mapletree
north asia commercial

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 14 February 2013 (as amended))

ANNOUNCEMENT

THE PROPOSED ACQUISITIONS OF TWO OFFICE PROPERTIES IN GREATER TOKYO

1. Introduction

Mapletree North Asia Commercial Trust Management Ltd., in its capacity as manager of Mapletree North Asia Commercial Trust ("**MNACT**", and as manager of MNACT, the "**Manager**"), is pleased to announce that various agreements have been entered into for DBS Trustee Limited, as trustee of MNACT (the "**Trustee**"), to acquire an effective interest of 98.47%[1] in two freehold, multi-tenanted office properties located in Greater Tokyo, Japan (collectively, the "**Properties**", and the proposed acquisitions by MNACT of the 98.47% effective interest in the Properties, the "**Proposed Acquisitions**") from Mapletree Investments Pte Ltd ("**MIPL**" or the "**Sponsor**"), subject to various conditions precedent being met (including, among others, the approval of holders of units in MNACT ("**Units**", and the holders of Units, "**Unitholders**") for the Proposed Acquisitions):

(i) **mBay Point Makuhari Building ("MBP")**

MBP is a 26-storey office building with one basement level and 680 car park lots, located at 6, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan, at the fringe of the Tokyo Metropolitan Prefecture. It is located within an eight-minute walk from the Kaihin Makuhari JR train station, which is a 30-minute train ride away from Tokyo Station, the heart of Tokyo's central business district ("**CBD**").

MBP has a GFA of 170,499 square metres ("**sqm**") and a NLA of 84,785 sqm. It is multi-tenanted and has an occupancy rate of 84.8%, with a WALE of 3.6 years by monthly GRI[2] as at 30 September 2019. The key tenants are NTT Urban Development, AEON Credit Service and Ministop.

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1 While MNACT will hold a 98.47% effective interest in the Properties upon completion of the Proposed Acquisitions (the "**Completion**") and currently holds a 98.47% effective interest in its Existing Japan Properties (as defined herein), all property and financial-related figures stated in this announcement for the Properties and the Enlarged Portfolio (as defined herein) (e.g. GRI (as defined herein), net property income ("**NPI**"), weighted average lease expiry ("**WALE**"), occupancy, trade sector breakdown, valuation, gross floor area ("**GFA**") and net lettable area ("**NLA**")) are based on 100.0% effective interest in the Properties, unless otherwise stated. For the purposes of this announcement, WALE and occupancy rates are based on committed leases (which include existing leases). For illustrative purposes, certain Japanese Yen amounts have been translated into Singapore dollars based on the exchange rate on 31 October 2019 of JPY78.56 = S$1.00 and rounded off to one decimal place (unless otherwise stated). "**Existing Japan Properties**" refers to IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building, TS Ikebukuro Building, ABAS Shin-Yokohama Building, SII Makuhari Building and Fujitsu Makuhari Building.

2 "**GRI**" shall mean gross rental income which consists of fixed rent (comprising base rent, service charges, chilled water charges and promotional levy, where applicable) and turnover rent (which is rent calculated by reference to a pre-determined percentage of the tenant's sales turnover, where applicable), recognised on a cash basis.

(ii) **Omori Prime Building ("OPB")**

OPB is a 13-storey office building with one basement level, 36 mechanical car park lots and one open car park lot, located at 21-12, Minami-oi 6-chome, Shinagawa-ku, Tokyo, Japan, at the fringe of the central five wards in Tokyo. The building is located within a four-minute walk from the JR Omori train station, which is a 19-minute train ride away from Tokyo Station, the heart of Tokyo's CBD.

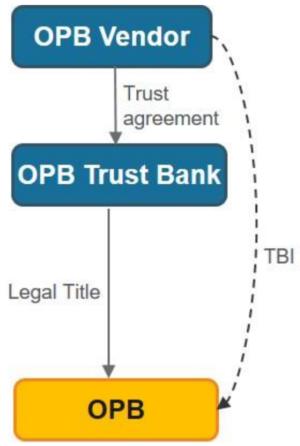
OPB has a GFA of 10,442 sqm and a NLA of 6,798 sqm. It is multi-tenanted and has an occupancy rate of 100.0%, with a WALE of 1.7 years by monthly GRI as at 30 September 2019. The key tenants are Eighting, Isuzu Linex and Brillnics.

For the purposes of this announcement, the "**Enlarged Portfolio**" comprises (i) the existing properties owned by MNACT as at the date of this announcement (the "**Existing Portfolio**") and (ii) the Properties.

2. Structure of the Proposed Acquisitions

Currently, the legal title of MBP has been entrusted to Sumitomo Trust Bank, Limited, a licensed trust company (the "**MBP Trust Bank**"), with the trust beneficial interest (the "**TBI**") of MBP being held by GK Makuhari Blue (the "**Makuhari GK**"). The Tokumei Kumiai interest of Makuhari GK (the "**Makuhari TK Interest**") is held by Higashikoujiya Shugogatakojo TMK (the "**Makuhari Vendor**"), an indirect wholly-owned subsidiary of MIPL.

Additionally, the legal title of OPB has been entrusted to Mizuho Trust & Banking Co., Ltd., a licensed trust company (the "**OPB Trust Bank**"), with the TBI of OPB currently held by Satsuki TMK (the "**OPB Vendor**"), an indirect wholly-owned subsidiary of MIPL.



Both the *Godo Kaisha* ("**GK**") and the *tokutei mokuteki kaisha* ("**TMK**") are common structures adopted for investment in real estate under Japanese law and the *Tokumei Kumiai* interest and the TBI are means by which the holder is entitled to the economic interest of the underlying assets.

The TMK structure is a tax-efficient structure specifically designed for the purpose of issuing asset-backed securities under TMK laws. The GK corporate structure is similar to that of a limited liability company, with the members of the GK both owning and managing the GK (or certain member(s) owning but not managing the GK, as specified in its articles of incorporation).

In connection with the Proposed Acquisitions, the following agreements have been entered into on 4 December 2019:

(i) a conditional *Tokumei Kumiai* interest transfer agreement (the "**TK Interest Transfer Agreement**") between Tsubaki 1 Pte. Ltd. ("**SGCo1**"), a private limited company incorporated in Singapore which is wholly owned by MNACT, and the Makuhari Vendor to acquire the interest in MBP; and

(ii) a conditional trust beneficial interest sale and purchase agreement (the "**TBI SPA**") between SGCo1 and the OPB Vendor to acquire the interest in OPB,

(collectively, the "**Sale and Purchase Agreements**").

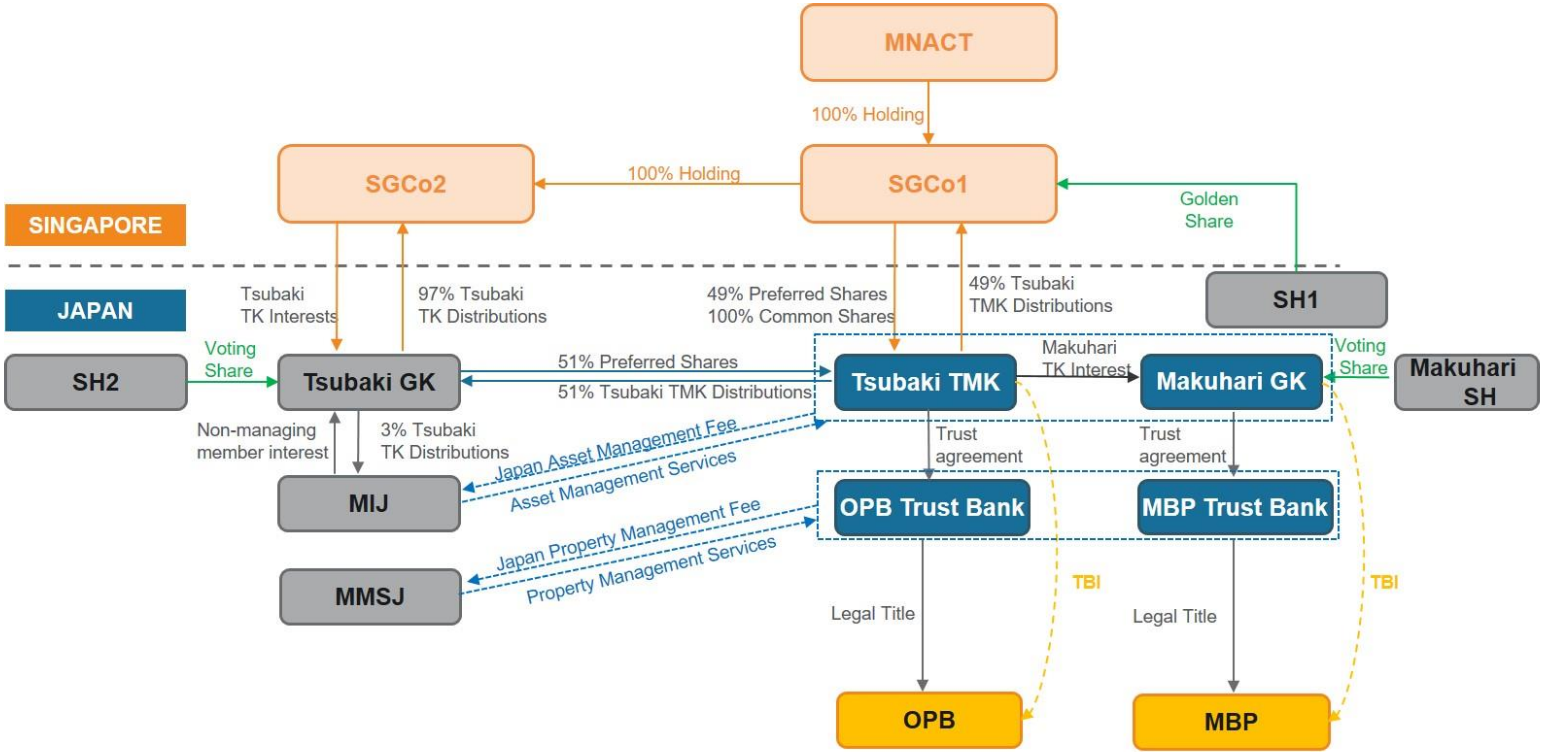
Each of the Sale and Purchase Agreements contains a right which allows SGCo1 to novate its rights and obligations in the Sale and Purchase Agreements to a third party designated by SGCo1. It is currently intended that the rights and obligations of SGCo1 in the Sale and Purchase Agreements will be novated to Tsubaki Tokutei Mokuteki Kaisha ("**Tsubaki TMK**" and the novation, the "**Sale and Purchase Agreements Novation**"), its wholly-owned subsidiary, prior to Completion, such that after Completion, MNACT will hold the interest in the Properties through Tsubaki TMK.

Additionally, two *Tokumei Kumiai* agreements (the "**Tsubaki Silent Partnership Agreements**") will be entered into between Tsubaki 2 Pte. Ltd. ("**SGCo2**"), which is wholly-owned by SGCo1, and Godo Kaisha Tsubaki 3 ("**Tsubaki GK**") which will entitle SGCo2 to 97.0% of the economic interest in Tsubaki GK in relation to the Properties further to an agreed upon capital contribution from SGCo2. Two subscription agreements (the "**Preferred Shares Subscription Agreements**") will also be entered into between SGCo1, Tsubaki GK and Tsubaki TMK, for SGCo1's and Tsubaki GK's subscription of preferred shares issued by Tsubaki TMK (the "**New Preferred Shares**") such that SGCo1 and Tsubaki GK will each hold 49.0% and 51.0% respectively of the total issued preferred share capital of Tsubaki TMK post subscription.Through SGCo2's 97.0% economic interest in Tsubaki GK and Tsubaki GK's 51.0% preferred shareholding in Tsubaki TMK, MNACT (through SGCo2) will effectively have an economic interest in 49.47% of Tsubaki TMK and hence the Properties. Together with SGCo1's 49.0% preferred shareholding in Tsubaki TMK, MNACT has an effective economic interest of 98.47% in Tsubaki TMK and hence, the Properties, upon Completion. The balance 1.53% effective interest will be held by Mapletree Investments Japan Kabushiki Kaisha ("**MIJ**" or the "**Japan Asset Manager**") through its non-managing member interest in Tsubaki GK.

For the purposes of this announcement, the "**Vendors**" refers to (a) the Makuhari Vendor and (b) the OPB Vendor; and the "**Acquisition Agreements**" refers to (a) the TK Interest Transfer Agreement, (b) the TBI SPA, (c) the Tsubaki Silent Partnership Agreements and (d) the Preferred Shares Subscription Agreements. Following Completion, the MBP Trust Bank will continue to act as trustee of MBP and will hold the legal title to MBP. The TBI will continue to be held by Makuhari GK and Tsubaki TMK will hold the Makuhari TK Interest.

In relation to OPB, following Completion, the OPB Trust Bank will continue to act as trustee of OPB and will hold the legal title to OPB and Tsubaki TMK will hold the TBI in OPB.

The diagram below sets out the relationships between the various parties following Completion.[3]



Legend

Makuhari GK: GK Makuhari Blue
Makuhari SH: Ippan Shadan Houjin Makuhari Blue, the *Ippan Shadan Houjin* which holds a voting share in Makuhari GK
MBP Trust Bank: Sumitomo Trust Bank, Limited, a licensed trust company
MIJ: Mapletree Investment Japan Kabushiki Kaisha
MMSJ: Mapletree Management Services Japan Kabushiki Kaisha
OPB Trust Bank: Mizuho Trust & Banking Co., Ltd., a licensed trust company

SGCo1: Tsubaki 1 Pte. Ltd., a private limited company incorporated in Singapore
SGCo2: Tsubaki 2 Pte. Ltd., a private limited company incorporated in Singapore which is wholly-owned by SGCo1
SH1: Ippan Shadan Houjin Tsubaki 1, the *Ippan Shadan Houjin* which holds a golden share in SGCo1
SH2: Ippan Shadan Houjin Tsubaki 3, the *Ippan Shadan Houjin* which holds a golden share in Tsubaki GK
Tsubaki GK: Godo Kaisha Tsubaki 3
Tsubaki TMK: Tsubaki Tokutei Mokuteki Kaisha

3 For the purpose of facilitating the acquisition of OPB, MNACT may alternatively form a GK entity (the "**New GK**") to acquire the TBI in OPB. In such an event, Tsubaki TMK and the New GK will enter into a silent partnership agreement pursuant to which Tsubaki TMK will be entitled to 100.0% of the Tokumei Kumiai Interest in the New GK. Through this alternative structure, MNACT will be acquiring an effective interest of 98.47% in OPB.

Pursuant to the Sale and Purchase Agreements and the Sale and Purchase Agreements Novation, Tsubaki TMK will acquire the interest in the Properties for an aggregate purchase consideration which is based on the aggregate agreed property value of JPY38,110.0 million[4] (approximately S$485.1 million) (the "**Aggregate Agreed Property Value**" and the purchase consideration payable by Tsubaki TMK, the "**TMK Consideration**"). MNACT will be liable to pay 98.47% of the TMK Consideration for its effective interest in the Properties (the "**Aggregate Consideration**"). The TMK Consideration (and consequently the Aggregate Consideration) will be subject to net working capital adjustments post Completion.

The total acquisition cost (the "**Total Acquisition Cost**") is currently estimated to be approximately S$482.5 million (approximately JPY37,905.2 million), comprising:

(i) the Aggregate Consideration which is estimated to be approximately S$477.7 million (approximately JPY37,526.9 million)[5]; and

(ii) the estimated professional and other fees and expenses of approximately S$4.8 million incurred or to be incurred by MNACT in connection with the Proposed Acquisitions, the issuance of Transaction Units and Debt Financing.

In order to facilitate the payment of the Aggregate Consideration, the Manager and Suffolk Assets Pte. Ltd. (the "**Sponsor's Nominee**"), which is a wholly-owned subsidiary of MIPL, will enter into an agreement under which the Manager agrees to issue and the Sponsor's Nominee agrees to pay for new Units (the "**Transaction Units**" and the agreement, the "**Transaction Units Agreement**") amounting to a value equivalent to 30.0% of the Aggregate Agreed Property Value, being approximately S$145.5 million (approximately JPY11,433.0 million), which will be fully used to make part payment of the Total Acquisition Cost.

The balance of the Total Acquisition Cost of approximately S$337.0 million (approximately JPY26,472.2 million) (the "**Remaining Consideration Value**") will be funded through cash from debt financing to be obtained in relation to the Proposed Acquisitions (the "**Debt Financing**") and/or internal cash resources.

The Transaction Units are being issued to the Sponsor's Nominee to align the interests of MIPL with that of MNACT and its other Unitholders. This also demonstrates MIPL's commitment to support MNACT's growth and diversification strategy. The number of Transaction Units to be issued to the Sponsor's Nominee will be determined based on the Aggregate Agreed Property Value and the issue price of the Transaction Units. The issue price, at no discount, is based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units.

The Aggregate Leverage[6] of MNACT is expected to increase from 37.1% as at 30 September 2019 to 39.0% based on the abovementioned funding structure. Should the Proposed Acquisitions be fully funded by debt, the Aggregate Leverage of MNACT would have been higher at 40.8%.

As the Transaction Units will only be issued on the date of Completion (the "**Completion Date**"), there will be no impact on the DPU for the period from the date of this announcement to the

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4 Consisting of the agreed property value of JPY31,500 million for MBP and JPY6,610 million for OPB.

5 The final Aggregate Consideration will be 98.47% of the TMK Consideration which will be arrived at by deducting the post completion net working capital adjustments from the Aggregate Agreed Property Value.

6 "**Aggregate Leverage**" means the ratio of the value of the borrowings of MNACT (inclusive of MNACT's proportionate share of borrowings of jointly controlled entities) and deferred payments (if any), to the value of the Deposited Property; and "**Deposited Property**" means the gross assets of MNACT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed.

date of issuance of Transaction Units.

The Transaction Units will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the Transaction Units are issued, including the right to any distributable income on and after the date on which the Transaction Units are issued. For the avoidance of doubt, the Sponsor's Nominee will not be entitled to participate in the distribution of any distributable income accrued by MNACT prior to the date of issue of the Transaction Units.

The Manager will make a formal application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of, dealing in, and quotation of, the Transaction Units on the Main Board of the SGX-ST. An appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

3. Valuation

The Aggregate Agreed Property Value of JPY38,110.0 million (approximately S$485.1 million), for the purposes of the TMK Consideration, was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of the Properties commissioned by the Trustee and the Manager for the Proposed Acquisitions.

In this respect, the Trustee has commissioned Cushman and Wakefield K.K. ("**C&W**") as an independent property valuer and the Manager has commissioned CBRE K.K., Valuation & Advisory Services ("**CBRE**") as an independent property valuer to value the Properties. C&W, in its report dated 12 November 2019, stated that the open market value of the Properties as at 1 November 2019 were JPY38,800.0 million[7] (approximately S$493.9 million). CBRE, in its report dated 12 November 2019, stated that the open market value of the Properties as at 1 November 2019 were JPY39,330.0 million[8] (approximately S$500.6 million). In arriving at the open market value, CBRE and C&W relied on the discounted cash flow method.

The Aggregate Agreed Property Value of JPY38,110.0 million (approximately S$485.1 million) is at a discount of approximately 1.8% to C&W's valuations and approximately 3.1% to CBRE's valuations on an aggregated basis.

4. Certain Terms and Conditions of the Relevant Agreements

4.1 Tsubaki Silent Partnership Agreements

The principal terms of the Tsubaki Silent Partnership Agreements shall include, among others, the following conditions precedent to SGCo2's obligation to contribute into Tsubaki GK pursuant to the Tsubaki Silent Partnership Agreements:

(i) all representations and warranties of Tsubaki GK are true and accurate in all material respects;

(ii) Tsubaki GK has performed in all respects, all obligations as required to be performed

7 Consisting of a valuation of JPY31,700.0 million for MBP and a valuation of JPY7,100.0 million for OPB as at 1 November 2019.

8 Consisting of a valuation of JPY32,200.0 million for MBP and a valuation of JPY7,130.0 million for OPB as at 1 November 2019.

by it under the Tsubaki Silent Partnership Agreements;

(iii) the Sale and Purchase Agreements being in full force and effect and there are no material breaches thereof by the Vendors and the Preferred Shares Subscription Agreements being in full force and effect and there are no material breaches thereof by Tsubaki TMK;

(iv) the approval of Unitholders for all the resolutions proposed for approval at the EGM being obtained;

(v) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;

(vi) the Securities Industry Council ("**SIC**") having granted the Whitewash Waiver (as defined herein), there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled;

(vii) the fulfilment of all conditions precedent in the Sale and Purchase Agreements (unless otherwise waived), save for any condition precedent requiring the Sale and Purchase Agreements to be unconditional; and

(viii) financing of the Proposed Acquisitions pursuant to the Sale and Purchase Agreements being obtained.

4.2 Preferred Shares Subscription Agreements

Pursuant to the Preferred Shares Subscription Agreements, SGCo1 and Tsubaki GK will subscribe for the New Preferred Shares.

The principal terms of the Preferred Shares Subscription Agreements shall include, among others, the following conditions precedent:

(i) the representations and warranties by Tsubaki TMK are true and accurate as of the payment due date for the subscription of the New Preferred Shares by Tsubaki GK and SGCo1;

(ii) Unitholders approval for all the resolutions proposed for approval at the EGM being obtained;

(iii) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;

(ix) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled;

(iv) financing for the Proposed Acquisitions having been obtained;

(v) the Sale and Purchase Agreements being in full force and effect and there are no material breaches thereof by the Vendors;

(vi) all other conditions precedents in the Sale and Purchase Agreements having been fulfilled or otherwise waived; and

(vii) the asset liquidation plan having been filed with the Local Finance Bureau.

4.3 Sale and Purchase Agreements

Each of the Sale and Purchase Agreements contains a right which allows SGCo1 to novate its rights and obligations in the Sale and Purchase Agreements to a third party designated by SGCo1.

The principal terms of the TK Interest Transfer Agreement include, among others, the following conditions precedent:

(i) all representations and warranties of the Makuhari Vendor and SGCo1 or the party designated by SGCo1 pursuant to the Sale and Purchase Agreements Novation, as applicable (the "**Purchaser**"), are true and accurate in all material respects;

(ii) the Makuhari Vendor and the Purchaser have performed in material respects all obligations as required to be performed under the TK Interest Transfer Agreement;

(iii) the Makuhari Silent Partnership Agreement has been validly executed and is duly and validly existing and there are no causes of termination, cancellation or invalidity of the Makuhari Silent Partnership Agreement;

(iv) no security interests or other legal encumbrances or restrictions have been attached to the Makuhari TK Interest, excluding the case where the Purchaser is satisfied (acting reasonably) that the contractual security interests will be certainly removed by the Makuhari Vendor on the date of transfer by utilising the Purchaser's payment of the TMK Consideration;

(v) as at the date of the TK Interest Transfer Agreement, the Makuhari Vendor has submitted to the Purchaser the Makuhari Vendor's certified copy of the commercial registration and certificate of seal impression (these are limited to current and issued within three months prior to the execution date of the TK Interest Transfer Agreement);

(vi) the Makuhari Vendor has obtained the written consent of Makuhari GK pursuant to the Makuhari Silent Partnership Agreement and has shown it to the Purchaser;

(vii) funding to the Purchaser in relation to the TMK Consideration has been completed;

(viii) the Purchaser confirming that the Makuhari Vendor is ready to deliver the deliverables to the Purchaser or its designee in accordance with the TK Interest Transfer Agreement;

(ix) all relevant corporate, governmental and regulatory approvals required by the Purchaser and the Makuhari Vendor for all matters contemplated by, incidental to or necessary to give full effect to, the transactions contemplated in the TK Interest Transfer Agreement have been obtained;

(x) the approval of Unitholders for all the resolutions proposed for approval at the EGM having been obtained;

(xi) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;

(x) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled;

(xii) the Makuhari Silent Partnership Agreement has been amended in a form and with contents reasonably satisfactory to the Purchaser; and

(xiii) certain condition precedents in the TBI SPA have been fulfilled.

The principal terms of the TBI SPA include, among others, the following conditions precedent:

(i) all representations and warranties of the OPB Vendor and the Purchaser are true and accurate in all material respects;

(ii) the OPB Vendor and the Purchaser have performed in material respects all obligations as required to be performed under the TBI SPA;

(iii) the Trust Agreement (as defined in the TBI SPA) has been validly executed and is duly and validly existing and there are no causes of termination, cancellation or invalidity of the Trust Agreement;

(iv) no security interests or other legal encumbrances or restrictions have been attached to OPB or the TBIs, excluding (i) lease rights and the sub-lease rights under lease agreements and sub-lease agreements with existing tenants of the property (including sub-lessees but limited to such tenants that are described as lessees in Schedule 3-1 of the TBI SPA and those described as sub-lessees in Schedule 3-2 of the TBI SPA) and (ii) excluding the description of the approved matters attached as Schedule 2 of the TBI SPA; and in addition, excluding the case where the Purchaser is convinced that the contractual security interests will be certainly removed by the OPB Vendor on the date of transfer by utilising the Purchaser's payment of the TMK Consideration;

(v) as at the date of the TBI SPA, the OPB Vendor has submitted to the Purchaser the OPB Vendor's certified copy of the commercial registration and certificate of seal impression (these are limited to current and issued within three months prior to the execution date of the TBI SPA);

(vi) the OPB Vendor has obtained the written consent of the OPB Trust Bank with a fixed date stamp given by a notary (*kakutei-hizuke*) pursuant to the Trust Agreement in relation to the assignment of the TBI from the OPB Vendor to the Purchaser and has shown it to the Purchaser;

(vii) funding to the Purchaser in relation to the TMK Consideration has been completed;

(viii) the Purchaser confirming that the OPB Vendor is ready to deliver the deliverables to the Purchaser or its designee in accordance with the TBI SPA;

(ix) all relevant corporate, governmental and regulatory approvals required by the Purchaser and the OPB Vendor for all matters contemplated by, incidental to or necessary to give full effect to, the transactions contemplated in the TBI SPA have been obtained;

(x) the approval of Unitholders for all the resolutions proposed for approval at the EGM having been obtained;

(xi) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled;

(xi) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled; and

(xii) certain condition precedents in the TK Interest Transfer Agreement have been fulfilled.

4.4 Supplemental Japan Property Management Agreements and Japan Asset Management Agreements

As legal title holders, the MBP Trust Bank and the OPB Trust Bank will be responsible for the management of the Properties, and in this regard, pursuant to the existing property management agreements entered into in relation to each of the Properties between Mapletree Management Services Japan Kabushiki Kaisha ("**MMSJ**" or "**Japan Property Manager**"), an indirect wholly-owned subsidiary of the Sponsor, and each of MBP Trust Bank and the OPB Trust Bank (the "**Japan Property Management Agreements**"), MMSJ has been appointed as the property manager. It is intended that, following Completion, the Japan Property Manager will continue to manage the Properties with the property management fee structure amended to align with MNACT's property management fee structure pursuant to two supplemental property management agreements (the "**Supplemental Japan Property Management Agreements**") to be entered into on the Completion Date.

Under the terms of the Supplemental Japan Property Management Agreements, the Japan Property Manager will be entitled to certain fees for property management and lease management services rendered in respect of the Properties. The Japan Property Manager will be subject to the overall supervision of Tsubaki TMK with advice from the Japan Asset Manager.

Currently, Makuhari GK has entered into an asset management agreement (the "**MBP Asset Management Agreement**") with MIJ in relation to MBP and Tsubaki TMK has entered into an asset management agreement (the "**Tsubaki Asset Management Agreement**") with MIJ in relation to its Existing Japan Properties. The MBP Asset Management Agreement will be taken over by MNACT post Completion. On the Completion Date, the Tsubaki Asset Management Agreement will be amended and restated to make available the asset management services (including sourcing and recommending investments) by the Japan Asset Manager to Tsubaki TMK in respect of the Makuhari TK Interest and OPB (the "**Amended Tsubaki Asset Management Agreement**", and together with the MBP Asset Management Agreement, the "**Japan Asset Management Agreements**").

Pursuant to the Japan Asset Management Agreements, Makuhari GK and Tsubaki TMK have sub-contracted their respective day-to-day operations, including, in the case of Tsubaki TMK, issuing instructions to the OPB Trust Bank, to the Japan Asset Manager which is registered to engage in the investment advisory business under the Financial Instruments and Exchange Law of Japan. In consideration of the asset management services provided to Makuhari GK and Tsubaki TMK, the Japan Asset Manager will be entitled to receive a fee payable on a quarterly basis in arrears on or before the last day of each quarter (save that the first payment shall be paid on a pro-rated basis if applicable), amounting to 10.0% per annum of Makuhari GK's or Tsubaki TMK's distributable income as the case may be (the "**Japan Asset Management Fee**").

4.5 Transaction Units Agreement

Pursuant to the Transaction Units Agreement, MNACT shall issue and the Sponsor's Nominee shall pay for the Transaction Units. The issue price of the Transaction Units will be determined based on the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the date of issuance of the Transaction Units.

The principal terms of the Transaction Units Agreement include, among others, the following conditions precedent:

(i) Unitholders approval for all the resolutions proposed for approval at the EGM being obtained;

(ii) the Transaction Units having been approved in-principle for listing on the SGX-ST, there not having occurred any withdrawal of such approval and the conditions to such approval having been fulfilled; and

(xii) the SIC having granted the Whitewash Waiver, there not having occurred any withdrawal of such Whitewash Waiver and the conditions to such Whitewash Waiver having been fulfilled.

Five business days before completion under the Transaction Units Agreement (the "**Transaction Units Agreement Completion Date**"), the Sponsor's Nominee shall pay or procure that payment of the sum of JPY11,433.0 is made in immediately available funds to the Trustee. On the Transaction Units Agreement Completion Date and against receipt of the funds the Manager shall deliver the unit issue confirmation in relation to the Transaction Units to The Central Depository (Pte) Limited. The Manager shall as soon as practicable following the Completion Date, procure (i) the crediting of the Transaction Units to the relevant securities account(s) furnished by the Sponsor's Nominee to be credited with the Transaction Units and (ii) the listing of the Transaction Units on the SGX-ST.

4.6 Payment of Acquisition Fee in Units

To demonstrate its support to accelerate the diversification of MNACT's income distribution, the Manager has voluntarily waived its acquisition fee entitlement under the deed of trust dated 14 February 2013 constituting MNACT (as amended) (the "**Trust Deed**") which would have been at the rate of 0.75% of 98.47% of the Aggregate Agreed Property Value.

5. Method of Financing

The Manager intends to finance the Total Acquisition Cost with (i) the issuance of the Transaction Units; (ii) Debt Financing; and/or (iii) internal cash resources.

Further details of the financing structure will be set out in the Unitholders' circular ("**Unitholders Circular**") to be issued.

The table below sets out the changes to the Aggregate Leverage of MNACT and its subsidiaries assuming that the Remaining Consideration Value of approximately S$337.0 million is funded by Debt Financing.

Debt Financing (S$ million)	337.0
Aggregate Leverage of MNACT before the Proposed Acquisitions(1)	37.1%
Aggregate Leverage of MNACT after the Proposed Acquisitions(2)	39.0%

Notes:

(1) As at 30 September 2019.

(2) Pro forma as at 30 September 2019 adding the MNACT's proportionate share of incremental borrowings as a result of the Proposed Acquisitions at the respective transacting gearing and the MNACT's effective interest in the incremental gross assets of MNACT including all its authorised investments held or deemed to be held upon the trust under the Trust Deed as a result of the Proposed Acquisitions.

6. Whitewash Waiver

The issuance of the Transaction Units is subject to the grant of a waiver by the SIC of the requirement for MIPL and parties acting in concert with it ("**Concert Party Group**") to make a mandatory offer ("**Mandatory Offer**") for the remaining Units not owned or controlled by the Concert Party Group (the "**Whitewash Waiver**"), in the event that they incur an obligation to make a Mandatory Offer pursuant to Rule 14 of The Singapore Code on Take-overs and Mergers as a result of (among other things) the issue of the Transaction Units to the Sponsor's Nominee.

Further details of the Whitewash Waiver (if granted) would be set out in the Unitholders' Circular.

7. Rationale for and Key Benefits of the Proposed Acquisitions

Rationale

The Proposed Acquisitions are in line with the Manager's proactive strategy to accelerate the income diversification of MNACT, and reduce the income and asset concentration of Festival Walk[9].

Japan offers an attractive proposition due to its stable macroeconomic fundamentals, quality commercial real estate assets that are freehold, and higher yield spread against the local cost of funds.

Whilst the commercial real estate market in Japan is highly competitive, through the support of the Sponsor, MNACT has been able to secure sizeable, quality and distribution per Unit ("**DPU**") accretive acquisition opportunities in Japan. This will further enhance the sustainability of MNACT's returns for its Unitholders.

The following are the key benefits of the Proposed Acquisitions to Unitholders.

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9 Please refer to MNACT's announcement dated 13 November 2019 titled "Festival Walk Incident" for further details on the Festival Walk Incident and the announcement dated 4 December 2019 titled "Update on Festival Walk and Impact on MNACT" for an update.

Key Benefits

7.1 Proactive and Strategic Diversification of MNACT's Portfolio by Deepening Footprint in Attractive Japan Market[10]

(i) Japan is one of the world's largest economies and continues to enjoy stable macroeconomic fundamentals

Japan was the third largest economy in the world in 2018 after the United States and China in terms of nominal GDP and is expected to maintain its ranking in 2023. In addition, Japan has high credit ratings with stable or positive outlook from Standard & Poor's, Moody's and Fitch of A+, A1 and A respectively.

After Shinzo Abe was appointed Prime Minister for the second term in 2012, he introduced a three-pronged economic revitalisation policy dubbed "Abenomics", focusing on fiscal expansion, monetary easing and structural reform. These policies have yielded positive results. Japan's real GDP grew by 0.8% year-on-year in 2018, recording a seventh consecutive year of positive growth. The International Monetary Fund ("**IMF**") forecasts Japan's economic growth to remain positive, at 0.9% for 2019 and 0.5% per annum between 2020 and 2023 in the post-Olympics period.

The growth in the Japanese economy has mainly been driven by secondary and tertiary industries. Within the tertiary industry, the four sectors which saw the highest growth in representation in the overall economy since 2012 were (1) medical, health care and welfare, (2) finance and insurance, (3) information and communications and (4) business-related services.

In the recent quarterly 'Tankan' survey, or the Short-Term Economic Survey of Enterprises by Bank of Japan (September 2019), business sentiment for the non-manufacturing industry remained at a high level as a result of the sustained domestic economic environment, improved corporate profits and record low number of corporate bankruptcies since 1990. Overall, business sentiment for all industries and all-sized firms edged down slightly but is expected to be underpinned by non-manufacturing industries.

The low unemployment rate has also supported economic growth as the persistently tight labour market conditions place upward pressure on wages, which is a key for Japan to achieve its inflation target. The favourable macroeconomic environment has encouraged companies to spend on investments to achieve business growth and office expansion, which in turn generates office demand.

Japan's labour market remains tight with unemployment rate consistently staying below 3% since February 2017. In addition, job-to-applicant ratio recorded 1.57 times (seasonally adjusted) in September 2019. The tight labour market is a result of the robust macroeconomic fundamentals amid the shrinking workforce caused by the ageing population in Japan.

(ii) Established active and scalable investment grade office real estate market

Japan has one of the largest and most-established property markets in the world. According to the Independent Market Research Report, since 2010, Tokyo has been

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10 Source: The independent market research report issued by Cushman & Wakefield K.K. (the "Independent Market Research Report").

consistently ranked top amongst the top five major investment markets for office properties in Asia Pacific, together with Hong Kong SAR[11], Seoul, Shanghai and Singapore, other than in 2018. For the first half of 2019, Tokyo regained its top spot with investment flows of US$8.0 billion. Office transaction activity is expected to stay active as Bank of Japan is maintaining its current monetary policy.

(iii) Japan offers highest yield spread against local cost of funds

The average capitalisation rates of prime office in Tokyo Central Five Wards (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards) was 3.1% as of the end of the second quarter of 2019 which is similar to that of Singapore, but lower than that of Shanghai, Beijing and Seoul, and higher than that of Hong Kong SAR.

In terms of the yield spread between the prime office capitalisation rate and the corresponding local 10-year government bond, Tokyo was consistently the highest compared to Singapore, Shanghai, Beijing, Seoul and Hong Kong SAR at approximately 300 basis points ("**bps**") to 400 bps between 2010 and June 2019.

7.2 High-Quality Freehold Office Assets Strengthen MNACT's Position in Greater Tokyo

(i) Reinforces MNACT's foothold within Greater Tokyo in well-established office hubs with attractive micro-location characteristics

The Proposed Acquisitions are located in major office hubs in the Greater Tokyo[12] area, which is a key economic engine for Japan and one of the world's largest metropolitan area economies. With a total land size of approximately 13,600 sq km and home to over 36.6 million people, the Greater Tokyo area is a major urbanised area connected by an extensive and convenient public transport network. Within the Greater Tokyo area is the Tokyo Central Five Wards which form the economic and political core of Greater Tokyo and have a high-density cluster of office towers in the various commercial zones.

MBP is located within the same Makuhari business area as SII Makuhari Building and Fujitsu Makuhari Building, MNACT's existing properties in Makuhari. OPB is located within the Tokyo 23 wards, where three of MNACT's existing properties, Higashi-nihonbashi 1-chome Building, TS Ikebukuro Building and IXINAL Monzen-nakacho Building are located. Between the Properties, MBP contributes 87.2% of the GRI as of 30 September 2019 while OPB contributes the remaining 12.8%.

OPB

Omori, where OPB is located, traditionally houses large manufacturing enterprises such as Hitachi and Isuzu Motors due to its proximity to factories and warehouses in the Kawasaki area and Tokyo Bay area via the National Route 15 and Metropolitan Expressway. Omori also provides a great work / live environment in a residential / commercial neighbourhood. The area around OPB features many restaurants, supermarkets, pharmacy stores and other facilities such as post offices.

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11 Hong Kong SAR refers to the Hong Kong Special Administrative Region ("**SAR**").

12 The office market in the Greater Tokyo Area encompasses the 23 wards of Tokyo, as well as Kanagawa, Chiba and Saitama Prefecture.

In addition, the Shinagawa Station (two stops from Omori Station) and currently the nearest Shinkansen “bullet train” stop from OPB, is developing into a new gateway of Japan with new infrastructure projects such as maglev train and ongoing renewal projects. The Omori area is expected to benefit in the mid to long term.

MBP

Chiba City, where MBP is located, is included as part of the National Strategic Special Zone (Tokyo Area) by the Government of Japan. The National Strategic Special Zones were designated to encourage international competitiveness and promote the creation of international economic centers. Companies and industries located in these zones can qualify for benefits from relevant government policies and investments which aim at accelerating economic growth.

Since the opening of Japan’s second largest convention centre, Makuhari Messe, in October 1989, many international firms and domestic enterprises have set up their headquarters and district offices in Makuhari. Currently, over 460 companies and 40,000 employees are operating and working in Makuhari.

Amenities located within walking distance from MBP include AEON Mall, Costco and Mitsui Outlet Park. Meeting and convention venues are well-provided with Makuhari Messe and the hotel clusters nearby. Concerts at Makuhari Messe and baseball games at ZOZO Marine Stadium are also popular after work entertainment for workers and residents in Makuhari. Several universities and high schools can be found north of the Makuhari Bay Area.

Currently, a new train station has been planned in the north-western part of the area near the AEON shopping mall. Alongside with the improvement of bay side area by the government, these projects would bring more visitors, residences and dynamics to the area. In addition, a through service from JR Keiyo line to Rinkai line is currently under study, which if implemented, will connect Makuhari to Odaiba, Shibuya, Shinjuku and Haneda Airport.

(ii) Stable rental and vacancy rates

Omori/Kamata[13]

Vacancy rates in Omori/Kamata have continued to decrease since 2010. Vacancy rates of the office market was 2.0% in year-end of 2018, compared to 9.4% in year-end of 2012. In addition, the all-grade office asking rent of the Omori/Kamata area was JPY 11,129 per tsubo per month, 4.3% higher than that of year-end of 2012.

It is anticipated that vacancy rates would maintain at a low-level of between 1.4% and 3.2% from 2019 to 2023. While the supply in the Tokyo 23 wards is expected to reach its peak in 2020, asking rents in Omori/Kamata from 2020 to 2023 are expected to remain relatively steady.

13 Available market data on Omori covers both Omori and the adjacent Kamata area. Rent and vacancy data includes both wide-ranging office sizes and building specifications.

Chiba/Funabashi[14]

Rents in the Chiba/Funabashi area are relatively low compared to that in Tokyo Central Five Wards, hovering around JPY10,000 per tsubo per month. In year-end of 2018, the all-grade office asking rent of the Chiba/Funabashi area was JPY9,853 per tsubo per month. The changes in rent level have been small and the Independent Market Research Report anticipates that it will remain at around JPY10,000 per tsubo per month.

The tight supply-demand in the Tokyo 23 wards has brought vacancy rates in the Chiba/Funabashi area down from above 10.0% during 2010 and 2016 to 7.2% in year-end of 2018. Vacancy rates in the Chiba/Funabashi area are expected to stay between 7.7% and 9.0% from 2019 to 2023.

(iii) Excellent connectivity from Tokyo's CBD

The properties benefit from strong connectivity, being located near train stations, public transportation nodes and major arterial roads and are within walking distance to amenities such as convenience stores, restaurants, hotels and retail shops.

Travelling by train, which carries millions of commuters daily, is generally the quickest and most preferred method of getting around Japan. Each of the Properties are located within eight minutes walking distance to the nearest train station, which provides connection to the Tokyo Station in the CBD, Narita and Haneda Airports as well as other regional cities in Japan. The well-established and highly connected train network also cuts down travelling time, reducing most train commute within the Greater Tokyo area to within 30 minutes.

(iv) Freehold Properties with good specifications and managed by an experienced and dedicated team

All the Properties are freehold assets and are well-maintained. The Properties are high quality and have good specifications such as column-free floor plates, slab-to-slab ceiling heights of 3.95 to 4.10 metres, modern fixtures and breakout spaces. Tenants at MBP can choose from a wide range of shared conference facilities and meeting rooms which are high quality and well fitted-out.

The Properties will continue to be managed by the local management team and dedicated personnel from MIJ and MMSJ, who have been managing MNACT's Existing Japan Properties. The team has demonstrated strong operational track record with MNACT's Existing Japan Properties achieving 100% occupancy rates and average rental reversion[15] of +6% for the first half of the financial year ended 31 March 2020 ("**1H FY19/20**").

MIJ was established in 2007 and has an established track record as an active investment and asset manager in Japan having managed assets with cumulative

14 Available market data on Makuhari covers Makuhari and the adjacent Chiba and Funabashi areas. Rent and vacancy data includes both wide-ranging office sizes and building specifications.

15 Average rental reversion is calculated based on the change in the effective rental rates of the new leases compared to the previous leases. It takes into account rent-free periods and step-up rental rates over the lease term (if any). The rental reversion for the Existing Japan Properties were contributed by five leases that expired in 1H FY19/20.

assets under management of S$3.8 billion[16] as of 31 March 2019, whilst MMSJ was established in 2012 and is responsible for property and lease management. They are an integrated in-house team with capabilities in deal sourcing, asset management and property management, with strong local relationships and access to institutional owners, tenants, lenders, and other real estate and finance related entities.

7.3 Stable and Quality Cashflows

(i) Multi-tenanted properties backed by strong tenant base in high growth sectors

The Properties are multi-tenanted, comprising 53 tenants, many of which are high quality names with strong credit profiles, including companies or subsidiaries of companies listed on the Tokyo Stock Exchange. In addition, many of these tenants in the Properties are in the high growth tertiary industry sectors such as (1) medical, health care and welfare, (2) finance and insurance, (3) information and communications and (4) business-related services. The top ten tenants account for 84.3% of the Properties' GRI.

In particular, the top 2 tenants of the Properties are:

- NTT Urban Development ("**NTT UD**") is the corporate real estate arm of NTT, one of the world's largest telecommunications companies with a market capitalisation in excess of US$98 billion[17] listed on the Tokyo Stock Exchange. Various NTT related entities are situated in MBP, such as those in the information technology, telecommunications services and solutions for data centre, building management and solar power businesses.

- AEON Group is headquartered in Makuhari, Chiba, where MBP is located. AEON has a market capitalisation in excess of US$18 billion[18] and is listed on the Tokyo Stock Exchange. Certain of AEON's subsidiaries in the financial services, specialty store business and health and wellness business are based in MBP. In addition, there is an AEON convenience store in the building.

(ii) Opportunity to improve occupancy and capture positive rental reversion

The average occupancy rate of the Properties was 85.9% by NLA as at 30 September 2019 with MBP having an occupancy rate of 84.8% and OPB having an occupancy rate of 100% as at 30 September 2019. MBP offers a potential opportunity to lease up progressively at market rates, given the average vacancy rate for the area of 7.2% at the end of 2018, according to the Independent Market Research Report.

In addition, approximately 22.7% of the leases in the Properties by monthly GRI as at 30 September 2019 are expiring in the financial year ending 31 March 2020 ("**FY19/20**") and the financial year ending 31 March 2021 ("**FY20/21**") and the Manager believes that some of these leases are under-rented and may offer positive rental reversion.

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16 Source: MIPL Annual Report for the financial year ended 31 March 2019.
17 Source: Bloomberg. As at 8 November 2019.
18 Source: Bloomberg. As at 8 November 2019.

7.4 Enhances Portfolio Diversification

(i) Enhances geographical, asset, tenant and sector diversification

Following the completion of the Proposed Acquisitions, MNACT's Enlarged Portfolio will comprise 11 properties, an increase of two properties from the nine properties in the Existing Portfolio. The occupancy of the Enlarged Portfolio will be 96.4% as at 30 September 2019. The Proposed Acquisitions will reduce the reliance of income contribution from any single property. No single property will contribute more than 58.1% of MNACT's Enlarged Portfolio based on NPI. Following the Proposed Acquisitions, Japan will contribute approximately 17.0% of MNACT's Enlarged Portfolio's NPI[19].

The property value[20] of the Enlarged Portfolio will stand at approximately S$8,150 million which represents a 6.3% increase from the property value of the Existing Portfolio of S$7,665 million. No single property will contribute more than 62.1% of MNACT's Enlarged Portfolio based on property value.

The acquisition of the Properties will further balance the geographical representation of MNACT's portfolio, with increased contribution from Japan. Of the Enlarged Portfolio, Japan will comprise 16.1% by property value, Hong Kong SAR at 62.1% and China at 21.9%.

Post Completion, the maximum exposure to any single tenant by monthly GRI as at 30 September 2019 on a pro forma basis will reduce from 7.8% to 7.2%. One tenant within the Properties – NTT UD – will be included in the top 10 tenants of the Enlarged Portfolio.

Furthermore, there will also be greater diversification in trade sector exposure arising from a larger tenant base. Representation from the Apparel & Fashion Accessories sector, as the highest contributing trade sector by monthly GRI as at 30 September 2019, will be reduced from 16.9% to 15.6% on a pro forma basis after the Proposed Acquisitions.

(ii) Increases percentage of freehold assets

As at 30 September 2019, 62.2% by NLA of the Existing Portfolio was leasehold with land use right expiry ranging from approximately 28 years to 41 years. The addition of the Properties will introduce two assets located in Japan which are entirely freehold. Freehold assets will represent 49.6% by NLA of the Enlarged Portfolio.

(iii) Improves Portfolio WALE

The WALE of the Existing Portfolio was 2.7 years and that of the Properties was 3.4 years by monthly GRI as at 30 September 2019. The WALE of the Enlarged Portfolio will be extended to 2.8 years by monthly GRI as at 30 September 2019, offering income certainty over a longer period for Unitholders. Correspondingly, the percentage of

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19 Based on MNACT's latest announced financial statements for the half year ended 30 September 2019 and NPI of the Properties' unaudited financial statements for the half year ended 30 September 2019.

20 Based on MNACT's consolidated accounts for the half year ended 30 September 2019 and the Aggregate Agreed Property Value of the Properties.

leases expiring in FY19/20 and FY20/21 by monthly GRI as at 30 September 2019 will be reduced from 36.8% for the Existing Portfolio to 35.6% for the Enlarged Portfolio.

7.5 Attractive Value Proposition

(i) Discount to independent valuations

The Aggregate Agreed Property Value of JPY38,110.0 million (approximately S$485.1 million) represents a discount of approximately 1.8% to C&W's aggregated valuation of JPY38,800.0 million (approximately S$493.9 million) and a discount of approximately 3.1% to CBRE's aggregated valuation of JPY39,330.0 million (approximately S$500.6 million) as at 1 November 2019.

(ii) Attractive NPI yield spread to risk-free rate

The Properties have an average NPI yield of approximately 4.5%[21] and represents an attractive NPI yield spread of approximately 470 bps[22] against the Japan 10-year government bond yield. The NPI yield spread of approximately 470 bps against the Japan 10-year government bond yield[23] was also similar to the spread during the announcement of the acquisition of the Existing Japan Properties in May 2018.

For the second quarter of 2019, the capitalisation rate of prime office assets in Tokyo Central Five Wards was 3.1% and that for all grade office assets in Tokyo 23 Wards was 4.0%. The decade-low capitalisation rates are supported by strong macroeconomic conditions and government monetary policy.

The NPI yield spread for the Properties is significantly higher than the corresponding NPI yield spread for MNACT's Existing Portfolio[24] in Hong Kong SAR and China of approximately 270 bps and approximately 160 bps respectively. The Manager believes that the Properties' relatively higher yield spread against the local cost of funds will enhance long-term returns to Unitholders.

The average NPI yield of the Properties of 4.5% is lower than that of the Existing Japan Properties of 4.9%, and reflects the occupancy rate of MBP of 84.8% as at 30 September 2019. Compared to the average occupancy rate of 100% for the Existing Japan Properties as at 30 September 2019, the Manager believes that there is potential to increase the occupancy rate of MBP progressively. According to the Independent Market Research Report, the average vacancy rate in the Chiba/Funabashi area as at the end of 2018 was 7.2%, which is lower than the existing vacancy rate of MBP of 15.2%.

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21 NPI yield for the Properties is computed based on its annualised 1H FY19/20 NPI assuming MNACT held and operated the Properties from 1 April 2019 to 30 September 2019 and divided by the Aggregate Agreed Property Value.

22 Represents the current risk premium of the Properties and is an indication of the relative value of the Properties against the Japan 10-year government bond yield.

23 Source: Bloomberg as at 31 October 2019.

24 NPI yield for the Existing Portfolio is computed based on each property's annualised NPI for 1H FY19/20 and divided by its respective property value based on MNACT's consolidated accounts for the half year ended 30 September 2019, based on local currency terms and valuation as at 31 March 2019. The figures for Existing Japan Properties, Gateway Plaza and Sandhill Plaza are on an aggregated basis.

(iii) Proposed Acquisitions are expected to be DPU accretive

Based on the assumption that the Total Acquisition Cost will be financed by (i) the issuance of the Transaction Units; (ii) Debt Financing and/or (iii) internal cash resources, the Proposed Acquisitions are expected to be DPU accretive for MNACT's Unitholders.

FOR ILLUSTRATIVE PURPOSES ONLY:

The table set out below illustrates the expected DPU accretion based on various illustrative issue prices for the Transactions Units. There is no assurance that the actual issue price of the Transaction Units will be within the range set out in the table.

Illustrative Issue Price (S$)	Expected DPU Accretion
$1.10	1.65%
$1.11	1.68%
$1.13	1.76%
$1.15	1.83%
$1.17	1.89%
$1.19	1.96%
$1.20	1.99%
$1.21	2.02%

(iv) Potential improvement in market index representation

MNACT may be considered for inclusion into FTSE EPRA NAREIT Developed Asia Index[25] after the Proposed Acquisitions. The potential improvement in market index representation and index inclusion may lead to improvement in trading liquidity and higher demand for MNACT's Units.

8. Pro Forma Financial Effects of the Proposed Acquisitions

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on the DPU and net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes and have been prepared based on the audited financial statements of MNACT for the financial year ended 31 March 2019 (the "**FY18/19 Audited Financial Statements**").

8.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on MNACT's DPU for the FY18/19 Audited Financial Statements, as if the Proposed Acquisitions, issuance of Transaction Units and drawdown of the Debt Financing were completed on 1 April 2018, and MNACT had held and operated the Properties through to 31 March 2019, are as follows:

25 Amongst other criteria, a prospective constituent that has over each of the previous two years derived 75% or more of its total annual EBITDA from Developed Markets (which includes Hong Kong SAR and Japan, as classified by FTSE Russell) may be considered for inclusion.

	Effect of the Proposed Acquisitions	
	Before the Proposed Acquisitions	After the Proposed Acquisitions
Total return before income tax (S$ million)	695.8	711.6[(1)]
Income available for distribution to Unitholders (S$ million)	240.7	255.0
Units in issue at the end of the year (million)[(2)]	3,173.9	3,300.4[(3)]
DPU (S$ cents)	7.690[(4)]	7.831
DPU accretion (%)	-	1.83

Notes:

(1) On a consolidated basis, based on 100% contribution of the Properties. Includes expenses comprising borrowing costs associated with the drawdown from the Debt Financing, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Properties.

(2) The total number of Units in issue as at 31 March 2019.

(3) Includes approximately 126,550,000 Transaction Units issuable to the Sponsor’s Nominee at an illustrative issue price of S$1.15 per Unit.

(4) Includes advanced distribution of 0.764 cents for the period from 1 April 2018 to 7 May 2018.

8.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Proposed Acquisitions on MNACT’s NAV per Unit as at 31 March 2019, as if the Proposed Acquisitions, issuance of Transaction Units and drawdown of the Debt Financing were completed on 31 March 2019, are as follows:

	Effects of the Proposed Acquisitions	
	Before the Proposed Acquisitions	After the Proposed Acquisitions
NAV represented by Unitholders’ funds (S$ million)	4,585.5[(1)]	4,736.1
Units in issue at the end of the year[(2)] (million)	3,173.9	3,300.4[(3)]
NAV per Unit (S$)	1.445	1.435

Notes:

(1) Based on MNACT’s audited financial statements as at 31 March 2019, before taking into account distribution payments to Unitholders for the relevant period.

(2) The total number of Units in issue as at 31 March 2019.

(3) Includes approximately 126,550,000 Transaction Units issuable to the Sponsor’s Nominee at an illustrative issue price of S$1.15 per Unit.

9. Relative Figures computed on the Bases set out in Rule 1006

The relative figures for the Proposed Acquisitions using the applicable bases of comparison set out in Rule 1006(b) and Rule 1006(c) of the listing manual of SGX-ST (the "**Listing Manual**") are as follows:

(i) the net profits attributable to the assets acquired, compared with MNACT's net profits; and

(ii) the aggregate value of the consideration given, compared with MNACT's market capitalisation.

Comparison of	Properties	MNACT	Relative figure (%)
Net property income (S$ million)(1)	10.8(2)	169.8(3)	6.4
Aggregate Consideration against market capitalisation (S$ million)	477.7(4)	3,737.45)	13.0

Notes:

(1) In the case of a real estate investment trust, the NPI is a close proxy to the net profits attributable to its assets.

(2) Based on the NPI of the Properties' unaudited financial statements for the half year ended 30 September 2019.

(3) Based on MNACT's latest announced financial statements for the half year ended 30 September 2019.

(4) This figure represents the estimated Aggregate Consideration of JPY37,526.9 million.

(5) This figure is based on the closing price of S$1.17 per Unit on the SGX-ST as at 3 December 2019, being the trading day immediately prior to the entry into of the Sale and Purchase Agreements.

As the relative figures computed on the bases set out in Rule 1006 exceed 5.0% but do not exceed 20.0%, the Proposed Acquisitions are classified as discloseable transactions.

However, as the Proposed Acquisitions (including the issuance of Transaction Units) constitute "interested person transactions" under Chapter 9 of the Listing Manual and "interested party transactions" under Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the "**Property Funds Appendix**"), the Proposed Acquisitions (including the issuance of Transaction Units) will still be subject to the specific approval of Unitholders.

10. Interested Person Transactions and Interested Party Transactions

Under Chapter 9 of the Listing Manual, where MNACT 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 MNACT's latest audited NTA, Unitholders' approval is required in respect of the transaction.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by MNACT whose value exceeds 5.0% of MNACT's latest audited NAV.

Based on the FY18/19 Audited Financial Statements, the NTA of MNACT represented by Unitholders' funds was S$4,585.5 million as at 31 March 2019 and the NAV of MNACT represented by Unitholders' funds was S$4,585.5 million as at 31 March 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by MNACT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S$229.3 million, such a transaction would be subject to Unitholders' approval.

Given that the Aggregate Consideration is estimated to be approximately S$477.7 million (which is 10.4% of the NTA and the NAV of MNACT represented by Unitholders' funds as at 31 March 2019), the value of the Proposed Acquisitions itself exceeds the said thresholds.

As at the date of this announcement, MIPL holds, through its wholly-owned subsidiaries, an aggregate interest in 1,072,779,154 Units, which is equivalent to approximately 33.5% of the total number of Units in issue.

MIPL is therefore regarded as a "controlling unitholder" of MNACT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is an indirect wholly-owned subsidiary of MIPL, MIPL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

As the Vendors, MMSJ and MIJ are indirect wholly-owned subsidiaries of MIPL (each being a wholly-owned subsidiary of a controlling unitholder and a controlling shareholder of the Manager), each of the Vendors, MMSJ and MIJ is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MNACT.

Additionally, as the Sponsor's Nominee is a wholly-owned subsidiary of MIPL (being a wholly-owned subsidiary of a controlling unitholder and a controlling shareholder of the Manager), the Sponsor's Nominee is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of MNACT.

Therefore, the Proposed Acquisitions (including the issuance of the Transaction Units), the entry into the Amended Tsubaki Asset Management Agreement and the Supplemental Japan Property Management Agreements will each constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

By approving the Proposed Acquisitions, Unitholders will be deemed to have approved the issuance of the Transaction Units, Amended Tsubaki Asset Management Agreement, the Supplemental Japan Property Management Agreements and all other documents incidental to or required to be executed or assigned by the parties in order to give effect to the Proposed Acquisitions.

In this respect, the Circular will be issued and an EGM will be held in due course.

11. Other Interested Person Transactions

As at the date of this announcement, the value of all interested person transactions entered into between MNACT and MIPL and its subsidiaries and associates during the course of the current financial year is approximately S$17.1 million, which is approximately 0.4% of the net tangible asset and net asset value of MNACT as at 31 March 2019. Save as described above, there were no interested person transactions entered into for the current financial year.

12. Interests of Directors and Substantial Unitholders

As at 30 November 2019, certain directors of the Manager ("**Directors**") collectively hold an aggregate direct and indirect interest in 10,050,000 Units. Further details of the interests in Units of the Directors and Substantial Unitholders[26] are set out below.

Mr. Paul Ma Kah Woh is the Non-Executive Chairman and Director of the Manager. Mr. Kevin Kwok is an Independent Non-Executive Director and Chairman of the audit and risk committee of the Manager (the "**Audit and Risk Committee**"). Mr. Lok Vi Ming is the Lead Independent Non-Executive Director and the Chairman of the nominating and remuneration committee of the Manager (the "**Nominating and Remuneration Committee**"). Mr. Lawrence Wong Liang Ying is an Independent Non-Executive Director and a Member of the Audit and Risk Committee. Mr. Michael Kok Pak Kuan is an Independent Non-Executive Director and a Member of the Audit and Risk Committee. Ms. Tan Su Shan is an Independent Non-Executive Director and a Member of the Nominating and Remuneration Committee. Mr. Hiew Yoon Khong is a Non-Executive Director and a Member of the Nominating and Remuneration Committee. Mr. Chua Tiow Chye is a Non-Executive Director. Ms. Cindy Chow Pei Pei is an Executive Director and the Chief Executive Officer of the Manager.

Based on the Register of Directors' unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors holds a direct or deemed interest in the Units as at 30 November 2019:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Paul Ma Kah Woh	1,140,000	0.035	100,000	0.003	1,240,000	0.038
Kevin Kwok	750,000	0.023	-	-	750,000	0.023
Lok Vi Ming	-	-	190,000	0.005	190,000	0.005
Lawrence Wong Liang Ying	-	-	-	-	-	-
Michael Kok Pak Kuan	540,000	0.016	-	-	540,000	0.016
Tan Su Shan	-	-	-	-	-	-
Hiew Yoon Khong	830,000	0.026	3,950,000	0.123	4,780,000	0.149
Chua Tiow Chye	1,550,000	0.048	250,000	0.008	1,800,000	0.056
Cindy Chow Pei Pei	-	-	750,000	0.023	750,000	0.023

Note:
(1) The percentage is based on 3,194,343,154 Units in issue as at 30 November 2019.

26 "**Substantial Unitholders**" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

Based on the information disclosed in MNACT's FY18/19 annual report, the Substantial Unitholders and their interests in the Units as of 31 May 2019 are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Temasek Holdings (Private) Limited(2)	-	-	1,087,223,596	34.17	1,087,223,596	34.17
Fullerton Management Pte Ltd(2)	-	-	1,060,132,884	33.31	1,060,132,884	33.31
Mapletree Investments Pte Ltd(3)	-	-	1,060,132,884	33.31	1,060,132,884	33.31
Kent Assets Pte. Ltd.	718,661,000	22.59	-	-	718,661,000	22.59
Schroders plc(4)	-	-	169,453,800	5.33	169,453,800	5.33

Notes:

(1) The percentage is based on 3,181,696,884 Units in issue as at 31 May 2019.

(2) Each of Temasek Holdings (Private) Limited ("**Temasek**") and Fullerton Management Pte Ltd ("**Fullerton**") is deemed to be interested in the 718,661,000 Units held by Kent Assets Pte. Ltd. ("**Kent**"), 133,086,000 Units held by Suffolk Assets Pte. Ltd. ("**Suffolk**"), 139,106,573 Units held by Mapletree North Asia Commercial Trust Management Ltd. ("**MNACTM**") and 69,279,311 Units held by Mapletree North Asia Property Management Limited ("**MNAPM**"). In addition, Temasek is deemed to be interested in the 27,090,712 Units in which its associated companies have direct or deemed interests. Kent and Suffolk are wholly-owned subsidiaries of Mapletree Investments Pte Ltd ("**MIPL**"). MNACTM and MNAPM are wholly-owned subsidiaries of Mapletree Capital Management Pte. Ltd. and Mapletree Property Services Pte. Ltd. respectively, which are wholly-owned subsidiaries of MIPL. MIPL is a wholly-owned subsidiary of Fullerton which in turn wholly-owned subsidiary of Temasek. Each of MIPL and the associated company referred to above is an independently-managed Temasek portfolio company. Temasek and Fullerton are not involved in their business or operating decisions, including those regarding their unitholdings.

(3) MIPL is deemed to be interested in the 718,661,000 Units held by Kent, 133,086,000 Units held by Suffolk, 139,106,573 Units held by MNACTM and 69,279,311 Units held by MNAPM.

(4) Schroders plc is deemed to be interested in the 169,453,800 Units held on behalf of clients as investment managers.

Save as disclosed above and based on the information available to the Manager, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Proposed Acquisitions.

13. Directors' Service Contracts

No person is proposed to be appointed as a Director of the Manager in connection with the Proposed Acquisitions or any other transactions contemplated in relation to the Proposed Acquisitions.

14. Independent Directors' and Audit and Risk Committee's Statements

The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd (the "**IFA**") to advise the independent Directors of the Manager (the "**Independent Directors**"), the Audit and Risk Committee and the Trustee as to whether the Proposed Acquisitions, the Supplemental Japan Property Management Agreements and the Amended Tsubaki Asset Management Agreement are based on normal commercial terms and are not prejudicial to the interests of MNACT and its minority Unitholders. The Independent Directors and Audit and Risk Committee will form their own views after reviewing the opinion of the IFA, which will be set out in the Circular.

15. Documents for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager[27] at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438 from the date of the announcement up to and including the date falling three months after the date of the announcement:

(i) the TK Interest Transfer Agreement dated 4 December 2019;

(ii) the TBI SPA dated 4 December 2019;

(iii) Transaction Units Agreement dated 4 December 2019;

(iv) the independent valuation report on each of the Properties issued by CBRE; and

(v) the independent valuation report on each of the Properties issued by C&W.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as MNACT is in existence.

Further details of the Proposed Acquisitions, the issuance of Transaction Units and the Application will be contained in the Circular which will be issued by the Manager in due course. Unitholders are advised to refer to the Circular for any updates to the information contained in this announcement.

By order of the Board

Wan Kwong Weng

Joint Company Secretary

Mapletree North Asia Commercial Trust Management Ltd.

(Company Registration No. 201229323R)

As Manager of Mapletree North Asia Commercial Trust

4 December 2019

27 Prior appointment with the Manager (telephone: +65 6377 6111) will be appreciated.

Important Notice

This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of MNACT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

The past performance of MNACT is not necessarily indicative of the future performance of MNACT.

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

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada, Japan or Australia, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. There will be no public offering of the securities referred to herein in the United States.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore

The Transaction Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).