the transaction. The related transaction costs and the differences between the scheme consideration and the acquired net assets (collectively “discount over net assets acquired”) were initially capitalised/allocated to the investment properties and investment in joint venture, which were subsequently re-measured at fair value.

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1(a) Consolidated Statement of Profit or Loss and Distribution Statement (continued)

The scrip component of the scheme consideration was based on S\$2.0039 per consideration unit, being the scheme issue price. In determining the fair value of the scheme consideration, the 1-day Volume-Weighted Average Price of S\$1.804 per consideration unit was used. The movement in unit price resulted in a discount over net assets acquired of S\$146,993,000, of which S\$142,175,000 and S\$4,818,000 were attributable to the investment properties acquired and investment in joint venture respectively.

6. This relates to the 50% effective interest in TPG held through MNACT. The share of net profit includes the net change in investment property value arising from the independent valuation carried out as at 31 March 2023 and the effect of the excess of fair value of investment property acquired over fair value of consideration transferred.

	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	Variance %	FY22/23 (S\$'000)	FY21/22 (S\$'000)	Variance %
Share of net profit of a joint venture after tax	2,091 ¹	-	N.M.	4,607 ¹	-	N.M.
Excess of fair value of investment property acquired over fair value of consideration transferred	-	-	N.M.	4,818	-	N.M.
Share of profit of a joint venture	2,091	-	N.M.	9,425	-	N.M.

¹ Includes the Group's share of net change in fair value of investment property of S\$612,000.

The effect of the excess of fair value of investment property acquired over fair value of consideration transferred recorded in FY22/23 arose from a lower fair value of the consideration at the date of acquisition based on the traded price of MPACT units, rather than a change in fair value of the acquired property.

7. This relates to income tax expense, withholding tax expense and deferred tax expense of MPACT TCo, 80 Alexandra Pte. Ltd. and the overseas subsidiaries subsequent to the Merger, where applicable, and the reversal of a prior year income tax provision of an overseas subsidiary which was no longer required.
8. This relates to the S\$250,000,000 perpetual securities, at a coupon rate of 3.50% per annum, issued by MNACT on 8 June 2021 to partially fund the acquisition of HPB. CCIRs were entered to swap SGD coupon rate to JPY coupon rate for these perpetual securities.
9. This relates to the 1.53% effective interest in the Japan Properties held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ").
10. This relates to the reversal of a prior year income tax provision which was no longer required.
11. This mainly includes capital allowances claims, other non-tax deductible items and rollover income adjustments.
12. This includes the release of the remaining S\$15.7 million retained in 4Q FY19/20.
13. This includes an adjustment of S\$10.7 million arising from the COVID-19 cash grants received by the Group in FY20/21, which was included as part of the taxable income distribution in FY20/21. The COVID-19 cash grants received from the Government are exempted from tax.
14. This relates to the COVID-19 cash grants received by the Group in FY20/21.

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1(b) Consolidated Statement of Comprehensive Income

	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	Variance %	FY22/23 (S\$'000)	FY21/22 (S\$'000)	Variance %
Profit for the financial period/year after tax before distribution	34,971	98,066	(64.3)	486,749	347,019	40.3
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges						
- Fair value (loss)/gain, net of tax	(23,218)	27,107	N.M.	15,943	29,459	(45.9)
- Reclassification to profit or loss, net of tax	(408)	3,407	N.M.	(4,499)	15,032	N.M.
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	(8,048)	-	N.M.	(228,226)	-	N.M.
Share of currency translation differences relating to a foreign joint venture	(1,924)	-	N.M.	(5,755)	-	N.M.
Net currency translation differences on hedges of net investment in foreign operation ¹	1,036	-	N.M.	3,684	-	N.M.
Net currency translation differences reclassified to profit or loss	2,151	-	N.M.	2,174	-	N.M.
Other comprehensive (loss)/income, net of tax	(30,411)	30,514	N.M.	(216,679)	44,491	N.M.
Total comprehensive income	4,560	128,580	(96.5)	270,070	391,510	(31.0)
Attributable to:						
- Unitholders	3,192	128,580	(97.5)	265,948	391,510	(32.1)
- Perpetual securities holders	1,295	-	N.M.	3,602	-	N.M.
- Non-controlling interest	73	-	N.M.	520	-	N.M.
Total comprehensive (loss)/income	4,560	128,580	(96.5)	270,070	391,510	(31.0)

Footnote:

1. Relates to fair value changes on the derivative financial instruments (CCIRS to swap SGD coupon rate to JPY coupon rate) for perpetual securities issued to partially fund the acquisition of HPB.

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2 Statements of Financial Position

	Group		MPACT	
	31 Mar 2023 (S\$'000)	31 Mar 2022 (S\$'000)	31 Mar 2023 (S\$'000)	31 Mar 2022 (S\$'000)
Current assets				
Cash and bank balances ¹	216,147	124,170	54,597	113,051
Trade and other receivables ²	13,359	2,725	9,420	3,157
Tax recoverable ³	5,849	5,849	-	-
Other assets ⁴	3,525	649	1,122	475
Inventories	410	-	-	-
Derivative financial instruments ⁵	57,577	-	4,443	-
	296,867	133,393	69,582	116,683
Non-current assets				
Investment properties ⁶	16,321,443	8,821,000	7,327,000	7,270,000
Plant and equipment	2,195	162	55	116
Investment in subsidiaries ⁷	-	-	4,969,433	910,964
Investment in a joint venture ⁸	119,943	-	-	-
Other assets ⁴	-	2,227	-	2,227
Derivative financial instruments ⁵	88,372	27,741	38,733	27,741
	16,531,953	8,851,130	12,335,221	8,211,048
Total assets	16,828,820	8,984,523	12,404,803	8,327,731
Current liabilities				
Trade and other payables ⁹	223,496	102,919	96,699	87,046
Borrowings ¹⁰	754,365	460,547	114,838	263,894
Lease liabilities	66	-	-	-
Loans from a subsidiary ¹¹	-	-	84,974	196,653
Current income tax liabilities ¹²	7,528	-	-	-
Derivative financial instruments ⁵	103	4,570	2,204	4,570
	985,558	568,036	298,715	552,163
Non-current liabilities				
Other payables ⁹	139,076	53,923	53,445	49,915
Borrowings ¹⁰	6,029,193	2,543,787	1,826,144	1,179,815
Lease liabilities	76	-	-	-
Loans from a subsidiary ¹¹	-	-	793,832	728,522
Deferred tax liabilities ¹³	182,379	24,974	-	-
Derivative financial instruments ⁵	10,158	266	20,516	12,887
	6,360,882	2,622,950	2,693,937	1,971,139
Total liabilities	7,346,440	3,190,986	2,992,652	2,523,302
Net assets	9,482,380	5,793,537	9,412,151	5,804,429
Represented by:				
- Unitholders' funds	9,220,257	5,793,537	9,412,151	5,804,429
- Perpetual securities holders ¹⁴	249,437	-	-	-
- Non-controlling interest	12,686	-	-	-
	9,482,380	5,793,537	9,412,151	5,804,429
Units in issue ('000)	5,239,332	3,323,514	5,239,332	3,323,514
Net asset value per unit attributable to Unitholders (S\$)	1.76	1.74	1.80	1.75

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2 Statements of Financial Position (continued)

Footnotes:

1. The increase in cash and bank balances was mainly due to the Merger, net cash generated from operations and net drawdown of bank borrowings/MTN, offset partially by payment of distribution to Unitholders.
2. The increase in trade and other receivables was mainly due to the Merger. There was no allowance for expected credit losses included in trade and other receivables as at 31 March 2023 (31 March 2022: S\$80,000).
3. Tax recoverable refers mainly to the net income tax recoverable of Mapletree Business City LLP (“MBC LLP”) prior to the acquisition by MPACT.
4. The increase in other assets (current) was mainly due to the Merger. In the prior financial year, other assets (non-current) relate to the prepayment of directly attributable transaction costs, namely legal and professional fees incurred in relation to the Merger. The Merger was accounted for as an asset acquisition on completion of the transaction. At completion, the prepayment was capitalised in the carrying amount of investment in subsidiaries. At the Group level, the acquisition-related transaction costs were initially capitalised in the carrying amount of investment properties and investment in joint venture, which were subsequently re-measured at fair value.
5. Derivative financial instruments reflect the fair value as at year end of the (i) interest rate swaps (“IRS”); (ii) CCIRS; and (iii) currency forwards contracts entered into by the Group to manage its interest rate risks and foreign currency risks. The change in fair value of derivative financial instruments was mainly due to fluctuations in interest rates and currency exchange rates.
6. Investment properties as at 31 March 2023 were accounted for at fair value based on the independent valuations carried out as at 31 March 2023. The increase in investment properties was mainly due to the Merger. For more details, please refer Paragraph 5.5.
7. The increase in investment in subsidiaries was due to the Merger. The list of subsidiaries acquired are as follow:

Name of subsidiary	Country of Incorporation	Effective interest held by the Group
Mapletree North Asia Commercial Trust	Singapore	100%
Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd	Singapore	100%
Mapletree North Asia Commercial Treasury Company (HKSAR) Limited	Hong Kong	100%
Claymore Limited	Cayman	100%
Festival Walk Holdings Limited	Hong Kong	100%
Festival Walk (2011) Limited	Hong Kong	100%
Beijing Gateway Plaza (Cayman) Ltd.	Cayman	100%
HK Gateway Plaza Company Limited	Hong Kong	100%
Gateway Plaza Property Operations (Beijing) Limited	China	100%
Glamour II Limited	Cayman	100%
China Orient Limited	Hong Kong	100%
Shanghai Zhan Xiang Real Estate Company Limited	China	100%
Pinnacle KR Asset Pte. Ltd.	Singapore	100%
Tsubaki 1 Pte. Ltd.	Singapore	100%
Tsubaki Tokutei Mokuteki Kaisha	Japan	98.47%
Godo Kaisha Makuhari Blue	Japan	98.47%
Tsubaki 2 Pte. Ltd.	Singapore	100%
Godo Kaisha Tsubaki 3	Japan	97%

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

2 Statements of Financial Position (continued)

8. Investment in joint venture relates to the 50% effective interest in IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6, which holds TPG.
9. The increase in trade and other payables was mainly due to the Merger. Other payables (non-current) relate to tenancy related deposits.
10. Borrowings represent bank borrowings, MTN and Tokutei Mokuteki Kaisha (“TMK”) bonds measured at amortised cost. The increase in total borrowings was mainly due to (i) the Merger; and (ii) acquisition debt drawn to partially fund the scheme consideration and transaction costs; partially offset by net repayment of borrowings during the year.

Notwithstanding the net current liabilities position, based on the Group’s available financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due. Specifically, the Group has sufficient credit facilities available to refinance the portion of the borrowings due within the next 12 months.

11. Loans from a subsidiary represent the unsecured borrowings from MPACT TCo on-lent to MPACT. The unsecured borrowings from MPACT TCo were raised through the issuance of MTN under the MTN Programmes.
12. The increase in the current income tax liabilities was due to the Merger.
13. The increase in the deferred tax liabilities was due to the Merger. Deferred tax liabilities rose from (i) changes in fair value of investment properties; (ii) accelerated tax depreciation; (iii) changes in fair value of derivative financial instruments; and (iv) unremitted earnings of overseas subsidiaries.
14. The perpetual securities issued by MNACT on 8 June 2021 have no fixed redemption date, with the redemption at the option of MNACT on 8 June 2026 and each distribution payment date thereafter, and will bear an initial rate of distribution of 3.50% per annum for the first five years. The rate of distribution will be repriced after the first five years. Distributions are payable semi-annually at the discretion of MNACT and will be non-cumulative. The perpetual securities, net of issuance costs, are classified and recognised as equity instruments. CCIRs were entered to swap SGD coupon rate to JPY coupon rate for these perpetual securities.

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

3 Consolidated Statement of Cash Flows

	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	FY22/23 (S\$'000)	FY21/22 (S\$'000)
Cash flows from operating activities				
Profit for the financial period/year after tax before distribution	34,971	98,066	486,749	347,019
Adjustments for:				
- Income tax (credit)/expense	(19,328)	1	(1,725)	5
- Depreciation	272	35	831	148
- Plant and equipment written off	-	-	11	-
- Adjustments for rental incentives amortisation	953	314	3,564	4,595
- Impairment of trade receivables	11	128	14	256
- Net unrealised foreign exchange loss/(gain)	11,715	(5,472)	2,708	(8,926)
- Net change in fair value of investment properties	98,664	(28,405)	(43,511)	(70,290)
- Net change in fair value of financial derivatives	(11,809)	5,149	(19,159)	8,390
- Finance income	(565)	(60)	(1,603)	(284)
- Finance expenses	51,485	17,998	163,762	72,575
- Manager's management fees paid/payable in units	5,003	3,833	19,521	15,497
- Share of profit of a joint venture	(2,091)	-	(9,425)	-
	169,281	91,587	601,737	368,985
Change in working capital:				
- Trade and other receivables	3,592	638	6,417	4,595
- Other current assets	1,126	(35)	2,866	(121)
- Inventories	68	-	134	-
- Trade and other payables	9,827	9,037	18,610	(9,829)
Cash generated from operations	183,894	101,227	629,764	363,630
- Income tax paid	(19,605)	-	(24,456)	(5)
Net cash provided by operating activities	164,289	101,227	605,308	363,625
Cash flows from investing activities				
Net cash outflow on acquisition of interest in investment properties ¹	-	-	(2,254,149)	-
Prepayments of transaction costs directly attributable to the Merger	-	(453)	-	(453)
Additions to investment properties	(14,699)	(5,517)	(43,122)	(18,682)
Additions to plant and equipment	(287)	(4)	(459)	(44)
Proceeds from disposal of plant and equipment	5	-	5	-
Dividend received from a joint venture	-	-	2,838	-
Finance income received	342	29	1,538	339
Net cash used in investing activities	(14,639)	(5,945)	(2,293,349)	(18,840)

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

3 Consolidated Statement of Cash Flows (continued)

	4Q FY22/23 (S\$'000)	4Q FY21/22 (S\$'000)	FY22/23 (S\$'000)	FY21/22 (S\$'000)
Cash flows from financing activities				
Proceeds from bank borrowings	686,602	31,000	2,141,485	137,900
Proceeds from notes	150,000	-	150,000	-
Repayment of bank borrowings	(434,877)	(31,000)	(1,153,627)	(86,800)
Redemption of notes	(317,750)	-	(661,162)	(70,000)
Principal payment of lease liabilities	(18)	-	(45)	-
Payment of financing fees	(5,889)	(147)	(13,986)	(147)
Finance expenses paid	(52,802)	(19,779)	(145,790)	(71,885)
Payment of distribution to Unitholders	(126,713)	-	(498,150)	(322,226)
Payment of distribution to MNACT ex-Unitholders	-	-	(67,712)	-
Payment of transaction costs related to issuance of new units ²	-	-	(638)	-
Proceeds from preferential offering ³	-	-	2,040,737	-
Payment of distributions to perpetual securities holders	-	-	(2,599)	-
Capital return to non-controlling interest	(153)	-	(250)	-
Change in restricted cash	(157)	-	(21,492)	-
Net cash (used in)/provided by financing activities	(101,757)	(19,926)	1,766,771	(413,158)
Net increase/(decrease) in cash and cash equivalents	47,893	75,356	78,730	(68,373)
Cash and cash equivalent at beginning of financial period/year	146,550	48,814	124,170	192,543
Effect of currency translation on cash and cash equivalents	759	-	(7,698)	-
Cash and cash equivalent at end of financial period/year⁴	195,202	124,170	195,202	124,170

Footnotes:

1. This relates to the cash consideration paid on the adjusted net asset value (net of cash and bank balances acquired) of MNACT and related transaction costs.
2. This relates to the transaction costs for the issuance of new units for the settlement of the Scheme Consideration ("Consideration Units") and preferential offering.
3. On 28 July 2022, 1,018,382,531 units at S\$2.0039 per unit, amounting to S\$2,040.7 million were issued pursuant to the preferential offering. The proceeds from the preferential offering were fully used to partially fund the cash consideration in relation to the Merger as set out in the circular to Unitholders dated 29 April 2022 (the "Circular"). As at 31 March 2023, the gross proceeds have been fully utilised.

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

3 Consolidated Statement of Cash Flows (continued)

4. For purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	FY22/23 (S\$'000)	FY21/22 (S\$'000)
Cash and bank balances	216,147	124,170
Less: Restricted cash	(20,945)	-
Cash and cash equivalents per consolidated statement of cash flows	195,202	124,170

Restricted cash relates to the amount of cash reserves for the Japan Properties which is required to be maintained based on the agreements with the banks. Restricted cash are reserves kept for use in capital expenditure, interest expense and certain property-related expenses to ensure these liabilities can be met when incurred.

4 Statements of Movements in Unitholders' Funds

	Group		MPACT	
	FY22/23 (S\$'000)	FY21/22 (S\$'000)	FY22/23 (S\$'000)	FY21/22 (S\$'000)
<u>Operations</u>				
Balance at 1 April	1,792,513	1,767,720	1,816,026	1,805,715
Profit for the financial period	339,458	175,334	147,429	160,726
Distributions to Unitholders	(272,002)	(176,422)	(272,002)	(176,422)
Transfer to General Reserve	(245)	-	-	-
Balance at 30 September	1,859,724	1,766,632	1,691,453	1,790,019
Profit for the financial period	109,572	73,619	161,644	73,848
Distributions to Unitholders	(99,435)	(145,804)	(99,435)	(145,804)
Transfer to General Reserve	(332)	-	-	-
Balance at 31 December	1,869,529	1,694,447	1,753,662	1,718,063
Profit for the financial period	33,566	98,066	131,399	97,963
Distributions to Unitholders	(126,713)	-	(126,713)	-
Transfer to General Reserve	(319)	-	-	-
Balance at 31 March	1,776,063	1,792,513	1,758,348	1,816,026
<u>Unitholders' Contribution</u>				
Balance at 1 April	3,974,425	3,959,140	3,974,425	3,959,140
Issue of new units arising from:				
- Settlement of management fees	10,919	10,687	10,919	10,687
- Preferential offering	2,040,737	-	2,040,737	-
- Settlement of Scheme Consideration	1,597,865	-	1,597,865	-
Issue expenses	(720)	-	(720)	-
Balance at 30 September	7,623,226	3,969,827	7,623,226	3,969,827
Issue of new units arising from:				
- Settlement of management fees	4,715	2,297	4,715	2,297
Balance at 31 December	7,627,941	3,972,124	7,627,941	3,972,124
Issue of new units arising from:				
- Settlement of management fees	5,406	2,301	5,406	2,301
Balance at 31 March	7,633,347	3,974,425	7,633,347	3,974,425

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

4 Statements of Movements in Unitholders' Funds (continued)

	Group		MPACT	
	FY22/23 (S\$'000)	FY21/22 (S\$'000)	FY22/23 (S\$'000)	FY21/22 (S\$'000)
Hedging Reserve				
Balance at 1 April	26,599	(17,892)	13,978	(12,400)
Fair value changes, net of tax	54,312	(1,928)	28,701	(1,157)
Reclassification to profit or loss, net of tax	9,604	8,095	135	5,821
Balance at 30 September	90,515	(11,725)	42,814	(7,736)
Fair value changes, net of tax	(15,213)	4,280	(10,264)	1,423
Reclassification to profit or loss, net of tax	(13,702)	3,530	(4,083)	2,387
Balance at 31 December	61,600	(3,915)	28,467	(3,926)
Fair value changes, net of tax	(23,160)	27,107	(3,107)	15,573
Reclassification to profit or loss, net of tax	(412)	3,407	(4,904)	2,331
Balance at 31 March	38,028	26,599	20,456	13,978
General Reserve				
Balance at 1 April	-	-	-	-
Transfer from Operations	245	-	-	-
Balance at 30 September	245	-	-	-
Transfer from Operations	332	-	-	-
Balance at 31 December	577	-	-	-
Transfer from Operations	319	-	-	-
Balance at 31 March	896	-	-	-
Foreign Currency Translation Reserve				
Balance at 1 April	-	-	-	-
Net currency translation differences reclassified to profit or loss	10	-	-	-
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	(83,130)	-	-	-
Share of currency translation differences relating to a foreign joint venture	(6,164)	-	-	-
Net currency translation differences on hedges of net investment in foreign operation	(169)	-	-	-
Balance at 30 September	(89,453)	-	-	-

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

4 **Statements of Movements in Unitholders' Funds** (continued)

	Group		MPACT	
	FY22/23 (S\$'000)	FY21/22 (S\$'000)	FY22/23 (S\$'000)	FY21/22 (S\$'000)
Foreign Currency Translation Reserve (continued)				
Balance at 30 September (continued)	(89,453)	-	-	-
Net currency translation differences reclassified to profit or loss	13	-	-	-
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	(136,985)	-	-	-
Share of currency translation differences relating to a foreign joint venture	2,333	-	-	-
Net currency translation differences on hedges of net investment in foreign operation	2,817	-	-	-
Balance at 31 December	(221,275)	-	-	-
Net currency translation differences reclassified to profit or loss	2,151	-	-	-
Net currency translation differences relating to financial statements of foreign subsidiaries and quasi-equity loans	(8,065)	-	-	-
Share of currency translation differences relating to a foreign joint venture	(1,924)	-	-	-
Net currency translation differences on hedges of net investment in foreign operation	1,036	-	-	-
Balance at 31 March	(228,077)	-	-	-
Total Unitholders' funds at 31 March	9,220,257	5,793,537	9,412,151	5,804,429
Perpetual securities				
Balance at 1 April	-	-	-	-
Acquisition of subsidiaries	248,434	-	-	-
Profit attributable to perpetual securities holders	1,010	-	-	-
Balance at 30 September	249,444	-	-	-
Profit attributable to perpetual securities holders	1,297	-	-	-
Coupon paid	(2,599)	-	-	-
Balance at 31 December	248,142	-	-	-
Profit attributable to perpetual securities holders	1,295	-	-	-
Balance at 31 March	249,437	-	-	-

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4 Statements of Movements in Unitholders' Funds (continued)

	Group		MPACT	
	FY22/23 (S\$'000)	FY21/22 (S\$'000)	FY22/23 (S\$'000)	FY21/22 (S\$'000)
<u>Non-controlling interest</u>				
Balance at 1 April	-	-	-	-
Acquisition of subsidiaries	12,416	-	-	-
Profit attributable to non-controlling interest	242	-	-	-
Fair value changes on hedge, net of tax	12	-	-	-
Reclassification to profit or loss, net of tax	3	-	-	-
Net currency translation differences relating to financial statements of foreign subsidiaries	(138)	-	-	-
Balance at 30 September	12,535	-	-	-
Profit attributable to non-controlling interest	199	-	-	-
Fair value changes on hedge, net of tax	50	-	-	-
Reclassification to profit or loss, net of tax	4	-	-	-
Net currency translation differences relating to financial statements of foreign subsidiaries	75	-	-	-
Capital return to non-controlling interest	(97)	-	-	-
Balance at 31 December	12,766	-	-	-
Profit attributable to non-controlling interest	110	-	-	-
Fair value changes on hedge, net of tax	(58)	-	-	-
Reclassification to profit or loss, net of tax	4	-	-	-
Net currency translation differences relating to financial statements of foreign subsidiaries	17	-	-	-
Capital return to non-controlling interest	(153)	-	-	-
Balance at 31 March	12,686	-	-	-

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

5 Notes to the Condensed Interim Financial Statements

5.1 Basis of Preparation

The condensed interim financial statements for the fourth quarter and financial year ended 31 March 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in MPACT’s and the Group’s financial positions and the Group’s performance since the most recent audited annual financial statements for the financial year ended 31 March 2022.

The condensed interim financial statements are presented in Singapore Dollars (“S\$” or “SGD”), which is MPACT’s functional currency and rounded to the nearest thousand, unless otherwise stated.

The accounting policies adopted and methods of computation applied are consistent with those used in the audited financial statements for the financial year ended 31 March 2022, except for the adoption of new and amended standards as set out in Paragraph 5.2 and revised management fees structure from 21 July 2022. The revised management fee structure was adopted such that management fees payable to the MPACT Manager will constitute:

- (a) base fee comprising 10.0% of the distributable income of the Group (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 Group’s units in issue for such financial year.

The Manager has elected to receive 40% of its base fee in units from 1 July 2022 and the balance in cash from MPACT Group. From 1 April 2022 to 30 June 2022, the Manager has elected to receive 50% of its base fee in units and the balance in cash from MPACT and 100% of its base fee in cash from MBC LLP. The Manager has elected to receive 40% of its performance fee in units and the balance in cash from MPACT Group for FY22/23.

In relation to the Japan Properties, the asset management services are provided by MIJ. In consideration of the asset management services provided, MIJ is entitled to receive a fee amounting to 10.0% per annum of distributable income derived from the Japan Properties (the “Japan Asset Management Fee”). For as long as the Manager and MIJ are wholly-owned by Mapletree Investments Pte Ltd and MIJ continues to receive the Japan Asset Management Fee, the Manager will offset the amount equivalent to the Japan Asset Management Fee from the base fee. Accordingly, there will be no double payment for services provided.

In preparing the condensed interim financial statements, the Manager has exercised its judgement, and made estimates and assumptions in the process of applying the Group’s accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Actual results may differ from these estimates.

Areas involving a higher degree of judgement, where estimates and assumptions are significant to the condensed interim financial statements, are disclosed in Paragraph 5.5 – Investment Properties.

MAPLETREE PAN ASIA COMMERCIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023

5.2 New and Amended Standards Adopted by the Group

The Group has adopted new or amended SFRS(I)s and Interpretations to SFRS(I)s (“INT SFRS(I)”) that are mandatory for application from 1 April 2022. The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial period/year.

5.3 Gross Revenue

	Group			
	4Q FY22/23	4Q FY21/22	FY22/23	FY21/22
	(S\$’000)	(S\$’000)	(S\$’000)	(S\$’000)
Rental income	211,534	119,534	756,099	465,749
Car parking income	5,639	2,831	20,235	9,750
Other operating income ¹	16,098	3,111	49,851	23,976
	233,271	125,476	826,185	499,475
Government grant income ²	-	-	-	48
Less: Government grant expenses ²	-	-	-	(48)
	233,271	125,476	826,185	499,475

¹ The other operating income mainly includes sale of electricity, compensation income from pre-termination of leases, ice rink income, additional air-conditioning, and rental from event space.

² The government grant income relates to cash grant received from the Singapore Government as part of the COVID-19 relief measures. The corresponding disbursements to eligible tenants were recorded as government grant expenses. The Group has fully passed through all government grant, as mandated by the Government, in the form of rental rebates and rental waivers to eligible tenants.

5.4 Earnings Per Unit (“EPU”) and Distribution Per Unit (“DPU”)

	Group			
	4Q FY22/23	4Q FY21/22	FY22/23	FY21/22
Weighted average number of units ('000)	5,237,770	3,322,434	4,615,981	3,321,054
EPU¹ (cents) – basic and diluted²	0.64	2.95	10.45	10.45
Number of units in issue at end of financial period/year ('000)	5,239,332	3,323,514	5,239,332	3,323,514
DPU (cents)	2.25	2.72	9.61	9.53

¹ In computing the EPU, profit after tax for the financial period/year and the weighted average number of units at the end of the financial period/year are used.

² Diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the financial period/year.

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5.5 Investment Properties

	Group		MPACT	
	31 Mar 2023 (S\$'000)	31 Mar 2022 (S\$'000)	31 Mar 2023 (S\$'000)	31 Mar 2022 (S\$'000)
<u>Completed investment properties</u>				
Beginning of financial year	8,821,000	8,737,000	7,270,000	7,202,000
Additions through acquisition ¹	7,747,580	-	-	-
Additions during the year	52,741	18,304	36,695	18,014
Change in fair value of investment properties	39,743	65,696	20,305	49,986
Translation difference on consolidation	(339,621)	-	-	-
End of financial year	16,321,443	8,821,000	7,327,000	7,270,000

¹ On 21 July 2022, the Group acquired all the issued and paid-up units of MNACT by way of a Trust Scheme in accordance with the Singapore Code on Take-overs and Mergers. Following the completion, MNACT became a wholly owned subsidiary and unlisted sub-trust of MPACT. The fair value of the total Scheme Consideration was S\$4,052.4 million and was settled as follows (i) S\$2,454.5 million in cash; and (ii) allotment and issuance of 885,734,587 Consideration Units. The Group incurred total transaction costs of S\$7.5 million, of which S\$5.9 million relating to directly attributable transaction costs (namely legal, professional and other fees paid/payable) were capitalised under investment properties. The Manager has waived its acquisition fee entitlement in respect of the Merger.

The Group's investment properties are measured at fair value based on valuations performed by independent professional valuers at least once a year, or more frequently if required. Under the Monetary Authority of Singapore's Property Funds Guideline, a valuer should not value the same property for more than two consecutive financial years.

As at 31 March 2023, the carrying amounts of the investment properties were based on independent valuations conducted by CBRE Pte. Ltd. for VivoCity, Jones Lang LaSalle Property Consultants Pte Ltd for MBC I and II, mTower, Mapletree Anson and BOAHF, Knight Frank Petty Limited for Festival Walk, Gateway Plaza and Sandhill Plaza, and Colliers International Japan KK for the Japan Properties.

The independent valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The Manager is of the view that the valuation methods and estimates adopted and considered by the professional valuers are reflective of the current market conditions.

SFRS(I) 13 *Fair Value Measurement* establishes a fair value hierarchy that categorises the fair values into three levels based on the inputs used in the valuation techniques when measuring the fair value of assets and liabilities.

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

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5.5 Investment Properties (continued)

The fair value of the investment properties within the Group's and MPACT's portfolio is classified within Level 3 of the fair value measurement hierarchy. The following table presents the valuation techniques and key unobservable inputs that were used:

Geographical regions	Valuation techniques	Key unobservable inputs
Singapore	Income capitalisation	Capitalisation rate 3.35% - 4.85% (31 March 2022: 3.35% - 4.85%)
	Discounted cash flow	Discount rate 6.50% - 7.25% (31 March 2022: 6.50% - 7.25%)
Hong Kong	Term and reversion ¹	Term and reversion rate 4.15%
	Discounted cash flow	Discount rate 7.80%
China	Term and reversion ¹	Term and reversion rate 5.00% - 5.50%
	Discounted cash flow	Discount rate 7.50% - 9.25%
	Direct comparison	Adjusted price per square metre RMB37,991 – RMB61,499
Japan	Discounted cash flow	Discount rate 3.20% - 4.20%

¹ Properties are valued by capitalising the amount of net income receivable from existing tenancies, after deducting any specific costs which must be borne by the recipient. Both the term and reversion are capitalised by the market capitalisation rates, which reflect the rate of investment, alienation restrictions, effect of inflation and prospect of rental growth, if any.

Relationship of key unobservable inputs to fair value

- The higher the capitalisation rate, the lower the fair value.
- The higher the discount rate, the lower the fair value.
- The higher the term and reversion rate, the lower the fair value.
- The higher the adjusted price per square feet, the higher the fair value.

There were no significant inter-relationships between unobservable inputs.

Security

As at 31 March 2023, the investment properties in Japan with an aggregate fair value of S\$1,449,075,000 were pledged as security for the TMK bonds and certain bank loans of the Japanese subsidiaries. As at 31 March 2022, the Group's investment properties were unencumbered.

As at 31 March 2023 and 31 March 2022, all investment properties held directly by MPACT were unencumbered.

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5.6 Borrowings and Loans from a Subsidiary

	Group		MPACT	
	31 Mar 2023 (S\$'000)	31 Mar 2022 (S\$'000)	31 Mar 2023 (S\$'000)	31 Mar 2022 (S\$'000)
<u>Borrowings</u>				
Current				
Bank loans (unsecured)	602,561	264,000	115,000	264,000
MTN (unsecured)	152,762	196,788	-	-
Transaction costs to be amortised	(958)	(241)	(162)	(106)
	754,365	460,547	114,838	263,894
Non-current				
Bank loans (secured)	722,188	-	-	-
Bank loans (unsecured)	4,447,758	1,820,000	1,835,000	1,182,000
TMK Bonds (secured)	64,169	-	-	-
MTN (unsecured)	814,299	730,000	-	-
Transaction costs to be amortised	(19,221)	(6,213)	(8,856)	(2,185)
	6,029,193	2,543,787	1,826,144	1,179,815
<u>Loans from a subsidiary</u>				
Current				
Loans from a subsidiary	-	-	85,000	196,788
Transaction costs to be amortised	-	-	(26)	(135)
	-	-	84,974	196,653
Non-current				
Loans from a subsidiary	-	-	795,000	730,000
Transaction costs to be amortised	-	-	(1,168)	(1,478)
	-	-	793,832	728,522
Total borrowings	6,783,558	3,004,334	2,819,788	2,368,884

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5.6 Borrowings and Loans from a Subsidiary (continued)

(a) Ratios

	Group	
	31 Mar 2023	31 Mar 2022
	(\$'000)	(\$'000)
Total gross borrowings ¹	6,928,724	3,014,000
Total deposited property ¹	16,954,665	8,984,523
Aggregate leverage ratio	40.9%	33.5%
Interest coverage ratio ("ICR") ²	3.5 times	4.8 times
Adjusted ICR ³	3.5 times	4.8 times

¹ Excludes share attributable to non-controlling interest and includes the Group's proportionate share of joint venture's gross borrowings and deposited property value.

² Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effect of any fair value changes of derivatives and investment properties, and foreign exchange differences) ("EBITDA"), by the trailing 12 months interest expense and borrowing-related fees.

³ Computed by dividing the trailing 12 months EBITDA, by the trailing 12 months interest expense and borrowing-related fees and distribution of hybrid securities. There are no hybrid securities issued by the Group as at 31 March 2022.

The Group is in compliance with the borrowing limit requirement imposed by the CIS Code and all externally imposed capital requirements for the financial years ended 31 March 2023 and 31 March 2022.

(b) Undrawn committed borrowing facilities

	Group		MPACT	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Expiring beyond one year	1,380,229	375,000	752,000	375,000

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5.7 Units in Issue

	Group and MPACT			
	4Q FY22/23	4Q FY21/22	FY22/23	FY21/22
	'000	'000	'000	'000
Units at beginning of financial period/ year	5,236,061	3,322,354	3,323,514	3,316,204
Units issued as settlement of Manager's management fees	3,271 ¹	1,160 ²	11,702 ³	7,310 ⁴
Units issued pursuant to preferential offering	-	-	1,018,383 ⁵	-
Units issued pursuant to settlement of Scheme Consideration	-	-	885,735 ⁶	-
Units at end of financial period/ year⁷	5,239,332	3,323,514	5,239,332⁸	3,323,514

¹ On 13 February 2023, 3,271,110 new units were issued at an issue price of S\$1.6526 per unit as part payment of Manager's base fees for the period from 1 October 2022 to 31 December 2022.

² On 10 February 2022, 1,160,023 new units were issued at an issue price of S\$1.9833 per unit as part payment of Manager's base fees for the period from 1 October 2021 to 31 December 2021.

³ On 5 May 2022, 12 August 2022, 11 November 2022 and 13 February 2023, 11,701,705 new units were issued at an issue price of S\$1.8989, S\$1.8202, S\$1.7942 and S\$1.6526 per unit respectively as part payment of Manager's base fees for the period from 1 January 2022 to 31 December 2022 and Manager's performance fees for FY21/22.

⁴ On 10 May 2021, 5 August 2021, 10 November 2021 and 10 February 2022, 7,309,536 new units were issued at an issue price of S\$2.1007, S\$2.1473, S\$2.1156 and S\$1.9833 per unit respectively as part payment of Manager's base fees for the period from 1 January 2021 to 31 December 2021 and Manager's performance fees for FY20/21.

⁵ On 28 July 2022, 1,018,382,531 new units were issued at an issue price of S\$2.0039 per unit pursuant to the preferential offering.

⁶ On 29 July 2022, 885,734,587 new units were issued at an issue price of S\$2.0039 per unit pursuant to settlement of Scheme Consideration in relation to the Merger.

⁷ There were no convertibles, treasury units and units held by its subsidiaries as at 31 March 2023 and 31 March 2022.

⁸ As at 31 March 2023, the units in issue is 5,239,332,408 (31 March 2022: 3,323,513,585). Total does not sum up due to rounding differences.

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

	Group		MPACT	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Number of units in issue at end of financial year ('000)	5,239,332	3,323,514	5,239,332	3,323,514
NAV and NTA per unit¹ (\$)	1.76	1.74	1.80	1.75

¹ NAV and NTA per unit are the same as there is no intangible asset as at 31 March 2023 and 31 March 2022.

5.9 Fair Value Measurement

(a) Derivative financial instruments

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

	Group		MPACT	
	31 Mar 2023 (\$'000)	31 Mar 2022 (\$'000)	31 Mar 2023 (\$'000)	31 Mar 2022 (\$'000)
<u>Level 2</u>				
Assets				
Derivative financial instruments	145,949	27,741	43,176	27,741
Liabilities				
Derivative financial instruments	(10,261)	(4,836)	(22,720)	(17,457)

The fair value of the derivative financial instruments (namely IRS, CCIRS and forward currency contracts) not traded in an active market is determined by using valuation techniques based on market conditions existing at each of the balance sheet date. The fair value of IRS and CCIRS are calculated as the present value of the estimated future cash flows using assumptions based on market conditions existing at the quoted currency rates as at the balance sheet date. The fair values of forward currency contracts are determined using banks' quoted forward rates and foreign exchange spot rates at the balance sheet date.

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5.9 Fair Value Measurement (continued)

(b) Other financial assets and liabilities

The carrying values of cash and bank balances, trade and other receivables, other current assets, trade and other payables, current borrowings and non-current borrowings, which are at variable market rates, approximate their fair values.

The carrying amount and fair value of the fixed rate non-current borrowings are as follow:

	Carrying amount		Fair value	
	31 Mar 2023 (S\$'000)	31 Mar 2022 (S\$'000)	31 Mar 2023 (S\$'000)	31 Mar 2022 (S\$'000)
Group				
MTNs (non-current)	813,131	728,522	781,329	722,597
MPACT				
Loans from a subsidiary (non-current)	793,832	728,522	763,078	722,597

5.10 Significant Related Party Transactions

The following significant related party transactions took place at terms agreed between the parties:

	Group	
	FY22/23 (S\$'000)	FY21/22 (S\$'000)
Manager's management fees paid/payable to the Manager	45,625	37,765
Japan asset management fee paid/payable to MIJ	3,008	-
Acquisition of MNACT Group through Trust Scheme from related entities	1,460,034	-
Trustee's fees	1,652	1,039
Project management fees paid/payable to the Manager	861	119
Property management fees paid/payable to the property managers	32,126	20,212
Staff costs paid/payable to the Manager and property managers	21,384	12,115
Rental and other related income received/receivable from related parties	33,229	13,896
Finance income received/receivable from a related company of the Manager	562	-
Professional fees, other products and service fees paid/payable to related parties	6,514	2,847
Interest expenses, financing fees and fees related to the issue of units paid/payable to a related party	48,485	15,523

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5.11 Segment Reporting

The Manager considers the business from a business segment perspective; managing and monitoring the business based on geographies and the group of properties within the Group's portfolio. The change in reportable segments during the year was due to the expansion of the investment mandate from Singapore to key gateway markets in Asia after the completion of the Merger.

The Manager assesses the performance of the operating segments based on a measure of Net Property Income. Interest income and borrowing costs are not allocated to segments, as the treasury activities are centrally managed by the Manager. In addition, the Manager monitors the non-financial assets as well as financial assets directly attributable to each segment when assessing segment performance. Segment results include items directly attributable to a segment.

Segment results, assets and liabilities include items directly attributable to a segment.

The segment information by the reportable segments for the reporting period and comparative period are as follow:

(a) Segment Revenue and Results

For the financial year ended 31 March 2023

Geographical Market	Singapore	Singapore	Singapore	Hong Kong	China	Japan	Korea	
Property	VivoCity	MBC	Other Singapore Properties¹	Festival Walk²	China Properties^{2,3}	Japan Properties²	TPG²	Total
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Gross revenue	220,248	225,522	99,460	146,172	66,667	68,116	-	826,185
Property operating expenses	(54,335)	(45,503)	(23,675)	(36,714)	(11,732)	(22,284)	-	(194,243)
Segment net property income	165,913	180,019	75,785	109,458	54,935	45,832	-	631,942
Finance income								1,603
Finance expenses								(163,762)
Manager's management fees								(48,633)
Trustee's fees								(1,652)
Other trust expenses								(2,823)
Foreign exchange loss								(3,746)
Net change in fair value of financial derivatives								19,159
Profit before tax and fair value change in investment properties and share of profit of a joint venture								432,088
Net change in fair value of investment properties	21,735	2,820	(523)	(12,746)	11,685	20,540	-	43,511
Share of profit of a joint venture	-	-	-	-	-	-	9,425	9,425
Profit for the financial year before tax								485,024
Income tax credit								1,725
Profit for the financial year after tax before distribution								486,749

¹ Include mTower, Mapletree Anson and BOAHF.

² The contributions from these properties are from 21 July 2022 to 31 March 2023.

³ Include Sandhill Plaza and Gateway Plaza.

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5.11 Segment Reporting (continued)

(a) Segment Revenue and Results (continued)

For the financial year ended 31 March 2022

Geographical Market	Singapore						Other Singapore Properties	Total
	VivoCity	MBC	mTower	Mapletree Anson	BOAHF			
Property	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	
Gross revenue	183,888	215,916	45,623	33,987	20,061	99,671	499,475	
Property operating expenses	(48,030)	(40,869)	(11,888)	(6,794)	(3,213)	(21,895)	(110,794)	
Segment net property income	135,858	175,047	33,735	27,193	16,848	77,776	388,681	
Finance income							284	
Finance expenses							(72,575)	
Manager's management fees							(37,765)	
Trustee's fees							(1,039)	
Other trust expenses							(1,388)	
Foreign exchange gain							8,926	
Net change in fair value of financial derivative							(8,390)	
Profit before tax and fair value change in investment properties							276,734	
Net change in fair value of investment properties	20,541	42,793	2,530	3,736	690	6,956	70,290	
Profit for the financial year before tax							347,024	
Income tax expense							(5)	
Profit for the financial year after tax before distribution							347,019	

(b) Segment Assets and Liabilities

As at 31 March 2023

Geographical Market	Singapore	Singapore	Singapore	Hong Kong	China	Japan	Korea	
Property	VivoCity	MBC	Other Singapore Properties	Festival Walk	China Properties	Japan Properties	TPG	Total
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Segment assets								
- Investment properties	3,232,000	3,802,000	1,845,000	4,299,043	1,694,325	1,449,075	-	16,321,443
- Plant and equipment	34	21	19	2,115	6	-	-	2,195
- Investment in joint venture	-	-	-	-	-	-	119,943	119,943
- Trade and other receivables	2,385	509	173	947	196	6,392	2,735	13,337
- Inventories	-	-	-	392	18	-	-	410
	3,234,419	3,802,530	1,845,192	4,302,497	1,694,545	1,455,467	122,678	16,457,328
Unallocated assets								371,492
Total assets								16,828,820
Segment liabilities	58,386	22,219	20,082	85,739	33,522	63,863	1,670	285,481
Unallocated liabilities								7,060,959
Total liabilities								7,346,440

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5.11 Segment Reporting (continued)

(b) Segment Assets and Liabilities (continued)

As at 31 March 2022

Geographical Market	Singapore						Total
	VivoCity	MBC	mTower	Mapletree Anson	BOAHF	Other Singapore Properties	
Property	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Segment assets							
- Investment properties	3,182,000	3,800,000	747,000	752,000	340,000	1,839,000	8,821,000
- Plant and equipment	69	73	14	4	2	20	162
- Trade and other receivables	1,843	499	79	85	42	206	2,548
	3,183,912	3,800,572	747,093	752,089	340,044	1,839,226	8,823,710
Unallocated assets							160,813
Total assets							8,984,523
Segment liabilities	46,665	22,163	10,234	7,041	648	17,923	86,751
Unallocated liabilities							3,104,235
Total liabilities							3,190,986

OTHER INFORMATION

6. Review of the Condensed Interim Financial Statements

The Statements of Financial Position of MPACT and the Group as at 31 March 2023 and the related Consolidated Statement of Profit or Loss, Distribution Statement, Consolidated Statement of Comprehensive Income, Statements of Movements in Unitholders' Funds of MPACT and the Group and the Consolidated Statement of Cash Flows for the fourth quarter and financial year ended 31 March 2023 and the explanatory notes have not been audited or reviewed by the Group's auditors.

7. Review of the Performance

4Q FY22/23 versus 4Q FY21/22

Gross revenue was higher by 85.9% at S\$233.3 million for 4Q FY22/23 compared to 4Q FY21/22. This was due to the effect of the Merger and higher contribution from all Singapore properties. Excluding the effect of the Merger, gross revenue was 9.0% or S\$11.3 million higher year-on-year ("yoy"). As Singapore continues to recover from the COVID-19 pandemic, positive contribution across all major revenue categories including fixed rent, turnover rent, car park income and advertising and promotion income, were observed for the Singapore properties.

Property operating expenses were 98.9% or S\$27.8 million higher at S\$55.9 million for 4Q FY22/23 compared to 4Q FY21/22 mainly due to the effect of the Merger and higher expenses across all Singapore properties. Higher expenses were observed across all Singapore properties' property operating expenses categories which moved in tandem with the increase in activities this year as well as higher utility rates.

Accordingly, NPI increased by 82.2% yoy to S\$177.4 million for 4Q FY22/23. Excluding the contribution from the Merger, NPI increased by 8.0% yoy to S\$105.1 million.

Net finance expenses were 183.9% or S\$33.0 million higher at S\$50.9 million for 4Q FY22/23 compared to 4Q FY21/22 mainly due to the effect of the Merger, the acquisition debt interest incurred and the higher interest rates on the existing Singapore dollar borrowings.

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7. Review of the Performance (continued)

4Q FY22/23 versus 4Q FY21/22 (continued)

The foreign exchange gain/(loss) arose largely from the translation of the JPY denominated MTN. The net change in fair value of financial derivatives relates to the mark-to-market movement of currency forward contracts to hedge currency exposures of future HKD, RMB, JPY and KRW distributable income and the CCIRS entered into to hedge against any foreign exchange exposure on the principal and interest payments of a JPY denominated MTN. The unrealised foreign exchange gain/(loss) and unrealised fair value change of financial derivatives have no impact on the amount available for distribution to Unitholders.

As a result, 4Q FY22/23 income available for distribution to Unitholders was S\$117.6 million, 58.0% higher as compared to 4Q FY21/22. 4Q FY22/23 amount available for distribution to Unitholders was 30.4% higher as compared to 4Q FY21/22 (including the S\$15.7 million of retained cash released in 4Q FY21/22).

FY22/23 versus FY21/22

Gross revenue was higher by 65.4% at S\$826.2 million for FY22/23 compared to FY21/22. This was due to the effect of the Merger, higher contribution from VivoCity and MBC, offset by lower contribution from other Singapore properties. Excluding the effect of the Merger, gross revenue was 9.2% or S\$45.8 million higher yoy. As Singapore continues to recover from the COVID-19 pandemic, positive contribution across all major revenue categories including fixed rent, turnover rent, car park income and advertising and promotion income, were observed for the Singapore properties. The increase was offset partially by lower compensation sum received from pre-termination of leases in FY22/23 compared to FY21/22.

Property operating expenses were 75.3% or S\$83.4 million higher at S\$194.2 million compared to FY21/22 mainly due to the effect of the Merger and higher expenses across all Singapore properties. Higher expenses were observed across all Singapore properties' property operating expenses categories which moved in tandem with the increase in activities this year as well as higher utility rates.

Accordingly, NPI increased by 62.6% yoy to S\$631.9 million for FY22/23. Excluding the contribution from the Merger, NPI increased by 8.5% yoy to S\$421.7 million.

Net finance expenses were 124.3% or S\$89.9 million higher at S\$162.2 million for FY22/23 compared to FY21/22 mainly due to the effect of the Merger, the acquisition debt interest incurred and the higher interest rates on the existing Singapore dollar borrowings.

The foreign exchange gain/(loss) arose largely from the translation of the JPY denominated MTN. The net change in fair value of financial derivatives relates to the mark-to-market movement of currency forward contracts to hedge currency exposures of future HKD, RMB, JPY and KRW distributable income, the CCIRS entered into to hedge against any foreign exchange exposure on the principal and interest payments of a JPY denominated MTN and the cumulative gain on the financial derivative instrument, previously recognised directly in other comprehensive income, reclassified to profit or loss when hedge accounting was discontinued and the hedged cash flows are no longer expected to occur. The unrealised foreign exchange gain/(loss) and unrealised fair value change of financial derivatives have no impact on the amount available for distribution to Unitholders.

As a result, FY22/23 income available for distribution to Unitholders was S\$445.6 million, 47.9% higher as compared to FY21/22. FY22/23 amount available for distribution to Unitholders was 40.6% higher as compared to FY21/22 (including the S\$15.7 million retained cash released in FY21/22).

8. Variance between Actual and Forecast Results

MPACT has not disclosed any forecast to the market.

9. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

Singapore Retail

The easing of COVID restrictions, resumption of major physical events and the return of tourists have led to higher physical retail sales in 2022. The higher retail sales value was also partially due to higher prices resulting from inflationary pressure.

Approximately 1.39 million square feet of space is expected to be delivered from 2023 to 2025, translating into an average of 0.46 million square feet per year, lower than the past five-year annual average of 0.58 million square feet.

Challenges from a weaker economic outlook, inflationary pressures, the GST rate hike, and manpower shortages will remain for retailers in 2023. However, the expected recovery in tourism, coupled with limited upcoming supply, is expected to support the continued demand for retail space, occupancy levels, and a broad-based recovery of retail rents, albeit at a moderate pace.

Singapore Office

Rents in CBD and City Fringe picked up pace in 2022 for both Grade A and Grade B segments in tandem with the sector's broad-based recovery.

Approximately 4.99 million square feet of space is expected to be delivered from 2023 to 2025, translating into an average of 1.66 million square feet per year, higher than the past five-year annual average of 1.10 million square feet. 65% is expected to be in the CBD while 21% is expected to be in the City Fringe.

Looking ahead, the weaker economic outlook, inflationary pressures and rising borrowing costs are expected to result in a slowdown in office demand. Cost-cutting measures by global technology firms could also lead to downsizing, withdrawals of pre-commitments, and putting expansion plans on hold.

However, with Singapore's reputation as an international financial hub and a safe haven, occupiers from other sectors industries such as banking and finance, fast-moving consumer goods ("FMCGs"), legal and others including family office and asset managers are expected to lend some support to demand and backfill vacated space.

Vacancy rates are likely to edge up in 2023 with significant new supply injection. Coupled with weaker market dynamics, rental growth is expected to moderate in 2023.

9. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months (continued)

Singapore Business Park

Higher average rents in 2022 were mainly due to sustained rental growth on the back of tighter vacancy especially in the city fringe areas.

Approximately 3.99 million square feet of space is expected to be delivered from 2023 to 2025, translating into an average of 1.33 million square feet per year, higher than the past five-year annual average of 0.46 million square feet. 38% of the new supply is expected to be in the Central Region, while the remaining 62% will be in the Rest of Island.

Global economic uncertainties have weakened the outlook of outward-oriented sectors including manufacturing industries, and the continued layoffs in the technology sector are expected to weigh on demand for business park space. Coupled with significant new supply to be introduced in the next few years, vacancy rates are expected to edge up particularly for the Rest of Island submarket. Rents are likely to remain flat with minimal growth in 2023.

In the long-run, Singapore's business park market remains attractive given the government's continued efforts to elevate the country's position as a leading manufacturing hub for high-value and knowledge industries.

Hong Kong Retail

Retail sales for January and February 2023 grew 17.3% yoy due to improving consumer sentiment and the removal of COVID restrictions, as well as the low base of comparison.

The lifting of border restrictions have benefitted tourism and sales and led to improved leasing demand and stabilising rents. Leasing momentum will primarily be led by the cosmeceutical and luxury retail sectors. However, landlords are expected to adopt a wait-and-see approach as they look to secure higher rents with strong brands.

The total future supply of retail space in 2023 is forecast to be at around 3.86 million square feet, with Kowloon East being the focus of new retail supply in the near term.

Although support policies by the Hong Kong government and the return of Chinese visitors are expected to provide support to the sector, there could be some downward pressure on the Kowloon East submarket given the upcoming supply.

Beijing Office

Rents in Lufthansa submarket have been down since 2019 and have continued to fall in 1Q 2023 albeit at a slowing rate

Tenants remained relatively cautious in making leasing decisions. Despite significant increase in market activities in 1Q 2023 due to the removal of COVID restrictions, net absorption figures are still lagging.

Improved leasing capacity of companies resulting from the expected recovery of the economy is likely going to support market demand and drive net absorption in 2H 2023 or 2024.

The market is expected to experience a short-term supply peak in 2023, with approximately 560,000 square metres of stock becoming available. This is due to several scheduled projects being delayed to 2023 due to the pandemic. As a result, vacancy rates are expected to hit a new high by the end of the year unless the projects are postponed further, and decline thereafter as the market enters into a positive absorption phase.

9. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months (continued)

Shanghai Business Park

The sector experienced a slow start in 1Q 2023 due to the COVID-19 outbreak and a typically quiet Chinese New Year period. Moreover, the economic slowdown has prompted tenants to curtail their expansion and relocation plans.

Leasing demand in Jinqiao, Linkong, Shibe and Caohejing Pujiang was stable, but the slowdown in leasing demand and the withdrawal of a few large tenants had led to a negative net absorption in Caohejing and Zhangjiang. Coupled with new supply influx, vacancy rates of Shanghai core business parks edged up in 1Q 2023.

Looking ahead, support measures by the Shanghai government are expected to boost market confidence and demand, although it may take some time for their effects to translate into increased leasing demand. Vacancy rates are expected to continue remain elevated in the short term, particularly with the introduction of new supply in 2H 2023.

Over the long run, the gradual recovery of the sector is anticipated to be led by a new wave of high-tech industry boom, with biomedicine, integrated circuits and artificial intelligence (“AI”) being key drivers. These industries are central to Shanghai’s economic recovery and are expected to be the main source of demand for Shanghai business parks.

Japan Office

In 1Q 2023, a mixed trend in rents was observed across the different submarkets. Rents in Tokyo 5 wards and Yokohama increased slightly as new supply with higher rents entered the market, while Tokyo 18 wards and Chiba experienced varying levels of rental decline due to weaker demand.

Several large-scale projects in the Tokyo 5 wards are due for completion in 2023, which will affect the area’s vacancy level.

Tokyo 18 wards and Yokohama are expected to experience downward pressures on rents due to higher vacancies and new supply. Meanwhile, Chiba is generally expected to remain stable as a result of lower level of tenant activities and no new supply.

Seoul Office

Occupancy rates have declined across all submarkets in 1Q 2023 mainly due to tenant departures from Central Business District (“CBD”) offices undergoing renovations and the new supply of prime offices in the Gangnam Business District (“GBD”).

However, GBD remained a popular choice for tech companies, with several major gaming firms signing large leases in the same period.

The favourable market dynamics in GBD are expected to persist, underpinned by low supply and solid fundamentals, with significant new supply in GBD expected only in 2027.

However, with record high rental levels in the key business districts (CBD, GBD, Yeouido Business District (“YBD”)), tenants with budget constraints may opt for more affordable locations.

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9. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months (continued)

Conclusion

The global economic outlook remains fragile with growth expected to fall to 2.9% in 2023 according to IMF¹. The ongoing Russia-Ukraine conflict, higher energy prices, interest rate hikes and volatility in the global financial markets could heighten downside risks.

Despite these headwinds, there have been positive developments in the region, such as Singapore's return to post-pandemic normalcy and China's lifting of COVID measures and reopening of borders since early 2023.

MPACT is reasonably positioned in the face of recent downturns in the tech and finance sectors due to the renewals of several key leases during the year. The Manager will focus on maintaining a healthy portfolio occupancy and steady rental income while managing costs sustainably. Targeted strategies will be deployed to proactively manage non-renewals and market changes.

With a diverse tenant base and a proactive approach to asset management, MPACT is well-equipped to overcome bumps on the road to post-COVID recovery.

In navigating the volatile interest rate environment, safeguarding MPACT's financial position, ensuring higher certainty over finance expenses and achieving an optimal balance of risks and costs are top priorities.

¹ International Monetary Fund, World Economic Outlook Update, January 2023.

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10. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 44th distribution for the period from 1 January 2023 to 31 March 2023

Distribution type/rate:	Distribution type	Distribution rate per unit (cents)
	Taxable Income	1.48
	Tax-Exempt Income	0.60
	Capital	0.17
	Total	2.25

Par value of units: Not meaningful

Tax rate: Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns. Qualifying investors, unless they are exempt from tax because of their own circumstances, will have to pay income tax subsequently on such distributions at their own applicable tax rates.

Qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all Unitholders.

Capital Distribution

Capital Distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sale of MPACT Units, the amount of Capital Distribution will be applied to reduce the cost base of their MPACT Units for Singapore income tax purposes.

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10. Distributions (continued)

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Name of distribution: 40th distribution for the period from 1 October 2021 to 31 March 2022

Distribution type/rate:	Distribution type	Distribution rate per unit (cents)
	Taxable Income	4.61
	Capital	0.53
	Total	5.14

Par value of units: Not meaningful

Tax rate: Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns. Qualifying investors, unless they are exempt from tax because of their own circumstances, will have to pay income tax subsequently on such distributions at their own applicable tax rates.

Qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Capital Distribution

Capital Distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For Unitholders who are liable to Singapore income tax on profits from sale of MPACT Units, the amount of Capital Distribution will be applied to reduce the cost base of their MPACT Units for Singapore income tax purposes.

(c) Record date: The Transfer Books and Register of Unitholders of MPACT will be closed at 5.00 p.m. on Monday, 8 May 2023 for the purposes of determining each Unitholder's entitlement to MPACT's distribution.

The ex-distribution date will be on Friday, 5 May 2023.

(d) Date Payable: Thursday, 15 June 2023

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

Not applicable.

12. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Paragraph 5.11(a) for the Segmental Revenue and Results and Paragraph 7 for the review of the actual performance.

13. Breakdown of Revenue and Profit after Tax

	FY22/23 (S\$'000)	FY21/22 (S\$'000)	Variance %
1 April to 30 September			
Gross revenue	353,162	243,722	44.9
Profit for the financial period after tax	340,710	175,334	94.3
1 October to 31 March			
Gross revenue	473,023	255,753	85.0
Profit for the financial period after tax	146,039	171,685	(14.9)

14. Breakdown of Total Distribution

	FY22/23 (S\$'000)	FY21/22 (S\$'000)
1 January 2023 to 31 March 2023	117,885	-
1 October 2022 to 31 December 2022	126,713	-
21 July 2022 to 30 September 2022	99,435	-
1 April 2022 to 20 July 2022	101,173	-
1 October 2021 to 31 March 2022	-	170,829
1 April 2021 to 30 September 2021	-	145,804
Total Distributions to Unitholders	445,206	316,632¹

¹ Total does not sum up due to rounding differences.

15. General Mandate relating to Interested Person Transactions

MPACT has not obtained a general mandate from Unitholders for Interested Person Transactions.

16. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual, MPACT Management Ltd. (the "Company"), as manager of MPACT, confirms that there is no person occupying a managerial position in the Company or its principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Company or a substantial unitholder of MPACT.

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17. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers, in the format set out in Appendix 7.7 under the Rule 720(1) of the Listing Manual.

18. Additional Information Required Pursuant to Rule 706A of the Listing Manual

Merger between MPACT and MNACT

The Group acquired all the issued and paid-up units of MNACT by way of a Trust Scheme which became effective on 21 July 2022 in accordance with the Singapore Code on Take-overs and Mergers. Pursuant to the Merger, each MNACT unitholder was entitled to receive, for each unit in MNACT held by it as at 5.00 p.m. on 20 July 2022, the following consideration (the "Scheme Consideration"), at its election:

- (i) Scrip-only consideration: 0.5963 Consideration Units at the scheme issue price of S\$2.0039 per consideration unit (the "Scheme Issue Price"); OR
- (ii) Cash-and-scrip consideration: S\$0.1912 in cash and 0.5009 Consideration Units at the Scheme Issue Price; OR
- (iii) Cash-only consideration: S\$1.1949 in cash.

The terms of the Merger were the result of extensive negotiations between MPACT and MNACT on an arm's length basis. The Scheme Consideration was determined by taking into consideration, among other factors, the then-prevailing and historical relative market prices of the respective REITs and the latest available independent market valuations of their respective property portfolios prior to the announcement of the Merger. Please refer to the Circular dated 29 April 2022 for more information, including paragraph 1.3.1 of the Circular for further details on the factors taken into account.

Following completion of the Merger, MNACT is now a wholly owned subsidiary and unlisted sub-trust of the MPACT. The fair value of the total Scheme Consideration was S\$4,052.4 million and was settled as follows on 29 July 2022: (i) S\$2,454.5 million in cash; and (ii) allotment and issuance of 885,734,587 Consideration Units.

For avoidance of doubt, the fair value of the Consideration Units component of the total Scheme Consideration is based on one-day volume weighted average traded price for all trades done on SGX-ST of MPACT on the effective date of the scheme, which is not equivalent to the Scheme Issue Price of S\$2.0039.

As at 21 July 2022 (being the effective date of the Merger), the aggregate net asset value of MNACT Group acquired (incidental to and as a consequence of the Merger) was approximately S\$4,205.5 million.

Please refer to the announcements dated 31 December 2021, 28 January 2022, 21 March 2022, 23 May 2022, 7 June 2022, 15 June 2022, 21 July 2022 and the Circular for more information.

Please refer to footnotes 7 and 8 of the Statements of Financial Position section of this announcement for the list of entities being acquired.

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This release 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 risks, uncertainties and assumptions include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management of future events.

By Order of the Board
Wan Kwong Weng
Joint Company Secretary
MPACT Management Ltd.
(Company Registration No.200708826C)
As Manager of Mapletree Pan Asia Commercial Trust

27 April 2023