THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

EGM Pre-Registration

Circular

UNITHOLDERS' CIRCULAR DATED Friday, 29 April 2022

mapletree commercial

Your Vote Counts.

Please vote by submitting your Proxy Form.

MAPLETREE COMMERCIAL TRUST

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

Managed by

Mapletree Commercial Trust Management Ltd.

(Company Registration No.: 200708826C)

Financial Adviser to the MCT Manager in relation to the Merger and Sole Global Co-ordinator in relation to the Preferential Offering

DBS Bank Ltd.

(Company Registration No.: 196800306E)
(Incorporated in the Republic of Singapore)

Independent Financial Adviser to the Audit and Risk Committee and the Independent Directors of the MCT Manager and the MCT Trustee in relation to the Merger

Australia and New Zealand Banking Group Limited

(Company Registration No.: 005 357 522)
(Incorporated in Australia)

CIRCULAR TO UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST ("MCT") IN RELATION TO THE PROPOSED MERGER OF

mapletree commercial + mapletree north asia commercial

EXTRAORDINARY GENERAL MEETING ("EGM")

(1) PROPOSED MERGER OF MAPLETREE COMMERCIAL TRUST AND MAPLETREE NORTH ASIA COMMERCIAL TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT;

(2) PROPOSED ALLOTMENT AND ISSUANCE OF UNITS OF MAPLETREE COMMERCIAL TRUST TO THE HOLDERS OF UNITS IN MAPLETREE NORTH ASIA COMMERCIAL TRUST AS FULL OR PART OF THE CONSIDERATION FOR THE MERGER;

(3) PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP; AND

(4) PROPOSED AMENDMENTS TO THE MCT TRUST DEED TO ADOPT THE MANAGEMENT FEE SUPPLEMENT.

IMPORTANT DATES AND TIMES FOR UNITHOLDERS OF MAPLETREE COMMERCIAL TRUST

Last date and time for lodgement of Proxy Form	10.00 a.m. on Friday, 20 May 2022
Date and time of EGM	10.00 a.m. on Monday, 23 May 2022

The EGM will be convened and held by way of electronic means[(1)]

Note:

(1) Due to the constantly evolving COVID-19 situation in Singapore, the MCT Manager may be required to change the arrangements for the EGM at short notice. MCT Unitholders should check MCT's website at **https://www.mapletreecommercialtrust.com** for the latest updates on the status of the EGM.

This circular dated Friday, 29 April 2022 ("**Circular**") is issued by Mapletree Commercial Trust Management Ltd. (the "**MCT Manager**"), in its capacity as manager of MCT. Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Consideration Units and the Preferential Offering Units on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Merger, the Consideration Units, the Preferential Offering, the Preferential Offering Units, MCT and/or its subsidiaries.

If you have sold or transferred all your units in MCT (the "**MCT Units**"), you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular shall not constitute an offer to sell or a solicitation of an offer to buy MCT Units or other securities, including the Preferential Offering Units and provisional allotments to Eligible Unitholders under the Preferential Offering. This Circular may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Preferential Offering Units and provisional allotments under the Preferential Offering or make an offer of the Preferential Offering Units and provisional allotments under the Preferential Offering, and the Preferential Offering Units and provisional allotments under the Preferential Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction.

This Circular 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. This Circular is not an offer of securities for sale into the United States. The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of MCT in the United States would be made by means of a prospectus that would contain detailed information about MCT and the MCT Manager, as well as the relevant financial statements. The MCT Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

All capitalised terms in this section shall, if not otherwise defined, bear the same meanings as ascribed to them in this Circular.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

Transformative Merger Combining Strength and Growth

mapletree commercial + mapletree north asia commercial

Largest pure-play Singapore commercial REIT with longstanding track record in delivering stable returns to unitholders

First and only North Asia focused REIT listed in Singapore, with properties in key gateway markets including China, Hong Kong SAR(2), Japan and South Korea

Strength **Growth**

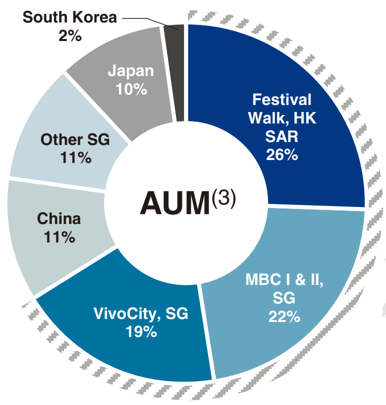
The Merged Entity will be renamed:

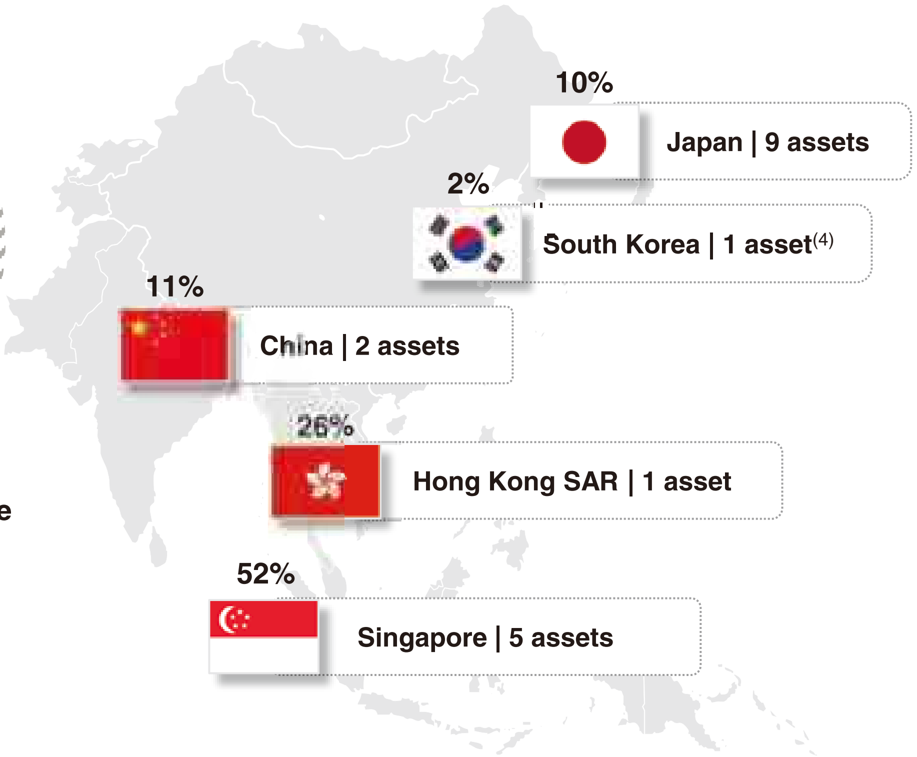
mapletree pan asia commercial

18 commercial properties across 5 key gateway markets of Asia with total AUM(3) of over S$17 billion

Well-balanced across the commercial sub asset classes, which includes retail, office and business park segments

Diversified and high quality portfolio anchored by best-in-class commercial assets





Best-in-class assets constitute **67%**(5) of portfolio

Notes:

(2) Where "Hong Kong SAR" is mentioned in this section of this Circular, it refers to the Hong Kong Special Administrative Region ("**SAR**").

(3) Assets under Management ("**AUM**") based on the MCT 2022 Independent Valuations and the independent full valuations commissioned by MNACT Manager and the MNACT Trustee as at 31 March 2022. Total percentage values may not add up to 100% due to rounding differences.

(4) This refers to MNACT's 50.0% effective interest in The Pinnacle Gangnam, which is held through a joint venture.

(5) Namely Festival Walk, MBC I & II, and VivoCity.

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Investment Mandate

Diversified portfolio of income-producing real estate used primarily for office and/or retail purposes as well as real estate-related assets

Expanded geographic scope to key gateway markets of Asia including but not limited to Singapore, China, Hong Kong SAR, Japan and South Korea

Merged Entity's Structure

MIPL(1)

MCT Unitholders(2)

MNACT Unitholders(2)

REIT Manager – MCTM

mapletree pan asia commercial

MCT Properties

(Sub-Trust)

Merged Entity will be managed by the MCT Manager

mapletree north asia commercial

MNACT Properties

Merger to be effected by way of a trust scheme of arrangement ("Trust Scheme")

Three Scheme Consideration options(3) for MNACT Unitholders

1 Scrip-Only Consideration

100%
Consideration Units
0.5963
new MCT Units per MNACT Unit

OR

2 Cash-and-Scrip Consideration

84%
Consideration Units
0.5009
new MCT Units per MNACT Unit

+

16%
Cash component
S$0.1912
in Cash per MNACT Unit

OR

3 Cash-Only Consideration

100%
Cash
S$1.1949
in Cash per MNACT Unit

Cash-Only Consideration is the default option

MNACT Unitholders who do not make any election or fail to make a valid election for the Scrip-Only Consideration, Cash-and-Scrip Consideration or Cash-Only Consideration shall be deemed to have elected to receive the Cash-Only Consideration if the Trust Scheme becomes effective in accordance with its terms.

All three forms of the Scheme Consideration are equivalent in value and are equal to the Adjusted NAV per MNACT Unit.(4) Scheme Consideration represents a price-to-NAV multiple of 1.0x. Based on the Scheme Issue Price of S$2.0039 per Consideration Unit, the implied value of the Scrip-Only Consideration and the implied value of the Cash-and-Scrip Consideration is equivalent(5) to the Cash-Only Consideration of S$1.1949 per MNACT Unit.

Preferential Offering to raise gross proceeds of up to S$2.2 billion, fully backed by Sponsor

Amount(6) and Use of Proceeds	Up to S$2.2 billion to finance the additional cash requirement arising from the introduction of the Cash-Only Consideration
Issue Price Under the Preferential Offering	S$2.0039 (based on the same Scheme Issue Price, being the 1-day VWAP per MCT Unit as at the Last Trading Day)
Maximum Preferential Offering Units	Up to 1,094 million
Application Period for MCT Unitholders	Expected to take place from 28 July 2022 to 5 August 2022 after the election period in respect of the Scheme Consideration for MNACT Unitholders
Voluntary Lock-up by Sponsor	Sponsor has agreed to a voluntary 6-month lock-up of the unitholdings(7) of the MIPL Entities in the Merged Entity following the completion of the Trust Scheme or the Preferential Offering (whichever is earlier)

Notes: Unitholders shall be entitled to receive and retain any Permitted Distributions declared by the respective managers in the ordinary course of business in respect of the period from 1 April 2021 or 1 October 2021, as the case may be up to the day immediately before the date on which the Trust Scheme becomes effective in accordance with its terms ("**Effective Date**").

(1) Before the Merger, as at the Latest Practicable Date, MIPL Entities held 32.61% interest (including indirect interest) in MCT, and 38.14% interest (including indirect interest) in MNACT.

(2) Before the Merger, as at the Latest Practicable Date, unitholders (excluding the MIPL Entities) held 67.39% interest in MCT, and 61.86% interest in MNACT.

(3) Mapletree Investments Pte Ltd ("**MIPL**", or the "**Sponsor**"), as the sponsor of MCT and MNACT, has provided an undertaking to elect to receive Scrip-Only Consideration in respect of all its MNACT Units.

(4) Based on MNACT's NAV per unit as at 30 September 2021 and applying the following adjustments: (i) excludes MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents paid on 24 December 2021; and (ii) assumes that the full valuation of MNACT's investment properties and joint venture held as at 30 September 2021 is based on the valuation of the MNACT Properties as at 31 October 2021 as announced on 31 December 2021.

(5) The implied value of the Scrip-Only Consideration and the implied value of the Cash-and-Scrip Consideration of S$1.1949 is computed by multiplying the illustrative value of one new MCT Unit at the Scheme Issue Price of S$2.0039, which is determined by reference to the 1-day VWAP per MCT Unit as at the Last Trading Day (i) by 0.5963x under the Scrip-Only Consideration or (ii) by 0.5009x, plus the cash component of the Cash-and-Scrip Consideration of S$0.1912. The Scheme Issue Price of S$2.0039 per Consideration Unit may not be equivalent to the market price of, nor reflective of the fair value of, the Consideration Units as at the Effective Date and/or the Scheme Settlement Date. Each Consideration Unit may, depending on changing market conditions and sentiments, trade above or below the Scheme Issue Price of each Consideration Unit of S$2.0039.

(6) Whether the Preferential Offering will be undertaken, as well as the size of the Preferential Offering, will be determined based on the results of the election by MNACT Unitholders for the different forms of the Scheme Consideration pursuant to the Trust Scheme.

(7) Sponsor's resultant stake in MPACT could range from 34.76% to 57.09%. Please refer to paragraph 8.2.2 of this Circular for details.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

Proposed new management fee structure pegged to distributable income and DPU growth
Enables closer alignment of interests with the Merged Entity's unitholders

MCT		MNACT	
MCT Current Fee Structure		**MNACT Current Fee Structure**	
Base Fee	**Performance Fee**	**Base Fee**	**Performance Fee[8]**
0.25% p.a. of the Value of the Deposited Property	**4.0% p.a.** of Net Property Income ("NPI")	**10.0% p.a.** of Distributable Income	**25.0% p.a.** of year-on-year ("y-o-y") growth in DPU

Proposed Fee Structure for Merged Entity

Base Fee		Performance Fee
10.0% of Distributable Income[9]	+	**25.0%** of y-o-y growth in DPU[10]

Results in **lower fees** in the Merged Entity as a percentage of total assets

Promotes **closer alignment of interests** with the Merged Entity's unitholders by directly incentivising **long-term sustainable distributable income and DPU growth**

Strong Commitment from Sponsor and Alignment with Unitholders

1. Sponsor has undertaken to subscribe for the Maximum Preferential Offering Units of up to S$2.2 billion at the issue price of S$2.0039[11] per MCT Unit. This will satisfy the additional cash requirement for the Cash-Only Consideration with no incremental debt financing and no increase in the maximum number of new MCT Units to be issued

2. Sponsor's undertaking to receive 100% Scrip-Only Consideration remains unchanged

3. Sponsor has agreed to a voluntary 6-month lock-up of its unitholdings in the Merged Entity[12]
Sponsor's resultant stake in MPACT could range from 34.76%[13] to 57.09%[14], representing its conviction in the Merged Entity

4. Sponsor continues to support the MCT Manager's agreement to waive its acquisition fee entitlement

5. Sponsor supports the adoption of REIT management fee structure pegged to distributable income and DPU growth, which will promote closer alignment of interests with unitholders

Notes:

(8) The performance fee is a fee equal to a rate of 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 in that financial year), multiplied by the weighted average number of units in issue for such financial year. The performance fee is payable if the DPU in respect of any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such relevant financial year may be less than the DPU in the financial year prior to the preceding financial year. As announced by the MNACT Manager on 25 September 2020, in consideration of the impact of COVID-19 on MNACT's distributions to the MNACT Unitholders and to demonstrate the MNACT Manager's commitment to align its interest with the MNACT Unitholders, the MNACT Manager will waive its entitlement to any performance fee as provided under the MNACT Trust Deed until such time that the DPU exceeds 7.124 cents, which was the DPU achieved in the financial year ended 31 March 2020, prior to the full year impact of COVID-19.

(9) The Merged Entity's base fees will be 10.0% of the distributable income (calculated before accounting for the base fee and performance fee).

(10) The Merged Entity's performance fees will be 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 that financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.

(11) The issue price of S$2.0039 per MCT Unit under the Preferential Offering is the same as the Scheme Issue Price of each Consideration Unit of S$2.0039 (being the 1-day VWAP per MCT Unit as at the Last Trading Day).

(12) The lock-up period commences from the earlier of the date of completion of the Trust Scheme and the date of completion of the Preferential Offering until the date falling six months after such date.

(13) Based on an aggregate of 5,427,244,574 units in the Merged Entity, assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(14) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and the relevant MIPL Entities subscribe for the Maximum Preferential Offering Units in full. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

Transaction Rationale

1 Proxy to Key Gateway Markets of Asia

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

Assets under Management
10.9 years CAGR (IPO to Mar 2022) **+11.0%**

NAV per unit
10.9 years CAGR (IPO to Mar 2022) **+5.8%**

DPU
10 years CAGR (FY11/12 (restated) to FY21/22) **+5.4%**

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Proven track record as a responsible steward of capital

At IPO and acquisitions in 2013, 2016, 2019

Successful in establishing position as leading S-REIT with best-in-class assets making up significant portion of portfolio

Assets under Management
9.1 years CAGR (IPO to Mar 2022) **+7.4%**

NAV per unit
9.1 years CAGR (IPO to Mar 2022) **+3.1%**

DPU
8 years CAGR (FY13/14 to FY21/22) **+1.7%**

At IPO | At IPO and acquisition in 2015 | Acquisitions in 2018, 2020, 2021 | Acquisition in 2020

mapletree north asia commercial

Demonstrated capabilities in driving growth through acquisitions across North Asian markets

Successful in seeking new acquisitions outside of IPO geographies in Greater Tokyo and Seoul

Deep liquidity in key gateway markets of Asia providing growth opportunities

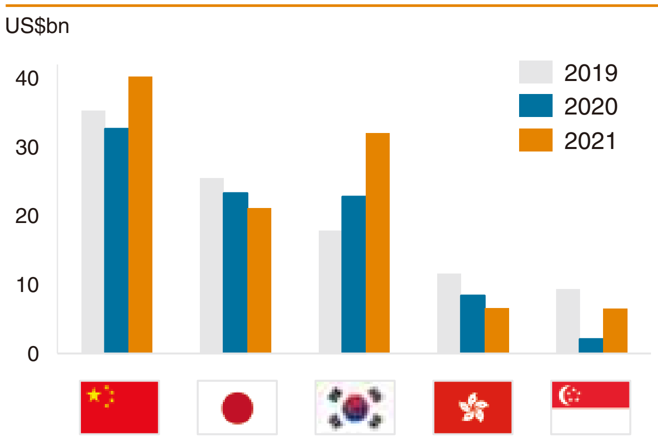
Tapping into some of the largest and most established real estate markets in Asia

Opportunities continue to exist in Asia's retail markets where well-positioned shopping malls remain relevant

Continued growth opportunities where offices will continue to play an integral role

Experienced on-the-ground teams to tap into investment and asset enhancement opportunities

Total transaction volume for office and retail assets of US$106.4bn in 2021 across key gateway markets of Asia



Transaction volume for office and retail assets from 2019 to 2021

Source: Colliers International (Hong Kong) Limited ("**Colliers**") and Real Capital Analytics.

18[(15)]	S$17.1bn	11.0m sq ft[(16)]	97.2%
commercial properties across five key gateway markets of Asia	Assets under Management[(a)]	NLA[(b)]	Portfolio Occupancy[(c)]

Notes:
(15) This includes MNACT's 50.0% effective interest in The Pinnacle Gangnam, which is held through a joint venture.
(16) Total NLA of 5.0 million sq ft from MCT and 5.9 million sq ft from MNACT respectively. Total NLA value may not add up to 11.0 million sq ft due to rounding differences.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

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

One of the world's key trade, logistics and financial hubs

Retail

Retail sales expected to gradually return to pre-COVID levels by end-2023 in tandem with easing restrictions

Office / Business Park

Market dynamics conducive to recovery and demand for good quality decentralised office and business park expected to remain resilient

Continued importance as gateway between mainland China and the world as economy recovers

Retail

Retail market and consumer sentiments expected to improve and gather pace once cross-border travel resumes

Office

Leasing demand expected to improve and rents in Kowloon East expected to remain stable

World's second largest economy and the only major economy to post GDP growth in 2020

Office

The Grade A office market in Lufthansa(17) is expected to recover by early 2023, supported by steady demand from key business sectors

Business Park

Zhangjiang Science City(18), an innovation hub in Pudong, Shanghai, will ride on growing IT and biomedical sectors, where demand is expected to outstrip supply and drive rental growth

World's third largest economy supported by strong core industries

Office

Resilient demand expected for offices in decentralised and suburban areas given relatively low new supply and rental cost differentials compared to Tokyo 5 wards

Resilient economy through COVID-19; good recovery momentum expected

Office

Gangnam Business District(19) office sector continues to outperform given strong demand and no new supply

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

Established network with strong local expertise

Proven track record in real estate development, investment, capital and property management

Capitalise on Sponsor's established network and strong local expertise to further deepen and expand regional footprint

2.5 years

WALE(d)

38.8%(20)

Aggregate Leverage Ratio

Diversified and high quality portfolio anchored by best-in-class commercial assets

(a) AUM based on the MCT 2022 Independent Valuations and the independent full valuations commissioned by MNACT as at 31 March 2022.
(b) Net Lettable Area ("**NLA**").
(c) Occupancy for MCT and MNACT refers to the committed occupancy as at 31 March 2022. Occupancy for the Merged Entity is calculated on a pro forma basis.
(d) Weighted Average Lease Expiry ("**WALE**") by GRI for MCT and MNACT is based on the committed lease expiry dates (leases which have been renewed or re-let as of 31 March 2022) and GRI. WALE by GRI for the Merged Entity is calculated on a pro forma basis.

Source: Colliers.
Notes:
(17) Lufthansa is a well-established business sub-market within Beijing, where Gateway Plaza is located in.
(18) Zhangjiang Science City is a key business park and innovation hub in Pudong, Shanghai, where Sandhill Plaza is located in.
(19) Gangnam Business District ("**GBD**") is one of the three core business districts in Seoul, where TPG is located in.
(20) As at 31 March 2022, on a historical pro forma basis. This assumes all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or the Cash-Only Consideration. Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the aggregate leverage is 37.5%.

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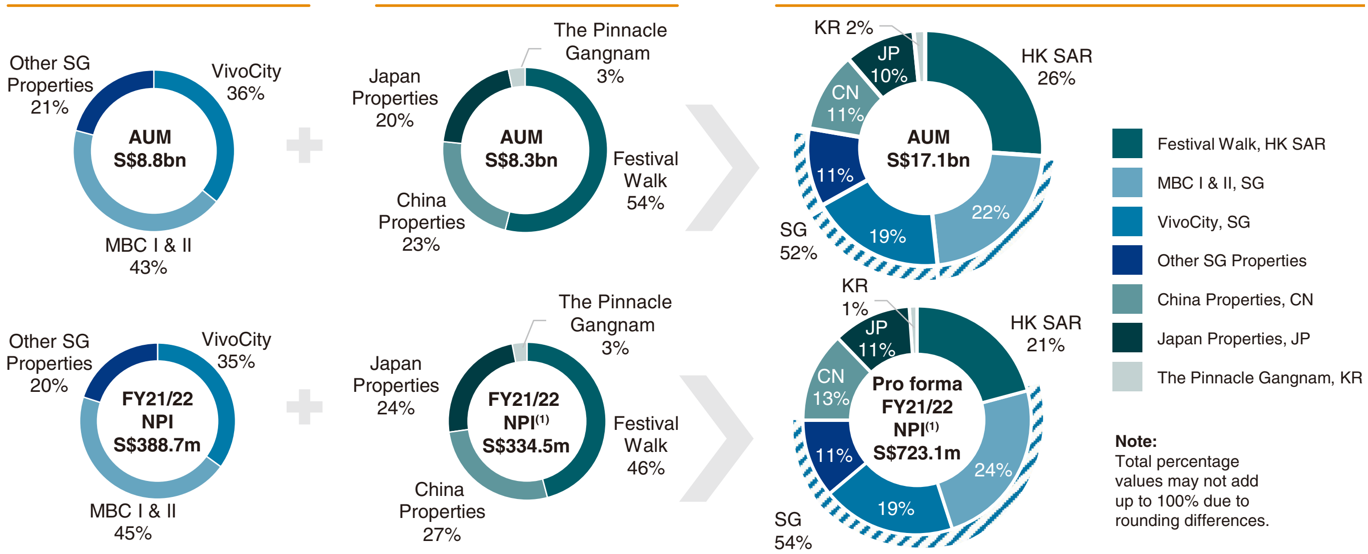
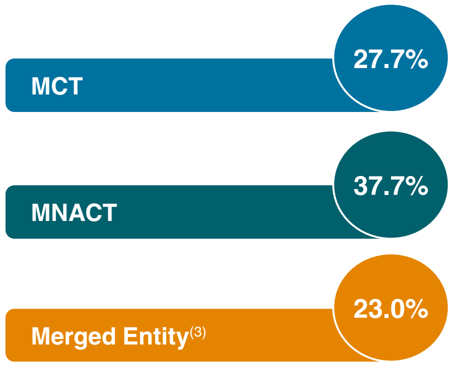
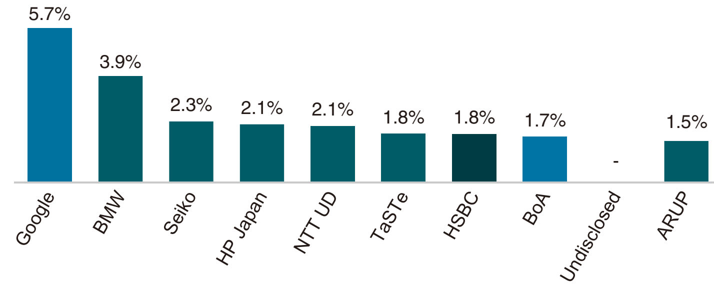
2 Enhanced Diversification Anchored by High Quality Portfolio

Diversification across geographies and reduced single asset concentration strengthens portfolio resilience



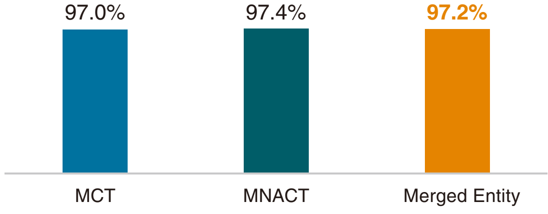
Improved cashflow stability from high quality tenants while reducing income concentration

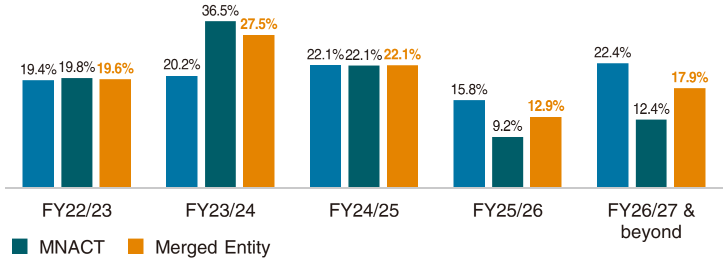




	Google	BMW	Seiko	HP Japan	NTT UD	TaSTe	HSBC	BoA	Undisclosed	ARUP
Listed	✓	✓	✓	✓	✓	✓	✓	✓	N/A	-
Investment Grade Rating(4)	✓	✓	NR	✓	NR	✓	✓	✓	N/A	NR

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



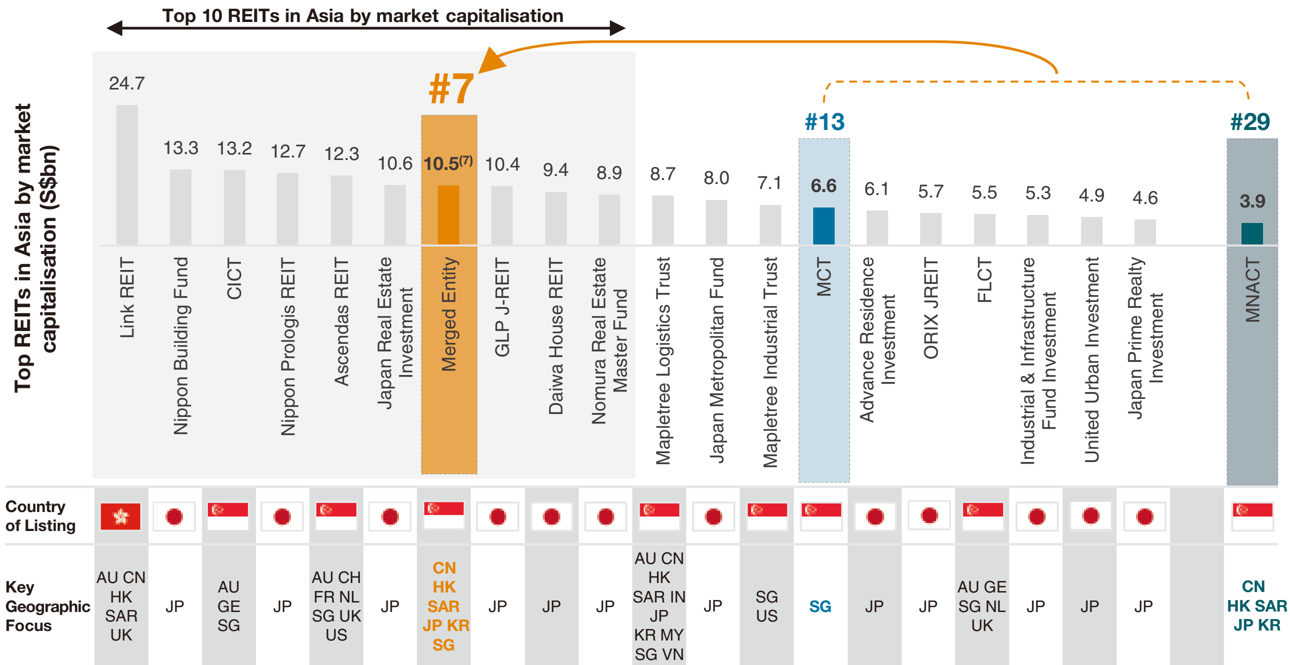


Notes:

(1) MNACT's FY21/22 NPI value includes 50.0% share of NPI from TPG and assuming full year contribution from HPB, which is based on unaudited financial information for the period from 18 June 2021 (date of acquisition) to 31 March 2022, pro-rated as if the acquisition was completed on 1 April 2021.
(2) GRI contribution for the month of March 2022. Top 10 tenants for MCT and the Merged Entity excludes an undisclosed tenant of MCT.
(3) The top tenants by GRI for the Merged Entity is based on the unique signing entity of each tenant.
(4) Based on latest disclosed credit rating. Not rated ("**NR**") indicates that a rating has not been assigned or is no longer assigned. Investment grade rating refers to bonds that are rated Baa 3 / BBB- or better. Google's rating is based off their ultimate parent, Alphabet Inc. Seiko Instruments Inc ("**Seiko**") rating is based off their ultimate parent, Seiko Holdings Corporation. Hewlett-Packard Japan ("**HP Japan**") rating is based off their ultimate parent HP Inc. NTT Urban Development ("**NTT UD**") rating is based off their ultimate parent, NTT UD REIT Investment Corporation. TaSTe's rating is based off their ultimate parent, CK Hutchison Holdings. Merrill Lynch Global Services Pte. Ltd. ("**BoA**") rating is based off their ultimate parent, The Bank of America Corporation.
(5) Occupancy for MCT and MNACT refers to committed occupancy as at 31 March 2022. Occupancy for the Merged Entity is calculated on a pro forma basis.
(6) WALE by GRI for MCT and MNACT is based on the committed lease expiry dates (leases which have been renewed or re-let as of 31 March 2022) and GRI. WALE by GRI for the Merged Entity is calculated on a pro forma basis.

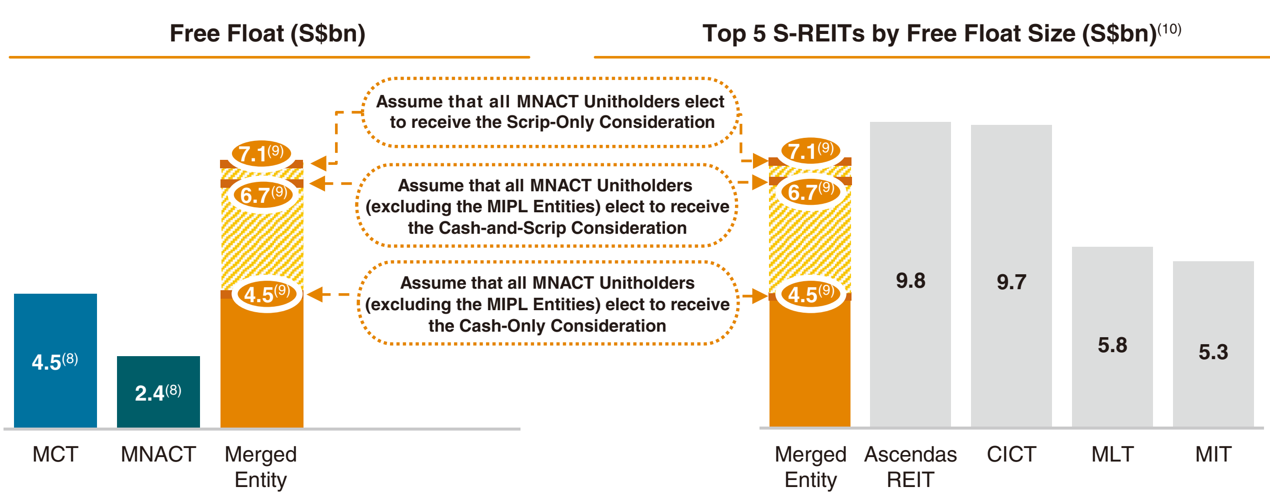
3 Leapfrogs to one of the Top 10 Largest REITs in Asia

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



AU: Australia
HK SAR: Hong Kong SAR
NL: Netherlands
CN: China
IN: India
SG: Singapore
CH: Switzerland
JP: Japan
UK: United Kingdom
FR: France
KR: South Korea
US: United States of America
GE: Germany
MY: Malaysia
VN: Vietnam

Merged Entity will have a free float size equivalent to or greater than MCT's and will remain a constituent of key indices



The Merged Entity is expected to remain a constituent in key representative indices including the FTSE EPRA Nareit Developed Index and Developed Asia Index, the MSCI Singapore Index and the Straits Times Index

Sources: FactSet, Market data aligned to MSCI Singapore Index closing information as at the Last Trading Day.
Assumes FX rates SGD/HKD = 5.7477 and SGD/JPY = 84.6579 as at the Last Trading Day.

Notes:

(7) Illustrative market capitalisation of the Merged Entity is calculated based on the Scheme Issue Price of S$2.0039 and the pro forma total number of units outstanding for the Merged Entity as at the Last Trading Day of 5,217.8 million, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or Cash-Only Consideration. Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the market capitalisation for Merged Entity would be S$10.9 billion.

(8) Free float for MCT excludes MCT Units held by the Sponsor via HFPL, HF Place, HF Eight, Sienna and the MCT Manager. Free float for MNACT excludes MNACT Units held by the Sponsor via Kent, Suffolk, the MNACT Manager and MNAPML. MCT's free float is computed based on 2,239.6 million free float units multiplied by MCT Unit price of S$2.0000 as at the Last Trading Day. MNACT's free float is computed based on 2,182.3 million free float units multiplied by MNACT Unit price of S$1.1100 as at the Last Trading Day.

(9) The Merged Entity's free float excludes units that would be held by the Sponsor through its various subsidiaries and associates. The Merged Entity's free float is computed based on 3,332.7 million free float units multiplied by the Scheme Issue Price of S$2.0039 per unit, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. The Merged Entity's free float is computed based on 3,540.9 million free float units multiplied by the Scheme Issue Price of S$2.0039 per unit, assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. The Merged Entity's free float is computed based on 2,239.6 million free float units multiplied by the Scheme Issue Price of S$2.0039 per unit, assuming all MNACT Unitholders elect to receive the Cash-Only Consideration.

(10) Based on the top 10 S-REITs by free float market capitalisation (excluding the Merged Entity) as at the Last Trading Day. Top 10 REITs by free float market cap: AREIT, CICT, MLT, MIT, MCT, Frasers Logistics & Commercial Trust, Frasers Centrepoint Trust, Keppel DC REIT, MNACT and Keppel REIT. Free float calculated as total units excluding sponsor-held units.

4 Enlarged Platform Better Positioned to Unlock Upside Potential

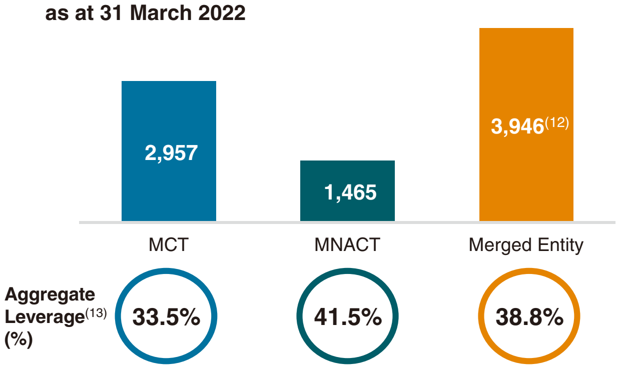
Enhanced financial flexibility to pursue more growth opportunities

Greater flexibility to pursue larger acquisitions and capital recycling opportunities

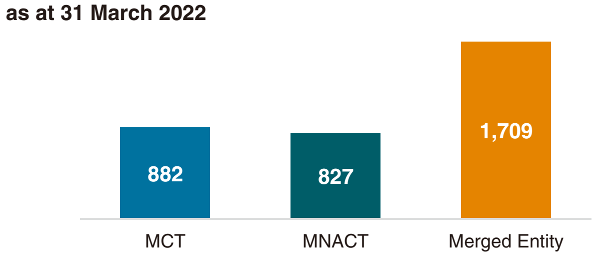
Strengthens ability to compete for inorganic growth opportunities

Larger development headroom to undertake asset enhancement initiatives ("AEI") and development initiatives

Debt Funding Capacity(11) (S$m)



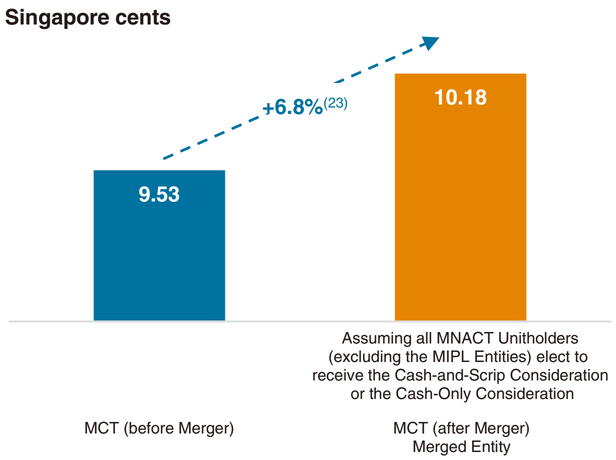
AEI and Development Headroom(14) (S$m)



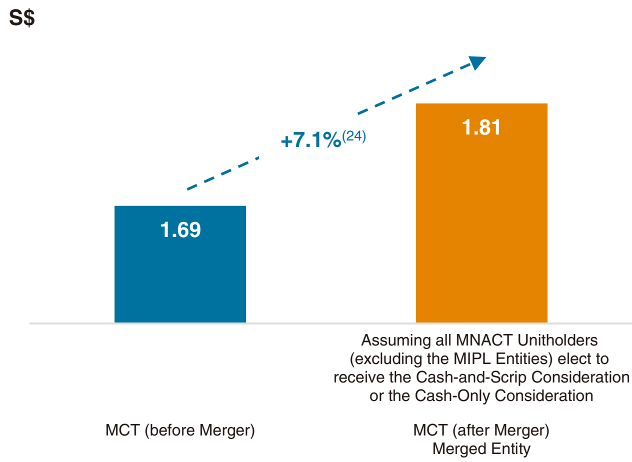
Notes:
(11) Debt funding capacity based on the aggregate leverage limit of 50.0% as permitted by the Property Funds Appendix.
(12) Debt funding capacity assumes that an additional S$237.9 million of acquisition debt was drawn down on 1 April 2021 to partially fund the cash component of the Scheme Consideration and the Transaction Costs of the Merger, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or Cash-Only Consideration.
(13) Aggregate leverage ratios for MCT and MNACT as at 31 March 2022 as announced on 20 April 2022 and 19 April 2022 respectively.
(14) Development headroom calculated based on 10.0% of the deposited property of MCT, MNACT and the Merged Entity respectively, with the deposited property of the Merged Entity based off the pro forma aggregate deposited property of MCT and MNACT. MCT's AUM and MNACT's AUM as at 31 March 2022 were used as proxy for the deposited property.

5 FY21/22 Pro Forma DPU(15)(16)(17) and NAV Accretive(18)(19)(20) to MCT Unitholders

Pro forma DPU (FY21/22)(21)



Pro forma NAV per unit (ex-distrbution(22))(21) (31 March 2022)



Notes:
(15) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Scheme Consideration is assumed to comprise: (i) S$18.1 million of acquisition debt drawn down to fund the Transaction Costs of the Merger; and (ii) 2,086.6 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit.
(16) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, the Scheme Consideration is assumed to comprise: (i) additional S$237.9 million of acquisition debt drawn down and S$200.0 million of perpetual securities issued to fund the cash component of the Scheme Consideration and Transaction Costs of the Merger; and (ii) 1,878.4 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit.
(17) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, the Scheme Consideration assumes (i) additional S$237.9 million of acquisition debt drawn down and S$200.0 million of perpetual securities issued to fund the cash component of the Scheme Consideration and Transaction Costs of the Merger; and (ii) 785.3 million Consideration Units and 1,093.1 million MCT Units issued through the Preferential Offering at the Scheme Issue Price of S$2.0039 per unit.
(18) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Scheme Consideration is assumed to comprise: (i) S$18.1 million of acquisition debt drawn down to fund the Transaction Costs of the Merger; and (ii) 2,103.7 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit.
(19) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, the Scheme Consideration is assumed to comprise: (i) additional S$237.9 million of acquisition debt drawn down and S$200.0 million of perpetual securities issued to fund the cash component of the Scheme Consideration and Transaction Costs of the Merger; and (ii) 1,895.5 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit.
(20) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, the Scheme Consideration assumes (i) additional S$237.9 million of acquisition debt drawn down and S$200.0 million of perpetual securities issued to fund the cash component of the Scheme Consideration and Transaction Costs of the Merger; and (ii) 802.4 million Consideration Units and 1,093.1 million MCT Units issued through the Preferential Offering at the Scheme Issue Price of S$2.0039 per unit.
(21) The pro forma financial effects of the Merger on MCT and all references to the pro forma financial information of MCT are for illustrative purposes only; they are not intended to be nor shall they constitute profit forecasts.
(22) Excludes MCT's reported 2H FY21/22 DPU of 5.14 Singapore cents.
(23) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Merged Entity's pro forma FY21/22 DPU is 9.94 Singapore cents and the pro forma FY21/22 DPU accretion is 4.3%.
(24) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Merged Entity's pro forma NAV per unit (ex-distribution) as at 31 March 2022 is S$1.81 and the pro forma NAV accretion as at 31 March 2022 is 7.1%.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

Creating a Flagship Asian Commercial REIT with Stability and Scale

mapletree commercial

Largest pure-play Singapore commercial REIT with longstanding track record in delivering stable returns to unitholders

+

mapletree north asia commercial

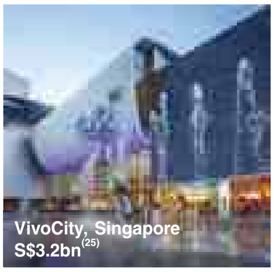
First and only North Asia focused REIT listed in Singapore, with properties in key gateway markets including China, Hong Kong SAR, Japan and South Korea

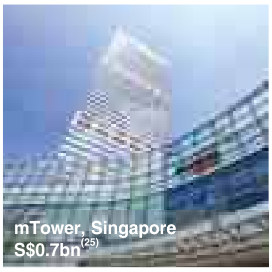
Strength

Growth

- Creates a proxy to key gateway markets of Asia
- Anchored by high quality and diversified portfolio
- Leapfrogs to one of the top 10 largest REITs in Asia
- Well-placed to pursue growth opportunities through a ready platform
- Attractive financial benefits to unitholders of both MCT and MNACT
- Strong and continued support from Sponsor

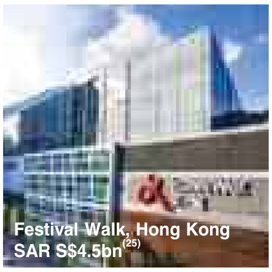

MBC I & II, Singapore S$3.8bn[25]


VivoCity, Singapore S$3.2bn[25]

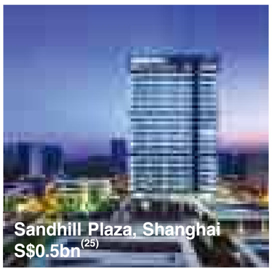

mTower, Singapore S$0.7bn[25]

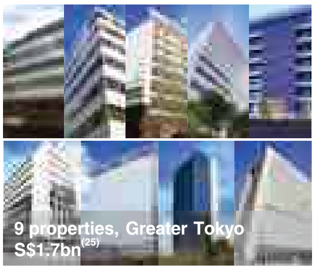

Mapletree Anson, Singapore S$0.8bn[25]

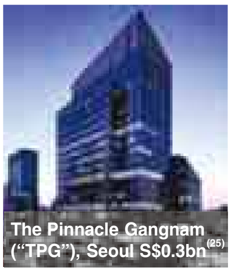

MLHF, Singapore S$0.3bn[25]


Festival Walk, Hong Kong SAR S$4.5bn[25]


Gateway Plaza, Beijing S$1.4bn[25]


Sandhill Plaza, Shanghai S$0.5bn[25]

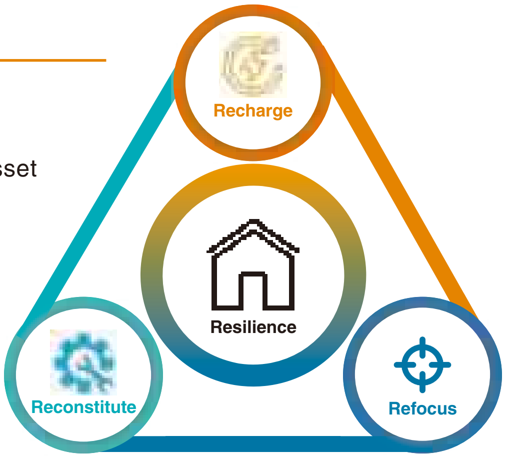

9 properties, Greater Tokyo S$1.7bn[25]


The Pinnacle Gangnam ("TPG"), Seoul S$0.3bn[25]

Note:
(25) Valuation as at 31 March 2022.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

"4R" Asset and Capital Management Strategy



Recharge

- Drive NPI and DPU growth by incorporating best practices to maximise operational performance
- Optimise tenant mix and pursue active asset management, accretive asset enhancement and redevelopment opportunities

Reconstitute

- Optimise portfolio by pursuing selective strategic divestments at an opportune time
- Redeploy capital into higher yielding quality properties or other asset enhancement and redevelopment opportunities to drive returns

Refocus

- Pursue accretive strategic acquisitions and participate in strategic developments, leveraging the local market expertise of "on-the-ground" teams as well as the Sponsor's strong Asia network and extensive pipeline
- Focus on adding office and office-like business park assets anchored by tenants in high growth sectors, including tech-enabled and biomedical tenants, to its portfolio
- Key markets for growth include: South Korea, Singapore and select cities in China

Resilience

- Adopts a comprehensive capital management strategy to maintain a strong balance sheet, maximise liquidity and minimise risk
- Employ appropriate capital structure while optimising cost of debt
- Secure access to diversified funding sources across financial institutions and capital markets
- Appropriate hedging strategies to manage interest rate and forex exposure

Singapore

Core and Stability

- Will remain a core market to provide underlying portfolio stability

South Korea

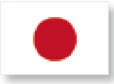
Step Up and Grow

- Favourable market dynamics makes it primed for targeted expansion

Hong Kong SAR

Recovery

- Focus on the stabilisation and improvement of Festival Walk before considering further expansion



Japan

Rebalance

- Capitalise on opportunities to recycle capital

China

Harvest and Grow

- Focus on maintaining high occupancy levels and seeking opportunistic acquisitions in office and office-like business park assets

Drive NPI and DPU growth through cross-pollination of teams and active asset management while capitalising on market recovery

Unlock value through selective strategic divestments at an opportune time

Focus on accretive acquisitions of office and office-like business park assets in key gateway cities, anchored by tenants in high growth sectors and leveraging on the enlarged balance sheet and enhanced financial flexibility

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

What is the Opinion of the MCT IFA?

Based upon, and having considered, among others, the factors described in the MCT IFA Letter and the information that has been made available to the MCT IFA as at the Latest Practicable Date, the MCT IFA is of the opinion that as at the Latest Practicable Date:

- ✓ The Scheme Consideration is **FAIRLY VALUED** and the Merger (including the proposed issuance of Consideration Units) and the MCT Trust Deed Amendments are on **NORMAL** commercial terms and **NOT** prejudicial to the interests of MCT and its minority unitholders; and
- ✓ The financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are **FAIR AND REASONABLE**.

Accordingly, the MCT IFA advises the Audit and Risk Committee of the MCT Manager and the MCT Independent Directors to recommend that the independent MCT Unitholders:

- ✓ **VOTE IN FAVOUR OF RESOLUTION 1** (Proposed Merger) and **RESOLUTION 4** (MCT Trust Deed Amendments); and
- ✓ **VOTE IN FAVOUR of RESOLUTION 3** (Whitewash Resolution).

ANZ

Australia and New Zealand Banking Group Limited, Singapore Branch
MCT IFA

What are the Recommendations of MCT Independent Directors?

Having considered the relevant factors, including the terms of the Merger (as set out in paragraph 5 and Schedule 3 of this Circular), the rationale for the Merger (as set out in paragraph 3 of this Circular) and the MCT Manager's strategy for the Merged Entity (as set out in paragraph 4.2 of this Circular), as well as the MCT IFA Letter, the Independent Directors hereby recommend that the MCT Unitholders:

- ✓ **VOTE IN FAVOUR of Resolution 1** (Proposed Merger).

Having considered the relevant factors, including the terms of the Merger (as set out in paragraph 5 and Schedule 3 of this Circular) and the rationale for the Merger (as set out in paragraph 3 of this Circular), as well as the MCT IFA Letter, the Independent Directors hereby recommend that the MCT Unitholders:

- ✓ **VOTE IN FAVOUR of Resolution 2** (Proposed Issuance of Consideration Units).

Having considered the relevant factors, including the terms of the Merger (as set out in paragraph 5 and Schedule 3 of this Circular) and the rationale for the Merger (as set out in paragraph 3 of this Circular), as well as the MCT IFA Letter, the Independent Directors hereby recommend that the MCT Unitholders:

- ✓ **VOTE IN FAVOUR of Resolution 3** (Whitewash Resolution).

Having considered the relevant factors, including the terms of the Merger (as set out in paragraph 5 and Schedule 3 of this Circular), the rationale for the Merger (as set out in paragraph 3 of this Circular) and the rationale for the MCT Trust Deed Amendments (as set out in paragraph 4.1.2 and Schedule 2 of this Circular), as well as the MCT IFA Letter, the Independent Directors hereby recommend that the MCT Unitholders:

- ✓ **VOTE IN FAVOUR of Resolution 4** (MCT Trust Deed Amendments).

MCT Independent Directors

IT IS IMPORTANT THAT YOU READ THE ABOVE EXTRACTS TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO MCT UNITHOLDERS AND THE IFA LETTER, WHICH CAN BE FOUND ON PAGE 7 AND APPENDIX C OF THIS CIRCULAR RESPECTIVELY. YOU ARE ADVISED AGAINST RELYING SOLELY ON THESE EXTRACTS, WHICH ARE ONLY MEANT TO DRAW ATTENTION TO THE OPINION OF THE MCT IFA AND RECOMMENDATIONS OF THE MCT INDEPENDENT DIRECTORS.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

What is tabled for MCT Unitholders' Approval at the EGM?

The MCT Manager will seek the approval of MCT Unitholders for the following resolutions at the EGM to be convened and held by way of electronic means.

The MCT Manager and its associates will abstain from voting on Resolutions 1, Resolution 2 and Resolution 4, and MIPL and their concert parties (together, the "**Concert Party Group**") and parties not independent of them will abstain from voting on Resolution 3. In addition, for the purposes of good corporate governance, Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon will abstain from voting on Resolution 1, Resolution 2 and Resolution 4.

RESOLUTION 1

Proposed Merger of Mapletree Commercial Trust and Mapletree North Asia Commercial Trust by way of a trust scheme of arrangement (Ordinary Resolution)

Approval threshold

- More than 50.0% of the total number of votes cast

RESOLUTION 2

Proposed allotment and issuance of units of Mapletree Commercial Trust to the holders of units in Mapletree North Asia Commercial Trust as full or part of the consideration for the Merger (Ordinary Resolution)

Approval threshold

- More than 50.0% of the total number of votes cast

RESOLUTION 3

Proposed Whitewash Resolution in relation to the Concert Party Group* (Ordinary Resolution)

Approval threshold

- More than 50.0% of the total number of votes cast

RESOLUTION 4

Proposed amendments to the MCT Trust Deed to adopt the Management Fee Supplement (Extraordinary Resolution)

Approval threshold

- Not less than 75.0% of the total number of votes cast

*The acquisition of the Consideration Units and the Preferential Offering Units by the Concert Party Group may give rise to an obligation on the part of the Concert Party Group to make a mandatory general offer under Rule 14 of the Code for the remaining MCT Units not already owned, controlled or agreed to be acquired by the Concert Party Group upon completion of the Trust Scheme and, if undertaken, the Preferential Offering (unless otherwise waived). The SIC granted the Concert Party Group a waiver of such obligation on 18 March 2022, subject, *inter alia*, to the satisfaction of certain conditions, including the condition that a majority of holders of voting rights of MCT approve at a general meeting, before the issue of the Consideration Units and the Preferential Offering Units, a Whitewash Resolution by way of a poll to waive their rights to receive a general offer from MIPL. MCT Unitholders should note that (i) by voting in favour of the Whitewash Resolution, MCT Unitholders will be waiving their rights to receive a mandatory general offer from the Concert Party Group in respect of all of their MCT Units, and (ii) the completion of the issuance of the Consideration Units and the Preferential Offering Units to the Concert Party Group may result in the Concert Party Group carrying over 49.0% of the voting rights of MCT, and the Concert Party Group will be free to acquire further MCT Units without incurring any obligation under Rule 14 of the Code to make a general offer for MCT. Please refer to paragraph 8 of this Circular for further details.

In the event that Resolutions 1, 2 and 3 are passed but Resolution 4 is not passed, the MCT Manager will proceed with the Merger on satisfaction and/or waiver of all Conditions and MCT's existing fee structure will continue to apply to the Merged Entity, if the Trust Scheme becomes effective in accordance with its terms. In the event any one of Resolutions 1, 2 or 3 is not passed but Resolution 4 is passed, the MCT Trust Deed Amendments will not be adopted and MCT's existing fee structure will continue to apply to MCT.

What are the Key Dates and Times I need to be aware of?

Key Event	Expected Date / Time
Last Date and Time for MCT Unitholders to Lodge Proxy Forms	10.00 a.m. on Friday, 20 May 2022
MCT's EGM	10.00 a.m. on Monday, 23 May 2022
MNACT's EGM	2.30 p.m. on Monday, 23 May 2022
MNACT's Trust Scheme Meeting	3.00 p.m. on Monday, 23 May 2022 *(or as soon thereafter following the conclusion of MNACT's EGM, whichever is later)*
Expected Date of Court Hearing for Court Approval of the Trust Scheme(1)	Monday, 27 June 2022
Expected Last Day of Trading of MNACT Units on the SGX-ST	Tuesday, 28 June 2022
Expected Record Date for the Trust Scheme	5.00 p.m. on Thursday, 30 June 2022
Expected Election Period (in respect of the Scheme Consideration) for MNACT Unitholders	Tuesday, 5 July 2022 to Tuesday, 19 July 2022
Expected Preferential Offering Record Date	5.00 p.m. on Monday, 25 July 2022
Expected Application Period (in respect of the Preferential Offering) for MCT Unitholders	Thursday, 28 July 2022 to Friday, 5 August 2022
Expected Effective Date of the Trust Scheme(2)	Monday, 8 August 2022
Expected Date of Settlement of Scheme Consideration	Wednesday, 17 August 2022
Expected Date of Delisting of MNACT	Friday, 19 August 2022

Save for the last date and time for the lodgement of the Proxy Form and the date and time of the EGMs and the Trust Scheme Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as "expected", please refer to future SGXNET announcement(s) by the MCT Manager for the exact dates of these events.

Notes:

(1) The date of the Court hearing of the application to approve the Trust Scheme will depend on the date that is allocated by the Court.

(2) The Trust Scheme will become effective upon the written notification to the Monetary Authority of Singapore (the "**MAS**") of the grant of the order of the Court sanctioning the Trust Scheme, which shall be effected by or on behalf of the MCT Manager, on a date to be mutually agreed in writing between the MCT Manager and the MNACT Manager, being a date within 30 Business Days from the date that the last of the Conditions referred to in paragraph 5.4.1 of this Circular is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement, or such longer period as the MCT Manager and the MNACT Manager may agree in writing.

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How do I vote on the resolutions?

Your Vote Counts

Receive Notice of EGM and Proxy Form

PRE-REGISTER

for the EGM by 10.00 a.m. on Friday, 20 May 2022, at **https://go.lumiengage.com/mctegm2022**

AND

VOTE BY PROXY

on Resolutions 1, 2, 3 and 4 by submitting Proxy Form via email or by post

ATTEND EGM

by accessing the live audio-visual webcast or live audio-only stream of the EGM proceedings

Four possible outcomes of the EGM

✓ Merger will proceed

Outcome A	Outcome B
MCT Unitholders vote in favour of Resolutions 1, 2, 3 and 4	**MCT Unitholders vote in favour of Resolutions 1, 2 and 3 and against Resolution 4**
• Subject to, among others, the sanction of the Trust Scheme by the Court, the Merger will proceed and MCT will acquire all of the MNACT Units • The MCT Trust Deed Amendments will be adopted, and the proposed new fee structure will apply to the Merged Entity	• Subject to, among others, the sanction of the Trust Scheme by the Court, the Merger will proceed and MCT will acquire all of the MNACT Units • The MCT Trust Deed Amendments will not be adopted and MCT's existing fee structure will apply to the Merged Entity

✗ Merger will not proceed

Outcome C	Outcome D
MCT Unitholders vote against either Resolutions 1, 2 or 3 and against Resolution 4	**MCT Unitholders vote against either Resolutions 1, 2 or 3 and in favour of Resolution 4**
• The Merger will not proceed and MCT will not acquire all of the MNACT Units • The MCT Trust Deed Amendments will not be adopted and MCT's existing fee structure will continue to apply to MCT	

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

How do I vote on the resolutions?

MCT Unitholders will not be able to vote online on the resolutions to be tabled for approval at the EGM.

All MCT Unitholders must appoint the Chairman of the EGM as your proxy to vote on your behalf at the EGM by completing the Proxy Form.

1 LOCATE PROXY FORM

The Proxy Form is enclosed with the Notice of EGM and can also be obtained from the Unit Registrar:

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Operating hours: Monday to Friday,
8.30 a.m. to 5.30 p.m.

An electronic copy of the Proxy Form will be published on MCT's website at **https://www.mapletreecommercialtrust.com** and will also be made available on the SGX-ST's website at **https://www.sgx.com/securities/company-announcements**

2 COMPLETE PROXY FORM

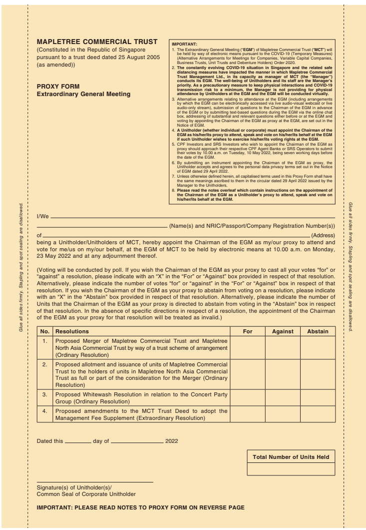
I. Fill in your name and particulars.

II. You **MUST** appoint the Chairman of the EGM as your proxy to attend, speak and vote on your behalf at the EGM if you wish to exercise your voting rights at the EGM.

III. If you wish to exercise all your votes "**FOR**", "**AGAINST**" or to "**ABSTAIN**", please indicate with an "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

IV. If you are an individual, you or your attorney **MUST SIGN** and indicate the date. If you are a corporation, the Proxy Form must be executed under your common seal or under the hand of your duly authorised officer or attorney. Where the Proxy Form is signed by an attorney, the power of attorney or a notarially certified copy thereof must be lodged with the Proxy Form.

V. Indicate the number of MCT Units you hold.



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

PROXY FORM
Extraordinary General Meeting

IMPORTANT:
1. The Extraordinary General Meeting ("**EGM**") of Mapletree Commercial Trust ("**MCT**") will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. **The constantly evolving COVID-19 situation in Singapore and the related safe distancing measures have impacted the manner in which Mapletree Commercial Trust Management Ltd., in its capacity as manager of MCT (the "Manager") conducts its EGM. The well-being of Unitholders and its staff are the Manager's priority. As a precautionary measure to keep physical interactions and COVID-19 transmission risk to a minimum, the Manager is not providing for physical attendance by Unitholders at the EGM and the EGM will be conducted virtually.**
3. Alternative arrangements relating to attendance at the EGM (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM or by submitting text-based questions during the EGM via the online chat box, addressing of substantial and relevant questions either before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM.
4. **A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM.**
5. CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on Tuesday, 10 May 2022, being seven working days before the date of the EGM.
6. By submitting an instrument appointing the Chairman of the EGM as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 29 April 2022.
7. Unless otherwise defined herein, all capitalised terms used in this Proxy Form shall have the same meanings ascribed to them in the circular dated 29 April 2022 issued by the Manager to the Unitholders.
8. **Please read the notes overleaf which contain instructions on the appointment of the Chairman of the EGM as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

I/We ______________________________

______________________ (Name(s) and NRIC/Passport/Company Registration Number(s))

of ______________________________ (Address)

being a Unitholder/Unitholders of MCT, hereby appoint the Chairman of the EGM as my/our proxy to attend and vote for me/us on my/our behalf, at the EGM of MCT to be held by electronic means at 10.00 a.m. on Monday, 23 May 2022 and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes "for" or "against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "for" or "against" in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of Units that the Chairman of the EGM as your proxy is directed to abstain from voting in the "Abstain" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.)

No.	Resolutions	For	Against	Abstain
1.	Proposed Merger of Mapletree Commercial Trust and Mapletree North Asia Commercial Trust by way of a trust scheme of arrangement (Ordinary Resolution)			
2.	Proposed allotment and issuance of units of Mapletree Commercial Trust to the holders of units in Mapletree North Asia Commercial Trust as full or part of the consideration for the Merger (Ordinary Resolution)			
3.	Proposed Whitewash Resolution in relation to the Concert Party Group (Ordinary Resolution)			
4.	Proposed amendments to the MCT Trust Deed to adopt the Management Fee Supplement (Extraordinary Resolution)			

Dated this ________ day of ______________ 2022

Total Number of Units Held

____
Signature(s) of Unitholder(s)/
Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

3 RETURN THE COMPLETED PROXY FORM

If submitted electronically:

Scan and send the completed and signed Proxy Form via email to MCT's Unit Registrar at **srs.teamd@boardroomlimited.com**

OR

If submitted by post:

Lodge the completed and signed Proxy Form at the office of MCT's Unit Registrar at **1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632**

The Proxy Form must reach MCT's Unit Registrar **NO LATER THAN** 10.00 a.m. on Friday, 20 May 2022, being 72 hours before the time fixed for the EGM.

CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by 10.00 a.m. on Tuesday, 10 May 2022, being seven working days before the date of the EGM.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

How do I find out the number of MCT Units I own?

You can check your MCT unitholdings with CDP through your online CDP account or by contacting them at:

1. **The Central Depository**
   9 North Buona Vista Drive
   #01-19/20 The Metropolis
   Singapore 138588
   Telephone: +65 6535 7511
   Fax: +65 6535 0775

   Operating hours
   Monday to Friday: 8.30 a.m. to 5.00 p.m.
   Saturday: 8.30 a.m. to 12.00 p.m.
   Closed on Sundays & Public Holidays

2. **If you own MCT Units through a bank, broker or any other intermediaries, you can also check by contacting them directly.**

3. **If you are a CPF Investor or SRS Investor, please consult your CPF Agent Bank or SRS Operator for further information.**

Summary of Approvals Sought

1. **Proposed Merger of Mapletree Commercial Trust and Mapletree North Asia Commercial Trust by way of a trust scheme of arrangement**
2. **Proposed allotment and issuance of units of Mapletree Commercial Trust to the holders of units in Mapletree North Asia Commercial Trust as full or part of the consideration for the Merger**
3. **Proposed Whitewash Resolution in relation to the Concert Party Group**
4. **Proposed amendments to the MCT Trust Deed to adopt the Management Fee Supplement**

In the event that Resolutions 1, 2 and 3 are passed but Resolution 4 is not passed, the MCT Manager will proceed with the Merger on satisfaction and/or waiver of all Conditions and MCT's existing fee structure will continue to apply to the Merged Entity, if the Trust Scheme becomes effective in accordance with its terms.

In the event any one of Resolutions 1, 2 or 3 is not passed but Resolution 4 is passed, the MCT Trust Deed Amendments will not be adopted and MCT's existing fee structure will continue to apply to MCT.

Important Dates and Times

Last date and time for lodgement of Proxy Form	10.00 a.m. on Friday, 20 May 2022
Date and time of EGM	10.00 a.m. on Monday, 23 May 2022

The EGM will be convened and held by way of electronic means

Who should I contact if I need help?

Mapletree Commercial Trust Management Ltd.
Ms. Teng Li Yeng
Director, Investor Relations
Email: **teng.liyeng@mapletree.com.sg**
Telephone: +65 6377 6836
Operating hours: 9.00 a.m. to 5.00 p.m., Monday to Friday

DBS Bank Ltd.
Strategic Advisory
Telephone: +65 6878 4649
Operating hours: 8.30 a.m. to 5.00 p.m., Monday to Friday

THE INFORMATION PRESENTED IN THIS SECTION IS QUALIFIED IN ITS ENTIRETY BY, AND SHOULD BE READ IN CONJUNCTION WITH, THE INFORMATION CONTAINED IN THIS CIRCULAR. IF THERE SHOULD BE ANY INCONSISTENCY OR CONFLICT BETWEEN THE INFORMATION CONTAINED IN THIS SECTION AND THE INFORMATION CONTAINED IN THE REST OF THIS CIRCULAR, THE INFORMATION CONTAINED IN THE REST OF THIS CIRCULAR SHALL PREVAIL. NOTHING IN THIS SECTION IS INTENDED TO BE, OR SHALL BE TAKEN AS, ADVICE, A RECOMMENDATION OR A SOLICITATION TO MCT UNITHOLDERS OR ANY OTHER PARTY. MCT UNITHOLDERS ARE ADVISED TO BE CAUTIOUS WHEN DEALING IN THEIR MCT UNITS AND NOT TO TAKE ANY ACTION IN RELATION TO THEIR MCT UNITS WHICH MAY NOT PROVE TO BE IN THEIR BEST INTERESTS.

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CORPORATE INFORMATION

Board of Directors of Mapletree Commercial Trust Management Ltd. (the manager of Mapletree Commercial Trust) (the "MCT Manager")	:	Mr. Tsang Yam Pui (Non-Executive Chairman and Director) Ms. Kwa Kim Li (Lead Independent Non-Executive Director) Mr. Premod P. Thomas (Independent Non-Executive Director) Mr. Kan Shik Lum (Independent Non-Executive Director) Mr. Koh Cheng Chua (Independent Non-Executive Director) Mr. Wu Long Peng (Independent Non-Executive Director) Mr. Mak Keat Meng (Independent Non-Executive Director) Mr. Alvin Tay Tuan Hearn (Independent Non-Executive Director) Mr. Hiew Yoon Khong (Non-Executive Director) Ms. Wendy Koh Mui Ai (Non-Executive Director) Ms. Amy Ng Lee Hoon (Non-Executive Director) Ms. Lim Hwee Li Sharon (Executive Director and Chief Executive Officer)
Joint Company Secretaries	:	Mr. Wan Kwong Weng Ms. See Hui Hui
Registered Office of the MCT Manager	:	10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438
Trustee of Mapletree Commercial Trust (the "MCT Trustee")	:	DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
Financial Adviser to the MCT Manager in relation to the Merger (the "Financial Adviser") and Sole Global Co-ordinator in relation to the Preferential Offering (the "Sole Global Co-ordinator")	:	DBS Bank Ltd. 12 Marina Boulevard, Level 13 Marina Bay Financial Centre Tower 3 Singapore 018982
Independent Financial Adviser to the Audit and Risk Committee (as defined below) and the MCT Independent Directors (as defined below) of the MCT Manager and to the MCT Trustee (the "MCT IFA")	:	Australia and New Zealand Banking Group Limited, Singapore Branch 10 Collyer Quay #30-00 Ocean Financial Centre Singapore 049315

Legal Adviser to the MCT Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the MCT Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632
Independent Auditors (the "MCT 805 Auditors")	:	Ernst & Young LLP One Raffles Quay North Tower Level 18 Singapore 048583

IMPORTANT NOTICE

This Circular is not for distribution, directly or indirectly, in or into the United States, European Economic Area, Canada, Japan or Australia and is not an offer of securities for sale in the United States or any other jurisdictions.

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

An investment in the MCT Units is subject to investment risks, including the possible loss of the principal amount invested. None of the MCT Manager or any of its affiliates guarantees the performance of MCT, the repayment of capital from MCT, or any particular rate of return on the MCT Units.

Investors have no right to request the MCT Manager to redeem their MCT Units while the MCT Units are listed. It is intended that a holder of MCT Units (a "**MCT Unitholder**") may only deal in their MCT Units through trading on the SGX-ST. Listing of the MCT Units on the SGX-ST does not guarantee a liquid market for the MCT Units. The past performance of MCT and the MCT Manager is not necessarily indicative of the future performance of MCT or the MCT Manager.

This Circular may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. None of MCT, the MCT Manager, Mapletree North Asia Commercial Trust ("**MNACT**") and Mapletree North Asia Commercial Trust Management Ltd., as manager of MNACT (the "**MNACT Manager**"), undertakes any obligation to update publicly or revise any forward-looking statements.

Forward-Looking Statements

All statements contained in this Circular, statements made in public announcements, press releases and oral statements that may be made by MCT or the directors of the MCT Manager (the "**MCT Directors**"), its officers or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as, without limitation, "anticipate", "aim" "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "predict" "probable", "project", "seek", "should", "will" and "would" or other similar words. However, these words are not the exclusive means of identifying forward-looking statements.

All statements regarding the future financial position, operating results, business strategies, plans and future prospects of the MCT Group[1] are forward-looking statements. The MCT Manager, the MCT Trustee and the Financial Adviser do not represent or warrant that the actual future performance, outcomes or results of MCT will be as discussed in those statements.

[1] Unless the context otherwise requires, in this Circular, "**MCT Group**" refers to MCT and its subsidiaries and each entity in the MCT Group, a "**MCT Group Entity**".

These forward-looking statements, including but not limited to statements as to the MCT Group's revenue and profitability, prospects, future plans and other matters discussed in this Circular regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the MCT Group's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Representative examples of such other 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 property expenses and operating expenses and governmental and public policy changes. These risks, uncertainties and other factors are discussed in more detail in this Circular.

Given the risks, uncertainties and other factors that may cause MCT's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Circular, statements made in public announcements, press releases and oral statements that may be made by MCT or the MCT Directors, you are cautioned not to place undue reliance on these forward-looking statements, which are based on the MCT Manager's current view of future events.

None of the MCT Manager, the MCT Trustee, the Financial Adviser, their respective advisers or any other person represents or warrants to you that the actual future results, performance or achievements will be as discussed in those statements. The actual results may differ materially from those anticipated in these forward-looking statements. These forward-looking statements speak only as at the Latest Practicable Date (as defined below).

The MCT Manager, the MCT Trustee, the Financial Adviser and their respective advisers disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency.

If you have sold or transferred all your MCT Units, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the MCT Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular. The MCT Directors do not accept any responsibility for any information relating to MNACT and/or the MNACT Manager or any opinion expressed by MNACT and/or the MNACT Manager. This Circular shall not constitute or form part of an offer to sell or a solicitation of an offer to buy MCT Units or other securities, including the Preferential Offering Units and provisional allotments to Eligible Unitholders under the Preferential Offering (each as defined below). This Circular is issued to MCT Unitholders solely for the purpose of convening the EGM and seeking their approval for the resolutions to be considered at such meeting. MCT Unitholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

This Circular 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. This Circular may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Preferential Offering Units and provisional allotments under the Preferential Offering or make an offer of the Preferential Offering Units and provisional allotments under the Preferential Offering and the Preferential Offering Units and provisional allotments under the Preferential Offering may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction.

This Circular is not an offer of securities for sale in the United States. The securities referred to herein have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, 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 MCT and the MCT Manager, as well as the relevant financial statements. The MCT Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore:

The Preferential Offering 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).

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM of MCT Unitholders (as defined below) is indicative only and is subject to change at the MCT Manager's absolute discretion as well as pursuant to applicable regulatory requirements. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

The EGM will be held by way of electronic means as a precautionary measure due to the constantly evolving coronavirus disease 2019 ("COVID-19") situation in Singapore and the unpredictable nature of COVID-19. Accordingly, MCT Unitholders will not be able to attend the EGM in person.

Event		Date and Time
Virtual Information Session (as defined below)(1)	:	*6.00 p.m. on Tuesday, 10 May 2022*
Date for submission of all substantial and relevant questions for the EGM(2)	:	*10.00 a.m. on Saturday, 14 May 2022*
Date on which the MCT Manager will publish the responses to all substantial and relevant questions received for the EGM(3)	:	*10.00 a.m. on Tuesday, 17 May 2022*
Last date and time for pre-registration for the EGM(4)	:	*10.00 a.m. on Friday, 20 May 2022*
Last date and time for lodgement of Proxy Form for the EGM(5)	:	*10.00 a.m. on Friday, 20 May 2022*
Date and time of the EGM of MCT Unitholders	:	*10.00 a.m. on Monday, 23 May 2022*
Date and time of the EGM of MNACT Unitholders	:	*2.30 p.m. on Monday, 23 May 2022*
Date and time of the Trust Scheme Meeting(6)	:	*3.00 p.m. on Monday, 23 May 2022 (or as soon thereafter following the conclusion of the EGM of MNACT Unitholders (as defined below), whichever is later)*
Expected date of Court(7) *hearing for Court approval of the Trust Scheme*(8) *(as defined below)*	:	*Monday, 27 June 2022*
Expected last day of trading of the units of MNACT on the SGX-ST	:	*Tuesday, 28 June 2022*
Expected Record Date (as defined in ***Paragraph 1.1****)*	:	*5.00 p.m. on Thursday, 30 June 2022*
Expected election period (in respect of the Scheme Consideration (as defined below)) for MNACT Unitholders (as defined below)	:	*Tuesday, 5 July 2022 to Tuesday, 19 July 2022*
Expected Preferential Offering Record Date (as defined in ***Paragraph 1.7.2(iv)****)*	:	*5.00 p.m. on Monday, 25 July 2022*
Expected application period (in respect of the Preferential Offering (as defined below)) for MCT Unitholders(9)	:	*Thursday, 28 July 2022 to Friday, 5 August 2022*

Event		Date and Time
Expected Relevant Date (as defined in ***Paragraph 5.2****)*	:	*Friday, 5 August 2022*
Expected Effective Date (as defined in ***Paragraph 1.1****) of the Trust Scheme(10)*	:	*Monday, 8 August 2022*
Expected date of crediting and issuance of the Preferential Offering Units (as defined in ***Paragraph 1.4****)*	:	*Tuesday, 16 August 2022*
Expected date and time of commencement of trading of Preferential Offering Units	:	*9.00 a.m. on Tuesday, 16 August 2022*
Expected date of payment of Cash-Only Consideration (as defined in ***Paragraph 1.1****) and/or the cash component of the Cash-and-Scrip Consideration (as defined below) (as the case may be) to MNACT Unitholders*	:	*Wednesday, 17 August 2022*
Expected date of crediting and issuance of the Consideration Units (as defined in ***Paragraph 1.1****)*	:	*Wednesday, 17 August 2022*
Expected date and time of commencement of trading of Consideration Units (as defined below)	:	*9.00 a.m. on Wednesday, 17 August 2022*
Expected date of delisting of MNACT	:	*Friday, 19 August 2022*

Notes:

(1) The MCT Manager intends to hold a virtual information session ("**Virtual Information Session**") in respect of the Merger (as defined below) and the Trust Scheme with MCT Unitholders, with the Securities Investors Association (Singapore) ("**SIAS**") as the moderator. MCT Unitholders will be able to participate in the Virtual Information Session through a live question and answer session with the MCT Manager. A recording of the Virtual Information Session will be uploaded on SGXNET and the website of MCT on or around Wednesday, 11 May 2022.

(2) MCT Unitholders who wish to submit questions in advance of the EGM related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, should submit their questions by 10.00 a.m. on Saturday, 14 May 2022 (i) by post to the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; (ii) via the pre-registration website at **https://go.lumiengage.com/mctegm2022**; or (iii) via email to the MCT Manager, at **enquiries_mct@mapletree.com.sg**.

(3) The MCT Manager will publish the responses to the substantial and relevant questions received on or before 10.00 a.m. on Saturday, 14 May 2022, on MCT's website at **https://www.mapletreecommercialtrust.com** and on SGXNET prior to the EGM by 10.00 a.m. on Tuesday, 17 May 2022.

(4) In view of the constantly evolving COVID-19 situation, the EGM will be convened by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Accordingly, MCT Unitholders will not be able to attend the EGM in person. MCT Unitholders who wish to attend the EGM must register online at **https://go.lumiengage.com/mctegm2022** which is also accessible by scanning the QR code on the cover page of this Circular by 10.00 a.m. on Friday, 20 May 2022 (being 72 hours before the time appointed for the holding of the EGM). Please refer to **Paragraph 20** of this Circular and the notice of the EGM, as set out in D-1 to D-4 of this Circular (the "**Notice of EGM**") for more details.

(5) An MCT Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such MCT Unitholder wishes to exercise his/her/its voting rights at the EGM. MCT Unitholders are requested to submit the Proxy Form in accordance with the instructions contained therein. The Proxy Form must be submitted in the following manner:

(i) if submitted by post, be lodged at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Unit Registrar**"), at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(ii) if submitted via electronic mail, attach and send a clear scanned PDF copy of the completed and signed Proxy Form to the Unit Registrar at **srs.teamd@boardroomlimited.com**,

in each case, no later than 10.00 a.m. on Friday, 20 May 2022, being 72 hours before the time fixed for the EGM. Please refer to **Paragraph 20** of this Circular and the Proxy Form for more details.

(6) "**Trust Scheme Meeting**" refers to the meeting of the MNACT Unitholders to be convened to approve the Trust Scheme or any adjournment thereof.

(7) "**Court**" refers to the High Court of the Republic of Singapore or where applicable on appeal, the Court of Appeal of the Republic of Singapore.

(8) The date of the Court hearing of the application to approve the Trust Scheme will depend on the date that is allocated by the Court.

(9) The application period for the Preferential Offering is expected to commence shortly after the conclusion of the election period for the Trust Scheme.

(10) The Trust Scheme will become effective upon the written notification to the Monetary Authority of Singapore (the "**MAS**") of the grant of the order of the Court sanctioning the Trust Scheme under Order 32 of the Rules of Court 2021, which shall be effected by or on behalf of the MCT Manager:

   (i) on a date to be mutually agreed in writing between the MCT Manager and the MNACT Manager, being a date within 30 Business Days[2] from the date that the last of the Conditions[3] set out in **Paragraphs (1), (2), (3), (8)** and **(9)** of **Schedule 3, Part 1** of this Circular is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement (as defined below) (or such longer period as the MCT Manager and the MNACT Manager may agree in writing); and

   (ii) provided that the Conditions set out in **Paragraphs (4), (5), (6)** and **(7)** of **Schedule 3, Part 1** of this Circular are satisfied or waived on the Relevant Date (as defined below), as the case may be, in accordance with the terms of the Implementation Agreement.

All dates and times referred to above are Singapore dates and times. **Please note that the timetable for the events which are scheduled to take place after the EGM and the Trust Scheme Meeting is indicative only and may be subject to change. Please refer to future SGXNET announcement(s) by the MCT Manager for the exact dates of these events.**

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2 "**Business Day**" means a day (other than Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore for the transaction of normal banking business.

3 "**Conditions**" refers to the conditions to the Implementation Agreement (as defined below) as set out in **Schedule 3, Part 1** of this Circular.

LETTER TO UNITHOLDERS

Mapletree Commercial Trust

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

Directors of Mapletree Commercial Trust Management Ltd. (the manager of Mapletree Commercial Trust)	**Registered Office**
Mr. Tsang Yam Pui (Non-Executive Chairman and Director) Ms. Kwa Kim Li (Lead Independent Non-Executive Director) Mr. Premod P. Thomas (Independent Non-Executive Director) Mr. Kan Shik Lum (Independent Non-Executive Director) Mr. Koh Cheng Chua (Independent Non-Executive Director) Mr. Wu Long Peng (Independent Non-Executive Director) Mr. Mak Keat Meng (Independent Non-Executive Director) Mr. Alvin Tay Tuan Hearn (Independent Non-Executive Director) Mr. Hiew Yoon Khong (Non-Executive Director) Ms. Wendy Koh Mui Ai (Non-Executive Director) Ms. Amy Ng Lee Hoon (Non-Executive Director) Ms. Lim Hwee Li Sharon (Executive Director and Chief Executive Officer)	10 Pasir Panjang Road #13-01 Mapletree Business City Singapore 117438

29 April 2022

To: The Unitholders of Mapletree Commercial Trust

Dear Sir/Madam

1. INTRODUCTION

1.1 Overview of the Merger

On 31 December 2021 (the "**Joint Announcement Date**"), the respective boards of directors of Mapletree Commercial Trust Management Ltd., as manager of Mapletree Commercial Trust ("**MCT**", and as manager of MCT, the "**MCT Manager**") and Mapletree North Asia Commercial Trust Management Ltd., as manager of Mapletree North Asia Commercial Trust ("**MNACT**", and as manager of MNACT, the "**MNACT Manager**") made a joint announcement (the "**Joint Announcement**") in relation to the proposed merger of MCT and MNACT (the "**Merger**"). On 28 January 2022, a joint supplemental announcement was released in relation to the proposed Merger. On 21 March 2022, a revision joint announcement (the "**Revision Joint Announcement**") was also released in relation to the revised terms of the Trust Scheme (as defined below).

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

Pursuant to the Trust Scheme, each holder of MNACT Units ("**MNACT Unitholder**") will be entitled to receive, for each MNACT Unit held by it as at 5.00 p.m. on the record date to be announced (before the Effective Date[4]) by the MNACT Manager on which the Register of MNACT Unitholders will be closed to determine the entitlement of the MNACT Unitholders in respect of the Trust Scheme (the "**Record Date**"), the following consideration for each MNACT Unit (the "**Scheme Consideration**"), at its election:

(i) **Scrip-Only Consideration**: 0.5963 Consideration Units[5] at the issue price of S$2.0039 per Consideration Unit (the "**Scheme Issue Price**"), being the 1-day volume weighted average price ("**VWAP**") per MCT Unit as at the last trading day immediately prior to the Joint Announcement Date, being 27 December 2021 (the "**Last Trading Day**")[6] (the "**Scrip-Only Consideration**"); **OR**

(ii) **Cash-and-Scrip Consideration**: S$0.1912 in cash and 0.5009 Consideration Units at the Scheme Issue Price of S$2.0039 (the "**Cash-and-Scrip Consideration**"); **OR**

(iii) **Cash-Only Consideration**: S$1.1949 in cash (the "**Cash-Only Consideration**"),

in accordance with the terms and conditions of the Implementation Agreement (as defined below). Based on the Scheme Issue Price of S$2.0039 per Consideration Unit, the implied value of the Scrip-Only Consideration and the implied value of the Cash-and-Scrip Consideration is equivalent[7] to the Cash-Only Consideration of S$1.1949 per MNACT Unit.

The Scheme Issue Price of S$2.0039 per Consideration Unit may not be equivalent to the market price of, nor reflective of the fair value of, the Consideration Units as at the Effective Date and/or the Scheme Settlement Date[8].

Each Consideration Unit may, depending on market conditions and sentiments, trade above or below the Scheme Issue Price of each Consideration Unit of S$2.0039.

The MCT Manager reserves the right to adjust the Scheme Consideration by reducing the Cash-Only Consideration, the cash component of the Cash-and-Scrip Consideration, the unit component of the Cash-and-Scrip Consideration, the Scrip-Only Consideration or by any combination of the foregoing, if and to the extent any distribution in excess of the MNACT Permitted Distributions (as defined in **Paragraph 5.6.2**) is declared, made or paid by the MNACT Manager on or after the Joint Announcement Date.

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4 "**Effective Date**" refers to the date on which the Trust Scheme becomes effective in accordance with its terms.

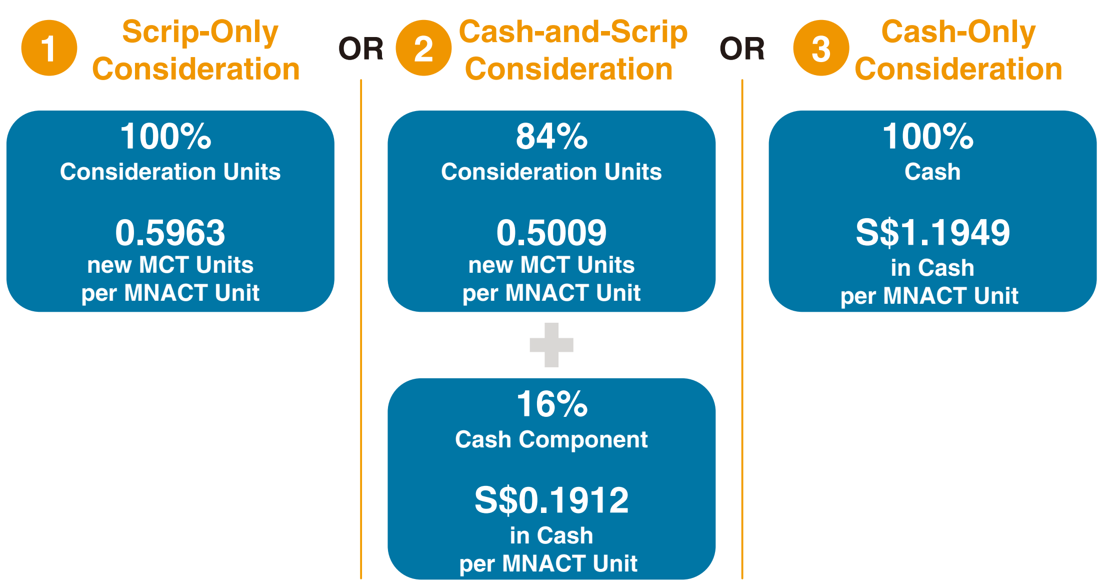
5 "**Consideration Units**" refers to the new MCT Units to be issued as full or part of the Scheme Consideration, comprising 0.5963 MCT Units for each MNACT Unit under the Scrip-Only Consideration, and 0.5009 MCT Units for each MNACT Unit under the Cash-and-Scrip Consideration.

6 The MCT Manager had requested for a trading halt with the SGX-ST on 28 December 2021 which was in effect from 28 December 2021 (before trading hours) to 31 December 2021, 2.00 p.m..

7 The implied value of the Scrip-Only Consideration and the implied value of the Cash-and-Scrip Consideration of S$1.1949 is computed by multiplying the illustrative value of one new MCT Unit at the Scheme Issue Price of S$2.0039, which is determined by reference to the 1-day VWAP per MCT Unit as at the Last Trading Day (i) by 0.5963x under the Scrip-Only Consideration or (ii) by 0.5009x, plus the cash component of S$0.1912 under the Cash-and-Scrip Consideration.

8 "**Scheme Settlement Date**" means the date falling not later than seven Business Days after the Effective Date.

Scheme Consideration Options[1]



Note:

(1) Mapletree Investments Pte Ltd ("**MIPL**", or the "**Sponsor**"), as the sponsor of MCT and MNACT, has provided an undertaking to elect to receive Scrip-Only Consideration in respect of all its MNACT Units.

For the avoidance of doubt, each MNACT Unitholder is entitled to elect to receive only one form of the Scheme Consideration, being the Scrip-Only Consideration **OR** the Cash-and-Scrip Consideration **OR** the Cash-Only Consideration, in respect of its entire holdings of MNACT Units held as at 5.00 p.m. on the Record Date. No combination of different forms of the Scheme Consideration is permitted.

The Cash-Only Consideration will be the default form of the Scheme Consideration. MNACT Unitholders who do not make any election or fail to make a valid election for the Scrip-Only Consideration, Cash-and-Scrip Consideration or Cash-Only Consideration shall be deemed to have elected to receive the Cash-Only Consideration if the Trust Scheme becomes effective in accordance with its terms.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, an MNACT Unitholder holding 1,000 MNACT Units as at the Record Date will receive:

- 596 Consideration Units; **or**
- 500 Consideration Units and S$191.20 in cash; **or**
- S$1,194.90 in cash.

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

1.2 The Negotiation Process relating to the Merger

The Merger was conceived by the MCT Manager and presented to the independent directors of the MCT Manager, being Ms. Kwa Kim Li, Mr. Premod P. Thomas, Mr. Kan Shik Lum, Mr. Koh Cheng Chua, Mr. Wu Long Peng, Mr. Mak Keat Meng and Mr. Alvin Tay Tuan Hearn (the "**MCT Independent Directors**"). The MCT Independent Directors approved the Merger and subsequently presented a non-binding expression of interest to the MNACT Manager which commenced the negotiation process.

The negotiations of the terms of the Merger were led by the MCT Independent Directors together with the assistance of the management team and the Financial Adviser. Further, as described in **Paragraph 15.5** of this Circular, Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon have abstained from making any recommendations in respect of the proposed Merger, and as described in **Paragraph 19.1** of this Circular, for the purposes of good corporate governance, they will abstain from voting on the resolution relating to the proposed Merger at the EGM of the MCT Unitholders.

In March 2022, the MNACT Manager had requested the MCT Manager to review the terms of the Trust Scheme, in particular, the inclusion of an alternative Cash-Only Consideration option in light of the prevailing market conditions and feedback from MNACT Unitholders.

As announced in the Revision Joint Announcement issued jointly by the MCT Manager and the MNACT Manager on 21 March 2022, the parties to the Implementation Agreement (as defined below) (being the MCT Trustee, the MCT Manager, the MNACT Trustee and the MNACT Manager (each a "**Party**", and collectively, the "**Parties**")) have agreed to provide the alternative Cash-Only Consideration option, in addition to the Scrip-Only Consideration option and the Cash-and-Scrip Consideration option announced pursuant to the Joint Announcement on 31 December 2021. Both the MCT Manager (having considered the MNACT Manager's request) and the MNACT Manager believe that the introduction of the alternative Cash-Only Consideration option gives higher certainty to MNACT Unitholders amidst prevailing market conditions and provides greater flexibility for MNACT Unitholders to elect the form of the Scheme Consideration that is most suited to their investment needs, without prejudice to the interests of the MCT Unitholders.

At all times during the negotiations between the MCT Manager and the MNACT Manager in respect of the Merger, and up to 20 April 2022, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"):

(i) a majority of the MCT Board (as defined in **Paragraph 1.5.2**) has been comprised of directors who are independent of the Sponsor and MNACT;

(ii) more than one-third of the board of directors of the MNACT Manager has been comprised of directors who are independent for the purposes of the Trust Scheme; and

(iii) there has been no overlap of management teams between the MCT Manager and the MNACT Manager, and the management teams of both the MCT Manager and the MNACT Manager have remained the same respectively.

The Sponsor's role in the Merger was largely limited to reinforcing its commitment and support for the Merger and the growth of the Merged Entity as reflected in (a) the MIPL Undertaking (as defined below); (b) the Sponsor Lock-Up Undertaking (as defined below); (c) the Sponsor's undertaking to elect to receive the Scrip-Only Consideration; (d) the waiver by the MCT Manager (which is a wholly-owned subsidiary of the Sponsor) of 100.0% of the acquisition fee in respect of the Merger; and (e) the proposed adoption of the revised management fee structure for the Merged Entity that is pegged to distributable income and distribution per unit ("**DPU**") growth[9].

In addition, information barriers are in place between the MCT Manager and the MNACT Manager to ensure that any information relating to MCT's business strategy or operations is not shared with MNACT (and *vice versa*), save for the limited exchange of information between the MCT Manager and the MNACT Manager for the sole purpose of conducting due diligence and to evaluate and implement the Merger.

[9] This is subject to the approval by MCT Unitholders of the MCT Trust Deed Amendments (as defined below).

1.3 Information on the Scheme Consideration

1.3.1 The Scheme Consideration was derived having considered various factors

The proposed terms are the result of extensive negotiations between the MCT Manager and the MNACT Manager on an arm's length basis. The Scheme Consideration was determined by taking into consideration, among other factors:

(i) the short- to medium-term uncertainties of the respective property portfolios and the resulting potential benefits to be derived from the Merger of MCT and MNACT;

(ii) prevailing and historical relative market prices (including pre-COVID-19), distribution yields, price-to-net asset value ("**NAV**") per MCT Unit and price-to-NAV per MNACT Unit;

(iii) relevant precedent trust scheme mergers in Singapore;

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

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

(vi) the amount of MCT Permitted Distributions (as defined in **Paragraph 5.6.1**) and the amount of MNACT Permitted Distributions (as defined in **Paragraph 5.6.2**) to be made by the MCT Manager and the MNACT Manager respectively; and

(vii) the latest available independent market valuations of the respective property portfolios of MCT and MNACT prior to the Joint Announcement[10].

The MCT Independent Directors acted in accordance with their fiduciary duties and after extensive evaluation, put forth the proposed Merger to be voted upon by the independent MCT Unitholders.

The Scheme Consideration is further backed by the independent full valuations of MNACT's underlying properties as at 31 March 2022. As stated in Paragraph 2.1(d)(i)(A) of the Letter to MNACT Unitholders in the Scheme Document (as defined below), in determining the fair market value of the properties, the MNACT Independent Valuers (as defined in **Paragraph 1.6.1**) have considered the potential recovery of the Greater China markets. Further, an audit opinion dated 29 April 2022 by Ernst & Young LLP (the "**MCT 805 Auditors' Opinion**"), an independent accounting firm, provides additional comfort to MCT Unitholders that the carrying values of the investment properties of the MNACT Group[11] and of its joint venture as at 31 March 2022[12] were stated, in all material respects, in accordance with the basis of accounting of the MNACT Group and that, accordingly, the investment properties held by the MNACT Group and its joint venture were stated at fair values. Please refer to **Paragraph 12** for further details. We believe these to be objective

[10] The latest available independent market valuations of MCT's property portfolio prior to the Joint Announcement were as at 30 September 2021. The latest available independent market valuations of MNACT's property portfolio prior to the Joint Announcement were as at 31 October 2021.

[11] Unless the context otherwise requires, in this Circular, "**MNACT Group**" refers to MNACT and its subsidiaries and each entity in the MNACT Group, a "**MNACT Group Entity**".

[12] The carrying values of the investment properties of the MNACT Group and of its joint venture as at 31 March 2022 were disclosed by MNACT in its announcement titled "*Valuation of Properties in Mapletree North Asia Commercial Trust*" on SGXNET on 19 April 2022.

and independent assessments of MNACT's overall intrinsic value. The MCT Manager and the MNACT Manager have also engaged independent financial advisers, who have respectively considered the Scheme Consideration and provided their opinions in relation to the proposed Merger. Please refer to **Appendix C** of this Circular for the letter by the MCT IFA setting out its opinion (the "**MCT IFA Letter**") to the MCT Trustee, the Audit and Risk Committee of the MCT Manager and the MCT Independent Directors, and **Paragraph 13** for further details. The letter by the independent financial adviser to MNACT setting out its opinion to DBS Trustee Limited (in its capacity as trustee of MNACT) (the "**MNACT Trustee**") and the directors of the MNACT Manager who are considered independent for the purposes of the Trust Scheme is set out in **Appendix A** of the scheme document dated 29 April 2022 issued by the MNACT Manager to the MNACT Unitholders containing details of the Trust Scheme (the "**Scheme Document**").

1.3.2 The MCT Manager is of the view that the Scheme Consideration is fair and balanced

(i) Basis of the Scheme Consideration

The Scheme Consideration of S$1.1949 per MNACT Unit was based on, among others, MNACT's NAV per unit of S$1.265 as at 30 September 2021 and applying the following adjustments: (a) excludes MNACT's reported DPU for the financial half-year ended 30 September 2021 ("**1H FY21/22**") of 3.426 Singapore cents paid on 24 December 2021; and (b) assumes that the full valuation of MNACT's investment properties and joint venture held as at 30 September 2021 is based on the valuation of the MNACT Properties[13] as at 31 October 2021 as announced on 31 December 2021 (the "**Adjusted NAV per MNACT Unit**").

Accordingly, the Scheme Consideration per MNACT Unit of S$1.1949 represents a price-to-NAV multiple of 1.0x (as at the Joint Announcement Date) and 1.0x[14] (based on the MNACT FY21/22 Unaudited Financial Statements).

(ii) Basis of the Scheme Issue Price

The Scheme Issue Price of S$2.0039 was based on MCT's 1-day VWAP as at the Last Trading Day.

The following table shows MCT's various VWAPs as at the Last Trading Day over various time periods:

1-day (S$)	1-month (S$)	3-months (S$)	6-months (S$)	12-months (S$)	36-months (S$)
2.0039	2.0356	2.0917	2.1034	2.1002	2.0663

13 "**MNACT Properties**" means the 13 properties listed on page 3 of the MNACT 1H FY21/22 Unaudited Financial Statements (including the 50.0% interest in TPG), and "**MNACT Property**" means any one of them. For the avoidance of doubt, the above-mentioned 13 properties are the same as the properties listed on page 3 of the MNACT FY21/22 Unaudited Financial Statements.

14 Calculated based on MNACT's NAV per unit of S$1.197, which excludes MNACT's reported DPU for the six-month period ended 31 March 2022 ("**2H FY21/22**") of 3.393 Singapore cents.

Ultimately, the 1-day VWAP was agreed as the Scheme Issue Price and the basis of the issue price of the Preferential Offering Units (as defined below) as it was the latest available VWAP prior to the Joint Announcement Date and was considered to be the most relevant in representing the prevailing market conditions and MCT's fair market value.

For details on the MCT IFA's evaluation of the Scheme Issue Price and exchange ratio, please refer to section 12 of the MCT IFA Letter set out in **Appendix C** of this Circular.

(iii) Basis of the Scheme Consideration Options

All three forms of the Scheme Consideration are equivalent in value and are equal to the Adjusted NAV per MNACT Unit (as at the Joint Announcement Date) implied by the Scheme Issue Price.

The three Scheme Consideration options have been proposed with the goal of providing the greatest amount of financial flexibility for MNACT Unitholders in accordance with their individual investment priorities. As a whole, the MCT Manager has fully taken into account the requirements for the Merged Entity to maintain a healthy level of debt headroom and sufficient financial flexibility.

MNACT Unitholders who wish to remain invested in the Merged Entity may elect to receive the Scheme Consideration in the form of the Scrip-Only Consideration or the Cash-and-Scrip Consideration, allowing them to rollover their stake into the Merged Entity. MNACT Unitholders who wish to fully realise their investment may elect to receive the Cash-Only Consideration.

The Cash-Only Consideration will be the default form of the Scheme Consideration. The Cash-Only Consideration of S$1.1949 per MNACT Unit is equivalent to the Adjusted NAV per MNACT Unit (as at the Joint Announcement Date).

The cash component of the Cash-and-Scrip Consideration of S$0.1912 per MNACT Unit is equivalent to 16.0% in value of the Scheme Consideration.

The introduction of the alternative Cash-Only Consideration option on 21 March 2022 was intended to give higher certainty to MNACT Unitholders amidst prevailing market conditions and greater flexibility for MNACT Unitholders to elect the form of the Scheme Consideration that is most suited to their investment needs, without prejudice to the interests of the MCT Unitholders.

(iv) Basis of the Exchange Ratio for the Cash-and-Scrip Consideration and the Scrip-Only Consideration

The exchange ratio for the Cash-and-Scrip Consideration and the Scrip-Only Consideration was based on, among others:

(a) exchange ratios implied by the historical VWAPs of the MNACT Units and the MCT Units;

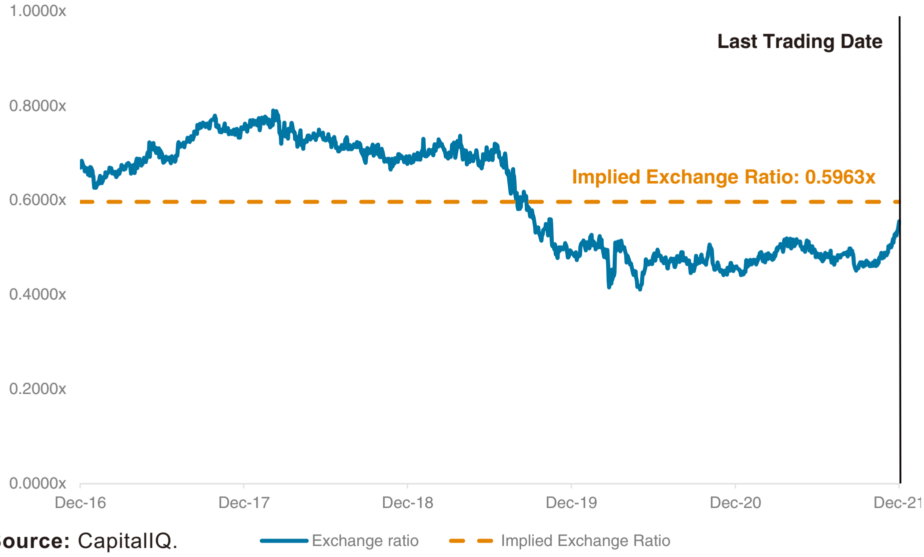
(b) the value of MNACT as a ready platform as well as its portfolio of assets;

(c) the capital structure of the Merged Entity on an ongoing basis; and

(d) the opportunity for the respective unitholders of MCT and MNACT to continue to be invested in the Merged Entity.

Exchange ratios implied by the historical VWAPs of the MNACT Units and the MCT Units

The following sets forth the trailing implied exchange ratios between the MNACT Units and the MCT Units implied by their daily last closing prices for the five-year period up to the Last Trading Day.



Source: CapitalIQ.

Note:

(1) Calculated as daily closing prices of the MNACT Units, divided by the daily closing prices of MCT Units.

The table below shows the exchange ratios implied by the historical closing prices and VWAPs of the MCT Units and MNACT Units for various periods up to the Latest Practicable Date.

Metrics	**MCT Unit (S$)**	**MNACT Unit (S$)**	**Implied Exchange Ratio(1)**	**Comparison Against Historical Prices**
Period from Joint Announcement Date to Latest Practicable Date				
Closing Price (Latest Practicable Date)	1.8700	1.2300	0.6578x	**Below**
VWAP (Joint Announcement Date to Latest Practicable Date)	1.8497	1.1393	0.6159x	**Below**
Various Periods up to Last Trading Day				
Closing Price (Last Trading Day)	2.0000	1.1100	0.5550x	**Above**
1-month VWAP (28 November 2021 – 27 December 2021)	2.0356	1.0449	0.5133x	**Above**

Metrics	MCT Unit (S$)	MNACT Unit (S$)	Implied Exchange Ratio[(1)]	Comparison Against Historical Prices
3-month VWAP (28 September 2021 – 27 December 2021)	2.0917	1.0173	0.4863x	Above
6-month VWAP (28 June 2021 – 27 December 2021)	2.1034	1.0142	0.4822x	Above
12-month VWAP (28 December 2020 – 27 December 2021)	2.1002	1.0184	0.4849x	Above
Pre-COVID-19 VWAP (28 December 2016 – 31 December 2019)	1.8502	1.1970	0.6469x	Below
5-Year VWAP (28 December 2016 – 27 December 2021)	1.9397	1.1084	0.5714x	Above
Scheme Consideration	**2.0039**	**1.1949**	**0.5963x**	

Source: Bloomberg.

Note:

(1) For the purpose of this calculation, the implied exchange ratio includes the cash component of the Scheme Consideration of S$0.1912 per MNACT Unit. VWAPs are not adjusted retrospectively for dividends, bonus issues or other corporate transactions.

The exchange ratio implied by the Scheme Consideration is generally in line with and above the exchange ratio implied by the prices of MCT and MNACT post the COVID-19 outbreak and social unrests in Hong Kong Special Administrative Region ("**SAR**"). When compared with the preceding time period, the exchange ratio implied by the Scheme Consideration is at a discount. The exchange ratio implied by the Scheme Consideration therefore represents the balance between the short- to medium-term uncertainties and challenges to recovery and the long-term value and prospects that the MCT Manager sees in the MNACT Properties.

Value of MNACT as a ready platform as well as its portfolio of assets

In arriving at the Scheme Consideration, the MCT Manager has given full consideration to not only MNACT's assets, but also to the benefits that can be derived from the ready platform that MNACT offers. The benefits of a ready platform are unlikely to be achieved through a piecemeal purchase of MNACT's assets, and unitholders of both MCT and MNACT would be deprived of the potential benefits of participating in the Merged Entity.

Capital structure of the Merged Entity on an ongoing basis

The MCT Manager also took into consideration factors including, but not limited to, the current capital structures of MCT and MNACT, potential future plans for the Merged Entity, the global economic environment and financial conditions, and decided that the current terms of the Merger are sufficiently prudent to safeguard the financial flexibility and liquidity of the Merged Entity, of which MCT Unitholders and MNACT Unitholders will be unitholders upon the completion of the Merger. The pre-Merger leverage ratios of MCT and MNACT are 33.5% and 41.5% respectively as at 31 March 2022. Post-Merger, the aggregate leverage is expected to be at a judicious level of 38.8%[15] as at 31 March 2022 on a pro forma basis, reinforcing a capital structure that positions the Merged Entity well for future growth.

Opportunity for both sets of unitholders to continue to be invested in the Merged Entity

Given the above, the MCT Manager believes that it has put forward the best available offer to the MNACT Unitholders while taking into account the interests of the MCT Unitholders. This is because the Scheme Consideration provides the financial flexibility in the form of the Cash-Only Consideration for MNACT Unitholders whilst giving the respective unitholders of both MCT and MNACT the opportunity to remain invested in an enlarged platform poised for growth into the key gateway markets of Asia and delivers a balanced outcome for both sets of unitholders, resulting in a merged entity with an optimal capital structure which is best positioned to capture the benefits of the Merger.

1.4 Information on the Preferential Offering

As announced in the Revision Joint Announcement issued jointly by the MCT Manager and the MNACT Manager on 21 March 2022, the Parties have agreed to provide the alternative Cash-Only Consideration option, in addition to the Scrip-Only Consideration option and the Cash-and-Scrip Consideration option announced pursuant to the Joint Announcement on 31 December 2021. Prior to the introduction of the alternative Cash-Only Consideration option, the cash required to fund the aggregate cash component of the Cash-and-Scrip Consideration (assuming all MNACT Unitholders (excluding the MIPL Entities[16]) elect to receive the Cash-and-Scrip Consideration) was approximately S$417.3 million. The introduction of the alternative Cash-Only Consideration option has led to an increase in the maximum cash requirement on the part of MCT to fund the Scheme Consideration from approximately S$417.3 million to approximately S$2.6 billion (being the aggregate Cash-Only Consideration payable assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration).

To fund the above-mentioned increase in cash requirement arising from the introduction of the Cash-Only Consideration option, the MCT Manager announced in its announcement dated 21 March 2022 (the "**MCT Preferential Offering Announcement**") that it will undertake a pro-rata non-renounceable preferential offering of up to 1,094 million MCT Units to MCT Unitholders (the "**Preferential Offering**") at an issue price of S$2.0039 per MCT Unit (the "**Preferential Offering Unit**"), which is equivalent to the Scheme Issue Price of each Consideration Unit, to raise gross proceeds of up to S$2.2 billion.

[15] Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or the Cash-Only Consideration.

[16] "**MIPL Entities**" means MIPL and its wholly-owned subsidiaries which hold MCT Units or MNACT Units, each an "**MIPL Entity**".

MIPL, the Sponsor of both MCT and MNACT, has, via the MIPL Undertaking, agreed to subscribe for the maximum number of Preferential Offering Units offered under the Preferential Offering (the "**Maximum Preferential Offering Units**") of up to S$2.2 billion at an issue price of S$2.0039 per Preferential Offering Unit, which is the same as the Scheme Issue Price of each Consideration Unit. This will satisfy the additional cash requirement for the Cash-Only Consideration with no incremental debt financing and no increase in the maximum number of new MCT Units to be issued. The inclusion of the alternative Cash-Only Consideration achieves the same pro forma financial effects as the existing Cash-and-Scrip Consideration option and would have no impact on the aggregate leverage of MCT and the Merged Entity above that which would result under the Trust Scheme prior to the introduction of the Cash-Only Consideration.

The Sponsor has also agreed to a voluntary six-month lock-up of the unitholdings of the MIPL Entities in the Merged Entity following the completion of the Trust Scheme or the Preferential Offering[17] (whichever is earlier) (the "**Sponsor Lock-Up Undertaking**").

For further information on the Preferential Offering, please refer to **Paragraph 7**.

1.5 Information on MCT and the MCT Manager

1.5.1 MCT

MCT is a Singapore-focused real estate investment trust ("**REIT**") established with the principal investment objective of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, in Singapore as well as real estate-related assets[18]. MCT has been listed on the SGX-ST since 27 April 2011 and has a market capitalisation of S$6.6 billion as at the Last Trading Day. As at the Joint Announcement Date, MCT has a portfolio of five properties located in Singapore, with a total net lettable area ("**NLA**") of 5.0 million square feet ("**sq ft**")[19].

Certain key financial information with respect to the MCT Group as at 31 March 2022 and for the financial year ended 31 March 2022 ("**FY21/22**") is set out as follows:

MCT Group	Information
NAV(1)	S$5,622.7 million
NAV per MCT Unit(1)	S$1.69
Distributable income for FY21/22	S$317.0 million
Distribution per MCT Unit for FY21/22	9.53 Singapore cents
Net profits before tax for FY21/22	S$347.0 million
Total assets	S$8,984.5 million
Assets under management(2)	S$8,821.0 million

17 The Preferential Offering will only proceed if the Preferential Offering Conditions have been satisfied.

18 Under the Property Funds Appendix, "**real estate-related assets**" refers to listed or unlisted debt securities and listed shares of or issued by property corporations, mortgage-backed securities, other property funds, and assets incidental to the ownership of real estate (e.g. furniture).

19 Please refer to **Schedule 1, Part 1** of this Circular for details on the five properties in MCT's portfolio.

Notes:

(1) For the purposes of this Circular, all references to the NAV of the MCT Group exclude distributable income, unless otherwise stated. Based on MCT's NAV per unit of S$1.74 as at 31 March 2022 and excludes MCT's reported 2H FY21/22 DPU of 5.14 Singapore cents to be paid on 3 June 2022.

(2) Based on independent desktop valuations which were commissioned by the MCT Manager and the MCT Trustee and carried out by CBRE Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd (collectively, the "**MCT Independent Valuers**") as at 31 March 2022 (the "**MCT 2022 Independent Valuations**") using a combination of methods, namely discounted cash flow method and income capitalisation method.

1.5.2 MCT Manager

MCT is managed by the MCT Manager. The MCT Manager is a wholly-owned subsidiary of MIPL. The MCT Manager holds a Capital Markets Services Licence ("**CMS Licence**") for REIT management pursuant to the Securities and Futures Act 2001 (the "**SFA**").

As at the Latest Practicable Date, the board of directors of the MCT Manager (the "**MCT Board**") comprises the following persons:

(i) Mr. Tsang Yam Pui (Non-Executive Chairman and Director);

(ii) Ms. Kwa Kim Li (Lead Independent Non-Executive Director);

(iii) Mr. Premod P. Thomas (Independent Non-Executive Director);

(iv) Mr. Kan Shik Lum (Independent Non-Executive Director);

(v) Mr. Koh Cheng Chua (Independent Non-Executive Director);

(vi) Mr. Wu Long Peng (Independent Non-Executive Director);

(vii) Mr. Mak Keat Meng (Independent Non-Executive Director);

(viii) Mr. Alvin Tay Tuan Hearn (Independent Non-Executive Director);

(ix) Mr. Hiew Yoon Khong (Non-Executive Director);

(x) Ms. Wendy Koh Mui Ai (Non-Executive Director);

(xi) Ms. Amy Ng Lee Hoon (Non-Executive Director); and

(xii) Ms. Lim Hwee Li Sharon (Executive Director and Chief Executive Officer).

1.6 Information on MNACT and the MNACT Manager

1.6.1 MNACT

MNACT is the first and only North Asia focused commercial REIT listed in Singapore that aims to invest, directly or indirectly, in a diversified portfolio of income-producing real estate in China, Hong Kong SAR, Japan and South Korea which is used primarily for commercial purposes (including real estate used predominantly for retail and/or offices), as well as real estate-related assets. Listed on the SGX-ST on 7 March 2013, MNACT has a market capitalisation of S$3.9 billion as at the Last Trading Day. As at the Joint Announcement Date, MNACT has a portfolio of 13 properties[20] located in China, Hong Kong SAR, Japan and South Korea, with a NLA of 5.9 million sq ft.

[20] This includes 50.0% effective interest in The Pinnacle Gangnam ("**TPG**") located in South Korea.

Certain key financial information with respect to the MNACT Group as at 31 March 2022 and for FY21/22 is set out as follows:

MNACT Group	Information
NAV(1)	S$4,224.3 million
NAV per MNACT Unit(1)	S$1.197
Distributable income for FY21/22	S$239.2 million
Distribution per MNACT Unit for FY21/22	6.819 Singapore cents
Net profits before income tax for FY21/22	S$53.6 million
Total assets	S$8,456.1 million
Assets under management(2)	S$8,267.1 million

Notes:

(1) For the purposes of this Circular, all references to NAV of the MNACT Group exclude non-controlling interests and distributable income, unless otherwise stated. Based on MNACT's NAV per unit of S$1.231 as at 31 March 2022 and excludes MNACT's reported 2H FY21/22 DPU of 3.393 Singapore cents to be paid on 19 May 2022.

(2) Based on the independent full valuations which were commissioned by the MNACT Manager and the MNACT Trustee and carried out by Knight Frank Petty Ltd, JLL Morii Valuation & Advisory K.K. and CBRE Korea Company Limited (collectively, the "**MNACT Independent Valuers**") as at 31 March 2022 using a combination of methods, namely discounted cash flow method, income capitalisation method and direct comparison method.

1.6.2 MNACT Manager

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

As at the Latest Practicable Date, the board of directors of the MNACT Manager comprises the following persons (the "**MNACT Directors**"):

(i) Mr. Paul Ma Kah Woh (Non-Executive Chairman and Director);

(ii) Mr. Lawrence Wong Liang Ying (Lead Independent Non-Executive Director);

(iii) Ms. Tan Su Shan (Independent Non-Executive Director);

(iv) Ms. Chiang Sui Fook Lilian (Independent Non-Executive Director);

(v) Mr. Chua Kim Chiu (Independent Non-Executive Director);

(vi) Mr. Pascal Jean-Louis Lambert (Independent Non-Executive Director);

(vii) Mr. Kevin Kwok (Non-Executive Director);

(viii) Mr. Lok Vi Ming (Non-Executive Director);

(ix) Mr. Michael Kok Pak Kuan (Non-Executive Director);

(x) Mr. Chua Tiow Chye (Non-Executive Director);

(xi) Ms. Wendy Koh Mui Ai (Non-Executive Director); and

(xii) Ms. Cindy Chow Pei Pei (Executive Director and Chief Executive Officer).

1.7 Information on the Merged Entity

1.7.1 Expansion of Investment Mandate

It is intended that on the Trust Scheme becoming effective in accordance with its terms, the existing investment mandate of MCT will be expanded pursuant to the deed of trust dated 25 August 2005 constituting MCT (as amended) (the "**MCT Trust Deed**"). Under the MCT Trust Deed, the MCT Manager may from time to time change MCT's investment policies subject to compliance with the listing manual of the SGX-ST (the "**Listing Manual**"), so long as it has given not less than 30 days' prior notice of the change to DBS Trustee Limited (as trustee of MCT) (the "**MCT Trustee**") and MCT Unitholders by way of an announcement to the SGX-ST.

For the purposes of Clause 10.2.4 of the MCT Trust Deed, the announcement of the Merger released by the MCT Manager on the Joint Announcement Date is deemed to be the notice of the expansion of the existing investment mandate of MCT (as the Merged Entity) on or before the Trust Scheme becoming effective in accordance with its terms.

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

1.7.2 Unitholding Percentages in the Merged Entity

The following table sets out the unitholding percentages in each of MCT and MNACT as at the Latest Practicable Date and in the Merged Entity after the Trust Scheme and, if undertaken, the Preferential Offering. The table is prepared based on the following assumptions:

(i) the size of the Preferential Offering will be determined based on (a) the results of the election of the form of the Scheme Consideration to be received by the MNACT Unitholders pursuant to the Trust Scheme, and (b) the proportion of MCT Unitholders (excluding the MIPL Entities) who elect to subscribe for the Preferential Offering Units;

(ii) to fund the cash component of the Scheme Consideration, MCT proposes to raise (a) up to S$417.3 million[21] through the issuance of perpetual securities and/or debt funding and (b) up to S$2.2 billion through the Preferential Offering;

(iii) the Preferential Offering is not subscribed for by any other MCT Unitholder, and any one or more of the relevant MIPL Entities is or are (as the case may be) required to subscribe for the Maximum Preferential Offering Units (the "**Excess Commitment**"); and

[21] The maximum cash amount required by MCT to satisfy the cash component of the Cash-and-Scrip Consideration is approximately S$417.3 million, assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

(iv) the resultant unitholdings of MIPL Entities in the Merged Entity set out in the following table do not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (as defined in the table below) (in its capacity as property manager of the MNACT Properties) prior to the Record Date or the record date to be announced by the MCT Manager on which the Register of MCT Unitholders will be closed to determine the eligibility of the MCT Unitholders to participate in the Preferential Offering (the "**Preferential Offering Record Date**") (as the case may be).

					After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)
			After the Trust Scheme		
	As at the Latest Practicable Date		Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration
Unitholders	**MCT (%)(1)**	**MNACT (%)(2)**	**Merged Entity (%)(3)**	**Merged Entity (%)(4)**	**Merged Entity (%)(5)**
The HarbourFront Pte Ltd ("**HFPL**"), HarbourFront Place Pte. Ltd. ("**HF Place**"), HarbourFront Eight Pte Ltd ("**HF Eight**"), Sienna Pte. Ltd. ("**Sienna**") and Mapletree Commercial Trust Management Ltd.	32.61	–	19.97	20.77	41.71
Kent Assets Pte. Ltd. ("**Kent**"), Suffolk Assets Pte. Ltd. ("**Suffolk**"), Mapletree North Asia Property Management Limited ("**MNAPML**") and Mapletree North Asia Commercial Trust Management Ltd.	–	38.14	14.79	15.37	15.37
Sub-Total of MIPL Entities	**32.61**	**38.14**	**34.76**	**36.14**	**57.09**
Other Concert Parties(6)	1.10	1.40	1.22	1.18	0.70
Other existing MCT Unitholders	66.28	–	40.59	42.21	42.21

			After the Trust Scheme		After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)
	As at the Latest Practicable Date		Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration
Unitholders	**MCT (%)[1]**	**MNACT (%)[2]**	**Merged Entity (%)[3]**	**Merged Entity (%)[4]**	**Merged Entity (%)[5]**
Other MNACT Unitholders who will become unitholders of the Merged Entity upon the completion of the Trust Scheme	–	60.46	23.44	20.47	–
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Notes: The percentages are rounded to the nearest two decimal places. Total percentage values may not add up to 100.0% due to rounding differences.

(1) Based on a total of 3,323,513,585 MCT Units as at the Latest Practicable Date.

(2) Based on a total of 3,527,974,156 MNACT Units as at the Latest Practicable Date.

(3) Based on an aggregate of 5,427,244,574 units in the Merged Entity, assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(4) Based on an aggregate of 5,219,052,142 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(5) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment in full. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

(6) The details of certain other persons who are deemed to be acting in concert with MIPL (other than MIPL Entities) (the "**Other Concert Parties**") are set out in **Schedule 5** to this Circular.

For completeness, the MCT Manager, the MNACT Manager and MNAPML (in its capacity as property manager of the MNACT Properties) may receive fees payable in MCT Units or MNACT Units prior to the Effective Date. Further details of such fee issuances are set out in **Paragraph 8.2** herein.

In addition to the Preferential Offering Units and the Consideration Units:

(a) pursuant to the MCT Trust Deed, the MCT Manager (being an MIPL Entity), may receive up to an additional 4,533,905 new MCT Units prior to the Record Date or the Preferential Offering Record Date (as the case may be)[22], as payment of its base fee for the period from 1 January 2022 to 31 March 2022 (both dates inclusive) and its performance fees for the financial year ending 31 March 2022 (the "**4Q FY21/22 MCT Fee Units**"); and

(b) the MNACT Manager and MNAPML (each of whom is an MIPL Entity) may, prior to the Record Date or the Preferential Offering Record Date (as the case may be), receive up to approximately 11,591,728 MNACT Units (the "**MNACT Fee Units**") as payment for fees pursuant to the MNACT Trust Deed and the master property management agreement entered into between the MNACT Trustee, the MNACT Manager and MNAPML (the "**MNACT Master Property Management Agreement**"), and these MNACT Fee Units will, on completion of the Trust Scheme, be transferred to MCT in exchange for Consideration Units. The actual number of MNACT Fee Units to be issued to the MNACT Manager and MNAPML will depend on the fees payable and the actual issue prices as determined in accordance with the MNACT Trust Deed and the MNACT Master Property Management Agreement.

Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Record Date or the Preferential Offering Record Date (as the case may be), the aggregate resultant unitholding interest of the MIPL Entities in the Merged Entity[23] will be approximately:

(1) 34.89% immediately after the Trust Scheme (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration);

(2) 36.28% immediately after the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration); and

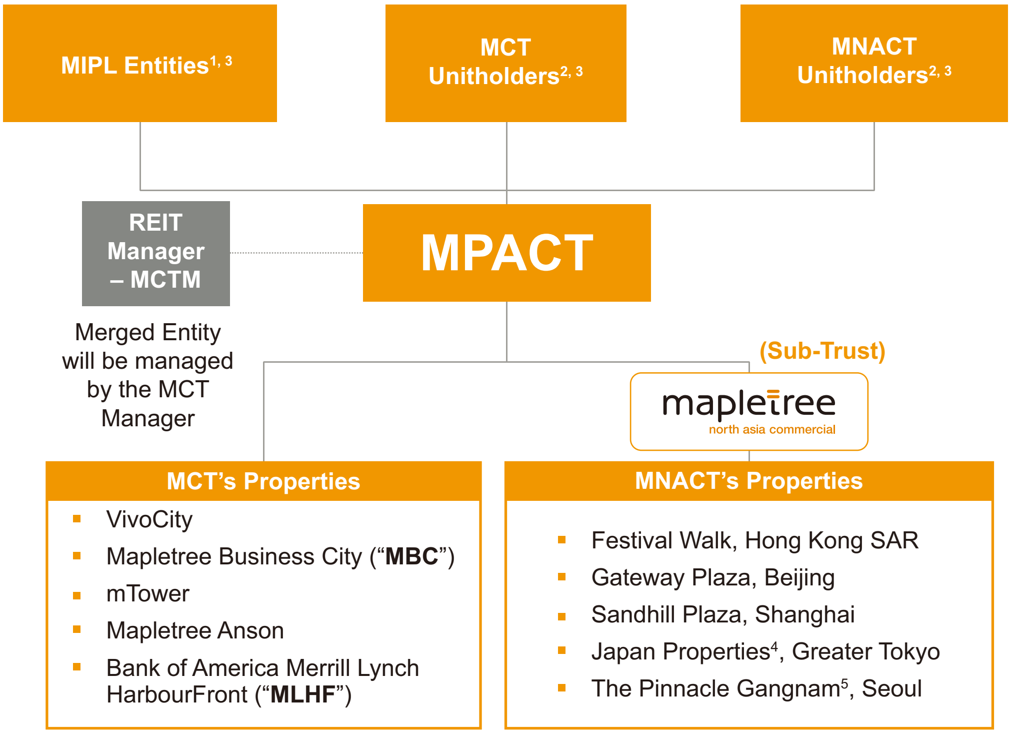
(3) 57.18% immediately after the Preferential Offering (assuming Excess Commitment) and the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration).

22 Assumes that the Record Date and the Preferential Offering Record Date fall on or prior to 31 July 2022.

23 Further assuming that the MCT Units to be issued as payment of management fees for the quarter ending 30 June 2022 are issued to the MCT Manager subsequent to the completion of the Trust Scheme and, if undertaken, the Preferential Offering.

1.7.3 Structure of Merged Entity

It is currently envisaged that the indicative structure of the Merged Entity immediately upon completion of the Merger will be as follows:



Notes: Simplified group structure for illustration only. Assuming completion of the Merger and the Trust Scheme.

(1) Before the Merger, as at the Latest Practicable Date, MIPL Entities held 32.61% interest (including indirect interest) in MCT, and 38.14% interest (including indirect interest) in MNACT.

(2) Before the Merger, as at the Latest Practicable Date, unitholders (excluding the MIPL Entities) held 67.39% interest in MCT, and 61.86% interest in MNACT.

(3) The interests of the respective unitholders (including the MIPL Entities) in MCT are calculated based on a total of 3,323,513,585 MCT Units in issue as at the Latest Practicable Date. The interests of the respective unitholders (including the MIPL Entities) in MNACT are calculated based on a total of 3,527,974,156 MNACT Units in issue as at the Latest Practicable Date.

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

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

Further information on the Merged Entity may be found in **Schedule 1**.

2. SUMMARY OF APPROVALS SOUGHT

The MCT Manager is seeking the approval of MCT Unitholders at an EGM for the following matters:

No.	Approval Sought	Approval Threshold	Abstentions
1.	Subject to Resolution 2 (as defined below) and Resolution 3 (as defined below) having been approved, the approval of the MCT Unitholders for the proposed Merger by way of the MCT Acquisition at the EGM ("**Resolution 1**")(1)	Ordinary Resolution(2)	The MCT Manager and its associates (being Temasek Holdings (Private) Limited ("**Temasek**"), Fullerton Management Pte Ltd ("**Fullerton**"), HFPL, HF Place, HF Eight and Sienna)
2.	Subject to Resolution 1 and Resolution 3 having been approved, the approval of the MCT Unitholders for the proposed allotment and issuance of the Consideration Units (the "**Proposed Issuance of Consideration Units**") at the EGM ("**Resolution 2**")(3)	Ordinary Resolution(2)	The MCT Manager and its associates (being Temasek, Fullerton, HFPL, HF Place, HF Eight and Sienna)
3.	The approval of the MCT Unitholders who are considered independent for the purposes of the Whitewash Resolution ("**Independent MCT Unitholders (Whitewash)**") for the proposed Whitewash Resolution (as defined in **Paragraph 8.3**) at the EGM ("**Resolution 3**")(4)	Ordinary Resolution(2)	MIPL and their concert parties and parties not independent of them (being the MCT Manager, HFPL, HF Place, HF Eight, Sienna and the Other Concert Parties[24] who hold MCT Units)
4.	Subject to Resolution 1, Resolution 2 and Resolution 3 having been approved, the approval of the MCT Unitholders to amend to the MCT Trust Deed to reflect the revised management fee structure as set out in **Schedule 2** ("**Management Fee Supplement**" and the proposed amendments to the MCT Trust Deed, the "**MCT Trust Deed Amendments**") at the EGM ("**Resolution 4**")(5)	Extraordinary Resolution(6)	The MCT Manager and its associates (being Temasek, Fullerton, HFPL, HF Place, HF Eight and Sienna)

Notes:

(1) Please refer to **Paragraph 5** for further details.

(2) "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of MCT Unitholders.

— 24 The details of the Other Concert Parties are set out in **Schedule 5** to this Circular.

(3) Please refer to **Paragraph 6** for further details.

(4) Please refer to **Paragraph 8** for further details.

(5) Please refer to **Paragraph 9** for further details.

(6) "**Extraordinary Resolution**" means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of MCT Unitholders.

MCT Unitholders should note that Resolution 1, Resolution 2 and Resolution 4 are contingent on the following other resolutions being passed, and will lapse if the following matters do not take place. **In the event that Resolution 3 is not passed at the EGM, the MCT Manager will not proceed with Resolution 1, Resolution 2 or Resolution 4. In the event that Resolution 1, Resolution 2 or Resolution 3 is not passed, the MCT Manager will not proceed with the Merger.**

Resolution	Contingent upon the following resolutions being passed
Resolution 1 (Proposed Merger)	Contingent upon Resolution 2 and Resolution 3 being passed
Resolution 2 (Proposed Issuance of Consideration Units)	Contingent upon Resolution 1 and Resolution 3 being passed
Resolution 3 (Whitewash Resolution)	Nil
Resolution 4 (MCT Trust Deed Amendments)	Contingent upon Resolution 1, Resolution 2 and Resolution 3 being passed

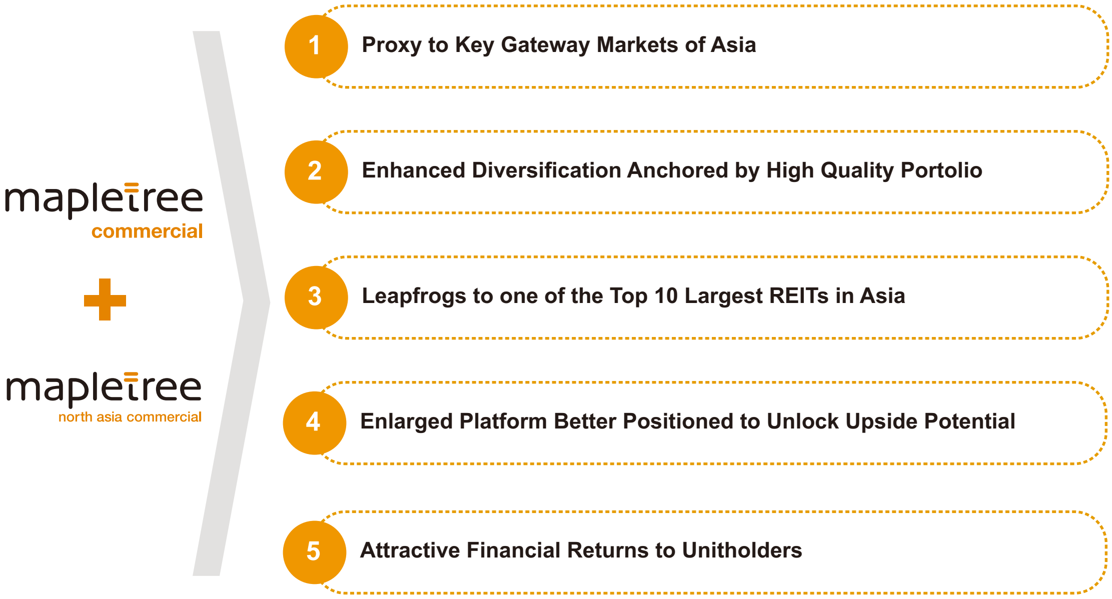
For the avoidance of doubt, the approvals relating to the Merger (being Resolution 1, Resolution 2 and Resolution 3) are not conditional on the approval of Resolution 4. In the event that the approvals relating to the Merger are obtained but Resolution 4 is not approved, MCT's existing fee structure will continue to apply to the Merged Entity. In the event that the approvals relating to the Merger are not obtained, the MCT Manager will not proceed with Resolution 4 and accordingly, there will be no change to MCT's existing fee structure.

3. RATIONALE FOR THE MERGER

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

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

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



3.1 Proxy to Key Gateway Markets of Asia

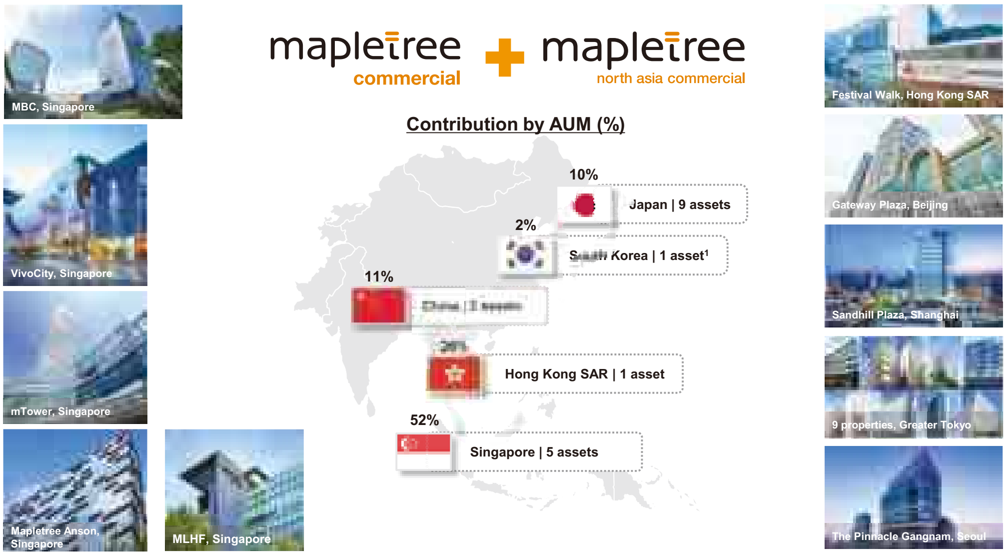
3.1.1 18 commercial properties across five key gateway markets of Asia with total assets under management of over S$17 billion

The Merged Entity combines two high quality portfolios across five markets to create a proxy to key gateway markets of Asia, with a significant total assets under management ("**AUM**") of S$17.1 billion[25]. The increased scale of the combined portfolio will allow the Merged Entity to be better positioned to pursue growth in key gateway markets of Asia, including Singapore, China, Hong Kong SAR, Japan, and South Korea, and across commercial assets.

MCT's portfolio comprises five properties in Singapore – four located in the Greater Southern Waterfront (HarbourFront and Alexandra Precincts) and one in the Central Business District. Best-in-class assets, namely VivoCity and MBC, constitute 79.2% and 80.0% of MCT's portfolio valuation and net property income ("**NPI**") respectively as at 31 March 2022.

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

25 AUM based on the MCT 2022 Independent Valuations and the independent full valuations commissioned by the MNACT Manager and the MNACT Trustee as at 31 March 2022.



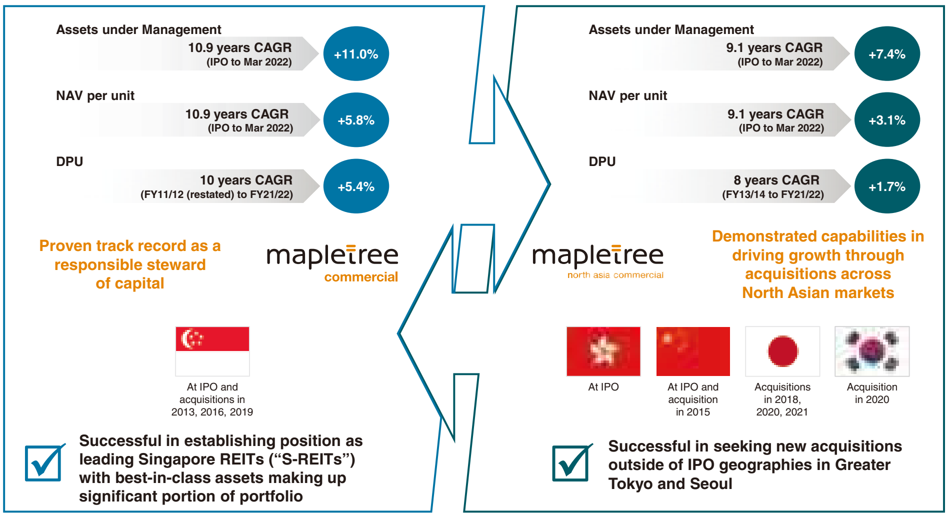
Note:

(1) This includes MNACT's 50.0% effective interest in TPG, which is held through a joint venture.

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

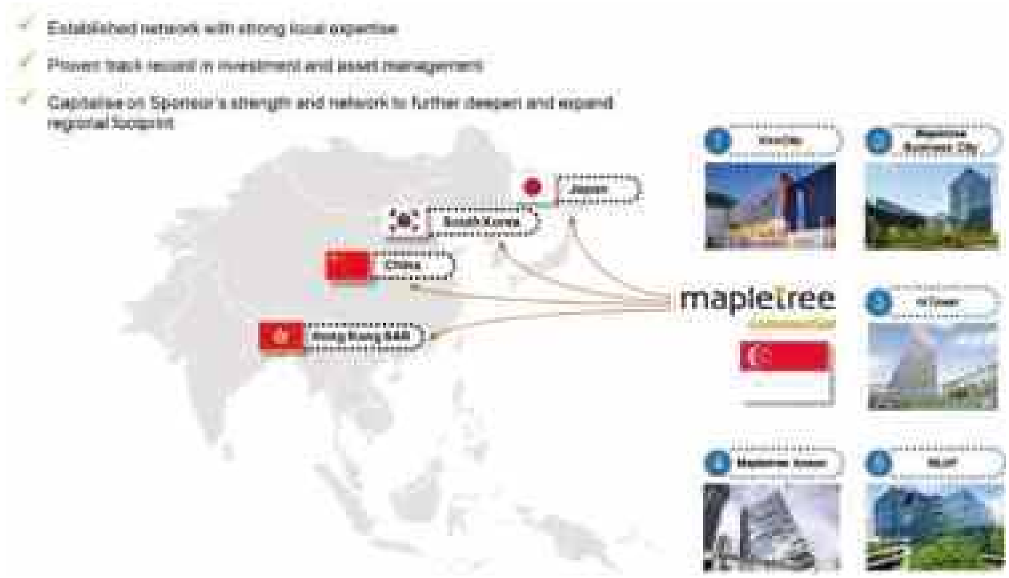
The Merger seeks to create a robust platform that combines the respective strengths of MCT and MNACT, thereby unlocking the full potential of a multi-geography Asian platform.

MCT and MNACT each has a long-standing track record since their initial public offerings ("**IPO**") of more than 10 and nine years respectively. MCT has established itself as a responsible steward of capital that has delivered steady compound annual growth rate ("**CAGR**") growth in AUM, NAV per unit and DPU. MNACT has demonstrated its capabilities in driving inorganic growth through acquisitions of high quality properties spanning across multiple North Asian markets; including expanding beyond its IPO geographies and successfully acquiring nine office properties in Greater Tokyo (2018, 2020 and 2021) and one office property in Seoul (2020).

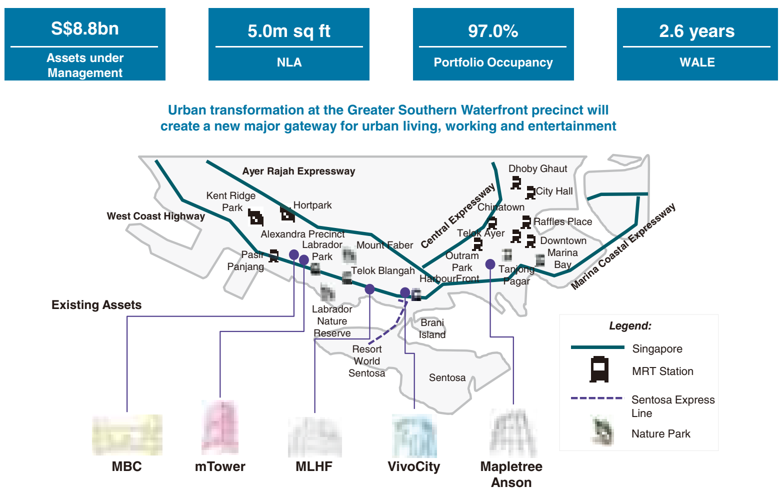


3.1.3 **A ready launchpad for Asian expansion, enabling the Merged Entity to establish footholds in multiple markets swiftly**

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



The Merged Entity is well positioned to benefit from the future urban development and infrastructure projects at the Greater Southern Waterfront precinct, which will create a new major gateway for urban living, working and entertainment.

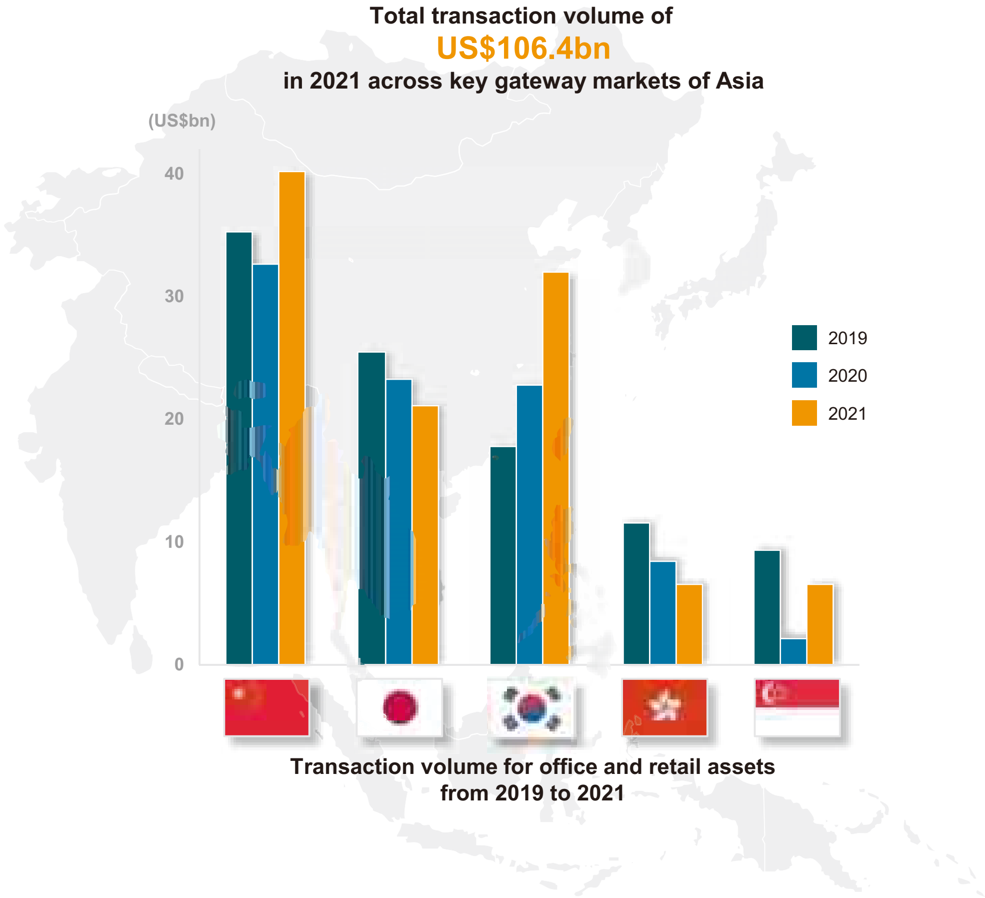


3.1.4 **Deep liquidity in key gateway markets of Asia providing growth opportunities**

The Merged Entity will be able to tap into some of the largest and most established real estate markets in Asia. The Merged Entity will have an entrenched presence within the markets of Singapore, China, Hong Kong SAR, Japan and South Korea, where the total transaction volume for office and retail assets in 2021 is US$106.4 billion[26]. In particular, there are continued growth opportunities where offices will continue to play an integral role, and opportunities continue to exist in Asia's retail markets where well-positioned shopping malls remain relevant.

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

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



Sources: Colliers, RCA.

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

Whilst the impact of COVID-19 continues to be felt globally, the economies of the key gateway Asian markets saw a rebound in gross domestic product ("**GDP**") growth in 2021 as initial restrictions were eased gradually and businesses resumed some form of normalcy. However, global economic recovery may be weighed down by the uncertainties arising from the Russia-Ukraine conflict and the resulting global repercussions, rising energy prices as well as COVID-19 infections from the Omicron variant.

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

China: China is the second largest economy in the world and the only major economy to post a positive GDP growth rate in 2020, largely attributed to its "Zero-COVID" strategy. Its economy is underpinned and driven by the output of its Tier 1 cities which include Beijing, Shanghai, Guangzhou and Shenzhen that are frequently chosen by large domestic companies and multinationals as locations in which to establish a foothold and grow. China is the world's largest manufacturer and exporter and with a population that is becoming wealthier rapidly, it is now also the second largest importer in the world. While geopolitical concerns remain, the domestic political environment is very stable. The government announced measures in 2021 to achieve common prosperity by narrowing the wealth gap and promoting economic rebalancing and long-term sustainability.

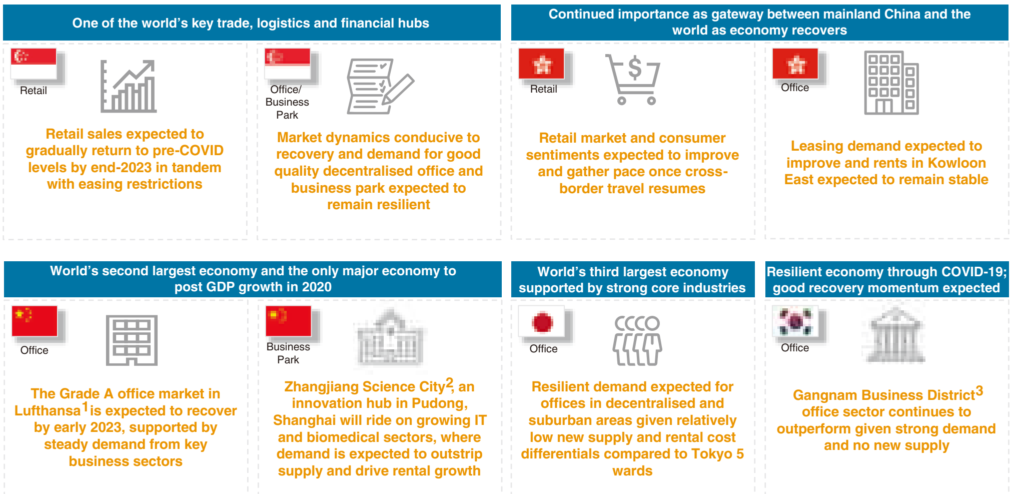
Hong Kong SAR: Strategically located within the Greater Bay Area, Hong Kong SAR has played a pivotal role in serving as a gateway connecting Mainland China with the international markets and provides the largest source of foreign direct investment in Mainland China. While Hong Kong SAR has gone through two consecutive years of recession, it has bottomed out and experienced substantial recovery through much of 2021. By the end of 2021, GDP returned to pre-COVID-19 levels. Hong Kong SAR has also moved up one position in 2021 to take the third place in the Global Financial Centres Index 30 Report. Hong Kong SAR's conducive business environment, coupled with its well-developed infrastructure and international communication network, makes it an attractive location for doing business in Asia. Domestic consumption, which took up less than 70.0% of the city's total retail sales prior to the start of COVID-19, is expected to grow with improving labour market conditions, but the return of restrictions on business operation and social distancing measures that have been introduced in response to the outbreak may potentially have a significant impact on the local economy and real estate market. This will need to be watched carefully during the first half of 2022. Eventually, the aim for Hong Kong SAR is to re-open its borders to Mainland China, with hopes that the return of mainland Chinese tourists will ultimately have a positive impact on footfall and retail sales, driving rental improvements. Although the timetable for full re-opening is still not certain, the recent announcement of the lifting of flight bans on nine countries, coupled with a shortening in the quarantine period for arrivals into Hong Kong SAR is however seen as a positive step towards dealing with the pandemic, whilst also protecting the local economy. Over the next few years, Hong Kong SAR will continue its integration into the Greater Bay Area, strengthening its position as a major financial, innovation and technology conduit between China and the world.

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

South Korea: South Korea is the tenth largest global economy and the fourth largest in Asia by GDP. Despite COVID-19, it advanced two places in the global economic ranks from 2019 as its economy remained relatively resilient and contracted by a lesser extent compared to other countries. South Korea has undergone one of the most significant economic transformations in recent history and rode on the growth of Asia to become the high-technology economy it is today.

Its economy is led by electronics, telecommunications, automobile production, chemicals, shipbuilding, steel, with newcomers like microchips, bio-health and conceptual vehicles making a strong show, domestically and globally. In August 2021, South Korea was the first major Asian economy to raise interest rates since the pandemic began, an indication of its economic recovery. The office sector has also benefitted from the expansion of global big tech companies and rapid growth of Korean tech start-ups.

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



Source: Colliers

Notes:

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

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

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

3.2 Enhanced Diversification Anchored by High Quality Portfolio

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

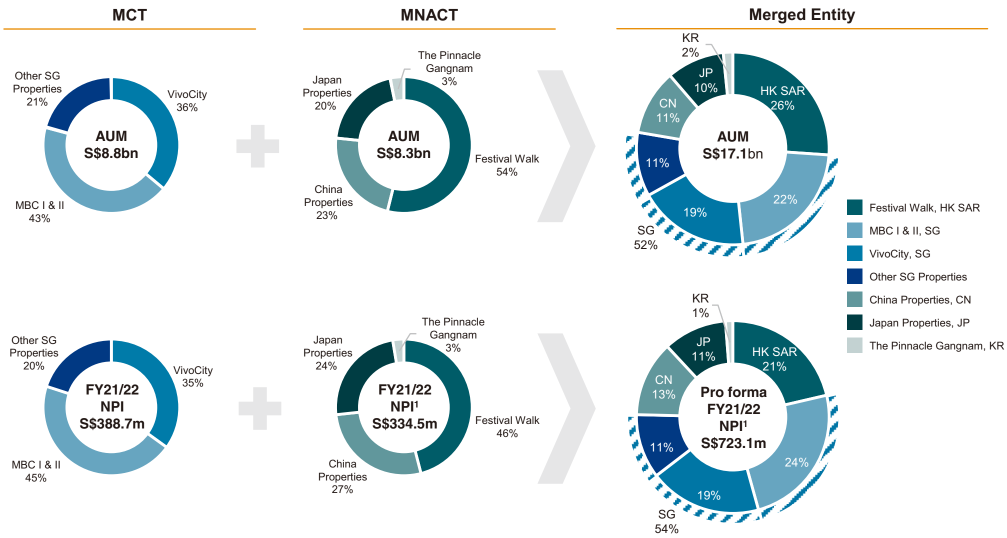
The Merged Entity will have a diversified mix of assets across geographies. Singapore assets will represent 51.6% by AUM, while assets in Hong Kong SAR, China, Japan and South Korea will represent 26.1%, 11.0%, 9.7% and 1.6% respectively. This is compared to MCT's existing 100.0% Singapore exposure and MNACT's 53.9% exposure to Hong Kong SAR.

The Merged Entity will also continue to be well-balanced across the commercial sub asset classes, with the retail, office and business park segments representing 44.1%, 34.8% and 21.0% of AUM, respectively.

The Merged Entity will have a significantly reduced single asset concentration risk, with the exposure to any single asset being approximately 26.1% by AUM, compared to MCT's existing 43.1% exposure to MBC I & II and MNACT's existing 53.9% exposure to Festival Walk respectively. Similarly, the Merged Entity's largest single asset contribution by pro forma NPI will be 24.2%, compared to MCT's existing 45.0% exposure to MBC I & II and MNACT's existing 46.0% exposure to Festival Walk.

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

In addition, best-in-class assets, namely Festival Walk, MBC I & II, and VivoCity, will continue to constitute a significant proportion of 66.9% of the portfolio, allowing the Merged Entity to diversify without compromising on asset portfolio quality.

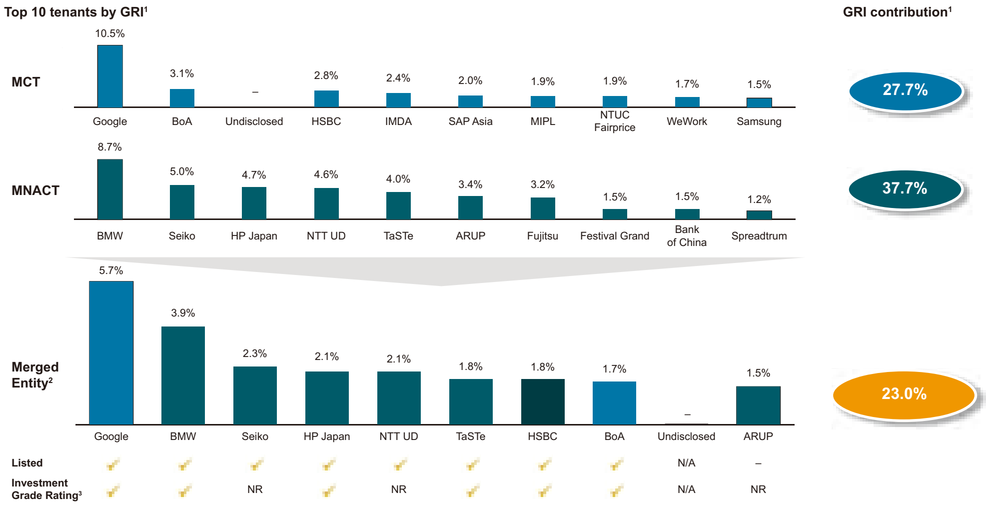


Note: Total percentage value may not add up to 100.0% due to rounding differences.

(1) MNACT's FY21/22 NPI value includes 50.0% share of NPI from TPG and assuming full year contribution from HPB, which is based on unaudited financial information for the period from 18 June 2021 (date of acquisition) to 31 March 2022, pro-rated as if the acquisition was completed on 1 April 2021.

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

Post-Merger, the top 10 tenants will contribute 23.0% of the Merged Entity's gross rental income ("**GRI**"). This is a healthy reduction compared to both MCT and MNACT before the Merger, whereby their respective top 10 tenants constituted 27.7% and 37.7% of GRI respectively. Post-Merger, no single tenant will contribute more than 5.7% by monthly GRI to the enlarged portfolio. In addition, eight out of the top 10 tenants are listed on a stock exchange and/or have an investment grade rating for their bonds. Together, the reduced tenant concentration and the improved tenant profile will further boost cashflow stability of the portfolio.



Notes:

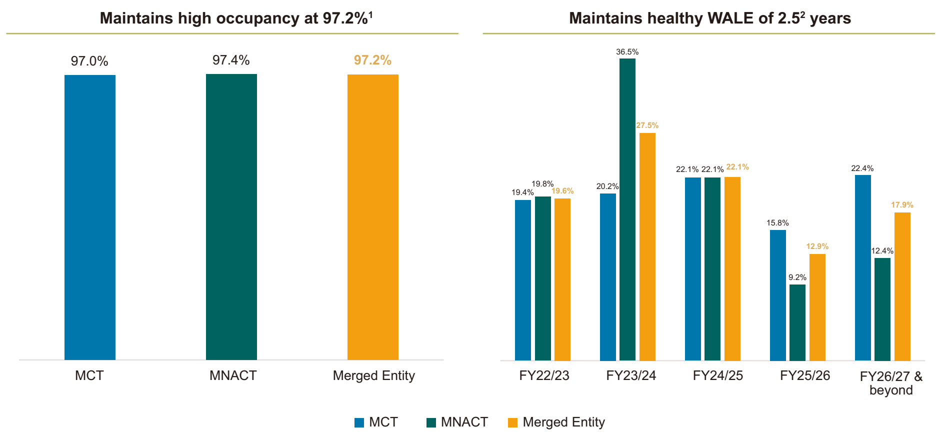
(1) GRI contribution for the month of March 2022. Top 10 tenants for MCT and the Merged Entity excludes an undisclosed tenant of MCT.

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

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

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

The Merged Entity will maintain a high portfolio occupancy of 97.2% and a well-staggered lease expiry profile with healthy weighted average lease expiry ("**WALE**") of 2.5 years.



Notes:

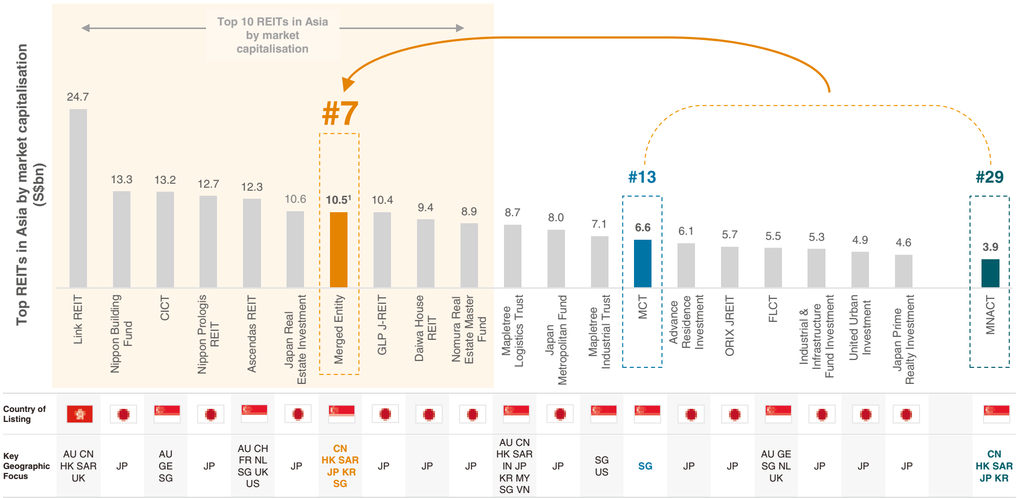
(1) Occupancy for MCT and MNACT refers to committed occupancy as at 31 March 2022. Occupancy for the Merged Entity is calculated on a pro forma basis.

(2) WALE by GRI for MCT and MNACT is based on the committed lease expiry dates (leases which have been renewed or re-let as at 31 March 2022) and GRI. WALE by GRI for the Merged Entity is calculated on a pro forma basis.

3.3 Leapfrogs to one of the Top 10 Largest REITs in Asia

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

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



Source: FactSet as at the Last Trading Day.
Assumes FX rates SGD/HKD = 5.7477 and SGD/JPY = 84.6579 as at the Last Trading Day.

Countries: AU: Australia; CN: China; CH: Switzerland; FR: France; GE: Germany; HK SAR: Hong Kong SAR; IN: India; JP: Japan; MY: Malaysia; NL: Netherlands; SG: Singapore; KR: South Korea; UK: United Kingdom; US: United States of America; VN: Vietnam.

Note:

(1) Illustrative market capitalisation of the Merged Entity is calculated based on the Scheme Issue Price of S$2.0039 and the pro forma total number of units outstanding for the Merged Entity as at the Last Trading Day of 5,217.8 million, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or the Cash-Only Consideration. Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the market capitalisation for Merged Entity would be S$10.9 billion.

3.3.2 The Merged Entity will have a free float size equivalent to or greater than MCT's and will remain a constituent of key indices

The Merged Entity will maintain a free float equivalent to or greater than MCT's current free float size, valued at S$4.5 billion as at the Last Trading Day, and is the fifth[27] largest free float size among S-REITs. Any potential uplift in the Merged Entity's free float size on completion of the Merger and the Preferential Offering[28], will be determined by the results of the election of the form of the Scheme

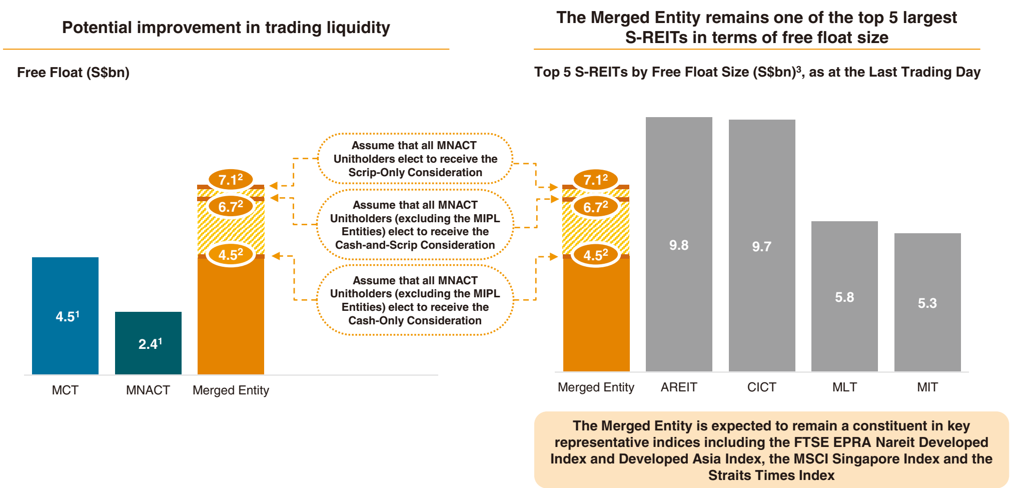
[27] Based on the top 10 S-REITs by free float market capitalisation (excluding the Merged Entity) as at the Last Trading Day. Top 10 REITs by free float market cap: Ascendas Real Estate Investment Trust ("**AREIT**"), CapitaLand Integrated Commercial Trust ("**CICT**"), Mapletree Logistics Trust ("**MLT**"), Mapletree Industrial Trust ("**MIT**"), MCT, Frasers Logistics & Commercial Trust, Frasers Centrepoint Trust, Keppel DC REIT, MNACT and Keppel REIT. Free float calculated as total units excluding sponsor-held units.

[28] The Preferential Offering will only proceed if the Preferential Offering Conditions (as defined below) have been satisfied.

Consideration to be received by the MNACT Unitholders, increasing with the election of the Scrip-Only Consideration or Cash-and-Scrip Consideration and pro-rata participation of MCT Unitholders in the Preferential Offering.

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

The Merged Entity is expected to continue to be a constituent in the same indices. Based on the developed markets classification in the FTSE EPRA Nareit Developed Index and Developed Asia Index, the Merged Entity is expected to remain a constituent in the FTSE EPRA Nareit Developed Index and Developed Asia Index as the pro forma earnings before interest and tax ("**EBIT**") contribution of the Merged Entity will continue to be primarily from the developed markets, estimated at 88.1%. In addition, the Merged Entity will maintain or expand its representation in both the MSCI Singapore Index and Straits Times Index, depending on the uplift in free float (if any) and remains one of the top five largest S-REITs in terms of free float size as at the Last Trading Day.



Sources: FactSet, Market data aligned to MSCI Singapore Index closing information as at the Last Trading Day.

Notes:

(1) Free float for MCT excludes MCT Units held by the Sponsor via HFPL, HF Place, HF Eight, Sienna and the MCT Manager. Free float for MNACT excludes MNACT Units held by the Sponsor via Kent, Suffolk, the MNACT Manager and MNAPML. MCT's free float is computed based on 2,239.6 million free float units multiplied by MCT Unit price of S$2.0000 as at the Last Trading Day. MNACT's free float is computed based on 2,182.3 million free float units multiplied by MNACT Unit price of S$1.1100 as at the Last Trading Day.

(2) The Merged Entity's free float excludes units that would be held by the Sponsor through its various subsidiaries and associates. The Merged Entity's free float is computed based on 3,332.7 million free float units multiplied by the Scheme Issue Price of S$2.0039 per unit, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. The Merged Entity's free float is computed based on 3,540.9 million free float units multiplied by the Scheme Issue Price of S$2.0039 per unit, assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. The Merged Entity's free float is computed based on 2,239.6 million free float units multiplied by the Scheme Issue Price of S$2.0039 per unit, assuming all MNACT Unitholders elect to receive the Cash-Only Consideration.

(3) Based on the top 10 S-REITs by free float market capitalisation (excluding the Merged Entity) as at the Last Trading Day. Top 10 REITs by free float market cap: AREIT, CICT, MLT, MIT, MCT, Frasers Logistics & Commercial Trust, Frasers Centrepoint Trust, Keppel DC REIT, MNACT and Keppel REIT. Free float calculated as total units excluding sponsor-held units.

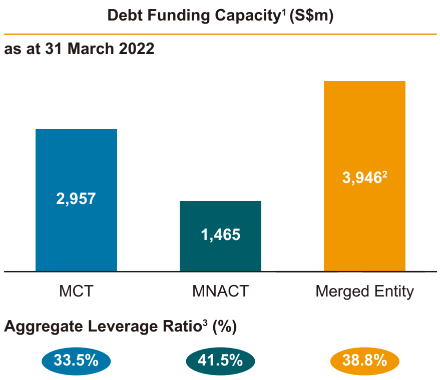
3.4 Enlarged Platform Better Positioned to Unlock Upside Potential

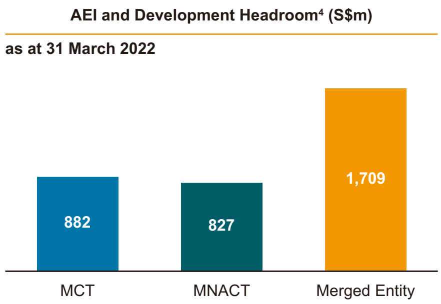
3.4.1 Enhanced financial flexibility to pursue more growth opportunities

The Merged Entity is expected to have an aggregate leverage ratio of 38.8%[29] as at 31 March 2022, on a pro forma basis, and will have a larger debt funding capacity of approximately S$3.9 billion.

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

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





Notes:

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

(2) Debt funding capacity assumes that an additional S$237.9 million of acquisition debt was drawn down on 1 April 2021 to partially fund the cash component of the Scheme Consideration and the Transaction Costs (as defined below) of the Merger, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or Cash-Only Consideration.

(3) Aggregate leverage ratios for MCT and MNACT as at 31 March 2022 as announced on 20 April 2022 and 19 April 2022 respectively.

(4) Development headroom calculated based on 10.0% of the deposited property of MCT, MNACT and the Merged Entity respectively, with the deposited property of the Merged Entity based off the pro forma aggregate deposited property of MCT and MNACT. MCT's AUM and MNACT's AUM as at 31 March 2022 were used as proxy for the deposited property.

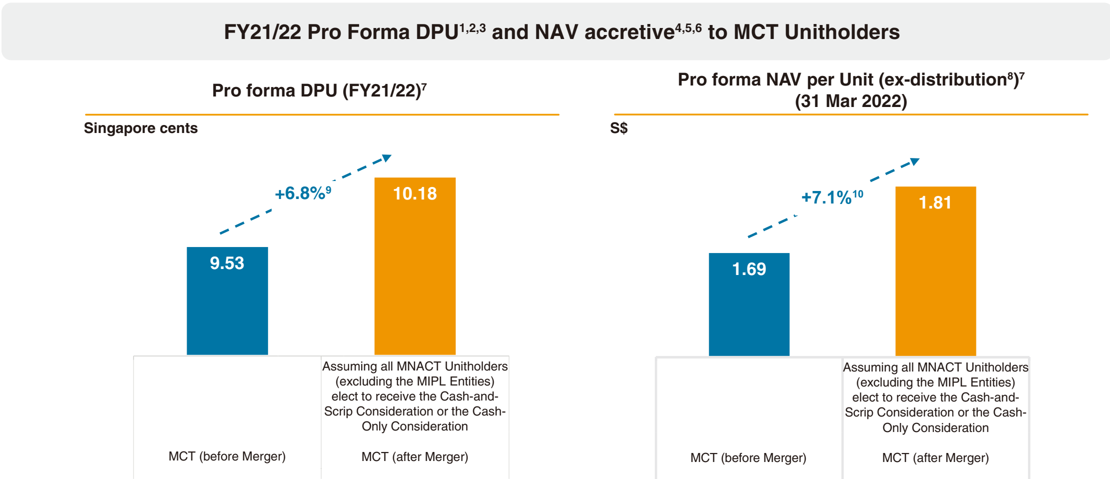
3.5 FY21/22 Pro Forma DPU and NAV accretive to MCT Unitholders

Assuming that the Merger had been completed on 1 April 2021, the pro forma DPU for FY21/22 would have increased from 9.53 Singapore cents to 9.94 Singapore cents (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration) or 10.18 Singapore cents (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or Cash-Only Consideration). This translates to a pro forma FY21/22 DPU accretion of 4.3% and 6.8% respectively.

Additionally, assuming that the Merger had been completed on 31 March 2022, the pro forma NAV per unit (ex-distribution) as at 31 March 2022 would have increased from S$1.69 to S$1.81 for all three Scheme Consideration options. This translates to a pro forma FY21/22 NAV per unit accretion of 7.1%.

29 Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or the Cash-Only Consideration.

The MCT Manager made capital allowance claims and retained capital distribution totalling S$43.7 million in FY19/20[30] to conserve liquidity in view of the uncertainty due to the COVID-19 pandemic. Of this, S$28.0 million was released to MCT Unitholders in FY20/21[31] and the remaining retained cash of S$15.7 million was released to MCT Unitholders in FY21/22.



Notes:

(1) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Scheme Consideration is assumed to comprise: (i) S$18.1 million of acquisition debt drawn down to fund the Transaction Costs of the Merger; and (ii) 2,086.6 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit.

(2) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, the Scheme Consideration is assumed to comprise: (i) additional S$237.9 million of acquisition debt drawn down and S$200.0 million of perpetual securities issued to fund the cash component of the Scheme Consideration and Transaction Costs of the Merger; and (ii) 1,878.4 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit.

(3) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, the Scheme Consideration assumes (i) additional S$237.9 million of acquisition debt drawn down and S$200.0 million of perpetual securities issued to fund the cash component of the Scheme Consideration and Transaction Costs of the Merger; and (ii) 785.3 million Consideration Units and 1,093.1 million MCT Units issued through the Preferential Offering at the Scheme Issue Price of S$2.0039 per unit.

(4) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Scheme Consideration is assumed to comprise: (i) S$18.1 million of acquisition debt drawn down to fund the Transaction Costs of the Merger; and (ii) 2,103.7 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit.

(5) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, the Scheme Consideration is assumed to comprise: (i) additional S$237.9 million of acquisition debt drawn down and S$200.0 million of perpetual securities issued to fund the cash component of the Scheme Consideration and Transaction Costs of the Merger; and (ii) 1,895.5 million Consideration Units issued at the Scheme Issue Price of S$2.0039 per unit.

(6) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, the Scheme Consideration assumes (i) additional S$237.9 million of acquisition debt drawn down and S$200.0 million of perpetual securities issued to fund the cash component of the Scheme Consideration and Transaction Costs of the Merger; and (ii) 802.4 million Consideration Units and 1,093.1 million MCT Units issued through the Preferential Offering at the Scheme Issue Price of S$2.0039 per unit.

(7) The pro forma financial effects of the Merger on MCT and all references to the pro forma financial information of MCT are for illustrative purposes only; they are not intended to be nor shall they constitute profit forecasts.

(8) Excludes MCT's reported 2H FY21/22 DPU of 5.14 Singapore cents.

(9) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Merged Entity's pro forma FY21/22 DPU is 9.94 Singapore cents and the pro forma FY21/22 DPU accretion is 4.3%.

(10) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, the Merged Entity's pro forma NAV per unit (ex-distribution) as at 31 March 2022 is S$1.81 and the pro forma NAV accretion as at 31 March 2022 is 7.1%.

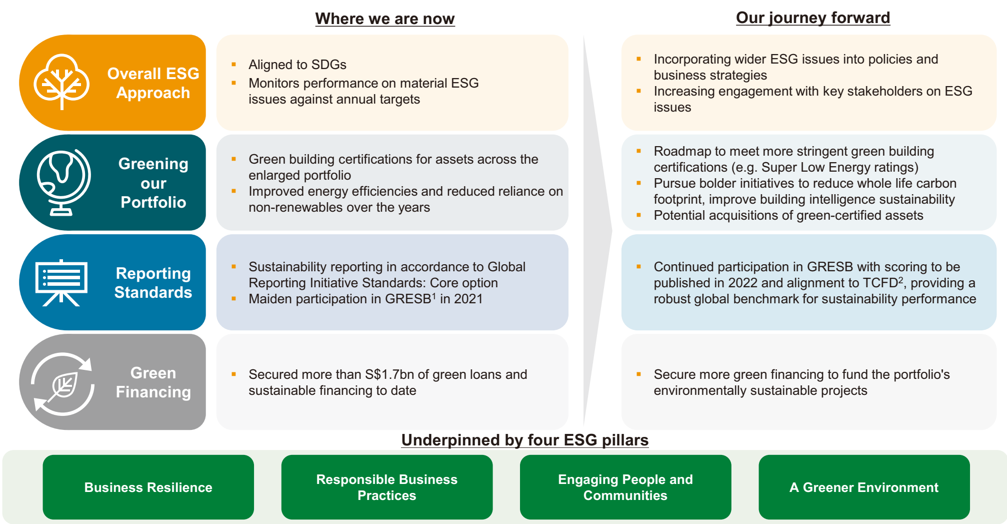
30 "**FY19/20**" means the financial year ended 31 March 2020.

31 "**FY20/21**" means the financial year ended 31 March 2021.

3.6 Reinforced Commitment to Sustainability

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

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



Notes:

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

(2) The TCFD was established to develop recommendations for more effective climate-related disclosures and, in turn, enable stakeholders to understand better the companies' exposures to climate-related risks.

3.7 Continued Support and Strong Commitment from Sponsor

MIPL, as Sponsor of MCT and MNACT, has demonstrated its conviction and support for the Merger and the Trust Scheme as well as its confidence in the long-term value and articulated strategy of the Merged Entity.

1. **Sponsor has undertaken to subscribe for the Maximum Preferential Offering Units of up to S$2.2 billion at the issue price of S$2.0039[1] per MCT Unit. This will satisfy the additional cash requirement for the Cash-Only Consideration with no incremental debt financing and no increase in the maximum number of new MCT Units to be issued**
2. **Sponsor's undertaking to receive 100% Scrip-Only Consideration remains unchanged**
3. **Sponsor has agreed to a voluntary 6-month lock-up of its unitholdings in the Merged Entity[2]**
   Sponsor's resultant stake in MPACT could range from 34.76%[3] to 57.09%[4], representing its conviction in the Merged Entity
4. **Sponsor continues to support the MCT Manager's agreement to waive its acquisition fee entitlement**
5. **Sponsor supports the adoption of REIT management fee structure pegged to distributable income and DPU growth, which will promote closer alignment of interests with unitholders**

Notes:

(1) The issue price of S$2.0039 per MCT Unit under the Preferential Offering is the same as the Scheme Issue Price of each Consideration Unit of S$2.0039 (being the 1-day VWAP per MCT Unit as at the Last Trading Day).

(2) The lock-up period commences from the earlier of the date of completion of the Trust Scheme and the date of completion of the Preferential Offering until the date falling six months after such date.

(3) Based on an aggregate of 5,427,244,574 units in the Merged Entity, assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(4) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and the relevant MIPL Entities subscribe for the Maximum Preferential Offering Units. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

3.7.1 Full Backing of Preferential Offering by Sponsor

To further demonstrate its conviction and support for the Merger, the Sponsor has undertaken via the MIPL Undertaking to subscribe for the Maximum Preferential Offering Units of up to S$2.2 billion at an issue price of S$2.0039 per Preferential Offering Unit. This will be used to finance the additional cash requirement for the Cash-Only Consideration with no incremental debt financing requirement nor impact on the aggregate leverage of MCT and the Merged Entity above that which was already required or would result under the Trust Scheme prior to the introduction of the Cash-Only Consideration.

3.7.2 Sponsor's undertaking to receive 100.0% Scrip-Only Consideration remains unchanged

The Sponsor has provided an undertaking to receive 100.0% Scrip-Only Consideration as payment of the Scheme Consideration in respect of all its MNACT Units. Accordingly, the MIPL Entities which hold MNACT Units, being Kent, Suffolk, MNAPML and the MNACT Manager, will be electing to receive 100.0% Scrip-Only Consideration as payment of the Scheme Consideration in respect of all their MNACT Units.

3.7.3 Sponsor has agreed to a voluntary six-month lock-up of its unitholdings in the Merged Entity

As an additional demonstration of commitment for the Merged Entity and increased alignment with unitholders, MIPL has also agreed via the Sponsor Lock-Up Undertaking to a voluntary six-month lock-up of the unitholdings of the MIPL Entities in the Merged Entity following the completion of the Trust Scheme or the Preferential Offering[32] (whichever is earlier). The Sponsor's resultant stake in the Merged Entity could range from 34.76% to 57.09%, representing its conviction in the Merged Entity.

3.7.4 Sponsor continues to support the MCT Manager's agreement to waive its acquisition fee entitlement

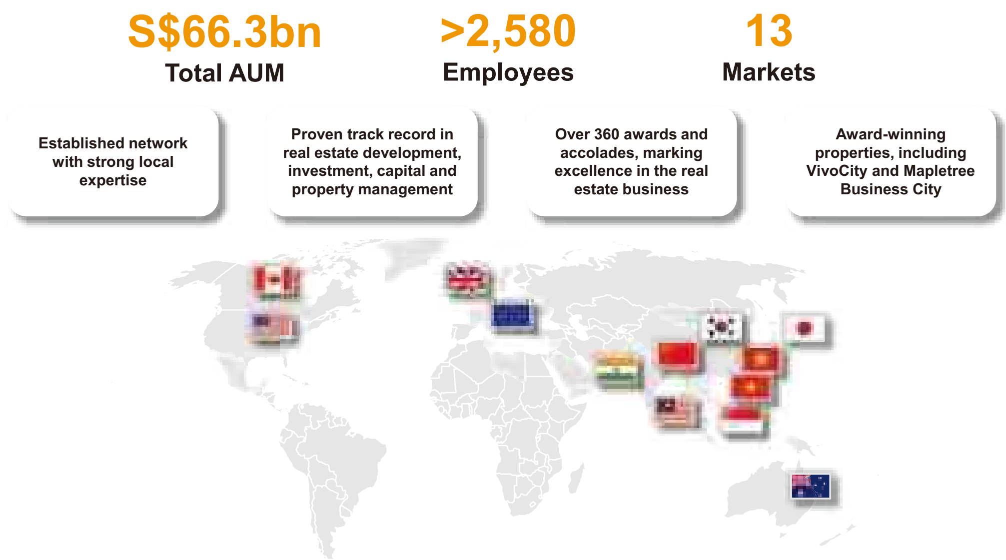
To demonstrate its commitment and support for the Merger and growth of the Merged Entity, the MCT Manager (with the support of MIPL, which owns 100.0% of the MCT Manager and is the Sponsor of both MCT and MNACT) has agreed to waive its acquisition fee entitlement under the MCT Trust Deed in respect of the Merger.

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

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

3.7.6 Leverage on domain expertise and track record of Sponsor

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



Source: MIPL figures as at 31 March 2021.

[32] The Preferential Offering will only proceed if the Preferential Offering Conditions have been satisfied.

3.8 Rationale and Key Benefits: Conclusion

MCT is a Singapore-focused commercial REIT that has been appreciated by investors for its stability and track record. However, given the small size of the Singapore market and inherently limited transaction opportunities for commercial assets, the MCT Manager believes that the next step in augmenting MCT's long-term sustainable growth is for MCT to expand overseas, and specifically into Pan Asia.

The Merger has been proposed amidst an expected recovery from COVID-19 as a pathway for further growth by merging MCT with MNACT's ready and established platform. Although short- to medium-term challenges remain amidst uncertainties in recovery, MCT sees value in MNACT's assets and in the long-term prospects of growth in the key gateway markets of Asia. As such, the integration of MCT's strength with MNACT's ready platform will put the Merged Entity on an enhanced growth trajectory. The Merged Entity will be an enlarged platform with both scale and reach, and will be better-placed to capture accretive growth opportunities across the key gateway markets of Asia.

Ultimately, the Merger provides MCT Unitholders with immediate financial benefits and access to attractive footholds into North Asia that is supported by established local operating teams with extensive experience and strong track records. By merging with a ready platform, opportunities for growth and expansion into Pan Asia can be seized more quickly and easily as opposed to purchasing assets on an individual basis.

Strategically, the Merger is expected to be a transformative merger combining strength and growth potential to create a flagship Asian commercial REIT with stability and scale. The Merged Entity will be a proxy to key gateway markets of Asia that is anchored by a high quality and diversified commercial portfolio. The integration of size and a ready platform will place the Merged Entity well to pursue growth opportunities across geographies. The Merged Entity will have a free float size equivalent to or greater than MCT's and will remain a constituent of key indices, ultimately benefitting all unitholders of the Merged Entity.

4. FUTURE INTENTIONS FOR THE MERGED ENTITY

4.1 Intentions for the Merged Entity

Subject to the Trust Scheme becoming effective on the Effective Date, it is intended that the following matters be undertaken:

4.1.1 Expansion of Investment Mandate

As stated in **Paragraph 1.7.1**, it is intended that upon the Trust Scheme becoming effective in accordance with its terms, the existing investment mandate of MCT will be expanded to the Expanded Investment Mandate.

4.1.2 Appointment of the MCT Manager as manager of MNACT and Fee Structure of the Merged Entity

On or about the completion of the Merger, it is intended that the MNACT Manager will retire as the manager of MNACT and the MCT Manager will be appointed as the manager of the delisted MNACT, in each case, in accordance with the terms of the MNACT Trust Deed. Accordingly, it is currently intended that the management fees which would otherwise have been payable to the MNACT Manager (including base management fees, performance management fees, acquisition fees and divestment fees) pursuant to the MNACT Trust Deed will, instead, be payable to the MCT Manager.

It is also intended that, subject to the approval by MCT Unitholders of Resolution 4 (MCT Trust Deed Amendments), a revised management fee structure will be adopted such that the management fees payable to the MCT Manager will constitute:

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

(ii) 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 that financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.

For the avoidance of doubt:

(a) the revised management fee structure is subject to the approval of the MCT Unitholders which is being sought pursuant to Resolution 4 (MCT Trust Deed Amendments), and is subject to the Trust Scheme becoming effective in accordance with its terms and will take effect from the Effective Date;

(b) the Merger will **not** be conditional on the approval of Resolution 4 (MCT Trust Deed Amendments) by the MCT Unitholders. In the event that Resolution 1 (Proposed Merger), Resolution 2 (Proposed Issuance of Consideration Units) and Resolution 3 (Whitewash Resolution) are approved but Resolution 4 (MCT Trust Deed Amendments) is not approved, the Merger will proceed on satisfaction and/or waiver of all Conditions and MCT's existing fee structure will continue to apply to the Merged Entity; and

(c) the MCT Trust Deed Amendments will **remain** conditional on Resolution 1 (Proposed Merger), Resolution 2 (Proposed Issuance of Consideration Units) and Resolution 3 (Whitewash Resolution) being approved by the MCT Unitholders. In the event that any of the above-mentioned resolutions are not passed, the MCT Trust Deed Amendments will not be adopted and MCT's existing fee structure will continue to apply to MCT.

Under the revised management fee structure, assuming Resolution 4 (MCT Trust Deed Amendments) is approved by the MCT Unitholders, the performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding financial year[33]. In determining the performance fee, the first year for which DPU growth is based on is the financial year ended 31 March 2022. Further, in determining the performance fee for the financial year ending 31 March 2023, the difference in DPU will be based on the DPU of the Merged Entity for the financial year ending 31 March 2023 and the DPU of MCT for the financial year ended 31 March 2022.

For the purpose of the computation of the performance fee only, the DPU shall be calculated based on all income of the Merged Entity arising from the operations of the Merged Entity, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the authorised investments of the Merged Entity but shall exclude any one-off income of the Merged Entity such as any income arising from any sale or disposal of (i) any real estate (whether directly or indirectly through one or more special purpose vehicles) or any part thereof, and (ii) any investments forming part of the assets of the Merged Entity or any part thereof. The rationale for computing the DPU in the manner described above is to ensure that the measure of the performance of the Merged Entity's manager is based on the recurring income of the Merged Entity arising from the operations as opposed to one-off income such as a sale or disposal of assets which may skew the DPU in a relevant financial year.

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

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

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

Assuming Resolution 4 (MCT Trust Deed Amendments) is approved by the MCT Unitholders, following completion of the Merger, the fees payable to the MCT Manager and MCT Trustee are as follows[34]:

Management Fees(1)	
Base Fee	10.0% of the distributable income of the Merged Entity (calculated before accounting for the base fee and performance fee).
Performance Fee	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 that financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.
Acquisition Fee(2)	Not more than 1.0% of each of the following as is applicable (subject to there being no double-counting): (a) the acquisition price of any real estate purchased, whether directly or indirectly through one or more special purpose vehicles, by the trustee of the Merged Entity on behalf of the Merged Entity (plus any other payments in addition to the acquisition price made by the trustee of the Merged Entity on behalf of the Merged Entity or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of the Merged Entity's interest); (b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased, whether directly or indirectly through one or more special purpose vehicles, by the trustee of the Merged Entity on behalf of the Merged Entity (plus any additional payments made by the trustee of the Merged Entity on behalf of the Merged Entity or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of the Merged Entity's interest); or (c) the acquisition price of any investment purchased by the trustee of the Merged Entity on behalf of the Merged Entity, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

34 For a comparison table of the current management fee structure of MCT, the current management fee structure of MNACT and the revised management fee structure of the Merged Entity, please refer to **Schedule 1, Part 3**. For more information on other fees relating to the MCT Properties and MNACT Properties which will continue to apply post-Merger, please refer to **Schedule 1, Part 4** and **Schedule 1, Part 5**.

Management Fees[1]	
Divestment Fee[2]	Not more than 0.5% of each of the following as is applicable (subject to there being no double-counting): (a) the sale price of real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the trustee of the Merged Entity acting on behalf of the Merged Entity (plus any other payments in addition to the sale price received by the trustee of the Merged Entity on behalf of the Merged Entity or its special purpose vehicles from the purchaser in connection with the sale or divestment of the property) (pro-rated, if applicable, to the proportion of the Merged Entity's interest); (b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the trustee of the Merged Entity on behalf of the Merged Entity (plus any additional payments received by the trustee of the Merged Entity on behalf of the Merged Entity or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of the Merged Entity's interest); or (c) the sale price of any investment sold or divested by the trustee of the Merged Entity acting on behalf of the Merged Entity, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
Trustee's Fee[1], [2]	
Not more than 0.1% per annum of the Value of the Deposited Property (each as defined in the MCT Trust Deed), subject to a minimum of S$12,000 per month excluding all reasonable out-of-pocket expenses and all applicable goods and services tax.	

Notes:

(1) This summary should be read in conjunction with, and in the context of, the MCT Trust Deed.

(2) This is the same rate as presently adopted by MCT.

The proposed new fee structure for the Merged Entity is pegged to distributable income and DPU growth, and is expected to promote closer alignment of interests with the Merged Entity's unitholders by directly incentivising long-term sustainable distributable income and DPU growth. The Merger therefore provides a timely opportunity for the MCT Manager to propose this change in fee structure.

The new fee structure will also result in lower fees for the Merged Entity as a percentage of total assets.

FY21/22		**Merged Entity Pro forma basis**	
Management fee estimates	**MCT (based on MCT's current fee structure)**	**Assuming the Merged Entity continues to apply MCT's current fee structure**	**Based on the proposed new fee structure**
Manager's base fee (S$'m)	22.2	43.6	56.8(1) – 57.4(2)
Manager's performance fee (S$'m)	15.5	28.6	2.8(2) – 6.4(1)
Total (S$'m)	**37.8**	**72.2**	**60.3(2) – 63.2(1)**
Total assets (S$'m)	8,984.5	17,440.6	17,440.6
Total management fee as a % of total assets	**0.42%**	**0.41%**	**0.35%(2) – 0.36%(1)**

Notes: Percentage values may not add up due to rounding differences.

(1) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or Cash-Only Consideration.

(2) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration.

For illustration, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration and/or the Cash-Only Consideration, the total management fees for the Merged Entity based on the new fee structure (and based on the historical pro forma financial information for FY21/22) is between S$60.3 million and S$63.2 million (between 0.35% and 0.36% of the Merged Entity's total asset base), which is lower than the S$72.2 million (0.41% of the Merged Entity's total asset base) if the Merged Entity were to continue with MCT's existing fee structure. This is in spite of the Merger that is expected to deliver between 4.3% to 6.8% of accretion to DPU (depending on the final consideration mix as a result of the Merger). The DPU in the following year will have to be higher for the performance fee to be paid to the manager of the Merged Entity.

Overall, the Merged Entity will be better positioned for long-term sustainable growth with a fee structure that is based on DPU growth and an optimal mix of management fees that are paid in units and cash which aligns with unitholders' interests whilst minimising the dilutive impact of an issuance of units.

4.1.3 Board and Management of the Merged Entity

The existing board of directors of the MCT Manager will be reviewing the composition of the board of directors and management of the MCT Manager. The MCT Manager expects that post-review, the board of directors of the manager of the Merged Entity will comprise such number of independent directors to be in line with the corporate governance requirements applicable to REIT managers, including the Code of Corporate Governance 2018. The appointment of any new directors or key management staff of the Merged Entity (if any) will be subject to the relevant corporate approvals and the approval of the MAS (if applicable).

As at the Latest Practicable Date, it is intended that Ms. Lim Hwee Li Sharon who currently holds the positions of Chief Executive Officer and Executive Director in the MCT Manager, will retain these positions in the manager of the Merged Entity following completion of the Merger.

4.1.4 Renaming of the Merged Entity

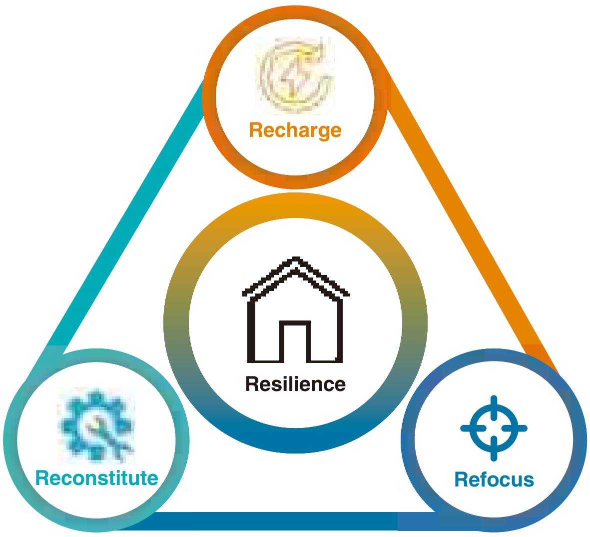
Following the Merger, the Merged Entity will be renamed as "Mapletree Pan Asia Commercial Trust".

4.2 Post-Merger Strategy of the MCT Manager in respect of the Merged Entity

The key objectives of the MCT Manager are to provide unitholders of the Merged Entity with a relatively attractive rate of return on their investment through regular and steady distributions, and to achieve long-term stability in DPU and NAV per unit, while maintaining an appropriate capital structure for the Merged Entity.

Following the Merger, the MCT Manager intends to implement the following post-Merger strategies in order to achieve its key objectives and to realise benefits from the Merger.

4.2.1 "4R" Asset and Capital Management Strategy



(i) **Recharge**

The MCT Manager will seek to drive NPI and DPU growth by incorporating best practices across the Merged Entity's portfolio to maximise operational performance, together with, among others, the optimisation of tenant mix and the pursuit of active asset management, accretive asset enhancement and redevelopment opportunities.

(ii) **Reconstitute**

The MCT Manager will seek to optimise the Merged Entity's portfolio by pursuing selective strategic divestments at an opportune time. The MCT Manager will also look to redeploy capital into higher yielding quality properties or other asset enhancement and redevelopment opportunities to drive returns.

(iii) **Refocus**

The MCT Manager will pursue accretive strategic acquisitions and participate in strategic developments, leveraging the local market expertise of the Merged Entity's "on-the-ground" teams as well as the Sponsor's strong Asia network and extensive pipeline.

For future growth, the Merged Entity will focus on adding office and office-like business park assets anchored by tenants in high growth sectors, including tech-enabled and biomedical tenants, to its portfolio. Key markets for growth include South Korea, Singapore and select cities in China.

(iv) **Resilience**

The MCT Manager will adopt a comprehensive capital management strategy to maintain a strong balance sheet, maximise liquidity and minimise risk. The MCT Manager will employ an appropriate capital structure while optimising cost of debt. This strategy is supported by securing access to diversified funding sources across financial institutions and capital markets. Appropriate hedging strategies to manage interest rate and forex exposure will continue to be implemented to address risks posed by market volatility.

4.2.2 The Merged Entity will embark on a proactive and tailored strategy to realise benefits from the Merger

(i) Drive NPI and DPU growth through cross-pollination of teams and active asset management while capitalising on market recovery

The MCT Manager will focus on realising the benefits of the enlarged platform through the integration and cross-pollination of legacy MCT and MNACT teams across core functions and geographies. In doing so, the MCT Manager will seek to harness valuable intellectual capital and best practices that can be implemented across the enlarged platform to capture efficiencies, enhance portfolio optimisation and capitalise on market recovery trends to drive NPI and DPU growth.

(ii) Unlock value through selective strategic divestments at an opportune time

The MCT Manager will undertake selective strategic divestments as part of a broader portfolio optimisation strategy. In pursuing selective divestments, the Merged Entity will unlock value to redeploy capital in the best interest of unitholders.

The Merged Entity's Japan portfolio consists of nine decentralised office properties located across Tokyo, Yokohama and Chiba. Collectively, these properties represent approximately 10.0% of the Merged Entity's AUM and 11.0% of the Merged Entity's NPI.

Post-Merger, the Merged Entity's portfolio will comprise a significant proportion of stable and well-diversified assets in Singapore, allowing the Merged Entity to pursue opportunities to rebalance the Japan portfolio.

Given that the Japan assets represent a relatively small proportion of the enlarged portfolio, and considering Japan's status as a mature market with benign growth, the MCT Manager will look to capitalise on opportunities to make selective divestments at opportune times.

(iii) Focus on accretive acquisitions of office and office-like business park assets in key gateway cities, anchored by tenants in high growth sectors and leveraging on the enlarged balance sheet and enhanced financial flexibility

The Merged Entity's enlarged portfolio consists of 18 commercial properties spanning five Asia gateway markets, including Singapore, China, Hong Kong SAR, Japan and South Korea.

The MCT Manager aims to expand the Merged Entity's AUM by pursuing a primarily acquisitive growth strategy within its existing markets, and leveraging its enlarged balance sheet to focus on opportunities within key gateway cities that can drive growth in NPI and DPU.

The MCT Manager will focus on properties anchored by tenants from high growth sectors across South Korea's Grade A office market, as well as Grade A office and office-like business park assets in select cities in China.

Office assets: The MCT Manager sees significant opportunities in South Korea's Grade A office market which has shown strong growth despite the uncertainty caused by COVID-19 and benefits from attractive market dynamics, including built-in rental escalations. The MCT Manager will look to selectively increase exposure to the South Korea office market with assets of similar quality as TPG.

The MCT Manager also sees opportunities in select Chinese cities on the back of the country's commitment to high quality growth and development, encouraging innovation and digitalisation, which is expected to drive demand from sectors such as technology, media, and telecommunications ("**TMT**"), finance and business services, as well as a general preference to work from the office, defending against the global trend of remote work.

Office-like business park assets: The pandemic operating environment generally favours business park assets as cost-sensitive tenants are attracted to the affordability of decentralised offices. The MCT Manager will look to expand the Merged Entity's presence in office-like business park assets across select Chinese cities, with a view to replicate the performance and stability of Sandhill Plaza in Shanghai.

4.2.3 A localised and tailored strategy for each market seeks to maximise benefits of the Merger

The following sections contain views of the MCT Manager and Colliers, which was jointly engaged by the MCT Manager and the MNACT Manager to perform independent market research in relation to the Merger.

(i) Singapore

Market View	Retail sales expected to gradually return to pre-COVID-19 levels by end-2023 in tandem with easing restrictions. Market dynamics conducive to recovery and demand for good quality decentralised offices and business parks expected to remain resilient.
Asset Level View	**5 Singapore assets** VivoCity is Singapore's largest mall, positioned as a multi-dimensional retail destination for both locals and tourists. MBC is a large-scale integrated office, business park and retail complex with Grade A building specifications set amidst lush greenery. Its environmentally sustainable design and modern features make it highly appealing to tenants in new growth sectors. Both VivoCity and MBC are located within the Greater Southern Waterfront precinct, and are considered to be best-in-class assets. Stable cash flows from a well-diversified portfolio of best-in-class assets supported by high quality tenants. Focus remains to maintain a healthy portfolio occupancy and sustainable rental income.

Post-Merger Strategy	<u>**Core and Stability**</u> Singapore will remain a core market to provide underlying portfolio stability. There remains potential to acquire right-of-first-refusal assets from the Sponsor to entrench a market leadership position in the attractive Greater Southern Waterfront precinct.

(ii) Hong Kong SAR

Market View	Hong Kong SAR is one of the world's largest real estate markets with high levels of global investor demand. Despite the size of the market, it remains rare for quality assets of scale to come to the market. The renewal of land leases for a nominal annual fee is standard market practice for property valuations in Hong Kong SAR. A significant proportion of land leases in Hong Kong SAR are due to expire in mid-2047, including over 30,000 land leases in the New Territories which are expiring on 30 June 2047. The Hong Kong SAR government has a clear policy for dealing with land leases and related matters, including extension of land leases[(1)]. Under the policy, all leases (excluding short term tenancies and special purpose leases) not containing a right of renewal ("**non-renewable leases**") may, upon expiry and at the sole discretion of the Hong Kong SAR government, be extended for a term of 50 years without payment of an additional premium. The Lands Department has extended most non-renewable leases since the policy was first promulgated in July 1997[(1)]. Although Festival Walk's lease is a non-renewable lease, there are no exceptional circumstances to expect that the lease will not be renewed (except as in the case of the site being required for a public purpose or a serious breach of the lease). The valuation is done on the basis that the lease will be renewed. Moving forward, the impact of COVID-19 will continue to weigh on the performance of the retail sector, especially in the first half of the year with the current Omicron outbreak. The MCT Manager expects the retail market and shopper sentiments to recover gradually, especially as the current restrictions are gradually relaxed from 21 April 2022 onwards.

Asset Level View	Festival Walk
	Festival Walk is a highly regarded property in the Hong Kong SAR market that is popular among local consumers, particularly within the residential catchment around the property. Festival Walk is directly linked to the Kowloon Tong MTR station of Kwun Tong line and the overland East Rail line that links Hong Kong SAR directly to the Shenzhen border. In addition, Festival Walk is in close vicinity to two universities and schools, easily accessible by bus and road networks, providing the mall with multiple sources of shopper footfall. Performance reached peak levels in FY18/19[35], but has been affected by COVID-19 and social incidents since then. The MCT Manager will focus on recharging the asset to realise its maximum potential. The property is expected to benefit from any potential reopening of borders which will have a positive impact on footfall and sales, driving rental improvements. Although short- to medium-term challenges remain amidst uncertainties in recovery, the MCT Manager continues to see value in Festival Walk and in the long-term prospects of Hong Kong SAR. The property is well-positioned for growth when the impact of COVID-19 recedes and when the Hong Kong SAR retail market recovers. The independent valuation of Festival Walk as at 31 March 2022 utilised a gross capitalisation rate of 4.15% which is within the market range of 3.1% - 4.8%(2) for Hong Kong SAR retail properties.
Post-Merger Strategy	**Recovery** Focus on putting Festival Walk back on track towards its pre-COVID-19 and pre-social incidents levels before considering further expansion in Hong Kong SAR. The MCT Manager is focused on the stabilisation and improvement of Festival Walk such as by maintaining high occupancy and enhancing attractiveness of the mall. Unlikely to increase retail and office exposure in Hong Kong SAR without exceptional catalysts.

Notes:

(1) Source: Lands Department, The Government of the Hong Kong SAR.

(2) Based on portfolio capitalisation rates adopted for Fortune REIT's Hong Kong SAR investment properties and Link REIT's Hong Kong SAR retail properties as at 30 June 2021 and 30 September 2021, respectively.

35 "**FY18/19**" means the financial year ended 31 March 2019.

(iii) China

Market View	One of the world's fastest growing economies underpinned by the new "dual circulation" development strategy. China's commitment to high quality growth and development, encouraging innovation and digitalisation, is expected to drive demand from sectors such as TMT, finance and business services. The Grade A office market in Lufthansa is expected to recover by early 2023, supported by steady demand from key business sectors. Zhangjiang Science City, an innovation hub in Pudong, Shanghai, is expected to ride on growing IT and biomedical sectors, where demand is expected to outstrip supply and drive rental growth. Further development of the China REIT sector will deepen liquidity of the real estate market.
Asset Level View	**Gateway Plaza (Beijing)** Gateway Plaza is a high quality Grade A office building located in the established and mature Lufthansa Area in Beijing, China, with high quality international tenants and good tenancy profile. As at 31 March 2022, Gateway Plaza reported a high occupancy rate of 94.3%, better than the 84.9% average occupancy rate of Beijing offices. Over the next years, TMT, finance and business services, including domestic insurance, wealth management, media companies and international tenants in the financial services and media sector will form the bulk of leasing demand at Lufthansa. This aligns with Beijing's opening up of the services industry which is expected to benefit Gateway Plaza. **Sandhill Plaza (Shanghai)** Sandhill Plaza is a stable asset with a strong tenant base and consistent performance. The property is expected to benefit from China's push to achieve technology self-sufficiency, especially in industries such as semiconductors and biomedical.

Post-Merger Strategy	<u>**Harvest and Grow**</u> The MCT Manager is focused on maintaining high occupancy levels of the assets through further diversifying their current tenant base and enhancing its leasing strategies, while continually reviewing the assets in the context of the enlarged portfolio. Moving forward, the MCT Manager will continue to leverage on local expertise to seek opportunistic acquisitions in office and office-like business park assets, anchored by tenants in high growth sectors.

(iv) Japan

Market View	Resilient demand expected for offices in decentralised and suburban areas given relatively low new supply and rental cost differentials compared to Tokyo 5 wards. Demand expected to recover as pandemic countermeasures are gradually eased, and businesses return to growth. Growing popularity of satellite offices located in peripheral areas outside of Tokyo 5 wards.
Asset Level View	**9 Japan Office Properties** Comprises mainly decentralised offices that are expected to maintain resilient demand and high occupancy in a stable market. Attractive real estate market, with favourable spread between asset yields and cost of funds. Post-Merger, Japan office assets become a relatively small segment of the merged portfolio, allowing the Merged Entity to rebalance the Japan component and capitalise on opportunities to recycle capital.
Post-Merger Strategy	<u>**Rebalance**</u> The Japan Properties provide a lower cost of funding for the Merged Entity and act as a hedge against volatility. Moving forward, the MCT Manager will endeavour to maintain performance of the Japan Properties before making selective divestments at an opportune time.

(v) South Korea

Market View	South Korea's Grade A office sector has shown strong growth in 2021 despite the uncertainty caused by COVID-19. GBD[(1)] is a strong performing submarket, supported by high-growth tech companies that are still performing well despite COVID-19. Office rental rates in GBD are expected to continue to outperform other submarkets. South Korea is one of the few developed Asian markets with attractive built-in rental escalations.
Asset Level View	**The Pinnacle Gangnam** The property is expected to continue to benefit from the positive rental reversions arising from a high proportion of leases with built-in annual rent escalations and strong leasing demand for expansion and relocation from high-growth IT, pharmaceutical and medical sectors.
Post-Merger Strategy	**Step Up and Grow** Given South Korea's favourable market dynamics, the market remains primed for targeted expansion which the MCT Manager will focus on. The MCT Manager will identify and pursue acquisitions of prime office assets, including the remaining stake in TPG, with the aim of benefitting particularly from growth sectors.

Note:

(1) GBD is one of the three core business districts in Seoul, where TPG is located in.

4.3 Other Intentions

Save as set out in this **Paragraph 4**, there is presently no intention to (i) introduce any major changes to the business of MNACT, (ii) re-deploy the fixed assets of MNACT or (iii) discontinue the employment of the employees of the MNACT Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Merged Entity which may be implemented after the Merger. However, the MCT Board retains and reserves the right and flexibility at any time and from time to time to consider any options in relation to the Merged Entity which may present themselves and which they may regard to be in the interests of the Merged Entity.

There may be interested person transactions (as defined in the Listing Manual) entered into in the ordinary course of business of the Merged Entity upon completion of the Merger. The Merged Entity will comply with the Listing Manual and make the relevant disclosures under Rule 905 of the Listing Manual if the aggregate value of such interested person transactions entered into in the same financial year (excluding the interested person transactions which have been approved by unitholders) is 3.0% or more of the latest audited net tangible assets ("**NTA**") of the Merged Entity.

5. PROPOSED MCT ACQUISITION

5.1 The Implementation Agreement and the Trust Scheme

In connection with the Merger, the Parties had on 31 December 2021 entered into an implementation agreement, as amended by the supplemental implementation agreement dated 28 January 2022 and as further amended pursuant to an amendment and restatement agreement dated 21 March 2022, setting out the terms and conditions on which the Trust Scheme will be implemented (collectively, and as may be further amended, modified or supplemented from time to time, the "**Implementation Agreement**").

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

(i) fully paid;

(ii) free from all encumbrances; and

(iii) together with all rights, benefits and entitlements attaching on and from the date of the Implementation Agreement, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the MNACT Manager on or after the date of the Implementation Agreement, except for the MNACT Permitted Distributions (as defined in **Paragraph 5.6.2**),

(such transfer previously defined in **Paragraph 1.1** as the "**MCT Acquisition**").

The MCT Acquisition requires the approval of the MCT Unitholders under Rules 906(1)(a)[36] and 1014(2)[37] of the Listing Manual and Paragraph 5.2(b)[38] of Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the "**Property Funds Appendix**"), in each case, with each of Temasek, Fullerton, MIPL and their associates (being HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstaining from voting on such resolutions, as required under Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

Further information on the Merged Entity may be found in **Paragraph 1.7** above.

[36] Under Rule 906(1)(a) of the Listing Manual, where MCT proposes to enter into a transaction with an interested person and the value of the transaction is equal to or exceeds 5.0% of the MCT Group's latest audited NTA, the approval of the MCT Unitholders is required in respect of the transaction. Please refer to **paragraph 11.1.1** for details on the requirement for MCT Unitholders' approval.

[37] Under Rule 1014(2) of the Listing Manual, a major transaction must be made conditional upon approval by the MCT Unitholders in general meeting. Please refer to **paragraph 11.2.2** for details on the requirement for MCT Unitholders' approval.

[38] Under Paragraph 5.2(b) of the Property Funds Appendix, MCT Unitholders' approval is required for an interested party transaction by MCT whose value is equal to or exceeds 5.0% of the MCT Group's NAV (which, for the purposes of this footnote, includes distributable income). Please refer to **paragraph 11.1.1** for details on the requirement for MCT Unitholders' approval.

5.2 Conditions to Completion

5.2.1 The Merger is subject to the satisfaction or waiver of the Conditions set out in **Schedule 3, Part 1**.

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

(i) **Paragraph (1), (2), (3), (8)** or **(9)** of **Schedule 3, Part 1** has not been satisfied (or, where applicable, has not been waived in accordance with the Implementation Agreement) by 11.59 p.m. on 31 August 2022 (or such other date as the Parties may agree in writing) (the "**Long-Stop Date**") and the non-satisfaction of such Condition is material in the context of the Merger; or

(ii) **Paragraph (4), (5), (6)** or **(7**) of **Schedule 3, Part 1** is not satisfied (or, where applicable, has not been waived in accordance with the Implementation Agreement) on the date falling on the Business Day immediately preceding the Effective Date (the "**Relevant Date**") and the non-satisfaction of such Condition is material in the context of the Merger,

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

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

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

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

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

(iv) if there has been an occurrence of a MCT Material Adverse Effect (as defined in **Paragraph 7(a)** of **Schedule 3, Part 1**); or

(v) if there has been an occurrence of an MNACT Material Adverse Effect (as defined in **Paragraph 7(b)** of **Schedule 3, Part 1**),

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

5.3 Implementation

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

5.4 Effective Date

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

5.4.1 on a date to be mutually agreed in writing between the MCT Manager and the MNACT Manager, being a date within 30 Business Days from the date that the last of the Conditions set out in **Paragraphs (1), (2), (3), (8)** and **(9)** of **Schedule 3, Part 1** is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement (or such longer period as the MCT Manager and the MNACT Manager may agree in writing); and

5.4.2 provided that the Conditions set out in **Paragraphs (4), (5), (6)** and **(7**) of **Schedule 3, Part 1** are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Implementation Agreement,

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

5.5 Conduct of Business

Each Party has agreed that it shall not, and shall procure that each MCT Group Entity[39] or MNACT Group Entity[40] (as the case may be) shall not, during the period from the date of the Implementation Agreement to the Effective Date, without the prior written consent of the other Parties (as relevant) (such consent not to be unreasonably withheld or delayed), take or refrain from taking any action which is reasonably within its power or control that would or is reasonably likely to result in any of the events or matters set out in **Schedule 3, Part 2** ("**MCT Prescribed Occurrences**") or, as the case may be, any of the events or matters set out in **Schedule 3, Part 3** ("**MNACT Prescribed Occurrences**"), save to the extent:

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

5.5.2 required to give effect to and comply with the Implementation Agreement.

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39 For the purposes of **Paragraph 5** of this Circular only, "**MCT Group**" means, collectively, MCT and its subsidiaries, and any trusts and limited liability partnerships in which MCT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), and"**MCT Group Entity**" shall be construed accordingly.

40 For the purposes of **Paragraph 5** of this Circular only, "**MNACT Group**" means, collectively, MNACT and its subsidiaries, and any trusts and limited liability partnerships in which MNACT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), and "**MNACT Group Entity**" shall be construed accordingly.

5.6 MCT Permitted Distributions and MNACT Permitted Distributions

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

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

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

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

5.7 Switch Option

The Parties have agreed that if:

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

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

(ii) a general offer for the MNACT Units;

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

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

(v) a transaction or series of related transactions which would, or is reasonably likely to, preclude, restrict or frustrate the Merger or the Trust Scheme, (such offer, a "**MNACT Switch Option Competing Offer**"). An MNACT Switch Option Competing Offer will be deemed to be for all or substantially all of the assets, business and/or undertakings of the MNACT Group if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code; or

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

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

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

5.8 Exclusivity

The MNACT Trustee and the MNACT Manager have agreed to grant the MCT Trustee and the MCT Manager exclusivity for a period commencing on the date of the Implementation Agreement and ending on the earliest of the date on which the Implementation Agreement is terminated, the Scheme Settlement Date and the Long-Stop Date, during which the MNACT Trustee and the MNACT Manager shall not, and shall procure that none of their affiliates or their respective representatives or advisers shall:

5.8.1 directly or indirectly solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do any of the foregoing, with a view to obtaining, or to the extent reasonably likely to result in or lead to, any MNACT Competing Offer (as defined in **Schedule 3, Part 4**); or

5.8.2 subject to the MNACT Directors being able to discharge their fiduciary, regulatory or statutory obligations (including those under applicable laws or the Code), negotiate or enter into, or participate in negotiations or discussions with any person in relation to, any MNACT Competing Offer or any agreement, understanding or arrangement which was not directly or indirectly solicited, invited, encouraged or initiated by the MNACT Trustee, the MNACT Manager, or their affiliates or their respective representatives or advisers (the "**Unsolicited Offer**"). For the avoidance of doubt, this provision does not restrict the MNACT Trustee or the MNACT Manager from taking or refusing to take any action with respect to any Unsolicited Offer which would or is reasonably likely to constitute a breach of the MNACT Directors' fiduciary, regulatory or statutory obligations (including those under applicable laws or the Code).

5.9 Termination

Notwithstanding any other provision in the Implementation Agreement, the Implementation Agreement may be terminated at any time on or prior to the Relevant Date pursuant to such terms of the Implementation Agreement as set out in **Paragraph 5.2.2** and **Paragraph 5.2.3** above, provided that (i) the Party seeking to terminate the Implementation Agreement, including in the event of non-satisfaction of any Condition, shall only terminate the Implementation Agreement with the prior consultation of the SIC and subject to the SIC giving its approval for, and stating that it has no objections to, such termination and (ii) the Party seeking to terminate the Implementation Agreement shall provide written notice to all the other Parties to terminate the Implementation Agreement (other than certain surviving provisions) promptly upon the SIC stating that it has no objection to such termination.

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

5.10 Scheme Consideration

In consideration of the transfer of the MNACT Units under the MCT Acquisition, each of the MCT Trustee and the MCT Manager has agreed, subject to the Trust Scheme becoming effective in accordance with its terms, that each MNACT Unitholder will be entitled to receive for each MNACT Unit held by it as at 5.00 p.m. on the Record Date, the following Scheme Consideration, at its election:

5.10.1 **Scrip-Only Consideration**: 0.5963 Consideration Units at the Scheme Issue Price of S$2.0039; **or**

5.10.2 **Cash-and-Scrip Consideration**: S$0.1912 in cash and 0.5009 Consideration Units at the Scheme Issue Price of S$2.0039; **or**

5.10.3 **Cash-Only Consideration**: S$1.1949 in cash,

in accordance with the terms and conditions of the Implementation Agreement. For the avoidance of doubt, each MNACT Unitholder is entitled to elect to receive only one form of the Scheme Consideration, being the Scrip-Only Consideration **OR** the Cash-and-Scrip Consideration **OR** the Cash-Only Consideration, in respect of its entire holdings of MNACT Units held as at 5.00 p.m. on the Record Date. No combination of different forms of the Scheme Consideration is permitted.

The Cash-Only Consideration will be the default form of the Scheme Consideration. MNACT Unitholders who do not make any election or fail to make a valid election for the Scrip-Only Consideration, Cash-and-Scrip Consideration or Cash-Only Consideration shall be deemed to have elected to receive the Cash-Only Consideration if the Trust Scheme becomes effective in accordance with its terms.

MIPL, the Sponsor of both MCT and MNACT, intends to elect to receive the Scrip-Only Consideration in respect of all its MNACT Units and has provided an undertaking to the MCT Manager to this effect.

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

(i) the short- to medium-term uncertainties of the respective property portfolios and the resulting potential benefits to be derived from the Merger of MCT and MNACT;

(ii) prevailing and historical relative market prices (including pre-COVID-19), distribution yields, price-to-NAV per MCT Unit and price-to-NAV per MNACT Unit;

(iii) relevant precedent trust scheme mergers in Singapore;

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

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

(vi) the amount of MCT Permitted Distributions and the amount of MNACT Permitted Distributions to be made by the MCT Manager and the MNACT Manager respectively; and

(vii) the latest available independent market valuations of the respective property portfolios of MCT and MNACT prior to the Joint Announcement[41].

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

As MNACT Unitholders may receive odd lots of MCT Units as part of the consideration for their MNACT Units pursuant to the Trust Scheme, the MNACT Manager will put in place arrangements to facilitate the trading of odd lots so that MNACT Unitholders who wish to round up or down their unitholding to the nearest board lot size of MCT Units (i.e. in multiples of 100 MCT Units) can do so. Please refer to **Paragraph 19** of the Letter to MNACT Unitholders in the Scheme Document for further details of the arrangements to be put in place by the MNACT Manager for the trading of odd lots of MCT Units.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, an MNACT Unitholder holding 1,000 MNACT Units as at the Record Date will receive:

- 596 Consideration Units; **or**

- 500 Consideration Units and S$191.20 in cash; **or**

- S$1,194.90 in cash.

The Scheme Issue Price of S$2.0039 per Consideration Unit may not be equivalent to the market price of, nor reflective of the fair value of, the Consideration Units as at the Effective Date and/or the Scheme Settlement Date.

Each Consideration Unit may, depending on market conditions and sentiments, trade above or below the Scheme Issue Price of each Consideration Unit of S$2.0039.

[41] The latest available independent market valuations of MCT's property portfolio prior to the Joint Announcement were as at 30 September 2021. The latest available independent market valuations of MNACT's property portfolio prior to the Joint Announcement were as at 31 October 2021.

The MCT Manager has reserved the right to adjust the Scheme Consideration by reducing the Cash-Only Consideration, the cash component of the Cash-and-Scrip Consideration, the unit component of the Cash-and-Scrip Consideration, the Scrip-Only Consideration or by any combination of the foregoing, if and to the extent any distribution in excess of the MNACT Permitted Distributions is declared, made or paid by the MNACT Manager on or after the Joint Announcement Date.

5.11 Total Transaction Outlay

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

Assuming that all MNACT Unitholders elect to receive the Scrip-Only Consideration, the total cost of the Merger ("**Total Transaction Outlay**") is currently estimated to be approximately S$4,247.6 million[42], comprising:

(i) the aggregate Scheme Consideration of S$4,229.6 million[42], comprising 2,110.6 million Consideration Units[43]; and

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

5.11.2 Total Transaction Outlay assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration

Assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, the Total Transaction Outlay is estimated to be approximately S$4,250.2 million[42], comprising:

(i) the aggregate Scheme Consideration of S$4,229.6 million[42], comprising S$417.3 million as the cash component of the Scheme Consideration and 1,902.5 million Consideration Units[43]; and

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

5.11.3 Total Transaction Outlay assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration

Assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, the Total Transaction Outlay is estimated to be approximately S$4,250.2 million[42], comprising:

(i) the aggregate Scheme Consideration of S$4,229.6 million[42], comprising S$2,607.6 million as the cash component of the Scheme Consideration and 809.3 million[43] Consideration Units; and

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

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42 This amount is an estimate and may differ from the actual Total Transaction Outlay.

43 Based on an issue price of S$2.0039 for each new MCT Unit and calculated based on a total of 3,539,565,884 MNACT Units in issue at the Effective Date which includes 3,527,974,156 MNACT Units as at the Latest Practicable Date and assumes up to 11,591,728 MNACT Fee Units are issued to the MNACT Manager and MNAPML (in its capacity as property manager of the MNACT Properties) between the Latest Practicable Date and up to an assumed Effective Date of 31 August 2022.

The aggregate Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of MCT, in compliance with its accounting policies. The fair value of a Consideration Unit will be based on the closing price of an MCT Unit as at the Effective Date and not at the Scheme Issue Price of S$2.0039 per Consideration Unit which was the 1-day VWAP of an MCT Unit on the SGX-ST on the Last Trading Day.

5.12 Cash Confirmation

DBS Bank Ltd., the Financial Adviser and the Sole Global Co-Ordinator, confirms that sufficient financial resources are available to MCT to satisfy in full the aggregate cash requirements of the Scheme Consideration pursuant to the Trust Scheme, including in the event that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or the Cash-Only Consideration, or a mixture of both the Cash-and-Scrip Consideration and the Cash-Only Consideration.

5.13 Method of Financing

The MCT Manager will raise up to S$437.9 million to fund the Transaction Costs and partially satisfy the Scheme Consideration through the issuance of perpetual securities and/or debt funding. The payment of such amount of the cash component of the Scheme Consideration which exceeds S$417.3 million will be funded through the Preferential Offering. For the avoidance of doubt, the MCT Manager has put in place sufficient debt facilities to fund the S$437.9 million.

6. PROPOSED ISSUANCE OF CONSIDERATION UNITS

Based on an aggregate of 3,527,974,156 MNACT Units in issue as at the Latest Practicable Date:

(i) assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, approximately 2,103.7 million Consideration Units are estimated to be issued to the MNACT Unitholders as full payment of the Scheme Consideration;

(ii) assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, approximately 1,895.5 million Consideration Units are estimated to be issued to the MNACT Unitholders as partial payment of the Scheme Consideration; and

(iii) assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, approximately 802.4 million Consideration Units are estimated to be issued to the MIPL Entities holding MNACT Units as payment of the Scheme Consideration[44].

The Consideration Units issued will not be entitled to the MCT Permitted Distributions and will, upon issue, rank *pari passu* in all respects with the existing MCT Units, as at the date of their issue.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is issued pursuant to a general mandate obtained from unitholders of the issuer. Such approval is being sought pursuant to Resolution 2.

[44] Up to 1,094 million Preferential Offering Units will be issued. Please refer to **Paragraph 7** for further information.

As announced by the MCT Manager on 25 April 2022, the SGX-ST has granted its approval in-principle for the listing and quotation of up to 2,114 million Consideration Units and up to 1,094 million Preferential Offering Units on the Main Board of the SGX-ST, subject to the following conditions:

(a) compliance with the SGX-ST's listing requirements;

(b) the approval of the independent MCT Unitholders for all the resolutions necessary to effect the Merger (including the independent MCT Unitholders' approvals for the issuance of the Consideration Units and the Whitewash Resolution); and

(c) the approval of the Court for the implementation of the Trust Scheme.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Merger, the Consideration Units, the Preferential Offering, the Preferential Offering Units, MCT and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

7. PREFERENTIAL OFFERING

7.1 Preferential Offering

The introduction of the alternative Cash-Only Consideration option has led to an increase in the maximum cash requirement on the part of MCT to fund the Scheme Consideration from approximately S$417.3 million[45] to approximately S$2.6 billion[46].

To fund the above-mentioned increase in cash requirement arising from the introduction of the Cash-Only Consideration, the MCT Manager will, as announced on 21 March 2022, undertake a pro-rata non-renounceable Preferential Offering of up to 1,094 million Preferential Offering Units to MCT Unitholders at an issue price of S$2.0039 per Preferential Offering Unit, which is the same as the Scheme Issue Price of each Consideration Unit, to raise gross proceeds of up to S$2.2 billion.

Whether the Preferential Offering will be undertaken, as well as the size of the Preferential Offering, will be determined based on the results of the election by MNACT Unitholders for the different forms of the Scheme Consideration pursuant to the Trust Scheme. To fund the cash component of the Scheme Consideration, MCT proposes to raise (a) up to S$417.3 million[47] through the issuance of perpetual securities and/or debt funding and (b) up to S$2.2 billion through the Preferential Offering. For illustrative purposes only:

(i) the Preferential Offering will **not** be undertaken if (A) all MNACT Unitholders elect to receive the Scrip-Only Consideration pursuant to the Trust Scheme or (B) all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration pursuant to the Trust Scheme. The cash amount required by MCT to satisfy the Scheme Consideration in the foregoing scenarios will not exceed the maximum cash amount of S$417.3 million required by MCT to satisfy the cash component of the Cash-and-Scrip Consideration (assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration), which will be funded through the issuance of perpetual securities and/or debt funding;

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45 Being the aggregate cash component of the Scheme Consideration payable assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

46 Being the aggregate cash component of the Scheme Consideration payable assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration.

47 The maximum cash amount required by MCT to satisfy the cash component of the Cash-and-Scrip Consideration is approximately S$417.3 million, assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. Please refer to **Paragraph 5.11** for details.

(ii) the Preferential Offering will be undertaken if the elections for the Scheme Consideration made by the MNACT Unitholders in relation to the Trust Scheme results in the cash component payable by MCT for the Scheme Consideration exceeding S$417.3 million in aggregate. In such instance, MCT proposes to fund the cash amount required by raising (A) up to S$417.3 million through the issuance of perpetual securities and/or debt funding and (B) the remaining through the Preferential Offering; and

(iii) the Preferential Offering will be undertaken if all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration pursuant to the Trust Scheme. The cash amount required by MCT to satisfy the Scheme Consideration will be approximately S$2.6 billion, of which approximately S$417.3 million will be funded through the issuance of perpetual securities and/or debt funding, and the remaining S$2.2 billion will be funded through the Preferential Offering.

DBS Bank Ltd. has been appointed the Sole Global Co-ordinator in relation to the Preferential Offering.

7.2 Rationale for the Preferential Offering

The MCT Manager believes that the Preferential Offering is an efficient and overall beneficial method of raising funds to finance the increase in the cash requirement arising from the introduction of the Cash-Only Consideration. Further, the MCT Manager believes that the Preferential Offering provides existing MCT Unitholders with the opportunity to participate in the growth of the Merged Entity through subscription of their pro-rata Preferential Offering Units entitlements and/or the application for additional Preferential Offering Units in excess of their provisional allotments under the Preferential Offering ("**Excess Preferential Offering Units**").

7.3 Conditions of the Preferential Offering

The Preferential Offering will only proceed if the following conditions are satisfied (the "**Preferential Offering Conditions**"):

(i) the MCT Unitholders approve the requisite resolutions in relation to the Merger (being the resolutions seeking MCT Unitholders' approval for (A) the Merger and (B) the issuance of the Consideration Units);

(ii) the MCT Unitholders approve the Whitewash Resolution;

(iii) the MNACT Unitholders approve the requisite resolutions in relation to the Merger (being the resolutions seeking MNACT Unitholders' approval for (A) the MNACT Trust Deed Amendments[48] to include provisions for the implementation of the Trust Scheme and (B) the Trust Scheme);

(iv) the SGX-ST's approval-in-principle has been obtained for the listing and quotation of the Preferential Offering Units;

(v) the elections for the Scheme Consideration made by the MNACT Unitholders in relation to the Trust Scheme results in the cash component payable by MCT for the Scheme Consideration exceeding S$417.3 million in aggregate; and

(vi) the Court sanctions the Trust Scheme.

[48] "**MNACT Trust Deed Amendments**" means the proposed amendments to the MNACT Trust Deed to include provisions that will facilitate the implementation of the Trust Scheme.

7.4 Issue Price under the Preferential Offering

The issue price of S$2.0039 per Preferential Offering Unit (the "**Preferential Offering Price**") is equivalent to the Scheme Issue Price per Consideration Unit. The Preferential Offering Price represents a 6.3% premium to the volume weighted average price of S$1.8843 per MCT Unit for all trades in the MCT Units on the SGX-ST on 18 March 2022, being the preceding Market Day[49] up to the time of announcement of the Preferential Offering.

7.5 MIPL Undertaking

In support of the Merger, MIPL had, on 21 March 2022, executed an irrevocable undertaking (the "**MIPL Undertaking**") in favour of the MCT Trustee, the MCT Manager and DBS Bank Ltd. (in its capacity as the Financial Adviser), that subject to and conditional upon the MCT Unitholders' approval of the Whitewash Resolution, and subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), MIPL will procure and ensure that one or more of the relevant MIPL Entities will accept and subscribe for the Maximum Preferential Offering Units, and pay in full the consideration payable for the Maximum Preferential Offering Units in accordance with the terms and conditions of the Preferential Offering. The Preferential Offering will not be underwritten, given that MIPL is providing the MIPL Undertaking.

7.6 Sponsor Lock-Up Undertaking

MIPL, as the Sponsor and the largest unitholder of MCT, had on 21 March 2022 executed the Sponsor Lock-Up Undertaking, pursuant to which MIPL had agreed to restrict its right to deal in the MCT Units (the "**Lock-Up Units**") which will be held by the MIPL Entities for a six-month period following the earlier of the date of completion of the Trust Scheme (the "**Trust Scheme Completion Date**") and the date of completion of the Preferential Offering (the "**Preferential Offering Completion Date**"). For the avoidance of doubt, for the purposes of the Sponsor Lock-Up Undertaking: (i) the Trust Scheme is completed on the date on which the Consideration Units are credited to the securities accounts of the MNACT Unitholders pursuant to the Trust Scheme; and (ii) the Preferential Offering is completed on the date on which the Preferential Offering Units are credited to the securities accounts of the MCT Unitholders who participate in the Preferential Offering.

MIPL will not, subject to certain exceptions set out below, without the prior written consent of the MCT Manager (such consent not to be unreasonably withheld or delayed), during the Lock-Up Period (as defined below), directly or indirectly cause or permit any of the MIPL Entities to:

(a) offer, issue, sell, contract to issue or sell, grant any option to purchase or otherwise dispose of, any or all of the Lock-Up Units owned by the MIPL Entities (or any securities convertible into or exchangeable for any such Lock-Up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-Up Units or part thereof); or

(b) publicly announce any intention to do any of the above.

[49] "**Market Day**" refers to a day on which the SGX-ST is open for securities trading.

The restrictions above do not apply to prohibit MIPL or the MIPL Entities, for the period commencing from the earlier of the Trust Scheme Completion Date and the Preferential Offering Completion Date (the "**Preferential Offering Relevant Date**") until the date falling six months after the Preferential Offering Relevant Date (the "**Lock-Up Period**"), from being able to transfer such Lock-Up Units to and between subsidiaries of the Sponsor (each, a "**Subsidiary**"), provided that the Sponsor shall comply with the foregoing restrictions in respect of such Subsidiary as if it were an MIPL Entity for the unexpired period of the Lock-Up Period.

If, for any reason, the Trust Scheme is not completed by 31 August 2022, the Sponsor Lock-Up Undertaking shall be terminated.

7.7 Use of Proceeds

The MCT Manager will raise gross proceeds of up to S$2.2 billion from the Preferential Offering. The size of the Preferential Offering will be announced by the MCT Manager via SGXNET once it has been determined based on the results of the election by MNACT Unitholders for the different forms of the Scheme Consideration pursuant to the Trust Scheme. For illustrative purposes only, if all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration pursuant to the Trust Scheme, the Preferential Offering will be undertaken by MCT to raise gross proceeds of up to S$2.2 billion.

The professional and other fees and expenses incurred or to be incurred by MCT in connection with the Preferential Offering will be funded by debt. Such fees and expenses in respect of the Preferential Offering are not expected to increase the debt funding requirements of MCT beyond the original debt funding requirements which were expected to be incurred in respect of the Merger. Accordingly, subject to relevant laws and regulations, the MCT Manager intends to use 100.0% of the proceeds of the Preferential Offering to fund the payment of such amount of the cash component of the Scheme Consideration which exceeds S$417.3 million.

The MCT Manager will make periodic announcements on the utilisation of the proceeds of the Preferential Offering via SGXNET as and when such funds are materially disbursed and whether such use is in accordance with the stated use and/or in accordance with the percentage allocated.

Pending the deployment of the proceeds of the Preferential Offering, the proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the MCT Manager may, in its absolute discretion, deem fit.

7.8 Authority to Issue Preferential Offering Units

The MCT Manager intends to rely on the general unit issue mandate for the issuance of the Preferential Offering Units pursuant to the Preferential Offering so that no separate MCT Unitholders' approval is required for the issuance.

7.9 Details of the Preferential Offering

In connection with the Preferential Offering, the MCT Manager intends to issue such number of Preferential Offering Units to eligible MCT Unitholders ("**Eligible Unitholders**") at the Preferential Offering Price of S$2.0039 per MCT Unit to fund the payment of such amount of the cash component of the Scheme Consideration which exceeds S$417.3 million. The allotment ratio for the Preferential Offering and the entitlement of each MCT Unitholder under the Preferential Offering will be announced by the MCT Manager via SGXNET once the size of the Preferential Offering has been determined based on the results of the election by MNACT Unitholders for the different forms of the Scheme Consideration pursuant to the Trust Scheme.

As the Preferential Offering is made on a non-renounceable basis, the provisional allotments of Preferential Offering Units cannot be renounced in favour of a third party or traded on the SGX-ST. Each Eligible Unitholder will be provisionally allotted the Preferential Offering Units under the Preferential Offering on the basis of their unitholdings in MCT as at 5.00 p.m. on the Preferential Offering Record Date. In this regard, fractions of a Preferential Offering Unit will be disregarded.

Eligible Unitholders are at liberty to accept or decline their provisional allotments of Preferential Offering Units and are eligible to apply for Excess Preferential Offering Units. Eligible Unitholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of Preferential Offering Units or (b) eligibility to apply for Excess Preferential Offering Units.

The Preferential Offering Units represented by the provisional allotments of (i) Eligible Unitholders who decline or do not accept, in full or in part, their provisional allotments of Preferential Offering Units under the Preferential Offering and/or (ii) ineligible MCT Unitholders, may be issued to satisfy applications for Excess Preferential Offering Units as the MCT Manager may, in its absolute discretion, deem fit. In the allotment of Excess Preferential Offering Units, preference will be given to the rounding of odd lots. The MCT Directors and substantial MCT Unitholders who have control or influence over MCT or the MCT Manager in connection with the day-to-day affairs of MCT or the MCT Manager or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the MCT Board will rank last in priority for the rounding of odd lots and allotment of Excess Preferential Offering Units.

7.10 Eligibility to Participate in the Preferential Offering

Eligible Unitholders. Only Eligible Depositors (as defined below) and Eligible QIBs (as defined below) are eligible to participate in the Preferential Offering.

Eligible Depositors. "**Eligible Depositors**" are MCT Unitholders with MCT Units standing to the credit of their respective securities accounts with The Central Depository (Pte) Limited ("**CDP**") as at the Preferential Offering Record Date and (a) whose registered addresses with CDP are in Singapore as at the Preferential Offering Record Date; or (b) who have at least three Market Days prior to the Preferential Offering Record Date provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, MCT Unitholders located, resident or with a registered address outside of Singapore. Eligible Depositors will be provisionally allotted with Preferential Offering Units under the Preferential Offering on a pro-rata basis based on the number of MCT Units then standing to the credit of their securities accounts with CDP (fractions of a Preferential Offering Unit to be disregarded).

Eligible QIBs. "**Eligible QIBs**" are qualified institutional buyers (as defined in Rule 144A under the Securities Act) that meet certain requirements which will be specified in the Instruction Booklet (as defined below).

Foreign Unitholders. The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of applicable securities laws outside Singapore, the Preferential Offering will not be extended to MCT Unitholders whose registered addresses with CDP are outside Singapore, and who have not, at least three Market Days prior to the Preferential Offering Record Date, provided CDP with addresses in Singapore for the service of notices and documents. MCT Unitholders whose registered addresses with CDP are outside Singapore and who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notices and documents at least three Market Days prior to the Preferential Offering Record Date.

Details of the Preferential Offering and procedures for acceptance of and payment of provisional allocations of Preferential Offering Units under the Preferential Offering by MCT Unitholders whose registered addresses with CDP are in Singapore will be set out in an instruction booklet to be despatched to Eligible Unitholders in due course (the "**Instruction Booklet**"). A further announcement on the despatch will be made by the MCT Manager at the appropriate time.

For the avoidance of doubt, even if an MCT Unitholder has provided a Singapore address as aforesaid, the offer of Preferential Offering Units under the Preferential Offering to him will be subject to compliance with applicable securities laws outside Singapore. The MCT Manager, along with the Sole Global Co-ordinator, reserves the absolute discretion on whether to allow such participation as well as the persons who may be allowed to do so.

Notwithstanding the foregoing, the Manager may in its sole discretion determine whether to allow the participation in the Preferential Offering by MCT Unitholders who are located, resident or with a registered address outside of Singapore, subject to and in compliance with the applicable securities and other laws of the relevant jurisdiction.

The Preferential Offering Units to be offered under the Preferential Offering have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States or any other jurisdiction except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws.

7.11 Status of the Preferential Offering Units

The Preferential Offering Units issued pursuant to the Preferential Offering will, upon issue, rank *pari passu* in all respects with the MCT Units in issue on the day immediately prior to the date on which the Preferential Offering Units are issued pursuant to the Preferential Offering, including the right to any distributions which may accrue prior to the issuance of the Preferential Offering Units pursuant to the Preferential Offering. For the avoidance of doubt, the Preferential Offering Units will not be entitled to distributions with a record date falling before the date of issuance of the Preferential Offering Units.

7.12 Approval In-Principle for the Listing and Quotation of the Preferential Offering Units

Approval in-principle has been obtained on 25 April 2022 from the SGX-ST for the listing and quotation of up to 2,114 million Consideration Units and up to 1,094 million Preferential Offering Units on the Main Board of the SGX-ST. For further details in relation to the SGX-ST's approval in-principle, including, among others, the conditions thereto, please refer to **Paragraph 6** of this Circular.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Merger, the Consideration Units, the Preferential Offering, the Preferential Offering Units, MCT and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

8. PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP

8.1 Rule 14 of the Code

Under Rule 14 of the Code and Section 139 of the SFA, except with the SIC's consent, where:

(i) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or

(ii) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in a period of six months additional shares carrying more than 1.0% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

In the context of a REIT, references to company, shares and shareholders would, as appropriate, refer to the real estate investment trust, units and unitholders respectively.

8.2 General Offer Requirement

8.2.1 Current Holdings of MIPL Entities and Concert Party Group

As at the Latest Practicable Date:

(i) the MIPL Entities hold an aggregate of 1,083,953,400 MCT Units representing approximately 32.61% of the total MCT Units in issue;

(ii) the Other Concert Parties, the list of which is set out in **Schedule 5** to this Circular, hold an aggregate of 36,655,619 MCT Units in issue representing 1.10% of the total MCT Units in issue; and

(iii) MIPL and parties acting in concert with it (the "**Concert Parties**", and together, the "**Concert Party Group**"), being MIPL Entities and the Other Concert Parties, hold an aggregate of 1,120,609,019 MCT Units in issue representing 33.72% of the total MCT Units in issue.

8.2.2 **Resultant Holdings of MIPL Entities as a result of the Trust Scheme and, if undertaken, the Preferential Offering**

(i) **Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration**: No cash will be required by MCT to satisfy the Scheme Consideration and accordingly, no Preferential Offering will be undertaken. In such instance, as a result of the Merger and the Trust Scheme, the MIPL Entities will be allotted and issued up to 802.4 million Consideration Units, representing approximately 14.79% of the Merged Entity's units upon completion of the Merger.[50] The aggregate unitholding interest of the MIPL Entities will increase from the current approximate 32.61% in MCT to an approximate 34.76% in the Merged Entity following the Merger via the Trust Scheme.[51]

(ii) **Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration**: The aggregate cash amount required by MCT to satisfy the Scheme Consideration will not exceed S$417.3 million and accordingly, no Preferential Offering will be undertaken. In such instance, as a result of the Merger and the Trust Scheme, the MIPL Entities will be allotted and issued up to 802.4 million Consideration Units, representing approximately 15.37% of the Merged Entity's units upon completion of the Merger.[52] The aggregate unitholding interest of the MIPL Entities will increase from the current approximate 32.61% in MCT to an approximate 36.14% in the Merged Entity following the Merger via the Trust Scheme.[53]

(iii) **Assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration**: The aggregate cash amount required by MCT to satisfy the Scheme Consideration will exceed S$417.3 million and accordingly the Preferential Offering will be undertaken. Assuming that the Preferential Offering is not taken up by any other MCT Unitholder and the MIPL Entities would be required to subscribe for the Maximum Preferential Offering Units for an aggregate subscription consideration of S$2.2 billion (which is equivalent to the maximum size of the Preferential Offering announced by the MCT Manager), the MIPL Entities will be allotted and issued up to 802.4 million Consideration Units and 1,093.1 million Preferential Offering Units, representing in aggregate approximately 36.3% of the Merged Entity's units upon completion of the Merger. The MIPL Entities would in aggregate hold approximately 57.09%[54] of the total MCT Units in issue immediately after the completion of the Trust Scheme and the Preferential Offering.[55]

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[50] These figures do not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

[51] The aggregate unitholding interest of the Concert Party Group (inclusive of the Other Concert Parties) will increase from the current approximate 33.72% in MCT to an approximate 35.97% in the Merged Entity following the Merger via the Trust Scheme. Please refer to **Paragraph 8.4** of this Circular for further details.

[52] These figures do not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

[53] The aggregate unitholding interest of the Concert Party Group (inclusive of the Other Concert Parties) will increase from the current approximate 33.72% in MCT to an approximate 37.32% in the Merged Entity following the Merger via the Trust Scheme. Please refer to **Paragraph 8.4** of this Circular for further details.

[54] These figures do not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date or the Preferential Offering Record Date (as the case may be).

[55] The aggregate unitholding interest of the Concert Party Group (inclusive of the Other Concert Parties) will increase from the current approximate 33.72% in MCT to an approximate 57.79% in the Merged Entity following the Merger via the Trust Scheme and the Preferential Offering. Please refer to **Paragraph 8.4** of this Circular for further details.

(iv) Accordingly, the resultant unitholding of the MIPL Entities in the Merged Entity immediately after the completion of the Trust Scheme and, if undertaken, the Preferential Offering, would range from a minimum of 34.76% to a maximum of 57.09% and the final resultant unitholding would be dependent on (I) the proportion of MNACT Unitholders who elect to receive the Cash-Only Consideration; and (II) where the Preferential Offering is required to be undertaken, the proportion of MCT Unitholders (excluding the MIPL Entities) who elect to subscribe for the Preferential Offering Units.

(v) In addition to the Consideration Units, pursuant to the MCT Trust Deed, the MCT Manager (being an MIPL Entity):

(a) has received, in its personal capacity, 1,085,779 new MCT Units on 10 November 2021 as payment of its base fee pursuant to the MCT Trust Deed (the "**2021 MCT Fee Units**");

(b) has received, in its personal capacity 1,160,023 new MCT Units on 10 February 2022, as payment of its base fee for 3Q FY21/22; and

(c) may, as we have assumed in this Circular, receive the 4Q FY21/22 MCT Fee Units,

((b) and (c) together, the "**2022 MCT Fee Units**"). The figures for the 4Q FY21/22 MCT Fee Units which have yet to be issued are for illustrative purposes only and the actual number of the 4Q FY21/22 MCT Fee Units to be issued depends on the fees payable and the actual issue prices as determined in accordance with the MCT Trust Deed.

In addition, the MNACT Manager and MNAPML (each of whom are MIPL Entities) may, prior to the Effective Date, receive MNACT Units as payment for fees pursuant to the MNACT Trust Deed and the Master Property Management Agreement, and these MNACT Fee Units will, on completion of the Trust Scheme, be transferred to MCT in exchange for Consideration Units. The actual number of MNACT Fee Units to be issued to the MNACT Manager and MNAPML will depend on the fees payable and the actual issue prices as determined in accordance with the MNACT Trust Deed and the MNACT Master Property Management Agreement.

Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Effective Date, the aggregate unitholding interest of the MIPL Entities will increase from the current approximate 32.61% in MCT to approximately:

(1) 34.89% in the Merged Entity following the Merger via the Trust Scheme (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration);

(2) 36.28% in the Merged Entity following the Merger via the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration); and

(3) 57.18% in the Merged Entity immediately after the Preferential Offering (assuming Excess Commitment) and the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration)[56].

8.2.3 General Offer Obligation

Accordingly, the acquisition of the Consideration Units and the Preferential Offering Units by the Concert Party Group may give rise to a possible mandatory general offer under Rule 14 of the Code for the remaining MCT Units not already owned, controlled or agreed to be acquired by the Concert Party Group upon completion of the Merger and the Trust Scheme (unless otherwise waived).

8.2.4 Whitewash Waiver and Whitewash Resolution

Under the Implementation Agreement, it is a condition that the SIC confirms that the Concert Party Group is exempted from the requirements to make a mandatory general offer for MCT as a result of the increase in its unitholding in MCT pursuant to the Trust Scheme and the Preferential Offering, and that the Independent MCT Unitholders (Whitewash) approve the waiver of their rights to receive a mandatory general offer from the Concert Party Group in connection with the allotment and issue of the Preferential Offering Units pursuant to the Preferential Offering and the allotment and issue of the Consideration Units pursuant to the Merger.

8.3 Application for Waiver from Rule 14 of the Code

An application was made to the SIC on 10 January 2022 for the waiver of the obligation of the Concert Party Group to make a mandatory general offer under Rule 14 of the Code should the obligation to do so arise as a result of the allotment and issue of Consideration Units to the Concert Party Group resulting in the Concert Party Group acquiring MCT Units which carry more than 1.0% of the voting rights in MCT based on MCT's enlarged number of MCT Units following the Merger via the Trust Scheme (the "**Initial Whitewash Waiver**"). The SIC granted the Initial Whitewash Waiver on 26 January 2022.

A supplemental application was made to the SIC on 10 March 2022 to extend the Initial Whitewash Waiver to include the waiver of the mandatory offer obligation which would arise from the MIPL Entities' acquisition of the Preferential Offering Units (the "**Whitewash Waiver**").

The SIC granted the Whitewash Waiver on 18 March 2022, subject, *inter alia*, to the satisfaction of the following conditions:

(i) a majority of holders of voting rights of MCT approve at a general meeting, before the issue of the Preferential Offering Units and the Consideration Units, a resolution (the "**Whitewash Resolution**") by way of a poll to waive their rights to receive a general offer from MIPL;

(ii) the Whitewash Resolution is separate from other resolutions;

[56] Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Effective Date, the aggregate unitholding interest of the Concert Party Group (inclusive of the Other Concert Parties) will increase from the current approximate 33.72% in MCT to approximately: (i) 36.11% in the Merged Entity following the Merger via the Trust Scheme (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration); (ii) 37.46% in the Merged Entity following the Merger via the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration); and (iii) 57.88% in the Merged Entity immediately after the Preferential Offering (assuming Excess Commitment) and the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration).

(iii) MIPL and their concert parties and parties not independent of them abstain from voting on the Whitewash Resolution;

(iv) MIPL and their concert parties did not acquire or are not to acquire any MCT Units or instruments convertible into and options in respect of MCT Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new MCT Units which have been disclosed in this Circular):

(a) during the period between the date of the Joint Announcement and the date on which MCT Unitholders' approval is obtained for the Whitewash Resolution; and

(b) in the six months prior to the date of the Joint Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the MCT Manager in relation to the Merger;

(v) MCT appoints an independent financial adviser to advise the independent MCT Unitholders on the Whitewash Resolution;

(vi) MCT sets out clearly in its circular to MCT Unitholders:

(a) details of the proposed issue of the Consideration Units to MIPL and the proposed issue of the MCT Units pursuant to the Preferential Offering;

(b) the dilution effect to the voting rights of existing MCT Unitholders upon the issue of the Preferential Offering Units and the Consideration Units to MIPL Entities;

(c) the number and percentage of voting rights in MCT as well as the number of instruments convertible into, rights to subscribe for and options in respect of MCT Units held by MIPL and their concert parties at the Latest Practicable Date;

(d) the number and percentage of voting rights to be acquired by MIPL and their concert parties upon the issue of the Consideration Units and the Preferential Offering Units to MIPL Entities;

(e) specific and prominent reference to the fact that MCT Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from MIPL at the highest price paid by MIPL and their concert parties for the MCT Units in the (1) past six months preceding the commencement of the offer and (2) past six months preceding the announcement of the Preferential Offering; and

(f) specific and prominent reference of the possibility that the issue of the Consideration Units and the Preferential Offering Units to MIPL Entities may result in MIPL and its concert parties carrying over 49.0% of the voting rights of MCT and that MIPL and its Concert Parties will be free to acquire further MCT Units without incurring any obligation under Rule 14 of the Code to make a general offer;

(vii) the circular by MCT to the MCT Unitholders states that the waiver granted by the SIC to MIPL from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at **Paragraphs 8.3(i) to 8.3(vi)** above;

(viii) MCT obtains the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and

(ix) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within three months of 18 March 2022 (being the date the SIC's approval is obtained in respect of the Whitewash Waiver) and the acquisition of the Preferential Offering Units and the Consideration Units must be completed within three months of the date of the approval of the Whitewash Resolution.

In connection with the Whitewash Waiver, the SIC has also confirmed that the conditions to the Whitewash Waiver will not be breached and that the Whitewash Waiver will not be rendered invalid by reason of the Concert Party Group acquiring the 2021 MCT Fee Units and the 2022 MCT Fee Units (collectively, the "**MCT Fee Units**"), subject to the receipt of the MCT Fee Units being disclosed in the circular to MCT Unitholders in respect of the Whitewash Resolution.

8.4 Interests of the Concert Party Group

The following table sets out the respective unitholding percentages of the Concert Party Group in each of MCT and MNACT (i) as at the Latest Practicable Date, and (ii) for illustrative purposes only, immediately upon completion of the Trust Scheme and, if undertaken, the Preferential Offering, in the Merged Entity, and is prepared based on the following assumptions:

(i) the size of the Preferential Offering will be determined based on (1) the results of the election of the form of the Scheme Consideration to be received by the MNACT Unitholders pursuant to the Trust Scheme, and (2) the proportion of MCT Unitholders (excluding the MIPL Entities) who elect to subscribe for the Preferential Offering Units;

(ii) to fund the cash component of the Scheme Consideration, MCT proposes to raise (1) up to S$417.3 million[57] through the issuance of perpetual securities and/or debt funding and (2) up to S$2.2 billion through the Preferential Offering;

(iii) the Preferential Offering is not subscribed for by any other MCT Unitholder, and any one or more of the relevant MIPL Entities is or are (as the case may be) required to subscribe for the Maximum Preferential Offering Units; and

(iv) the resultant unitholdings of MIPL Entities in the Merged Entity set out in the following table do not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date or the Preferential Offering Record Date (as the case may be).

[57] The maximum cash amount required by MCT to satisfy the cash component of the Cash-and-Scrip Consideration is approximately S$417.3 million, assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

	MCT Unitholdings As at Latest Practicable Date		MNACT Unitholdings As at Latest Practicable Date		Merged Entity Unitholdings After the Trust Scheme[58]				Merged Entity Unitholding After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)	
					Merged Entity Unitholdings Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration		Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration	
Concert Party Group	**No. of units**	**%(1)**	**No. of units**	**%(2)**	**No. of units**	**%(3)**	**No. of units**	**%(4)**	**No. of units**	**%(5)**
The HarbourFront Pte Ltd, HarbourFront Place Pte. Ltd., HarbourFront Eight Pte Ltd, Sienna Pte. Ltd. and Mapletree Commercial Trust Management Ltd.	1,083,953,400	32.61	–	–	1,083,953,400	19.97	1,083,953,400	20.77	2,177,014,511	41.71
Kent Assets Pte. Ltd., Suffolk Assets Pte. Ltd., Mapletree North Asia Property Management Limited and Mapletree North Asia Commercial Trust Management Ltd.	–	–	1,345,663,544	38.14	802,419,171	14.79	802,419,171	15.37	802,419,171	15.37
Sub-Total of MIPL Entities	1,083,953,400	32.61	1,345,663,544	38.14	1,886,372,571	34.76	1,886,372,571	36.14	2,979,433,683	57.09
Other Concert Parties(6)	36,655,619	1.10	49,335,790	1.40	66,074,551	1.22	61,367,916	1.18	36,655,619	0.70
Total	**1,120,609,019**	**33.72**	**1,394,999,334**	**39.54**	**1,952,447,122**	**35.97**(7)	**1,947,740,487**	**37.32**(7)	**3,016,089,302**	**57.79**(7)

58 No Preferential Offering will be required if all MNACT Unitholders elect to receive the Scrip-Only Consideration or if all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

Notes: The percentages are rounded to the nearest two decimal places.

(1) Based on a total of 3,323,513,585 MCT Units as at the Latest Practicable Date.

(2) Based on a total of 3,527,974,156 MNACT Units as at the Latest Practicable Date.

(3) Based on an aggregate of 5,427,244,574 units in the Merged Entity assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(4) Based on an aggregate of 5,219,052,142 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(5) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment in full. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

(6) This sets out the unitholdings of the Other Concert Parties on an aggregated basis. Please refer to **Schedule 5** to this Circular for further details, including the names of the Other Concert Parties and their respective unitholdings.

(7) Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Effective Date, the Concert Party Group's unitholding in the Merged Entity will be: (i) 36.11% (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration); (ii) 37.46% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration); and (iii) 57.88% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and the MIPL Entities fulfil their Excess Commitment in full pursuant to the Preferential Offering).

The Concert Party Group does not hold any instruments convertible into, rights to subscribe for and options in respect of MCT Units.

8.5 Whitewash Resolution

The Independent MCT Unitholders (Whitewash) are requested to vote, by way of a poll, on the Whitewash Resolution as set out as Resolution 3 (Ordinary Resolution) in the Notice of EGM, waiving their right to receive a mandatory general offer from MIPL and parties acting in concert with it for the remaining MCT Units not already owned, controlled or agreed to be acquired by the Concert Party Group upon completion of the Merger and the Trust Scheme.

8.6 Potential Dilution Effect of the Trust Scheme and the Preferential Offering

8.6.1 **Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration**: No cash will be required by MCT to satisfy the Scheme Consideration and accordingly, no Preferential Offering will be undertaken. The Consideration Units will represent approximately 63.30%[59] of the total number of MCT Units issued and outstanding as at the Latest Practicable Date and will represent, upon completion of the Merger and the Trust Scheme, 38.76%[60] of the enlarged number of MCT Units following the Merger and the Trust Scheme.

8.6.2 **Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration**: The aggregate cash amount required by MCT to satisfy the Scheme Consideration will not exceed S$417.3 million and accordingly, no Preferential Offering will be undertaken. The Consideration Units will represent approximately 57.03%[61] of the total number of MCT Units issued and outstanding as at the Latest Practicable Date and will represent, upon completion of the Merger and the Trust Scheme, 36.32%[62] of all the enlarged number of MCT Units following the Merger and the Trust Scheme.

8.6.3 **Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration**: The aggregate cash amount required by MCT to satisfy the Scheme Consideration will exceed S$417.3 million and accordingly, the Preferential Offering will be undertaken. Assuming that the Preferential Offering is not taken up by any other MCT Unitholder and the MIPL Entities would be required to subscribe for the Maximum Preferential Offering Units for an aggregate subscription consideration of S$2.2 billion (which is equivalent to the maximum size of the Preferential Offering announced by the MCT Manager):

(i) the Consideration Units will represent approximately 24.14%[63] of the total number of MCT Units issued and outstanding as at the Latest Practicable Date and will represent, upon completion of the Merger, the Trust Scheme and the Preferential Offering, 15.37%[64] of all the enlarged number of MCT Units following the Merger and the Trust Scheme; and

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59 Calculated based on a total of 3,323,513,585 MCT Units.

60 Based on an aggregate of 5,427,244,574 units in the Merged Entity assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

61 Calculated based on a total of 3,323,513,585 MCT Units.

62 Based on an aggregate of 5,219,052,142 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

63 Calculated based on a total of 3,323,513,585 MCT Units.

64 Based on an aggregate of 5,218,993,868 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Effective Date.

(ii) the Preferential Offering Units will represent approximately 32.89%[65] of the total number of MCT Units issued and outstanding as at the Latest Practicable Date and will represent, upon completion of the Merger, the Trust Scheme and the Preferential Offering, 20.94%[66] of all the enlarged number of MCT Units following the Merger, the Trust Scheme and the Preferential Offering.

The dilution effect to the unitholdings of the existing MCT Unitholders upon completion of the Merger and the Trust Scheme and, if undertaken, the Preferential Offering, are set out in the table below:

	Current Unitholding		After the Trust Scheme				After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)	
			Merged Entity Unitholding post-Merger assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		Merged Entity Unitholding post-Merger assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration		Merged Entity Unitholding post-Merger assuming all MNACT Unitholders (excluding the MIPL Entities elect to receive the Cash-Only Consideration)	
	No. of Units	**%(1)**	**No. of Units**	**%(2)**	**No. of Units**	**%(3)**	**No. of Units**	**%(4)**
Concert Party Group	**1,120,609,019**	**33.72**	**1,952,447,122**	**35.97**(5)	**1,947,740,487**	**37.32**(5)	**3,016,089,302**	**57.79**(5)
Other existing MCT Unitholders	2,202,904,566	66.28	2,202,904,566	40.59	2,202,904,566	42.21	2,202,904,566	42.21
Other MNACT Unitholders who will become unitholders of the Merged Entity upon completion of the Trust Scheme	–	–	1,271,892,886	23.44%	1,068,407,088	20.47%	–	–
Total	**3,323,513,585**	**100.00**	**5,427,244,574**	**100.00**	**5,219,052,142**	**100.00**	**5,218,993,868**	**100.00**

Notes:

(1) Same as footnote 59 of this Circular.

(2) Same as footnote 60 of this Circular.

(3) Same as footnote 62 of this Circular.

(4) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment in full. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

(5) Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Effective Date, the Concert Party Group's unitholding in the Merged Entity will be: (i) 36.11% (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration); (ii) 37.46% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration) and (iii) 57.88% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment in full pursuant to the Preferential Offering).

65 Calculated based on a total of 3,323,513,585 MCT Units.

66 Based on an aggregate of 5,218,993,868 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Effective Date.

8.7 Note to Independent MCT Unitholders (Whitewash)

Independent MCT Unitholders (Whitewash) should note that:

(i) by voting in favour of the Whitewash Resolution, they will be waiving their rights to receive a mandatory general offer for their MCT Units from the Concert Party Group at the highest price paid by the Concert Party Group for MCT Units in the (a) six months preceding the commencement of the offer and (b) six months preceding the date of the MCT Preferential Offering Announcement which the Concert Party Group would have otherwise been obliged to make for the MCT Units in accordance with Rule 14 of the Code;

(ii) the completion of the issuance of the Consideration Units and the Preferential Offering Units to MIPL Entities may result in MIPL and its Concert Parties carrying over 49.0% of the voting rights of MCT, and MIPL and its Concert Parties will be free to acquire further MCT Units without incurring any obligation under Rule 14 of the Code to make a general offer for MCT; and

(iii) approval of the Whitewash Resolution is a condition precedent to the completion of the Merger and the Trust Scheme and in the event that the Whitewash Resolution is not passed by the Independent MCT Unitholders (Whitewash), the Merger will not take place and the Trust Scheme will not become effective.

MCT Unitholders are advised to read the advice from the MCT IFA to the MCT Independent Directors and the recommendations of the MCT Independent Directors in relation to the Whitewash Resolution and the financial terms of the Merger (that is the subject of the Whitewash Resolution), which are set out in Paragraphs 13 and 15 respectively. As it is not intended that a mandatory general offer be triggered by MIPL or its Concert Parties as a result of or in connection with the Merger or the Trust Scheme, MCT is seeking approval for the Whitewash Resolution.

9. PROPOSED MCT TRUST DEED AMENDMENTS

9.1 The MCT Trust Deed Amendments

In connection with the Merger, it is intended that the MCT Trust Deed be amended to adopt the revised management fee structure for the Merged Entity as set out in the Management Fee Supplement in **Schedule 2**. The MCT Trust Deed Amendments are subject to the approval of the MCT Unitholders which is being sought pursuant to Resolution 4 (MCT Trust Deed Amendments), and are subject to the Trust Scheme becoming effective in accordance with its terms and will take effect from the Effective Date. Please refer to **Paragraph 4.1.2** for further details on the MCT Trust Deed Amendments.

9.2 MCT Unitholders' Approval

The MCT Trust Deed Amendments are subject to the approval of the MCT Unitholders by way of an Extraordinary Resolution, which is a majority consisting of 75.0% or more of the total number of votes cast for and against the resolution approving the MCT Trust Deed Amendments at the EGM.

As the MCT Trust Deed Amendments involve changes to the structure of the management fees payable to the MCT Manager, the MCT Manager and its associates (being Temasek, Fullerton, HFPL, HF Place, HF Eight and Sienna), will abstain from voting on Resolution 4 (MCT Trust Deed Amendments). Further information on the abstentions from voting may be found in **Paragraph 19** below.

The MCT Manager is considered an "interested person" of MCT for the purposes of Chapter 9 of the Listing Manual. Accordingly, the MCT Trust Deed Amendments will constitute an interested person transaction under the Chapter 9 of the Listing Manual. In compliance with these requirements and the MCT Trust Deed, the MCT Manager is seeking the approval of the MCT Unitholders for Resolution 4 in respect of the MCT Trust Deed Amendments.

10. PRO FORMA FINANCIAL EFFECTS OF THE MERGER

FOR ILLUSTRATIVE PURPOSES ONLY: The historical pro forma financial effects of the Merger on the MCT Group set out in the tables below have been prepared based on the following assumptions:

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

(ii) the Merged Entity adopts a 100.0% distribution payout ratio;

(iii) the Merged Entity's management fee structure comprises:

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

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

(c) the fees of the property manager are paid entirely in cash.

10.1 Pro Forma DPU

10.1.1 For the financial year ended 31 March 2022 (FY21/22)

	Effects of Merger			
		Post-Merger(1), (2)		
	Before Merger	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration
Amount available for distribution to MCT Unitholders (S$ million)	317.0	538.3(3), (5)	530.0(6), (7)	530.0(6), (7)
Number of MCT Units in issue (million)	3,323.5	5,415.4(4), (5)	5,207.1(7), (8)	5,207.1(7), (9)
DPU (Singapore cents)	9.53	9.94(4), (5)	10.18(7), (8)	10.18(7), (9)
Accretion (%)	–	4.3	6.8	6.8

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the unaudited consolidated financial statements of the MCT Group for the financial year ended 31 March 2022 (the "**MCT FY21/22 Unaudited Financial Statements**") and the unaudited consolidated financial statements of the MNACT Group for the financial year ended 31 March 2022 (the "**MNACT FY21/22 Unaudited Financial Statements**").

(1) Assumes the Merger was completed on 1 April 2021, and that MCT held and operated the properties of MNACT for the financial year ended 31 March 2022.

(2) Includes full year contribution from HPB, which is based on unaudited financial information for the period from 18 June 2021 to 31 March 2022, pro-rated as if the acquisition was completed on 1 April 2021 and adjusted for the implied incremental funding costs, management fees, trustee expense and income tax expense.

Scrip-Only Consideration

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

(4) Assumes 2,086.6 million Consideration Units are issued, based on the total number of MNACT Units in issue as at 31 March 2022, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039 per Consideration Unit, being the Scheme Issue Price.

(5) Assumes 5.3 million additional MCT Units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

Cash-and-Scrip Consideration and Cash-Only Consideration

(6) Assumes that an additional S$237.9 million of acquisition debt was drawn down at an all-in cost of 2.7% per annum and S$200.0 million of perpetual securities were issued at a coupon rate of 3.7% per annum on 1 April 2021 to fund up to S$417.3 million of the cash component of the Scheme Consideration and the Transaction Costs of the Merger.

(7) Assumes 5.2 million additional MCT Units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

Cash-and-Scrip Consideration

(8) Assumes 1,878.4 million Consideration Units are issued, based on the total number of MNACT Units in issue as at 31 March 2022, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039 per Consideration Unit, being the Scheme Issue Price.

Cash-Only Consideration

(9) Assumes 1,878.4 million MCT Units are issued comprising (i) 785.3 million Consideration Units in satisfaction of the scrip component to MIPL, who has elected to receive the Scrip-Only Consideration in respect of all its MNACT Units and (ii) 1,093.1 million Preferential Offering Units in satisfaction of the additional cash requirement for the Cash-Only Consideration, based on the total number of MNACT Units issued as at 31 March 2022, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

The MCT Manager wishes to set out below the possible impact on the Merged Entity's pro forma DPU due to changes in the Merged Entity's financing costs. For a 50 basis points increase in the all-in cost of debt per annum and coupon of the perpetual securities per annum, and assuming all other conditions remain constant, the impact to DPU due to financing costs movement, which has been mitigated by the interest rate hedges put in place as part of the MCT Manager's and the MNACT Manager's risk management strategies, is as set out below:

	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**	**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**
DPU (Singapore cents)	9.94	10.18	10.18
	Impact to pro forma DPU		
Change in DPU (Singapore cent)	(0.09)	(0.11)	(0.11)

MNACT and the Merged Entity are mainly exposed to movement in the HKD, RMB and JPY foreign currencies. As such, the MCT Manager wishes to set out below the possible impact in DPU due to foreign exchange movements, which has been mitigated by the income hedges put in place as part of the MNACT Manager's risk management strategy.

For every 5.0% appreciation (or depreciation) in the HKD, RMB or JPY against the SGD, the change to DPU, assuming other conditions remain constant, are as set out below:

	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**	
DPU (Singapore cents)	9.94		10.18		10.18	
	Impact to pro forma DPU					
	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%
HKD (Singapore cent)	0.03	(0.03)	0.03	(0.03)	0.03	(0.03)
RMB (Singapore cent)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)
JPY (Singapore cent)	0.01	(0.01)	0.01	(0.01)	0.01	(0.01)

10.1.2 For the financial year ended 31 March 2021 (FY20/21)

	Effects of Merger			
		Post-Merger[(1), (2)]		
	Before Merger	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration
Amount available for distribution to MCT Unitholders (S$ million)	314.7	503.4[(3), (5)]	490.6[(6), (7)]	490.6[(6), (7)]
Number of MCT Units in issue (million)	3,316.2	5,361.2[(4), (5)]	5,155.7[(7), (8)]	5,155.7[(7), (9)]
DPU (Singapore cents)	9.49	9.39[(4), (5)]	9.51[(7), (8)]	9.51[(7), (9)]
Accretion (%)	–	(1.1)	0.2	0.2

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the audited consolidated financial statements of the MCT Group for the financial year ended 31 March 2021 (the "**MCT FY20/21 Audited Financial Statements**") and the audited consolidated financial statements of the MNACT Group for the financial year ended 31 March 2021 (the "**MNACT FY20/21 Audited Financial Statements**", and together with the MCT FY20/21 Audited Financial Statements, the "**FY20/21 Audited Financial Statements**"). **During FY20/21, there were one-off occurrences (including release of retained cash, rental rebates granted to eligible tenants, property tax rebates and Job Support Scheme grants from the Singapore Government), largely due to COVID-19 and the higher degree of uncertainties and disruptions from COVID-19 related restrictions. The illustration on the pro forma DPU based on FY21/22 gives a more representative illustration of the financial effects of the Merger.**

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

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

Scrip-Only Consideration

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

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

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

Cash-and-Scrip Consideration and Cash-Only Consideration

(6) Assumes that an additional S$231.9 million of acquisition debt was drawn down at an all-in cost of 2.7% per annum and S$200.0 million of perpetual securities were issued at a coupon rate of 3.7% per annum on 1 April 2020 to fund up to S$411.3 million of the cash component of the Scheme Consideration and the Transaction Costs of the Merger.

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

Cash-and-Scrip Consideration

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

Cash-Only Consideration

(9) Assumes 1,835.0 million MCT Units are issued comprising (i) 757.4 million Consideration Units in satisfaction of the scrip component to MIPL, who has elected to receive the Scrip-Only Consideration in respect of all its MNACT Units and (ii) 1,077.6 million Preferential Offering Units in satisfaction of the additional cash requirement for the Cash-Only Consideration, based on the total number of MNACT Units issued as at 31 March 2021, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

The MCT Manager wishes to set out below the possible impact on the Merged Entity's pro forma DPU due to changes in the Merged Entity's financing costs. For a 50 basis points increase in the all-in cost of debt per annum and coupon of the perpetual securities per annum, and assuming all other conditions remain constant, the impact to DPU due to financing costs movement, which has been mitigated by the interest rate hedges put in place as part of the MCT Manager's and the MNACT Manager's risk management strategies, is set out below:

	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration
DPU (Singapore cents)	9.39	9.51	9.51
	Impact to pro forma DPU		
Change in DPU (Singapore cent)	(0.12)	(0.15)	(0.15)

MNACT and the Merged Entity are mainly exposed to movement in the HKD, RMB and JPY foreign currencies. As such, the MCT Manager wishes to set out below the possible impact in DPU due to foreign exchange movements, which has been mitigated by the income hedges put in place as part of the MNACT Manager's risk management strategy.

For every 5.0% appreciation (or depreciation) in the HKD, RMB or JPY against the SGD, the change to DPU, assuming other conditions remain constant, are as set out below:

	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**	
DPU (Singapore cents)	9.39		9.51		9.51	
	Impact to pro forma DPU					
	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%
HKD (Singapore cent)	0.01	(0.01)	0.02	(0.02)	0.02	(0.02)
RMB (Singapore cent)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)
JPY (Singapore cent)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)

10.2 Pro Forma NAV

10.2.1 As at 31 March 2022 (FY21/22)

	Effects of Merger			
		Post-Merger(1), (2)		
	Before Merger	**Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration**	**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**	**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**
NAV (S$ million)	5,793.5	10,119.5(4), (5)	9,702.2(6), (7)	9,702.2(6), (8)
Number of MCT Units in issue (million)	3,323.5	5,427.2(4), (5)	5,219.0(6), (7)	5,219.0(6), (8)
NAV for each MCT Unit (S$)	1.74	1.86(4), (5)	1.86(6), (7)	1.86(6), (8)
NAV for each MCT Unit (ex-distribution) (S$)	1.69(3)	1.81	1.81	1.81

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the MCT FY21/22 Unaudited Financial Statements and the MNACT FY21/22 Unaudited Financial Statements.

(1) Assumes the Merger was completed on 31 March 2022.

(2) Assumes the Transaction Costs and the difference between the Scheme Consideration and the acquired NAV of MNACT as at 31 March 2022 are initially capitalised to the cost of the properties and subsequently recognised at fair value at the period end.

(3) Excludes MCT's reported 2H FY21/22 DPU of 5.14 Singapore cents.

Scrip-Only Consideration

(4) Assumes that an additional S$18.1 million of acquisition debt was drawn down on 31 March 2022 to fund the Transaction Costs of the Merger.

(5) Assumes 2,103.7 million Consideration Units are issued, based on the total number of MNACT Units issued as at 31 March 2022, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039 per Consideration Unit, being the Scheme Issue Price.

Cash-and-Scrip Consideration and Cash-Only Consideration

(6) Assumes an additional S$237.9 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued on 31 March 2022 to fund up to S$417.3 million of the cash component of the Scheme Consideration and the Transaction Costs of the Merger.

Cash-and-Scrip Consideration

(7) Assumes 1,895.5 million Consideration Units are issued, based on the total number of MNACT Units in issue as at 31 March 2022, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039 per Consideration Unit, being the Scheme Issue Price.

Cash-Only Consideration

(8) Assumes 1,895.5 million MCT Units are issued comprising (i) 802.4 million Consideration Units in satisfaction of the scrip component to MIPL, who has elected to receive the Scrip-Only Consideration in respect of all its MNACT Units and (ii) 1,093.1 million Preferential Offering Units, in satisfaction of the additional cash requirement for the Cash-Only Consideration, based on the total number of MNACT Units issued as at 31 March 2022, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

MNACT and the Merged Entity are mainly exposed to movement in the HKD, RMB and JPY foreign currencies. As such, the MCT Manager wishes to set out below the possible impact on NAV per unit due to foreign exchange movements, which has been mitigated by the capital hedges put in place as part of the MNACT Manager's risk management strategy.

For every 5.0% appreciation (or depreciation) in the HKD, RMB or JPY against the SGD, the change to NAV per unit and NAV per unit (ex-distribution), assuming other conditions remain constant, are as set out below:

	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**	
NAV per unit (S$)[1]	1.86		1.86		1.86	
NAV per unit (ex-distribution) (S$)[1]	1.81		1.81		1.81	
	Impact to pro forma NAV per unit and NAV per unit (ex-distribution)					
	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%
HKD (S$)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)
RMB (S$)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)
JPY (S$)	*	*	*	*	*	*

Notes: * Less than +/- S$0.01.

(1) Rounded NAV per unit and NAV per unit (ex-distribution) figures.

10.2.2 As at 31 March 2021 (FY20/21)

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

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

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

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

(3) Includes an additional S$486.5 million in investment property value and an additional S$7.2 million in non-controlling interest, attributable to HPB. Assumes that an additional S$231.5 million of debt (net of financing cost) was drawn down, and an additional S$247.8 million in perpetual securities (net of issue cost) were issued, on 31 March 2021, to fund the total cost of the HPB acquisition, based on unaudited financial information as at 31 March 2022.

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

Scrip-Only Consideration

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

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

Cash-and-Scrip Consideration and Cash-Only Consideration

(7) Assumes that an additional S$231.9 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued on 31 March 2021 to fund up to S$411.3 million of the cash component of the Scheme Consideration and the Transaction Costs of the Merger.

Cash-and-Scrip Consideration

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

Cash-Only Consideration

(9) Assumes 1,842.6 million MCT Units are issued, comprising (i) 765.0 million Consideration Units in satisfaction of the scrip component to MIPL, who has elected to receive the Scrip-Only Consideration in respect of all its MNACT Units and (ii) 1,077.6 million Preferential Offering Units in satisfaction of the additional cash requirement for the Cash-Only Consideration, based on the total number of MNACT Units issued as at 31 March 2021, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

As mentioned under **Paragraph 10.2.1**, the MCT Manager wishes to set out below the possible impact to NAV per unit due to foreign exchange movements.

For every 5.0% appreciation (or depreciation) in the HKD, RMB or JPY against the SGD, the change to NAV per unit and NAV per unit (ex-distribution), assuming other conditions remain constant, are as set out below:

	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**	
NAV per unit (S$)(1)	1.88		1.87		1.87	
NAV per unit (ex-distribution) (S$)(1)	1.83		1.82		1.82	
	Impact to pro forma NAV per unit and NAV per unit (ex-distribution)					
	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%
HKD (S$)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)
RMB (S$)	0.02	(0.02)	0.02	(0.02)	0.02	(0.02)
JPY (S$)	*	*	*	*	*	*

Note: * Less than +/- S$0.01.

(1) Rounded NAV per unit and NAV per unit (ex-distribution) figures.

10.3 Pro Forma Aggregate Leverage

10.3.1 As at 31 March 2022 (FY21/22)

	Effects of Merger			
		Post-Merger(1)		
	Before Merger	**Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration**	**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**	**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**
Aggregate leverage (based on gross borrowings)	33.5%	37.5%	38.8%	38.8%

Note: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the MCT FY21/22 Unaudited Financial Statements and the MNACT FY21/22 Unaudited Financial Statements.

(1) Assumptions are the same as those set out in **Paragraph 10.2.1**.

MNACT and the Merged Entity are mainly exposed to movement in the HKD, RMB and JPY foreign currencies. As such, the MCT Manager wishes to set out below the possible impact on aggregate leverage due to foreign exchange movements, which has been mitigated by the capital hedges put in place as part of the MNACT Manager's risk management strategy.

For every 5.0% appreciation (or depreciation) in the HKD, RMB or JPY against the SGD, the change to aggregate leverage, assuming other conditions remain constant, are as set out below:

	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**	
Aggregate leverage	37.5%		38.8%		38.8%	
	Impact to aggregate leverage (percentage points ("p.p."))					
	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%
HKD	+0.1 p.p.	-0.1 p.p.	+0.1 p.p.	-0.1 p.p.	+0.1 p.p.	-0.1 p.p.
RMB	-0.2 p.p.	+0.2 p.p.	-0.2 p.p.	+0.2 p.p.	-0.2 p.p.	+0.2 p.p.
JPY	+0.2 p.p.	-0.2 p.p.	+0.2 p.p.	-0.2 p.p.	+0.2 p.p.	-0.2 p.p.

10.3.2 As at 31 March 2021 (FY20/21)

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

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

(1) Assumptions are the same as those set out in **Paragraph 10.2.2**.

As mentioned under **Paragraph 10.3.1**, the MCT Manager wishes to set out below the possible impact to aggregate leverage due to foreign exchange movements.

For every 5.0% appreciation (or depreciation) in the HKD, RMB or JPY against the SGD, the change to aggregate leverage, assuming other conditions remain constant, are as set out below:

	Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**		**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**	
Aggregate leverage	38.0%		39.2%		39.2%	
	Impact to aggregate leverage					
	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%	Appreciate by 5%	Depreciate by 5%
HKD	+0.1 p.p.	-0.1 p.p.	+0.1 p.p.	-0.1 p.p.	+0.1 p.p.	-0.1 p.p.
RMB	-0.2 p.p.	+0.2 p.p.	-0.2 p.p.	+0.2 p.p.	-0.2 p.p.	+0.2 p.p.
JPY	+0.1 p.p.	-0.1 p.p.	+0.1 p.p.	-0.1 p.p.	+0.1 p.p.	-0.1 p.p.

11. THE PROPOSED MERGER AS AN INTERESTED PERSON TRANSACTION AND A MAJOR TRANSACTION

11.1 Interested Person Transactions and Interested Party Transactions

11.1.1 Interested Party Transactions

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

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for unitholders' approval for an interested party transaction by MCT whose value is equal to or exceeds 5.0% of the MCT Group's latest audited NAV (which, for the purposes of this section, includes distributable income).

Based on the latest audited financial statements of MCT prior to the announcement of the Merger and the entry into the Implementation Agreement on the Joint Announcement Date, being the MCT FY20/21 Audited Financial Statements, as disclosed in the annual report of MCT for the financial year ended 31 March 2021, the latest audited NAV and NTA of the MCT Group as at 31 March 2021 was S$5,709.0 million. Accordingly, if the value of a transaction which is proposed to be entered into by MCT during the current financial year 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 greater than S$285.4 million, such a transaction would be subject to the approval of MCT Unitholders under Rule 906(1)(a) the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

11.1.2 Requirement for the Approval of MCT Unitholders

As at the Latest Practicable Date, MIPL holds, in aggregate through HFPL, HF Place, HF Eight, Sienna and the MCT Manager, approximately 32.61% of the total number of MCT Units in issue. MIPL also holds, in aggregate through Kent, Suffolk, MNAPML and the MNACT Manager, approximately 38.14% of the total number of MNACT Units in issue.

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

(i) MCT is an “entity at risk”;

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

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

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

The consideration payable by MCT to Kent, Suffolk, MNAPML and the MNACT Manager for their MNACT Units will be based on their pro-rata share of the aggregate Scheme Consideration.

The value at risk to MCT is the aggregate Scheme Consideration of approximately S$4,229.6 million, based on the Scheme Consideration of S$1.1949 for each MNACT Unit and the expected total of 3,539,565,884 MNACT Units in issue at the Effective Date. Pursuant to the Merger, Kent, Suffolk, MNAPML and the MNACT Manager will be entitled to receive from MCT approximately S$1,621.8 million to be satisfied fully in the form of Consideration Units[67], as consideration for the acquisition of the MNACT Units held by Kent, Suffolk, MNAPML and the MNACT Manager. The aggregate Scheme Consideration represents approximately 74.1% of the audited NTA and NAV of the MCT Group of S$5,709.0 million as at 31 March 2021. Of this 74.1%, the Scheme Consideration payable by MCT to Kent, Suffolk, MNAPML and the MNACT Manager represents approximately 28.4% of the audited NTA and NAV of the MCT Group of S$5,709.0 million as at 31 March 2021.

Accordingly:

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

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

[67] As stated in **Paragraph 3.7.2**, the Sponsor has provided an undertaking to receive 100.0% Scrip-Only Consideration as payment of the Scheme Consideration in respect of all its MNACT Units. Accordingly, the MIPL Entities which hold MNACT Units, being Kent, Suffolk, MNAPML and the MNACT Manager, will be electing to receive 100.0% Scrip-Only Consideration as payment of the Scheme Consideration in respect of all their MNACT Units.

For the information of MCT Unitholders, as at the Latest Practicable Date, save for the Interested MNACT Units Acquisition, the value of all "interested persons transactions" entered into between MCT and MIPL and its associates during the course of the current financial year that are subject to disclosure under Chapter 9 of the Listing Manual is approximately S$84.4 million (the "**Existing Interested Person Transactions**"), which is approximately 1.5% of the audited NTA of the MCT Group as at 31 March 2021. For the avoidance of doubt, the approval of the MCT Unitholders is not being sought in respect of the Existing Interested Person Transactions.

Further information on the Existing Interested Person Transactions may be found in **Schedule 4**.

Save as described in the foregoing, there were no interested person transactions entered into between the MCT Group and MIPL, its subsidiaries and associates during the course of the current financial year.

11.2 Major Transaction

11.2.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by MCT. Such transactions are classified into the following categories:

(i) non-discloseable transactions;

(ii) discloseable transactions;

(iii) major transactions; and

(iv) very substantial acquisitions or reverse takeovers.

A proposed transaction by MCT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(a) the net asset value of the assets to be disposed of, compared with the MCT Group's net asset value pursuant to Rule 1006(a) of the Listing Manual;

(b) the net profits attributable to the assets to be acquired or disposed of, compared with the MCT Group's net profits pursuant to Rule 1006(b) of the Listing Manual;

(c) the aggregate value of the consideration given or received, compared with MCT's market capitalisation based on the total number of issued MCT Units (excluding treasury units) pursuant to Rule 1006(c) of the Listing Manual; and

(d) the number of equity securities issued by MCT as consideration for an acquisition, compared with the number of equity securities previously in issue pursuant to Rule 1006(d) of the Listing Manual.

Rule 1006(a) of the Listing Manual is not applicable to the Merger as MCT will not be disposing any assets under the Merger.

11.2.2 Requirement for the Approval of MCT Unitholders

The relative figures computed on the bases set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual in respect of the Merger as at the Joint Announcement Date are as follows:

	MNACT Group or Merger, as the case may be (million)	MCT Group (million)	Percentage (%)
Rule 1006(b) NPI attributable to the MNACT Group compared with the NPI of the MCT Group, in each case, for the six-month period from 1 April to 30 September 2021[(1), (2)]	S$166.2	S$189.9	87.5
Rule 1006(c) The aggregate value of the consideration given[(3)] compared with MCT's market capitalisation[(4)] as at the Last Trading Day	S$4,215.6	S$6,657.8	63.3
Rule 1006(d) Number of MCT Units[(5)] to be issued as consideration pursuant to the Merger compared with number of MCT Units in issue as at the Joint Announcement Date	2,103.7	3,322.4	63.3

Notes:

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

(2) Based on the NPI as disclosed in the unaudited consolidated financial statements of the MCT Group for the financial half-year ended 30 September 2021 (the "**MCT 1H FY21/22 Unaudited Financial Statements**") and the unaudited consolidated financial statements of the MNACT Group for the financial half-year ended 30 September 2021 (the "**MNACT 1H FY21/22 Unaudited Financial Statements**"). The NPI attributable to MNACT has been adjusted to include MNACT's 50.0% share of the NPI from TPG located in South Korea, based on information as disclosed in MNACT's presentation slides published in conjunction with the MNACT 1H FY21/22 Unaudited Financial Statements.

(3) Based on the Scheme Consideration of S$1.1949 for each MNACT Unit as well as 3,527,974,156 MNACT Units in issue as at the Last Trading Day.

(4) For the purposes of this table only, the market capitalisation of MCT is determined by multiplying the number of MCT Units in issue by the weighted average price of such MCT Units transacted on the Last Trading Day, being the market day preceding the date of the Implementation Agreement, as prescribed under Rule 1002(5) of the Listing Manual. For the avoidance of doubt, the market capitalisation of MCT indicated in this table may differ from the market capitalisation disclosed in other sections of this Circular due to a difference in computation.

(5) Based on an illustrative issue price of S$2.0039 per Consideration Unit, which was the 1-day VWAP of an MCT Unit on the SGX-ST on the Last Trading Day, and the total number of MNACT Units issued as at the Last Trading Day. Based on the foregoing and on the assumption that all MNACT Unitholders will elect to receive the Scrip-Only Consideration. For avoidance of doubt, the option to elect to receive the Cash-and-Scrip Consideration remains available for all MNACT Unitholders (save for the MIPL Entities).

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

12. MCT 805 AUDITORS' OPINION

The MCT Manager has appointed the MCT 805 Auditors, being Ernst & Young LLP, to perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) on Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, on the carrying values of the investment properties of the MNACT Group and of its joint venture as at 31 March 2022[68], including by, among other things, reviewing the valuation reports as at 31 March 2022 commissioned by the MNACT Manager in respect of the MNACT Properties.

A reciprocal arrangement was undertaken by the MNACT Manager in respect of the investment properties of the MCT Group.

The intention in carrying out such audit is to give additional comfort to MCT Unitholders that such carrying values were stated, in all material respects, in accordance with the basis of accounting of the MNACT Group.

Pursuant to such audit, the MCT 805 Auditors have delivered the MCT 805 Auditors' Opinion dated 29 April 2022 setting out their opinion that the carrying values of the investment properties of the MNACT Group and of its joint venture were stated, in all material respects, in accordance with the basis of accounting of the MNACT Group described in Note 2 of the Statement of Investment Properties of MNACT Group and its Joint Venture (as set out in the MCT 805 Auditors' Opinion) and that, accordingly, the investment properties held by the MNACT Group and its joint venture were stated at fair values.

Please refer to **Appendix B** of this Circular for the MCT 805 Auditors' Opinion.

13. ADVICE OF THE MCT IFA

13.1 Appointment of the MCT IFA

The MCT Manager and the MCT Trustee have appointed Australia and New Zealand Banking Group Limited, Singapore Branch as the MCT IFA to advise:

(i) the audit and risk committee of the MCT Manager, comprising Mr. Premod P. Thomas, Mr. Koh Cheng Chua, Mr. Wu Long Peng and Mr. Mak Keat Meng (the "**Audit and Risk Committee**");

(ii) the MCT Independent Directors, being Ms. Kwa Kim Li, Mr. Premod P. Thomas, Mr. Kan Shik Lum, Mr. Koh Cheng Chua, Mr. Wu Long Peng, Mr. Mak Keat Meng and Mr. Alvin Tay Tuan Hearn; and

(iii) the MCT Trustee,

[68] The carrying values of the investment properties of the investment properties of the MNACT Group and of its joint venture as at 31 March 2022 were disclosed by MNACT in its announcement titled "*Valuation of Properties in Mapletree North Asia Commercial Trust*" on SGXNET on 19 April 2022.

as to whether the Merger (including the proposed issuance of Consideration Units) and the MCT Trust Deed Amendments, each of which is an interested person transaction under the Listing Manual, are on normal commercial terms and are not prejudicial to the interests of MCT and its minority unitholders, as well as, in compliance with the provisions of the Code, whether the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable.

A copy of the MCT IFA Letter, containing its advice in full, is set out in **Appendix C** to this Circular and MCT Unitholders are advised to read the MCT IFA Letter carefully.

13.2 Advice of the MCT IFA

Based upon, and having considered the factors described in the MCT IFA Letter and the information that has been made available to the MCT IFA as at the Latest Practicable Date, the MCT IFA is of the opinion that as at the Latest Practicable Date:

(i) the Scheme Consideration is fairly valued and the Merger (including the proposed issuance of Consideration Units) and the MCT Trust Deed Amendments are on normal commercial terms and not prejudicial to the interests of MCT and its minority unitholders; and

(ii) the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable.

Accordingly, the MCT IFA advises:

(i) the Audit and Risk Committee of the MCT Manager and the MCT Independent Directors to recommend that the independent MCT Unitholders **VOTE IN FAVOUR** of **RESOLUTION 1 (PROPOSED MERGER)** and **RESOLUTION 4 (MCT TRUST DEED AMENDMENTS)**; and

(ii) the Audit and Risk Committee of the MCT Manager and the MCT Independent Directors to recommend that the Independent MCT Unitholders (Whitewash) **VOTE IN FAVOUR** of **RESOLUTION 3 (WHITEWASH RESOLUTION)**.

In arriving at its recommendation in relation to Resolution 1 (Proposed Merger), the MCT IFA has taken into account certain considerations (an extract of which is reproduced in italics below). MCT Unitholders should read the following extract in conjunction with, and in the context of, the MCT IFA Letter in its entirety as set out in **Appendix C** to this Circular. Unless otherwise defined or the context otherwise requires, all capitalised terms in the extract below shall have the same meanings as defined in the MCT IFA Letter.

"*In arriving at our opinion whether the Merger is on normal commercial terms and not prejudicial to the interests of MCT and its minority unitholders, we have evaluated, inter alia, whether the MNACT Units and the Consideration Units are fairly valued based on the Scheme Consideration and the Consideration Unit Price, respectively, and have considered, inter alia, the following factors below which should be read in conjunction with, and interpreted, in the full context of this Letter:*

(a) Based on the full year ended 31 March 2022 pro forma unaudited financials, the Merger is accretive to MCT Unitholders on a DPU basis and NAV per MCT Unit basis under the Scrip-Only Consideration, Cash-and-Scrip Consideration and Cash-Only Consideration;

(b) Based on the full year ended 31 March 2021 pro forma audited financials, the Merger is accretive to MCT Unitholders on a NAV per MCT Unit basis under the Scrip-Only Consideration, Cash-and-Scrip Consideration and Cash-Only Consideration;

(c) Based on the full year ended 31 March 2021 pro forma audited financials, the Merger is marginally dilutive on a DPU basis under the Scrip-Only Consideration but accretive under the Cash-and-Scrip Consideration and Cash-Only Consideration;

(d) Based on the full year ended 31 March 2021 pro forma audited financials, the pro forma aggregate leverage ratio assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration is 39.2%;

(e) Based on the full year ended 31 March 2022 pro forma unaudited financials, the pro forma aggregate leverage ratio assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration is 38.8%;

(f) As disclosed in the Circular, the completion of the Merger will result in the creation of a flagship commercial S-REIT in Asia listed on the SGX-ST with AUM increasing to approximately S$17.1 billion from approximately S$8.8 billion prior to the Merger and an enlarged geographical investment mandate;

(g) As a result of an increase in market capitalisation, the Merged Entity may experience an increase in trading liquidity, investor coverage and inclusion in indices; and

(h) The Merger may also potentially provide MCT Unitholders with asset class geographical diversification benefits supporting the future growth of the Merged Entity as compared to MCT on a standalone basis.

<u>The Exchange Ratio of 0.5963x is:</u>

(i) Below the exchange ratio of 0.6578 implied by the last closing prices of the MCT Units and the MNACT Units as at the Latest Practicable Date;

(ii) Broadly in line with the exchange ratio of 0.6159 implied by the VWAPs of the MCT Units and the MNACT Units for the period from the Joint Announcement Date to Latest Practicable Date;

(iii) Above the exchange ratios of 0.5550x, 0.5133x, 0.4863x, 0.4822x and 0.4849x implied by the last closing prices, 1-month, 3-month, 6-month and 12-month VWAPs of the MCT Units and the MNACT Units as at the Last Trading Date, respectively;

(iv) Below the exchange ratio of 0.6469x implied by the Pre-COVID VWAPs of the MCT Units and the MNACT Units from 28 December 2016 up to and including 31 December 2019; and

(v) Broadly in line with the exchange ratio of 0.5714x implied by the 5-year VWAPs of the MCT Units and the MNACT Units from 28 December 2016 up to and including the Last Trading Date.

<u>In the evaluation of the Scheme Consideration:</u>

1. The liquidity analysis of the MNACT Units and the Top 20 STI Companies indicates that there is high liquidity in the MNACT Units and that the market prices of the MNACT Units should generally reflect the fundamental, market-based value of the MNACT Units;

2. The historical market performance and trading activity of the MNACT Units indicate that:

- *the Scheme Consideration of S$1.1949 represents a premium of 7.6% to the closing price of the MNACT Units on the Last Trading Date;*

- *the Scheme Consideration of S$1.1949 represents a premium/(discount) of 14.4%, 17.5%, 17.8%, 17.3%, (0.2%) and 7.8% to the 1-month, 3-month, 6-month, 12-month, Pre-Covid and 5 Year VWAPs of the MNACT Units, respectively;*

- *the average daily trading volume of the MNACT Units as a percentage of the free float ranged between 0.3% and 0.4%, in the 1-month, 3-month, 6-month and 12-month, Pre-Covid and 5 Year periods up to the Last Trading Date;*

- *the average daily trading value of the MNACT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 1-month, 3-month, 6-month and 12-month, Pre-Covid and 5 Year periods up to the Last Trading Date;*

- *the Scheme Consideration of S$1.1949 represents a discount of 2.9% to the closing price of the MNACT Units on the Latest Practicable Date;*

- *the Scheme Consideration of S$1.1949 represents a premium of 4.9% to the VWAPs of the MNACT Units in the period between the Joint Announcement Date up to the Latest Practicable Date;*

- *the average daily trading volume of the MNACT Units as a percentage of the free float was 0.8% in the period between the Joint Announcement Date up to the Latest Practicable Date; and*

- *the average daily trading value of the MNACT Units as a percentage of the market capitalisation was 0.5% in the period between the Joint Announcement Date up to the Latest Practicable Date.*

3. The comparison of the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x to the trailing Latest P/NAV multiples of the MNACT Units indicates that:

- *the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is above the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.72x to 0.89x and above the mean and median of 0.79x, over the 12-month period up to and including the Last Trading Date;*

- *the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.78x to 1.05x but above the mean and median of 0.89x and 0.88x, respectively, over the pre-COVID period from 28 December 2016 to 31 December 2019; and*

- *the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.50x to 1.05x but above the mean and median of 0.83x and 0.84x, respectively, over the 5-year period from 28 December 2016 up to and including the Last Trading Date.*

4. The comparison of the LTM DY of the MNACT Units implied by the Scheme Consideration of 5.63% to the trailing LTM DYs of the MNACT Units indicates that:

- *the LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 5.46% to 6.79% but below the mean* *and median of 6.15% and 6.11%, respectively, over the 12-month period up to and including the Last Trading Date;*

- *the LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 4.71% to 7.94% but below the mean and median of 6.40% and 6.50%, respectively, over the pre-COVID period from 28 December 2016 to 31 December 2019; and*

- *the LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 4.71% to 10.73% but below the mean and median of 6.56% and 6.47%, respectively, over the 5-year period from 28 December 2016 up to and including the Last Trading Date.*

5. *The comparison of valuation multiples implied by the Scheme Consideration to those of the Comparable North Asian REITs indicates that:*

   - *the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the P/NAV multiples of the Comparable North Asian REITs of 0.26x to 1.15x but above the mean and median of 0.75x and 0.81x, respectively; and*

   - *the LTM DY implied by the Scheme Consideration of 5.6% is within the range of the LTM DY of the Comparable North Asian REITs of 3.5% to 9.0% and above the mean and median of 5.5% and 4.8%, respectively.*

6. *The comparison of premium/discount to the prevailing VWAPs implied by the Scheme Consideration to those implied in the Precedent S-REITs Mergers indicates that:*

   - *the premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is within the range of the premia implied by the Precedent S-REITs Mergers of (0.3%) to 11.5% but above the mean and median of 3.2% and 1.9%, respectively;*

   - *the premium implied by the Scheme Consideration over the 1-month, 6-month and 12-month period VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent S-REITs Mergers of 2.1% to 27.1%; and*

   - *the P/NAV implied by the Scheme Consideration as at the Last Trading Date is within the range of P/NAV implied by the Precedent S-REITs Mergers of 1.00x to 1.43x and below the mean and median of 1.16x and 1.12x, respectively.*

7. *The comparison of premium/discount to the prevailing VWAPs and P/NAV implied by the Scheme Consideration to those implied in the Precedent S-REITs Cash Acquisitions indicates that:*

   - *the P/NAV implied by the Scheme Consideration as at the Last Trading Date is within the range of P/NAV implied by the Precedent S-REITs Cash Acquisitions of 0.58x to 1.23x and within the mean and median of 0.98x and 1.00x;*

   - *the premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is below the range of the premia implied by the Precedent S-REITs Cash Acquisitions of 24.5% to 35.9%; and*

   - *the premium implied by the Scheme Consideration over the 1-month, 6-month and 12-month period VWAP as at the Last Trading Date is below the range of the premia implied by the Precedent S-REITs Cash Acquisitions of 25.6% to 53.3%.*

8. *The comparison of premium/discount to the prevailing VWAPs implied by the Scheme Consideration to those implied in the Precedent Privatisations indicates that:*

   – *the premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 3.2% to 88.1% and below the mean and median of 26.9% and 20.9%, respectively;*

   – *the premium of 14.4% implied by the Scheme Consideration over the 1-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 5.7% to 105.2% and below the mean and median of 31.9% and 28.3%, respectively;*

   – *the premium of 17.8% implied by the Scheme Consideration over the 6-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 5.5% to 112.7% and below the mean and median of 37.3% and 27.7%, respectively; and*

   – *the premium of 17.3% implied by the Scheme Consideration over the 12-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisation of 6.7% to 95.2% and below the mean and median of 37.5% and 31.1%, respectively.*

9. *The comparison of the Scheme Consideration to broker target prices of the MNACT Units indicates that the Scheme Consideration of S$1.1949 is:*

   – *within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$1.0800 and S$1.3000 but above the mean and median of S$1.1583 and S$1.1350, respectively; and*

   – *above the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.1300 to S$1.1900.*

<u>*In the evaluation of the Consideration Unit Price:*</u>

1. *The liquidity analysis of the MCT Units and the Top 20 STI Companies indicate that there is high liquidity in the MCT Units and that the market prices of the MCT Units should generally reflect the fundamental, market-based value of the MCT Units;*

2. *The historical market performance and trading activity of the MCT Units indicate that:*

   – *the Consideration Unit Price of S$2.0039 represents a premium of 0.2% to the closing price of the MCT Units on the Last Trading Date;*

   – *the Consideration Unit Price of S$2.0039 represents a premium/(discount) of (1.6%), (4.2%), (4.7%), (4.6%), 8.3% and 3.3% to the 1-month, 3-month, 6-month, 12-month, Pre-Covid and 5 Year VWAPs of the MCT Units, respectively;*

   – *the average daily trading volume of the MCT Units as a percentage of the free float was 0.4% in the 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Date;*

   – *the average daily trading value of the MCT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Date;*

– the Scheme Consideration of S$2.0039 represents a premium of 7.2% to the closing price of the MCT Units on the Latest Practicable Date;

– the Scheme Consideration of S$2.0039 represents a premium of 8.3% to the VWAPs of the MCT Units in the period between the Joint Announcement Date up to the Latest Practicable Date;

– the average daily trading volume of the MCT Units as a percentage of the free float was 1.1% in the period between the Joint Announcement Date up to the Latest Practicable Date; and

– the average daily trading value of the MCT Units as a percentage of the market capitalisation was 0.6% in the period between the Joint Announcement Date up to the Latest Practicable Date.

3. The comparison of the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x to the trailing Latest P/NAV multiples of the MCT Units indicates that:

– the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 1.14x to 1.30x over the 12-month period up to and including the Last Trading Date but below the mean and median of 1.22x and 1.23x, respectively;

– the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 1.04x to 1.48x over the pre-COVID period from 28 December 2016 to 31 December 2019 and within the mean and median of 1.18x and 1.14x, respectively; and

– the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 0.85x to 1.48x over the 5-year period from 28 December 2016 up to and including the Last Trading Date and within the mean and median of 1.18x and 1.16x, respectively.

4. The comparison of the LTM DY of the MCT Units implied by the Consideration Unit Price of 4.84% to the trailing LTM DYs of the MCT Units indicates that:

– the LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.38% to 4.93% over the 12-month period up to and including the Last Trading Date but above the mean and median of 4.23% and 4.43%, respectively;

– the LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.82% to 5.93% over the pre-COVID period from 28 December 2016 to 31 December 2019 and below the mean and median of 5.25% and 5.53%, respectively; and

– the LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.38% to 6.27% over the 5-year period from 28 December 2016 up to and including the Last Trading Date and broadly in line with the mean and median of 4.83% and 4.76%, respectively.

5. The comparison of valuation multiples implied by the Consideration Unit Price to those of the Comparable Commercial S-REITs indicates that:

– the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is above the range of the P/NAV multiples of the Comparable Commercial S-REITs of 0.72x to 1.10x; and

– the LTM DY implied by the Consideration Unit Price of 4.8% is within the range of the LTM DY of the Comparable Commercial S-REITs of 4.4% to 6.3%.

6. *The comparison of the Consideration Unit Price to broker target prices of the MCT Units indicates that the Consideration Unit Price of S$2.0039 is:*

   – *within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$1.9500 to S$2.4800 but below the mean and median of S$2.2694 and S$2.2900, respectively; and*

   – *within the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.8600 to S$2.4800 but below the mean and median of S$2.1173 and S$2.0900, respectively.*

Other relevant considerations that have a significant bearing on our assessment in relation to the Merger:

(i) the Merger being an interested person transaction and interested party transaction;

(ii) the MCT Trust Deed Amendments; and

(iii) the Whitewash Resolution.

Based upon, and having considered, inter alia, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as at the Latest Practicable Date:

(a) the Scheme Consideration is fairly valued and the Merger (including the proposed issuance of Consideration Units) and the MCT Trust Deed Amendments are on normal commercial terms and not prejudicial to the interests of MCT and its minority unitholders. Accordingly, we advise the Audit and Risk Committee of the MCT Manager and the MCT Independent Directors to recommend that the independent MCT Unitholders ***VOTE IN FAVOUR*** *of* ***Resolution 1 (Proposed Merger)*** *and* ***Resolution 4 (MCT Trust Deed Amendments)****;*

(b) the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable. Accordingly, we advise the Audit and Risk Committee of the MCT Manager and the MCT Independent Directors to recommend that the independent MCT Unitholders ***VOTE IN FAVOUR*** *of* ***Resolution 3 (Whitewash Resolution)****.*"

As stated in the MCT IFA Letter, MCT Unitholders should note that the MCT IFA's opinion on the Merger cannot and does not take into account the future trading activity or patterns or price levels that may be established for the MCT Units and the MNACT Units as these are governed by factors beyond the scope of the MCT IFA's review and would not fall within the MCT IFA's terms of reference in connection with the Merger. MCT Unitholders should not rely on the MCT IFA's opinion as the sole basis for deciding whether or not to vote in favour of the Merger.

14. STATEMENT OF THE AUDIT AND RISK COMMITTEE

Having considered the relevant factors, including the terms of the Merger (as set out in **Paragraph 5** and **Schedule 3**), the rationale for the Merger (as set out in **Paragraph 3**), the MCT Manager's strategy for the Merged Entity (as set out in **Paragraph 4.2**) and the opinion of the MCT IFA as set out in the MCT IFA Letter in **Appendix C** to this Circular, the Audit and Risk Committee is of the opinion that the Merger (including the proposed issuance of Consideration Units) is on normal commercial terms and is not prejudicial to the interests of MCT and its minority unitholders.

Having considered the relevant factors, including the terms of the Merger (as set out in **Paragraph 5** and **Schedule 3**), the rationale for the Merger (as set out in **Paragraph 3**), the rationale for the proposed MCT Trust Deed Amendments (as set out in **Paragraph 4.1.2**) and the opinion of the MCT IFA as set out in the MCT IFA Letter in **Appendix C** to this Circular, the Audit and Risk Committee is of the opinion that the proposed MCT Trust Deed Amendments are on normal commercial terms and are not prejudicial to the interests of MCT and its minority unitholders.

Having considered the relevant factors, including the terms of the Merger (as set out in **Paragraph 5** and **Schedule 3**), the rationale for the Merger (as set out in **Paragraph 3**) and the opinion of the MCT IFA as set out in the MCT IFA Letter in **Appendix C** to this Circular, the Audit and Risk Committee is of the opinion that the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable.

15. RECOMMENDATIONS

15.1 MCT Independent Directors' Recommendation on Resolution 1 (Proposed Merger)

Having considered the relevant factors, including the terms of the Merger (as set out in **Paragraph 5** and **Schedule 3**), the rationale for the Merger (as set out in **Paragraph 3**) and the MCT Manager's strategy for the Merged Entity (as set out in **Paragraph 4.2**), as well as the MCT IFA Letter, the MCT Independent Directors are of the opinion that the Merger (including the proposed issuance of Consideration Units) is on normal commercial terms and is not prejudicial to the interests of MCT and its minority unitholders, and accordingly, hereby recommend that the MCT Unitholders **VOTE IN FAVOUR** of Resolution 1 (Proposed Merger).

For the avoidance of doubt, Resolution 1 is conditional on the passing of Resolution 2 and Resolution 3.

15.2 MCT Independent Directors' Recommendation on Resolution 2 (Proposed Issuance of Consideration Units)

Having considered the relevant factors, including the terms of the Merger (as set out in **Paragraph 5** and **Schedule 3**) and the rationale for the Merger (as set out in **Paragraph 3**), as well as the MCT IFA Letter, the MCT Independent Directors are of the opinion that the Merger (including the proposed issuance of Consideration Units) is on normal commercial terms and is not prejudicial to the interests of MCT and its minority unitholders, and accordingly, hereby recommend that the MCT Unitholders **VOTE IN FAVOUR** of Resolution 2 (Proposed Issuance of Consideration Units).

For the avoidance of doubt, Resolution 2 is conditional on the passing of Resolution 1 and Resolution 3.

15.3 MCT Independent Directors' Recommendation on Resolution 3 (Whitewash Resolution)

Having considered the relevant factors, including the terms of the Merger (as set out in **Paragraph 5** and **Schedule 3**) and the rationale for the Merger (as set out in **Paragraph 3**), as well as the MCT IFA Letter, the MCT Independent Directors are satisfied that the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable, and accordingly, hereby recommend that the MCT Unitholders **VOTE IN FAVOUR** of Resolution 3 (Whitewash Resolution).

For the avoidance of doubt, in the event that Resolution 3 is not passed at the EGM, the MCT Manager will not proceed with Resolution 1, Resolution 2 or Resolution 4.

15.4 MCT Independent Directors' Recommendation on Resolution 4 (MCT Trust Deed Amendments)

Having considered the relevant factors, including the terms of the Merger (as set out in **Paragraph 5** and **Schedule 3**), the rationale for the Merger (as set out in **Paragraph 3**) and the rationale for the MCT Trust Deed Amendments (as set out in **Paragraph 4.1.2 and Schedule 2**), as well as the MCT IFA Letter, the MCT Independent Directors are of the opinion that the proposed MCT Trust Deed Amendments are on normal commercial terms and are not prejudicial to the interests of MCT and its minority unitholders, and accordingly, hereby recommend that the MCT Unitholders **VOTE IN FAVOUR** of Resolution 4 (MCT Trust Deed Amendments).

For the avoidance of doubt, Resolution 4 is conditional on the passing of Resolution 1, Resolution 2 and Resolution 3.

15.5 Recommendations in relation to Resolutions 1 to 4

Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon have abstained from deliberating and making any recommendation in respect of Resolutions 1 to 4. They are not considered independent for the purposes of the foregoing resolutions for the following reasons:

15.5.1 Mr. Tsang Yam Pui was a member of the board of directors of the Sponsor (the "**Sponsor Board**") and a member of the Audit and Risk Committee of the Sponsor up to 31 January 2022;

15.5.2 Mr. Hiew Yoon Khong is the Executive Director of the Sponsor Board and the Group Chief Executive Officer of the Sponsor;

15.5.3 Ms. Wendy Koh Mui Ai is concurrently the Group Chief Financial Officer of the Sponsor and the Non-Executive Director of MNACT;

15.5.4 Ms. Amy Ng Lee Hoon is the Regional Chief Executive Officer, South East Asia & Group Retail of the Sponsor; and

15.5.5 Ms. Lim Hwee Li Sharon is the Chief Executive Officer and Executive Director of the MCT Manager, a wholly-owned subsidiary of the Sponsor.

16. EXTRAORDINARY GENERAL MEETING

The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, at 10.00 a.m. on Monday, 23 May 2022, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which are set out on D-1 to D-4.

Approval by way of an Ordinary Resolution is required in respect of Resolution 1 (Proposed Merger), Resolution 2 (Proposed Issuance of Consideration Units) and Resolution 3 (Whitewash Resolution).

Approval by way of an Extraordinary Resolution is required in respect of Resolution 4 (MCT Trust Deed Amendments).

MCT Unitholders, CPF Investors[69] and SRS Investors[70] will have the opportunity to raise questions (i) by submitting text-based questions via the live audio-visual webcast and live audio-only stream (the "**Live Webcast**") of the EGM proceedings within a prescribed time limit, via the online chat box through the live audio-visual webcast platform and (ii) through submission of questions in advance of the EGM, as set out in the Notice of EGM.

17. INTERESTS OF MCT DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Based on the information available to the MCT Manager, details of the interests in MCT Units and MNACT Units of the MCT Directors and Substantial Unitholders[71] of MCT as at the Latest Practicable Date are set out below.

Further, as mentioned in **Paragraph 15.5**:

(i) Mr. Tsang Yam Pui was a member of the Sponsor Board and a member of the Audit and Risk Committee of the Sponsor up to 31 January 2022;

(ii) Mr. Hiew Yoon Khong is the Executive Director of the Sponsor Board and the Group Chief Executive Officer of the Sponsor;

(iii) Ms. Wendy Koh Mui Ai is concurrently the Group Chief Financial Officer of the Sponsor and the Non-Executive Director of MNACT;

(iv) Ms. Amy Ng Lee Hoon is the Regional Chief Executive Officer, South East Asia & Group Retail of the Sponsor; and

(v) Ms. Lim Hwee Li Sharon is the Chief Executive Officer of the MCT Manager, a wholly-owned subsidiary of the Sponsor.

Save as disclosed in this Circular, none of the MCT Directors or the Substantial Unitholders of MCT has any interest, direct or indirect, in the Merger.

17.1 Interests of MCT Directors

Based on the Register of Directors maintained by the MCT Manager, the interests of MCT Directors in MCT Units as at the Latest Practicable Date are as follows:

Name of MCT Director	Direct Interest		Deemed Interest		Total Interest	
	No. of MCT Units	%(1)	No. of MCT Units	%(1)	No. of MCT Units	%(1)
Tsang Yam Pui	–	–	426,043	0.01	426,043	0.01
Kwa Kim Li	10,000	n.m.(2)	29,600	n.m.(2)	39,600	n.m.(2)
Premod P. Thomas	–	–	–	–	–	–
Kan Shik Lum	–	–	–	–	–	–
Koh Cheng Chua	–	–	–	–	–	–

69 "**CPF Investors**" refers to investors who have purchased MCT Units using their Central Provident Fund ("**CPF**") savings under the CPF Investment Scheme (the "**CPFIS**").

70 "**SRS Investors**" refers to investors who have purchased MCT Units using their Supplementary Retirement Scheme ("**SRS**") contributions pursuant to the SRS.

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

Name of MCT Director	Direct Interest		Deemed Interest		Total Interest	
	No. of MCT Units	%(1)	No. of MCT Units	%(1)	No. of MCT Units	%(1)
Wu Long Peng	–	–	–	–	–	–
Mak Keat Meng	–	–	–	–	–	–
Alvin Tay Tuan Hearn	–	–	–	–	–	–
Hiew Yoon Khong	612,751	0.02	4,476,380	0.13	5,089,131	0.15
Wendy Koh Mui Ai	–	–	1,128,699	0.03	1,128,699	0.03
Amy Ng Lee Hoon	680,513	0.02	–	–	680,513	0.02
Lim Hwee Li Sharon	–	–	20,200	n.m.(2)	20,200	n.m.(2)

Notes: The percentages are rounded to the nearest two decimal places.

(1) This percentage is based on a total of 3,323,513,585 MCT Units as at the Latest Practicable Date.

(2) Not meaningful.

Based on the information available to the MCT Manager, the interests of MCT Directors in MNACT Units as at the Latest Practicable Date are as follows:

Name of MCT Director	Direct Interest		Deemed Interest		Total Interest	
	No. of MNACT Units	%(1)	No. of MNACT Units	%(1)	No. of MNACT Units	%(1)
Tsang Yam Pui	–	–	540,000	0.02	540,000	0.02
Kwa Kim Li	120,000	n.m.(2)	46,019	n.m.(2)	166,019	n.m.(2)
Premod P. Thomas	–	–	–	–	–	–
Kan Shik Lum	–	–	–	–	–	–
Koh Cheng Chua	–	–	–	–	–	–
Wu Long Peng	–	–	–	–	–	–
Mak Keat Meng	–	–	–	–	–	–
Alvin Tay Tuan Hearn	–	–	–	–	–	–
Hiew Yoon Khong	830,000	0.02	6,582,495	0.19	7,412,495	0.21
Wendy Koh Mui Ai	–	–	416,000	0.01	416,000	0.01
Amy Ng Lee Hoon	419,228	0.01	–	–	419,228	0.01
Lim Hwee Li Sharon	–	–	70,000	n.m.(2)	70,000	n.m.(2)

Notes: The percentages are rounded to the nearest two decimal places.

(1) This percentage is based on a total of 3,527,974,156 MNACT Units as at the Latest Practicable Date.

(2) Not meaningful.

17.2 Interests of Substantial Unitholders

Based on the information available to the MCT Manager, the interests of the Substantial Unitholders of MCT in MCT Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholder of MCT	Direct Interest		Deemed Interest		Total	
	No. of MCT Units	%(1)	No. of MCT Units	%(1)	No. of MCT Units	%(1)
Temasek(2)	–	–	1,113,792,065	33.51	1,113,792,065	33.51
Fullerton(2)	–	–	1,083,953,400	32.61	1,083,953,400	32.61
MIPL(3)	–	–	1,083,953,400	32.61	1,083,953,400	32.61
HFPL(4)	137,699,999	4.14	795,085,306	23.92	932,785,305	28.07
HF Place	442,846,329	13.32	–	–	442,846,329	13.32
HF Eight	352,238,977	10.60	–	–	352,238,977	10.60
BlackRock, Inc.(5)	–	–	170,859,830	5.14	170,859,830	5.14

Notes: The percentages are rounded to the nearest two decimal places.

(1) This percentage is based on a total of 3,323,513,585 MCT Units as at the Latest Practicable Date.

(2) Each of Temasek and Fullerton is deemed to be interested in the 137,699,999 MCT Units held by HFPL, 442,846,329 MCT Units held by HF Place, 352,238,977 MCT Units held by HF Eight, 47,201,893 MCT Units held by Sienna and 103,966,202 MCT Units held by the MCT Manager. In addition, Temasek is deemed to be interested in the 29,838,665 MCT Units in which its other subsidiaries and associated companies have direct or deemed interests. HFPL, HF Place, HF Eight, Sienna and the MCT Manager are wholly-owned subsidiaries of MIPL which is in turn a wholly-owned subsidiary of Fullerton. Fullerton is a wholly-owned subsidiary of Temasek. Each of MIPL and such other subsidiaries and associated companies referred to above is an independently-managed Temasek portfolio company. Neither Temasek nor Fullerton is involved in their business or operating decisions, including those regarding their unitholdings.

(3) MIPL is deemed to be interested in the 137,699,999 MCT Units held by HFPL, 442,846,329 MCT Units held by HF Place, 352,238,977 MCT Units held by HF Eight, 47,201,893 MCT Units held by Sienna and 103,966,202 MCT Units held by the MCT Manager.

(4) HFPL as holding company of HF Place and HF Eight is deemed to be interested in the 795,085,306 MCT Units held by HF Place and MCT Units held by HF Eight.

(5) BlackRock, Inc. is deemed to be interested in the 170,859,830 MCT Units held through BlackRock, Inc.'s subsidiaries.

Based on the information available to the MCT Manager, the interests of the Substantial Unitholders of MCT in MNACT Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholder of MCT	Direct Interest		Deemed Interest		Total	
	No. of MNACT Units	%(1)	No. of MNACT Units	%(1)	No. of MNACT Units	%(1)
Temasek(2)	–	–	1,369,977,157	38.83	1,369,977,157	38.83
Fullerton	–	–	1,345,663,544	38.14	1,345,663,544	38.14
MIPL(3)	–	–	1,345,663,544	38.14	1,345,663,544	38.14
HFPL	–	–	–	–	–	–
HF Place	–	–	–	–	–	–
HF Eight	–	–	–	–	–	–
BlackRock, Inc.(4)	–	–	65,274,166	1.85	65,274,166	1.85

Notes: The percentages are rounded to the nearest two decimal places.

(1) This percentage is based on a total of 3,527,974,156 MNACT Units as at the Latest Practicable Date.

(2) Each of Temasek and Fullerton is deemed to be interested in 778,884,967 MNACT Units held by Kent, 275,246,124 MNACT Units held by Suffolk, 195,746,225 MNACT Units held by the MNACT Manager and 95,786,228 MNACT Units held by MNAPML. In addition, Temasek is deemed to be interested in the 24,313,613 MNACT Units in which its other subsidiaries and associated companies have direct or deemed interests. Kent and Suffolk are wholly-owned subsidiaries of MIPL. The MNACT Manager and MNAPML 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 is in turn a wholly-owned subsidiary of Temasek. Each of MIPL and the other subsidiaries and associated companies referred to above are independently-managed Temasek portfolio companies. Neither Temasek nor Fullerton is involved in their business or operating decisions, including those regarding their unitholdings.

(3) MIPL is deemed to have an interest in the unitholdings of its wholly-owned subsidiaries, Kent, Suffolk, MNAPML and the MNACT Manager.

(4) BlackRock, Inc. is deemed to be interested in the 65,274,166 MNACT Units held through BlackRock, Inc.'s subsidiaries.

18. DIRECTORS' SERVICE CONTRACTS

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

19. ABSTENTIONS FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

As at the date hereof, Fullerton, through its interest in MIPL, has a deemed interest in 1,083,953,400 MCT Units, which comprises 32.61% of the total number of MCT Units in issue. Temasek, through its interests in Fullerton and its other subsidiaries and associated companies, has a deemed interest in 1,113,792,065 MCT Units, which comprises 33.51% of the total number of MCT Units in issue.

19.1 Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of the Consideration Units)

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of Temasek, Fullerton and MIPL is an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) and will, pursuant to Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, abstain, and procure that their associates (being HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstain, from voting on Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of Consideration Units). In addition, for the purposes of good corporate governance, Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon will abstain from voting on Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of Consideration Units).

The MCT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

19.2 Resolution 3 (Whitewash Resolution)

Pursuant to the SIC waiver (the "**SIC Waiver**") granted in relation to Resolution 3 (Whitewash Resolution), MIPL and their concert parties and parties not independent of them will abstain from voting on Resolution 3 (Whitewash Resolution).

The MCT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule, the Code or a court order.

19.3 Resolution 4 (MCT Trust Deed Amendments)

For the purposes of Chapter 9 of the Listing Manual, each of Temasek, Fullerton and MIPL are "interested persons" and will, pursuant to Rule 919 of the Listing Manual, abstain, and procure that their associates (being HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstain, from voting on Resolution 4 (MCT Trust Deed Amendments).

Further, Rule 748(5) of the Listing Manual prohibits the MCT Manager or any of its connected persons and any MCT Director from voting their MCT Units at, or being part of a quorum for, any meeting to approve any matter in which they have a material interest. A "connected person", in relation to a company, means "a director, chief executive officer or substantial shareholder or controlling shareholder of the company or any of its subsidiaries or an associate of any of them". Given that the MCT Trust Deed Amendments directly affect the form of payment receivable by the MCT Manager in respect of its fees, the MCT Manager, Temasek, Fullerton and MIPL and their respective associates (being HFPL, HF Place, HF Eight and Sienna) are prohibited pursuant to Rule 748(5) of the Listing Manual from voting on the resolutions relating to the MCT Trust Deed Amendments.

As such, each of the MCT Manager, Temasek, Fullerton, MIPL and their associates will abstain from voting on Resolution 4 (MCT Trust Deed Amendments). In addition, for the purposes of good corporate governance, Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon will abstain from voting on Resolution 4 (MCT Trust Deed Amendments).

The MCT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

20. ACTIONS TO BE TAKEN BY MCT UNITHOLDERS

20.1 Date, Time and Conduct of EGM

The EGM is being convened, and will be held at 10.00 a.m. (Singapore time) on Monday, 23 May 2022 pursuant to:

(i) the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed entities in Singapore to, *inter alia*, conduct general meetings, either wholly or partially, by electronic communication, video conferencing, tele-conferencing or other electronic means; and

(ii) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 which was gazetted on 13 April 2020, and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of REITs and business trusts.

The EGM will be held by way of electronic means as a precautionary measure due to the constantly evolving COVID-19 situation in Singapore and the unpredictable nature of COVID-19. Accordingly, MCT Unitholders will not be able to attend the EGM in person. Instead, the alternative arrangements and key dates relating to participation in the EGM via electronic means are set out in **Paragraphs 20.4** and **20.5** below.

The MCT Manager's Chairman, Mr. Tsang Yam Pui, the Lead Independent Director, Ms. Kwa Kim Li, the Chairman of the Audit and Risk Committee, Mr Premod P. Thomas, together with the senior management of the MCT Manager, will conduct the proceedings of the EGM.

Although MCT Unitholders will be able to ask questions at the EGM, MCT Unitholders who wish to ask questions are strongly encouraged to submit their questions by 10.00 a.m. on Saturday, 14 May 2022, in order to ensure that the MCT Manager has sufficient time to respond to such substantial and relevant questions in advance of the deadline for the submission of Proxy Forms.

20.2 Virtual Information Session

The Virtual Information Session, which will be organised and hosted by SIAS, will be held for MCT Unitholders and persons (including CPF Investors and SRS Investors) who hold MCT Units through relevant intermediaries[72] prior to the EGM, at 6.00 p.m. on Tuesday, 10 May 2022, where the MCT Manager will endeavour to address all substantial and relevant questions received by 12.00 p.m. on Monday, 9 May 2022 in relation to the Merger. MCT Unitholders and persons (including CPF Investors and SRS Investors) who hold MCT Units through relevant intermediaries will also be able to ask questions "live" by typing in and submitting their questions via an online chat box which will be accessible by participants during the Virtual Information Session. In order to participate in the Virtual Information Session through the Live Webcast, MCT Unitholders and persons (including CPF Investors and SRS Investors) who hold MCT Units through relevant intermediaries must follow these steps:

(i) pre-register at the URL **http://sias.org.sg/mct-vis** no later than 12.00 p.m. on Monday, 9 May 2022 (the "**Virtual Information Session Registration Deadline**"). Pre-registration for the Virtual Information Session is compulsory and any registration received after the Virtual Information Session Registration Deadline will not be accepted;

(ii) submit an electronic copy of the latest proof of their unitholdings in MCT for verification purposes when they pre-register, failing which they will not be provided with the login details for the Live Webcast of the Virtual Information Session;

(iii) an MCT Unitholder who is a corporation may appoint one representative by submitting an authorisation letter (on the corporation's letterhead) authorising its named representative to attend the Live Webcast of the Virtual Information Session on its behalf and indicate the details as required during the pre-registration process for the Virtual Information Session. An MCT Unitholder who is a corporation is also required to submit an electronic copy of the latest proof of its unitholdings for verification purposes when it pre-registers for the Virtual Information Session, failing which, it will not be provided with the login details for the Live Webcast of the Virtual Information Session;

72 "**relevant intermediary**" means:

(i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds MCT Units in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the SFA and who holds MCT Units in that capacity; or

(iii) the CPF Board established by the Central Provident Fund Act 1953, in respect of MCT Units purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(iv) following verification, an email containing login details and instructions on how to access the Live Webcast of the Virtual Information Session will be sent to authenticated MCT Unitholders and persons (including CPF Investors and SRS Investors) who hold MCT Units through relevant intermediaries by 12.00 p.m. on Tuesday,10 May 2022;

(v) MCT Unitholders and persons (including CPF Investors and SRS Investors) who hold MCT Units through relevant intermediaries who do not receive any email by 12.00 p.m. on Tuesday, 10 May 2022, but have registered by the Virtual Information Session Registration Deadline should contact SIAS, at +65 6227 2683 during office hours or email to **admin@sias.org.sg**; and

(vi) each set of login details will only allow one person to access the Live Webcast of the Virtual Information Session. Multiple logins using the same set of login details are not allowed. MCT Unitholders and persons (including CPF Investors and SRS Investors) who hold MCT Units through relevant intermediaries are not permitted to appoint a proxy to join the Live Webcast of the Virtual Information Session on their behalf.

The MCT Manager will provide a link to MCT Unitholders to access the recording of the Virtual Information Session on MCT's website at the URL **https://www.mapletreecommercialtrust.com**, and on the SGX website at the URL **https://www.sgx.com/securities/company-announcements**, on or around Wednesday, 11 May 2022.

20.3 Notice of EGM and Proxy Form

Electronic copies of the Notice of EGM and Proxy Form will be published on the SGX website at **https://www.sgx.com/securities/company-announcements** and will also be made available on MCT's website at **https://www.mapletreecommercialtrust.com**. Printed copies of the Notice of EGM and Proxy Form will also be despatched to MCT Unitholders.

20.4 Alternative Arrangements for Participation at the EGM

MCT Unitholders may participate at the EGM by:

(i) observing and/or listening to the EGM proceedings via the Live Webcast;

(ii) submitting questions in advance of the EGM;

(iii) submitting text-based questions via the online chat box through the live audio-visual webcast platform, if attending the EGM; and

(iv) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

An MCT Unitholder (whether individual or corporate) who has MCT Units entered against his/her/its name in (a) the Register of MCT Unitholders; or (b) the Depository Register[73], as at the cut-off time being 72 hours before the time fixed for the EGM (being the time at which the name of the MCT Unitholder must appear in the Register of MCT Unitholders or the Depository Register in order for him/her/it to be considered to have MCT Units entered against his/her/its name in the Register of MCT Unitholders or the Depository Register), shall be entitled to attend (via electronic means), submit questions in advance of or at the EGM and vote by proxy at the EGM.

73 "**Depository Register**" shall have the meaning ascribed to it in Section 81SF of the SFA.

Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via the Live Webcast), submission of questions to the Chairman of the EGM in advance of the EGM, submission of questions to the Chairman of the EGM by submitting text-based questions during the EGM, addressing of substantial and relevant questions prior to or during the EGM and voting at the EGM, are set out in the Notice of EGM from pages D-1 to D-4 of this Circular.

MCT Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form.

All MCT Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach MCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, in the following manner:

(a) if submitted by post, be lodged at the office of the Unit Registrar, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted via electronic mail, attach and send a clear scanned PDF copy of the completed and signed Proxy Form to the Unit Registrar at **srs.teamd@boardroomlimited.com**,

in each case, by no later than 10.00 a.m. on Friday, 20 May 2022, being 72 hours before the time fixed for the EGM.

All MCT Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights must appoint the Chairman of the EGM as proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, an MCT Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

20.5 Key Dates and Times

The table below sets out the key dates/deadlines for MCT Unitholders, CPF Investors and SRS Investors to note:

Key dates	Actions
Friday, 29 April 2022	MCT Unitholders, CPF Investors and SRS Investors may begin to pre-register for the EGM at: **https://go.lumiengage.com/mctegm2022**
10.00 a.m. on Tuesday, 10 May 2022	Deadline for CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as proxy to approach their respective agent banks included under the CPF Investment Scheme ("**CPF Agent Banks**") or operators included under the SRS ("**SRS Operators**") to submit their votes.

Key dates	Actions
10.00 a.m. on Friday, 20 May 2022	Deadline for MCT Unitholders, CPF Investors and SRS Investors to: • pre-register for the EGM; and • submit questions in advance of the EGM. Deadline for MCT Unitholders to submit proxy forms (via post to the Unit Registrar's office or email at **srs.teamd@boardroomlimited.com**).
10.00 a.m. on Sunday, 22 May 2022	Authenticated MCT Unitholders, CPF Investors and SRS Investors who are successful in the pre-registration for the EGM will receive a confirmation email for the EGM and would be able to use their login credentials created during pre-registration to access the Live Webcast and submit questions during the EGM (the "**Confirmation Email**"). MCT Unitholders, CPF Investors and SRS Investors who have not received the Confirmation Email by 10.00 a.m. on Sunday, 22 May 2022, but have registered by the Friday, 20 May 2022 deadline should immediately contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6230 9580/+65 6230 9586 (during office hours) or at **srs.teamd@boardroomlimited.com**.
10.00 a.m. on Monday, 23 May 2022	MCT Unitholders, CPF Investors and SRS Investors with the Confirmation Email, please follow the instructions set out in the Confirmation Email to attend the EGM.

20.6 Important Reminder

Due to the constantly evolving COVID-19 situation in Singapore, the MCT Manager may be required to change the arrangements for the EGM at short notice. MCT Unitholders should check MCT's website at **https://www.mapletreecommercialtrust.com** for the latest updates on the status of the EGM.

21. MCT DIRECTORS' RESPONSIBILITY STATEMENT

The MCT Directors (including those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Merger, the Proposed Issuance of Consideration Units, the Whitewash Resolution, the MCT Trust Deed Amendments, the Preferential Offering, MCT and the MCT Group, and the MCT Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including the Sponsor, MNACT, the MNACT Manager or their respective advisers), the sole responsibility of the MCT Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reflected or reproduced in this Circular in its proper form and context.

The MCT Directors do not accept any responsibility for any information relating to the Sponsor, MNACT and/or the MNACT Manager or any opinion expressed by the Sponsor, MNACT and/or the MNACT Manager.

22. RESPONSIBILITY STATEMENT OF THE FINANCIAL ADVISER

DBS Bank Ltd. is the Financial Adviser to the MCT Manager in relation to the Merger.

To the best of the Financial Adviser's knowledge and belief, save for the information set out in **Paragraphs 4**, **9**, **10, 11, 12**, **13**, **14**, **15**, **17, 18** and **21** of the Circular and **Appendix A**, **Appendix B** and **Appendix C** to this Circular, this Circular contains full and true disclosure of all material facts about the Merger, the Proposed Issuance of Consideration Units, the Whitewash Resolution, the MCT Trust Deed Amendments, the Preferential Offering, MCT and the MCT Group, and the Financial Adviser is not aware of any facts the omission of which would make any statement about the Merger, the Proposed Issuance of Consideration Units, the MCT Trust Deed Amendments, the Whitewash Resolution and the Preferential Offering in this Circular misleading.

23. CONSENTS

The Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

The MCT IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the MCT IFA Letter and all references thereto in the form and context in which they appear in this Circular.

The MCT 805 Auditors have given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the MCT 805 Auditors' Opinion and all references thereto in the form and context in which they appear in this Circular.

Each of the MCT Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to its name, and (where applicable) valuation reports and valuation certificates in the form and context in which they appear in this Circular.

Each of the MNACT Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Colliers International (Hong Kong) Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the Independent Market Report and all references thereto in the form and context in which they appear in this Circular.

24. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9.00 a.m. to 5.00 p.m. at the registered office of the MCT Manager at 10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438 from the date of this Circular up to and including the date falling three months after the date of this Circular[74]:

(i) the Implementation Agreement (including the supplemental implementation agreement dated 28 January 2022 and the amendment and restatement agreement dated 21 March 2022);

(ii) the MCT Trust Deed;

(iii) the Independent Market Report;

(iv) the MCT IFA Letter;

(v) the MCT 805 Auditors' Opinion;

(vi) the MCT 1H FY21/22 Unaudited Financial Statements;

(vii) the MCT FY20/21 Audited Financial Statements;

(viii) the MCT FY21/22 Unaudited Financial Statements;

(ix) the valuation certificates issued by the MCT Independent Valuers on the MCT 2022 Independent Valuations as at 31 March 2022 in respect of MCT's properties; and

(x) the written consents of each of the Financial Adviser, the MCT IFA, the MCT 805 Auditors, the MCT Independent Valuers, the MNACT Independent Valuers and Colliers International (Hong Kong) Limited.

25. MCT UNITHOLDERS' HELPLINE

If you have any questions, please contact us using the MCT Unitholders' helpline set out below or email us at **enquiries_mct@mapletree.com.sg**.

Telephone (Investor Relations): +65 6377 6111

Time: Between 9.00 a.m. and 5.00 p.m. Monday to Friday (excluding public holidays).

Yours faithfully,

Mapletree Commercial Trust Management Ltd.
(Company Registration Number: 200708826C)
(as Manager of MCT)

Tsang Yam Pui
Non-Executive Chairman and Director

[74] Due to the current COVID-19 situation in Singapore, inspection shall be further subject to any applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities. Prior appointment with the MCT Manager is required. Please contact MCT Investor Relations at email: **enquiries_mct@mapletree.com.sg** or tel: +65 6377 6111.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

"**1H FY21/22**"	:	The financial half-year ended 30 September 2021.
"**2021 MCT Fee Units**"	:	The 1,085,779 new MCT Units received by the MCT Manager in its personal capacity on 10 November 2021 as payment of its base fee.
"**2022 MCT Fee Units**"	:	As defined in **Paragraph 8.2.2(v)**.
"**2H FY21/22**"	:	The six-month period ended 31 March 2022.
"**4Q FY21/22 MCT Fee Units**"	:	As defined in **Paragraph 1.7.2(a)**
"**Adjusted NAV per MNACT Unit**"	:	MNACT's NAV per unit of S$1.265 as at 30 September 2021 and applying the following adjustments: (a) excludes MNACT's reported DPU for 1H FY21/22 of 3.426 Singapore cents paid on 24 December 2021 and (b) assumes that the full valuation of MNACT's investment properties and joint venture held as at 30 September 2021 is based on the valuation of the MNACT Properties as at 31 October 2021 as announced on 31 December 2021.
"**AEI**"	:	Asset enhancement initiatives.
"**AREIT**"	:	Ascendas Real Estate Investment Trust.
"**Audit and Risk Committee**"	:	The audit and risk committee of the MCT Manager, comprising Mr. Premod P. Thomas, Mr. Koh Cheng Chua, Mr. Wu Long Peng and Mr. Mak Keat Meng.
"**AUM**"	:	Assets under management.
"**Authorities**"	:	Collectively, the Ministry of Finance and the Inland Revenue Authority of Singapore.
"**BoA**"	:	Merrill Lynch Global Services Pte. Ltd..
"**Business Day**"	:	A day (other than Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore for the transaction of normal banking business.
"**CAGR**"	:	Compound annual growth rate.
"**Cash-and-Scrip Consideration**"	:	The form of the Scheme Consideration comprising S$0.1912 in cash and 0.5009 Consideration Units at the Scheme Issue Price of S$2.0039 for each MNACT Unit.

"**Cash-Only Consideration**"	:	The form of the Scheme Consideration comprising S$1.1949 wholly in cash for each MNACT Unit, being the default form of the Scheme Consideration.
"**CDP**"	:	The Central Depository (Pte) Limited.
"**CICT**"	:	Capitaland Integrated Commercial Trust.
"**Circular**"	:	This circular dated 29 April 2022 to the MCT Unitholders.
"**CMS Licence**"	:	Capital Markets Services Licence.
"**Code**"	:	The Singapore Code on Take-overs and Mergers.
"**Colliers**"	:	Colliers International (Hong Kong) Limited.
"**Concert Parties**"	:	Parties acting in concert with MIPL (each party, a "**Concert Party**").
"**Concert Party Group**"	:	MIPL and its Concert Parties.
"**Conditions**"	:	The conditions to the Implementation Agreement as set out in **Schedule 3, Part 1**.
"**Confirmation Email**"	:	A confirmation email for the EGM.
"**Consideration Units**"	:	The new MCT Units to be issued as full or part of the Scheme Consideration, comprising 0.5963 MCT Units for each MNACT Unit under the Scrip-Only Consideration, and 0.5009 MCT Units for each MNACT Unit under the Cash-and-Scrip Consideration.
"**Court**"	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore.
"**COVID-19**"	:	Coronavirus disease 2019.
"**CPF**"	:	Central Provident Fund.
"**CPFIS**"	:	The CPF Investment Scheme.
"**CPF Agent Banks**"	:	Agent banks included under the CPF Investment Scheme.
"**CPF Investors**"	:	Investors who have purchased MCT Units using their CPF savings under the CPF Investment Scheme.
"**DPU**"	:	Distribution per unit.
"**EBIT**"	:	Earnings before interest and tax.

"**Effective Date**"	:	The date on which the Trust Scheme becomes effective in accordance with its terms as set out in **Paragraph 5.4**.
"**EGM**"	:	Extraordinary General Meeting.
"**Eligible Depositors**"	:	As defined in **Paragraph 7.10**.
"**Eligible QIBs**"	:	As defined in **Paragraph 7.10**.
"**Eligible Unitholders**"	:	As defined in **Paragraph 7.9**.
"**ESG**"	:	Environmental, social and governance.
"**Excess Commitment**"	:	The scenario in which the Preferential Offering is not subscribed for by any other MCT Unitholder, and any one or more of the relevant MIPL Entities is or are (as the case may be) required to subscribe for the Maximum Preferential Offering Units.
"**Excess Preferential Offering Units**"	:	Additional Preferential Offering Units in excess of the MCT Unitholders' provisional allotments under the Preferential Offering.
"**Existing Interested Person Transactions**"	:	The existing interested persons transactions entered into between MCT and MIPL and its associates during the course of the current financial year that are subject to disclosure under Chapter 9 of the Listing Manual as set out in **Schedule 4**.
"**Expanded Investment Mandate**"	:	The expanded investment mandate of the Merged Entity to invest on a long-term basis in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong SAR, Japan and South Korea).
"**Extraordinary Resolution**"	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of MCT Unitholders.
"**Financial Adviser**"	:	DBS Bank Ltd., the financial adviser to the MCT Manager in relation to the Merger.
"**Fullerton**"	:	Fullerton Management Pte Ltd.
"**FY18/19**"	:	The financial year ended 31 March 2019.
"**FY19/20**"	:	The financial year ended 31 March 2020.
"**FY20/21**"	:	The financial year ended 31 March 2021.

"**FY20/21 Audited Financial Statements**"	The MCT FY20/21 Audited Financial Statements and the MNACT FY20/21 Audited Financial Statements.
"**FY21/22**"	The financial year ended 31 March 2022.
"**GBD**"	Gangnam Business District.
"**GDP**"	Gross domestic product.
"**GRESB**"	The Global Real Estate Sustainability Benchmark.
"**GRI**"	Gross rental income.
"**H1N1**"	Influenza A.
"**HF Eight**"	HarbourFront Eight Pte Ltd.
"**HF Place**"	HarbourFront Place Pte. Ltd..
"**HFPL**"	The HarbourFront Pte Ltd.
"**HP Japan**"	Hewlett-Packard Japan.
"**HPB**"	Hewlett-Packard Japan Headquarters Building.
"**Implementation Agreement**"	The implementation agreement dated 31 December 2021 entered into between the Parties, as amended by the supplemental implementation agreement dated 28 January 2022 and as further amended pursuant to an amendment and restatement agreement dated 21 March 2022, setting out the terms and conditions on which the Trust Scheme will be implemented and as may be further amended, modified or supplemented from time to time.
"**Independent Market Report**"	The independent market report prepared by Colliers International (Hong Kong) Limited, as set out in **Appendix A**.
"**Independent MCT Unitholders (Whitewash)**"	The MCT Unitholders who are considered independent for the purposes of the Whitewash Resolution.
"**Initial Whitewash Waiver**"	The waiver of the obligation of the Concert Party Group to make a mandatory general offer under Rule 14 of the Code should the obligation to do so arise as a result of the allotment and issue of Consideration Units to the Concert Party Group resulting in the Concert Party Group acquiring MCT Units which carry more than 1.0% of the voting rights in MCT based on MCT's enlarged number of MCT Units following the Merger via the Trust Scheme.
"**Instruction Booklet**"	The instruction booklet to be despatched to Eligible Unitholders in relation to the Preferential Offering.

"**Interested MNACT Units Acquisition**"	:	The acquisition of MNACT Units by MCT from Kent, Suffolk, MNAPML and the MNACT Manager, which are associates of MIPL.
"**IPO**"	:	Initial public offering.
"**Japan Properties**"	:	MNACT's Japan properties comprising IXINAL Monzen-nakacho Building, Higashi-nihonbashi 1-chome Building, TS Ikebukuro Building, Omori Prime Building, HPB, ABAS Shin-Yokohama Building, SII Makuhari Building, Fujitsu Makuhari Building, and mBay POINT Makuhari.
"**Joint Announcement**"	:	The joint announcement issued by the MCT Manager and the MNACT Manager on 31 December 2021 in relation to the proposed Merger.
"**Joint Announcement Date**"	:	The date of the announcement of the Merger, being 31 December 2021.
"**Kent**"	:	Kent Assets Pte. Ltd.
"**Last Trading Day**"	:	The last trading day immediately prior to the Joint Announcement Date, being 27 December 2021.
"**Latest Practicable Date**"	:	20 April 2022, being the latest practicable date prior to the printing of this Circular.
"**Listing Manual**"	:	The listing manual of the SGX-ST.
"**Live Webcast**"	:	The live audio-visual webcast and live audio-only stream of the EGM proceedings or the Virtual Information Session (as the case may be).
"**Lock-Up Period**"	:	The period commencing from the earlier of the Trust Scheme Completion Date and the Preferential Offering Completion Date until the date falling six months after the Preferential Offering Relevant Date.
"**Lock-Up Units**"	:	As defined in **Paragraph 7.6**.
"**Long-Stop Date**"	:	31 August 2022 (or such other date as the Parties may agree in writing).
"**Management Fee Supplement**"	:	The management fee supplement to amend the MCT Trust Deed to reflect the revised management fee structure as set out in **Schedule 2**.
"**Market Day**"	:	A day on which the SGX-ST is open for securities trading.
"**MAS**"	:	The Monetary Authority of Singapore.

"**Maximum Preferential Offering Units**"	:	The maximum number of Preferential Offering Units offered under the Preferential Offering.
"**MBC**"	:	Mapletree Business City.
"**MCT**"	:	Mapletree Commercial Trust.
"**MCT 1H FY21/22 Unaudited Financial Statements**"	:	The unaudited consolidated financial statements of the MCT Group for the financial half-year ended 30 September 2021.
"**MCT 2022 Independent Valuations**"	:	The independent desktop valuations which were commissioned by the MCT Manager and the MCT Trustee and carried out by the MCT Independent Valuers as at 31 March 2022.
"**MCT 805 Auditors**"	:	Ernst & Young LLP.
"**MCT 805 Auditors' Opinion**"	:	The audit opinion dated 29 April 2022 by the MCT 805 Auditors as set out in **Appendix B**.
"**MCT Acquisition**"	:	The acquisition by MCT of all the MNACT Units by way of the Trust Scheme in accordance with the Code and the MNACT Trust Deed.
"**MCT Board**"	:	The board of directors of the MCT Manager, comprising the MCT Directors.
"**MCT Directors**"	:	The directors of the MCT Manager, being Mr. Tsang Yam Pui, Ms. Kwa Kim Li, Mr. Premod P. Thomas, Mr. Kan Shik Lum, Mr. Koh Cheng Chua, Mr. Wu Long Peng, Mr. Mak Keat Meng, Mr. Alvin Tay Tuan Hearn, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon.
"**MCT Fee Units**"	:	The 2021 MCT Fee Units and the 2022 MCT Fee Units.
"**MCT FY20/21 Audited Financial Statements**"	:	The audited consolidated financial statements of the MCT Group for the financial year ended 31 March 2021.
"**MCT FY21/22 Unaudited Financial Statements**"	:	The unaudited consolidated financial statements of the MCT Group for the financial year ended 31 March 2022.
"**MCT Group**"	:	Unless the context otherwise requires, in this Circular, "**MCT Group**" refers to MCT and its subsidiaries and each entity in the MCT Group, a "**MCT Group Entity**".
"**MCT IFA**"	:	Australia and New Zealand Banking Group Limited, Singapore Branch, the independent financial adviser to the Audit and Risk Committee, the Independent Directors and the MCT Trustee.

"**MCT IFA Letter**"	:	The letter by MCT IFA advising the Audit and Risk Committee, the MCT Independent Directors and the MCT Trustee as to whether the Merger (including the proposed issuance of Consideration Units) and the MCT Trust Deed Amendments, each of which is an interested person transaction under the Listing Manual, are on normal commercial terms and are not prejudicial to the interests of MCT and its minority unitholders, as well as, in compliance with the provisions of the Code, whether the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable, as set out in **Appendix C**.
"**MCT Independent Directors**"	:	The independent directors of the MCT Manager, being Ms. Kwa Kim Li, Mr. Premod P. Thomas, Mr. Kan Shik Lum, Mr. Koh Cheng Chua, Mr. Wu Long Peng, Mr. Mak Keat Meng and Mr Alvin Tay Tuan Hearn.
"**MCT Independent Valuers**"	:	CBRE Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd, each an "**MCT Independent Valuer**".
"**MCT Manager**"	:	Mapletree Commercial Trust Management Ltd., as manager of MCT.
"**MCT Material Adverse Effect**"	:	As defined in **Paragraph 7(a)** of **Schedule 3, Part 1**.
"**MCT Permitted Distributions**"	:	The distributions declared, made or paid by the MCT Manager in respect of MCT in the ordinary course of business in respect of the period from 1 October 2021 up to the day immediately before the Effective Date (including any capital distribution or clean-up distribution to the MCT Unitholders in respect of the period from the day following the latest completed financial half-year of MCT preceding the Effective Date, up to the day immediately before the Effective Date).
"**MCT Preferential Offering Announcement**"	:	The announcement made by the MCT Manager on 21 March 2022 in relation to the Preferential Offering.
"**MCT Prescribed Occurrences**"	:	The events or matters as set out in **Schedule 3, Part 2**.
"**MCT Programme**"	:	The S$3.0 billion Multicurrency Medium Term Note Programme of Mapletree Commercial Trust Treasury Company Pte. Ltd. and the MCT Trustee which was first established on 8 August 2012 with the maximum aggregate principal amount of notes and perpetual securities that may be issued thereunder subsequently increased on 29 June 2018.

"**MCT Properties**"	:	The five properties listed on page 2 of the MCT 1H FY21/22 Unaudited Financial Statements, and "**MCT Property**" means any one of them. For the avoidance of doubt, the above-mentioned five properties are the same as the properties listed on page 2 of the MCT FY21/22 Unaudited Financial Statements.
"**MCT Property Manager**"	:	Mapletree Commercial Property Management Pte. Ltd.
"**MCT Revolving Credit Facilities**"	:	As defined in **Schedule 3, Part 4**.
"**MCT Top Tenants**"	:	The top ten tenants of the portfolio of MCT Properties based on aggregate gross rental income across the portfolio as at the date of the Implementation Agreement.
"**MCT Trust Deed**"	:	The deed of trust dated 25 August 2005 constituting MCT (as amended).
"**MCT Trust Deed Amendments**"	:	The proposed amendments to the MCT Trust Deed as set out in the Management Fee Supplement in **Schedule 2**.
"**MCT Trustee**"	:	DBS Trustee Limited (as trustee of MCT).
"**MCT Unit**"	:	Issued and paid-up units in MCT.
"**MCT Unitholders**"	:	Holders of MCT Units.
"**MCT Warranties**"	:	Certain warranties given by the MCT Trustee or the MCT Manager in the Implementation Agreement.
"**Merger**"	:	The proposed merger of MCT and MNACT by way of the MCT Acquisition.
"**MERS-CoV**"	:	Middle East Respiratory Syndrome.
"**MIJ**"	:	Mapletree Investments Japan Kabushiki Kaisha.
"**MIPL**" or the "**Sponsor**"	:	Mapletree Investments Pte Ltd.
"**MIPL Entities**"	:	MIPL and its wholly-owned subsidiaries which hold MCT Units or MNACT Units, each an **"MIPL Entity**".
"**MIPL Undertaking**"	:	As defined in **Paragraph 7.5**.
"**MIT**"	:	Mapletree Industrial Trust.
"**MKM**"	:	Mapletree Korea Management Co., Ltd. (in relation to MNACT's Korean property).
"**MLT**"	:	Mapletree Logistics Trust.

"**MMSJ**"	:	Mapletree Management Services Japan Kabushiki Kaisha (in relation to MNACT's Japan properties).
"**MNACT**"	:	Mapletree North Asia Commercial Trust.
"**MNACT 1H FY21/22 Unaudited Financial Statements**"	:	The unaudited consolidated financial statements of the MNACT Group for the financial half-year ended 30 September 2021.
"**MNACT Competing Offer**"	:	As defined in **Schedule 3, Part 4**.
"**MNACT Directors**"	:	The directors of the MNACT Manager, being Mr. Paul Ma Kah Woh, Mr. Lawrence Wong Liang Ying, Ms. Tan Su Shan, Ms. Chiang Sui Fook Lilian, Mr. Chua Kim Chiu, Mr. Pascal Jean-Louis Lambert, Mr. Kevin Kwok, Mr. Lok Vi Ming, Mr. Michael Kok Pak Kuan, Mr. Chua Tiow Chye, Ms. Wendy Koh Mui Ai, and Ms. Cindy Chow Pei Pei.
"**MNACT Fee Units**"	:	The MNACT Units to be issued to the MNACT Manager and MNAPML pursuant to the MNACT Trust Deed and the MNACT Master Property Management Agreement as payment for fees prior to the Record Date or the Preferential Offering Record Date (as the case may be).
"**MNACT FY20/21 Audited Financial Statements**"	:	The audited consolidated financial statements of the MNACT Group for the financial year ended 31 March 2021.
"**MNACT FY21/22 Unaudited Financial Statements**"	:	The unaudited consolidated financial statements of the MNACT Group for the financial year ended 31 March 2022.
"**MNACT Group**"	:	Unless the context otherwise requires, in this Circular, "**MNACT Group**" refers to MNACT and its subsidiaries and each entity in the MNACT Group, a "**MNACT Group Entity**".
"**MNACT Independent Valuers**"	:	Knight Frank Petty Ltd, JLL Morii Valuation & Advisory K.K. and CBRE Korea Company Limited, each an "**MNACT Independent Valuer**".
"**MNACT Manager**"	:	Mapletree North Asia Commercial Trust Management Ltd., as manager of MNACT.
"**MNACT Master Property Management Agreement**"	:	The master property management agreement entered into between the MNACT Trustee, the MNACT Manager and MNAPML.
"**MNACT Material Adverse Effect**"	:	As defined in **Paragraph 7(b) of Schedule 3, Part 1**.

"**MNACT Permitted Distributions**"	:	The distributions declared, made or paid by the MNACT Manager in respect of MNACT in the ordinary course of business in respect of the period from 1 April 2021 up to the day immediately before the Effective Date (including any capital distribution or clean-up distribution to the MNACT Unitholders in respect of the period from the day following the latest completed financial half-year of MNACT preceding the Effective Date, up to the day immediately before the Effective Date).
"**MNACT Prescribed Occurrences**"	:	The events or matters as set out in **Schedule 3, Part 3**.
"**MNACT Programme**"	:	The US$1.5 billion Euro Medium Term Securities Programme of Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd., Mapletree Greater China Commercial Treasury Company (HKSAR) Limited and the MNACT Trustee which was established on 31 May 2013.
"**MNACT Properties**"	:	The 13 properties listed on page 3 of the MNACT 1H FY21/22 Unaudited Financial Statements (including the 50.0% interest in TPG), and "**MNACT Property**" means any one of them. For the avoidance of doubt, the above-mentioned 13 properties are the same as the properties listed on page 3 of the MNACT FY21/22 Unaudited Financial Statements.
"**MNACT Property Managers**"	:	MMSJ, MNAPML and MKM.
"**MNACT Revolving Credit Facilities**"	:	As defined in **Schedule 3, Part 4**.
"**MNACT Switch Option Competing Offer**"	:	As defined in **Paragraph 5.7.1**.
"**MNACT Top Tenants**"	:	The top ten tenants of the portfolio of MNACT Properties based on aggregate gross rental income across the portfolio as at the date of the Implementation Agreement.
"**MNACT Trust Deed**"	:	The deed of trust constituting MNACT dated 14 February 2013 (as amended).
"**MNACT Trust Deed Amendments**"	:	The proposed amendments to the MNACT Trust Deed to include provisions that will facilitate the implementation of the Trust Scheme.
"**MNACT Trustee**"	:	DBS Trustee Limited (in its capacity as trustee of MNACT).
"**MNACT Unitholder**"	:	A holder of MNACT Units.
"**MNACT Units**"	:	Issued and paid-up units in MNACT.

“**MNACT Warranties**”	:	Certain warranties given by the MNACT Trustee or the MNACT Manager in the Implementation Agreement.
“**MNAPML**”	:	Mapletree North Asia Property Management Limited.
“**MPACT**” or the “**Merged Entity**”	:	The enlarged entity following the Merger, to be renamed “Mapletree Pan Asia Commercial Trust”.
“**NAV**”	:	Net asset value. For the purpose of this Circular, all references to the NAV of the MCT Group exclude distributable income and all references to the NAV of the MNACT Group exclude non-controlling interests and distributable income, unless otherwise stated.
“**NLA**”	:	Net lettable area.
“**Non-renewable leases**”	:	Hong Kong SAR land leases (excluding short term tenancies and special purpose leases) not containing a right of renewal.
“**Notice of EGM**”	:	The notice of the EGM, as set out in D-1 to D-4 of this Circular.
“**NPI**”	:	Net property income.
“**NR**”	:	Not rated.
“**NTA**”	:	Net tangible assets.
“**NTT UD**”	:	NTT Urban Development.
“**Offer**”	:	A voluntary conditional offer to acquire all the MNACT Units made by the MCT Trustee following an MNACT Switch Option Competing Offer.
“**Ordinary Resolution**”	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of MCT Unitholders.
“**Other Concert Parties**”	:	Other persons who are deemed to be acting in concert with MIPL (other than MIPL Entities).
“**p.p.**”	:	Percentage points.
“**Parties**”	:	The MCT Trustee, the MCT Manager, the MNACT Trustee and the MNACT Manager, each a “**Party**”.
“**Preferential Offering**”	:	The pro-rata non-renounceable preferential offering of up to 1,094 million Preferential Offering Units to MCT Unitholders at an issue price of S$2.0039 per Preferential Offering Unit.

"**Preferential Offering Completion Date**"	:	The date of completion of the Preferential Offering.
"**Preferential Offering Conditions**"	:	As defined in **Paragraph 7.3**.
"**Preferential Offering Price**"	:	The issue price of S$2.0039 per Preferential Offering Unit.
"**Preferential Offering Record Date**"	:	The record date to be announced by the MCT Manager on which the Register of MCT Unitholders will be closed to determine the eligibility of the MCT Unitholders to participate in the Preferential Offering.
"**Preferential Offering Relevant Date**"	:	As defined in **Paragraph 7.6**.
"**Preferential Offering Units**"	:	The MCT Units to be offered to the MCT Unitholders under the Preferential Offering.
"**Property Funds Appendix**"	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS.
"**Proposed Issuance of Consideration Units**"	:	The proposed allotment and issuance of the Consideration Units to MNACT Unitholders as full or part of the Scheme Consideration.
"**RCA**"	:	Real Capital Analytics.
"**Record Date**"	:	The record date to be announced (before the Effective Date) by the MNACT Manager on which the Register of MNACT Unitholders will be closed to determine the entitlement of the MNACT Unitholders in respect of the Trust Scheme.
"**REIT**"	:	Real Estate Investment Trust.
"**Relevant Date**"	:	The date falling on the Business Day immediately preceding the Effective Date.
"**Resolution 1**"	:	The resolution to seek the approval of the MCT Unitholders for the proposed Merger by way of the MCT Acquisition.
"**Resolution 2**"	:	The resolution to seek the approval of the MCT Unitholders for the Proposed Issuance of Consideration Units.
"**Resolution 3**"	:	The resolution to seek the approval of the Independent MCT Unitholders (Whitewash) for the Whitewash Resolution.
"**Resolution 4**"	:	The resolution to seek the approval of the MCT Unitholders for the MCT Trust Deed Amendments.

"**Revision Joint Announcement**"	:	The revision joint announcement released on 21 March 2022 in relation to the revised terms of the Trust Scheme.
"**S-REIT**"	:	Singapore REIT.
"**SAR**"	:	Special Administrative Region
"**SARS**"	:	Severe Acute Respiratory Syndrome.
"**Scheme Consideration**"	:	The consideration for each MNACT Unit pursuant to the Trust Scheme.
"**Scheme Document**"	:	The scheme document dated 29 April 2022 issued by the MNACT Manager to the MNACT Unitholders.
"**Scheme Issue Price**"	:	The issue price of S$2.0039 per Consideration Unit.
"**Scheme Settlement Date**"	:	The date falling not later than seven Business Days after the Effective Date.
"**Scrip-Only Consideration**"	:	The form of the Scheme Consideration comprising 0.5963 Consideration Units at the Scheme Issue Price of S$2.0039 for each MNACT Unit.
"**SDG**"	:	United Nations Sustainable Development Goals.
"**Securities Act**"	:	The U.S. Securities Act of 1933, as amended.
"**Seiko**"	:	Seiko Instruments Inc.
"**SFA**"	:	Securities and Futures Act 2001.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**SIAS**"	:	The Securities Investors Association (Singapore).
"**SIC**"	:	Securities Industry Council.
"**SIC Waiver**"	:	The SIC waiver granted in relation to Resolution 3 (Whitewash Resolution).
"**Sienna**"	:	Sienna Pte. Ltd..
"**Sole Global Co-Ordinator**"	:	DBS Bank Ltd., the sole global co-ordinator in relation to the Preferential Offering.
"**Sponsor Board**"	:	The board of directors of the Sponsor.
"**Sponsor Lock-Up Undertaking**"	:	As defined in **Paragraph 1.4**.

"**SPVs**"	:	Special purpose vehicles.
"**sq ft**"	:	Square feet.
"**SRS**"	:	Supplementary Retirement Scheme.
"**SRS Investors**"	:	Investors who have purchased MCT Units using their SRS contributions pursuant to the SRS.
"**SRS Operators**"	:	Operators under the SRS.
"**Subsidiary**"	:	As defined in **Paragraph 7.6**.
"**Substantial Unitholder**"	:	A person with an interest in MCT Units constituting not less than 5.0% of all MCT Units in issue.
"**Suffolk**"	:	Suffolk Assets Pte. Ltd.
"**Switch Option**"	:	The right of the MCT Trustee to proceed with the Merger by way of an Offer.
"**TCFD**"	:	Task Force on Climate-related Financial Disclosures.
"**Temasek**"	:	Temasek Holdings (Private) Limited.
"**TMT**"	:	Technology, media and telecommunications.
"**Total Transaction Outlay**"	:	The total cost of the Merger.
"**TPG**"	:	The Pinnacle Gangnam.
"**Transaction Costs**"	:	The upfront financing costs, professional and other fees and expenses incurred or to be incurred in connection with the Merger as set out in **Paragraph 5.11**.
"**Trust Scheme**"	:	The trust scheme of arrangement to effect the Merger.
"**Trust Scheme Completion Date**"	:	The date of completion of the Trust Scheme.
"**Trust Scheme Court Order**"	:	The order of the Court sanctioning the Trust Scheme.
"**Trust Scheme Meeting**"	:	The meeting of the MNACT Unitholders to be convened to approve the Trust Scheme or any adjournment thereof.
"**Unit Registrar**"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"**Unsolicited Offer**"	:	As defined in **Paragraph 5.8.2**.

"**Virtual Information Session**"	:	The virtual information session to be held by the MCT Manager in respect of the Merger and the Trust Scheme with MCT Unitholders, with SIAS as the moderator.
"**Virtual Information Session Registration Deadline**"	:	12.00 p.m. on Monday, 9 May 2022.
"**VWAP**"	:	Volume weighted average price.
"**WALE**"	:	Weighted average lease expiry.
"**Whitewash Resolution**"	:	The resolution by way of poll for the majority of holders of voting rights of MCT to waive their rights to receive a general offer from MIPL before the issue of the Preferential Offering Units and the Consideration Units.
"**Whitewash Waiver**"	:	The extended Initial Whitewash Waiver to include the waiver of the mandatory offer obligation which would arise from the Concert Party Group's acquisition of the Preferential Offering Units.

All capitalised terms used and not defined in this Circular shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the office of the MCT Manager in Singapore from the date of this Circular up to and including the date falling three months after the date of this Circular.

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms "acting in concert" and "concert parties" shall have the meanings ascribed to them in the Code.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The pro forma financial effects of the Merger on MCT and all references to the pro forma financial information of MCT are for illustrative purposes only; they are not intended to be nor shall they constitute profit forecasts.

For the avoidance of doubt, where in this Circular there is a reference to an event occurring on, as at, prior to or from the date of the Implementation Agreement, such date means 31 December 2021.

In this Circular, a symbol "x" that immediately follows a number, is a reference to the times or multiplication of that number. Any discrepancies in figures included in this Circular between the listed amounts shown and the totals thereof and/or the respective percentages are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Schedule 1
Information on the Merged Entity

PART 1 – INFORMATION ON THE MCT PROPERTIES

Information on the MCT Properties[(1)(2)]

	VivoCity	Mapletree Business City (comprising MBC I and MBC II)	mTower	Mapletree Anson	Bank of America Merrill Lynch HarbourFront
Asset Type	Retail	Business Park, Office and Retail	Office and Retail	Office	Office
Address	1 HarbourFront Walk	MBC I: 10, 20, 30 Pasir Panjang Road MBC II: Part 20, 40, 50, 60, 70 and 80 Pasir Panjang Road	460 Alexandra Road	60 Anson Road	2 HarbourFront Place
Title	Leasehold 99 years from 1 October 1997	MBC I: Strata lease from 25 August 2016 to 29 September 2096 MBC II: Leasehold 99 years from 1 October 1997	Leasehold 99 years from 1 October 1997	Leasehold 99 years from 22 October 2007	Leasehold 99 years from 1 October 1997
NLA (sq ft)	1,077,382	MBC I: 1,707,426 MBC II: 1,184,704	526,066	329,237	215,734
Gross Revenue for FY21/22 (S$ million)	183.9	215.9	45.6	34.0	20.1

	VivoCity	Mapletree Business City (comprising MBC I and MBC II)	mTower	Mapletree Anson	Bank of America Merrill Lynch HarbourFront
Valuation as at 31 March 2022 (S$ million)	3,182	MBC I: 2,249 MBC II: 1,551	747	752	340
Committed occupancy as at 31 March 2022	99.2%	97.3%	88.0%	100.0%	100.0%
Carpark Lots	2,183	2,001	749	80	94
Major Tenants	• Fairprice • Tangs • Zara • Best Denki • Golden Village	• Google Asia Pacific Pte. Ltd. • The Hong Kong And Shanghai Banking Corporation Limited • Info-Communications Media Development Authority • SAP Asia Pte. Ltd. • Cisco Systems (USA) Pte. Ltd. • Covidien Private Limited • Temus Pte. Ltd.	Office: • Mapletree Investments Pte Ltd • Casino Regulatory Authority Retail: • Fairprice • McDonald's • Ichiban Sushi • Canton Paradise	• WeWork Singapore Pte. Ltd. • Goldman Sachs Services (Singapore) Pte. Ltd. • Hubspot Asia Pte. Ltd.	• Merrill Lynch Global Services Pte. Ltd.

Notes:

(1) All information stated on 100.0% basis, unless otherwise stated.

(2) Based on the MCT FY21/22 Unaudited Financial Statements.

PART 2 – INFORMATION ON THE MNACT PROPERTIES

Information on the MNACT Properties(1)(2)

	Festival Walk, Hong Kong SAR	**Gateway Plaza, Beijing, China**	**Sandhill Plaza, Shanghai, China**	**ABAS Shin-Yokohama Building, Yokohama, Japan**
Asset Type	Mall and office	Office	Business park	Office
Address	No. 80 Tat Chee Avenue, Kowloon Tong	No. 18 Xiaguangli, East 3rd Ring Road North, Chaoyang District	Blocks 1 to 5 and 7 to 9, No. 2290 Zuchongzhi Road, Pudong New District	6-1, Shin-Yokohama 2-chome, Kohoku-ku, Yokohama City
Title	Leasehold up to 30 June 2047	Leasehold up to 25 February 2053	Leasehold up to 3 February 2060	Freehold
NLA (sq ft)	801,485	1,145,886	681,184	34,121
Gross Revenue for FY21/22 (S$ million)	204.4	82.5	27.5	2.2
Valuation as at 31 March 2022 (S$ million)	4,455	1,360	520	35
Committed occupancy as at 31 March 2022	99.6%	94.3%	98.6%	100.0%
Carpark Lots	830	692	460	24
Major Tenants	• TaSTe • Arup • Festival Grand Cinema	• BMW • Bank of China • CFLD	• Spreadtrum • Hanwuji • ADI	• Lawson • Rentas • AIRI

	Fujitsu Makuhari Building, Chiba, Japan	Hewlett-Packard Japan Headquarters Building, Tokyo, Japan	Higashi-nihonbashi 1-chome Building, Tokyo, Japan	IXINAL Monzen-nakacho Building, Tokyo, Japan
Asset Type	Office	Office	Office	Office
Address	9-3, Nakase 1-chome, Mihama-ku, Chiba-shi	2-1, Ojima 2-chome Koto-ku	4-6, Higashi-Nihonbashi 1-chome, Chuo-ku	5-4, Fukuzumi 2-chome, Koto-ku
Title	Freehold	Freehold	Freehold	Freehold
NLA (sq ft)	657,543	457,422	27,996	73,753
Gross Revenue for FY21/22 (S$ million)	13.9	16.4[(3)]	1.6	5.6
Valuation as at 31 March 2022 (S$ million)	225	471	30	100
Committed occupancy as at 31 March 2022	100.0%	100.0%	100.0%	100.0%
Carpark Lots	251	88	8	28
Major Tenants	• Fujitsu	• Hewlett-Packard Japan, Ltd	• Tender Loving Care Services (nursery) • Advance • 10X	• DSV • DTS • Kadokawa

	mBay POINT Makuhari, Chiba, Japan	Omori Prime Building, Tokyo, Japan	SII Makuhari Building, Chiba, Japan	TS Ikebukuro Building, Tokyo, Japan
Asset Type	Office	Office	Office	Office
Address	6, Nakase 1-chome, Mihama-ku, Chiba-shi	21-12, Minami-oi 6-chome, Shinagawa-ku	8, Nakase 1-chome, Mihama-ku, Chiba-shi	63-4, Higashi-Ikebukuro 2-chome, Toshima-ku
Title	Freehold	Freehold	Freehold	Freehold
NLA (sq ft)	912,487	73,168	761,476	43,073
Gross Revenue for FY21/22 (S$ million)	42.3	5.0	21.8	3.4
Valuation as at 31 March 2022 (S$ million)	410	89	237	65
Committed occupancy as at 31 March 2022	92.2%	100.0%	100.0%	100.0%
Carpark Lots	680	37	298	15
Major Tenants	• NTT Urban Development • Dai Nippon Printing • AEON Credit Service	• Eighting Co., Ltd • Brillnics • Otsuka Corporation	• Seiko Instruments Inc.	• Persol

	The Pinnacle Gangnam,(4) Seoul, South Korea
Asset Type	Office
Address	343, Hakdong-ro, Gangnam-gu
Title	Freehold
NLA (sq ft)	265,335(4)
Gross Revenue for FY21/22 (S$ million)	11.8(5)
Valuation as at 31 March 2022 (S$ million)	271(5)
Committed occupancy as at 31 March 2022	97.3%
Carpark Lots	181
Major Tenants	• FADU Inc • KT Corporation • HUVIS Corporation

Notes:

(1) All information stated on 100.0% basis, unless otherwise stated.

(2) Based on the MNACT FY21/22 Unaudited Financial Statements.

(3) Gross revenue for the period of 18 June 2021 to 31 March 2022, as HPB was acquired on 18 June 2021.

(4) MNACT's effective interest in TPG is 50.0%. NLA refers to 100.0% of TPG's NLA.

(5) Based on MNACT's 50.0% effective interest in TPG.

PART 3 – CURRENT MANAGEMENT FEE STRUCTURES OF MCT AND MNACT AND REVISED MANAGEMENT FEE STRUCTURE OF THE MERGED ENTITY

Fees	MCT	MNACT	Merged Entity
Base Fee	MCT Manager Not more than 0.25% per annum of the Value of the Deposited Property (each as defined in the MCT Trust Deed).	MNACT Manager 10.0% per annum of the Distributable Income (as defined in the MNACT Trust Deed).	MCT Manager (as the manager of the Merged Entity) 10.0% per annum of the Distribution Amount (as defined in the MCT Trust Deed) (calculated before accounting for the Base Fee and the Performance Fee).
Performance Fee	MCT Manager 4.0% of the Net Property Income (as defined in the MCT Trust Deed) for each financial year.	MNACT Manager 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 in that financial year), multiplied by the weighted average number of units in issue for such financial year. The performance fee is payable if the DPU in respect of any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such relevant financial year may be less than the DPU in the financial year prior to the preceding financial year. As announced by the MNACT Manager on 25 September 2020, in consideration of the impact of COVID-19 on MNACT's distributions to the MNACT Unitholders and to demonstrate the MNACT Manager's commitment to align its interest with the MNACT Unitholders, the MNACT Manager will waive its entitlement to any performance fee as provided under the MNACT Trust Deed until such time that the DPU exceeds 7.124 Singapore cents, which was the DPU achieved in the financial year ended 31 March 2020, prior to the full year impact of COVID-19.	MCT Manager (as the manager of the Merged Entity) 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 that financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.

Fees	MCT	MNACT	Merged Entity
Acquisition Fee	MCT Manager Not more than 1.0% of each of the following as is applicable (subject to there being no double-counting): (a) the acquisition price of any real estate purchased, whether directly or indirectly through one or more special purpose vehicles, by the MCT Trustee on behalf of MCT (plus any other payments in addition to the acquisition price made by the MCT Trustee on behalf of MCT or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of MCT's interest); (b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased, whether directly or indirectly through one or more special purpose vehicles, by the MCT Trustee on behalf of MCT (plus any additional payments made by the MCT Trustee on behalf of MCT or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of MCT's interest); or	MNACT Manager Not exceeding 0.75% for acquisitions from related parties and 1.0% of all other cases of each of the following as is applicable (subject to there being no double-counting): (a) the acquisition price of any real estate purchased, whether directly or indirectly through one or more special purpose vehicles, by the MNACT Trustee on behalf of MNACT (plus any other payments in addition to the acquisition price made by the MNACT Trustee on behalf of MNACT or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of MNACT's interest); (b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased, whether directly or indirectly through one or more special purpose vehicles, by the MNACT Trustee on behalf of MNACT (plus any additional payments made by the MNACT Trustee on behalf of MNACT or its special purpose vehicles in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of MNACT's interest); or	MCT Manager (as the manager of the Merged Entity) (No change from the acquisition fee under the existing MCT Trust Deed – see "MCT" column on the left.)

Fees	MCT	MNACT	Merged Entity
	(c) the acquisition price of any investment purchased by the MCT Trustee on behalf of MCT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.	(c) the acquisition price of any investment purchased by the MNACT Trustee on behalf of MNACT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.	
Divestment Fee	MCT Manager Not more than 0.5% of each of the following as is applicable (subject to there being no double-counting): (a) the sale price of real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the MCT Trustee acting on behalf of MCT (plus any other payments in addition to the sale price received by the MCT Trustee on behalf of MCT or its special purpose vehicles from the purchaser in connection with the sale or divestment of the property) (pro-rated, if applicable, to the proportion of MCT's interest);	MNACT Manager Not more than 0.5% of each of the following as is applicable (subject to there being no double-counting): (a) the sale price of real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the MNACT Trustee acting on behalf of MNACT (plus any other payments in addition to the sale price received by the MNACT Trustee on behalf of MNACT or its special purpose vehicles from the purchaser in connection with the sale or divestment of the property) (pro-rated, if applicable, to the proportion of MNACT's interest);	MCT Manager (as the manager of the Merged Entity) (No change from the divestment fee under the existing MCT Trust Deed – see "MCT" column on the left.)

Fees	MCT	MNACT	Merged Entity
	(b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the MCT Trustee on behalf of MCT (plus any additional payments received by the MCT Trustee on behalf of MCT or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of MCT's interest); or (c) the sale price of any investment sold or divested by the MCT Trustee acting on behalf of MCT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.	(b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the MNACT Trustee on behalf of MNACT (plus any additional payments received by the MNACT Trustee on behalf of MNACT or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of MNACT's interest); or (c) the sale price of any investment sold or divested by the MNACT Trustee acting on behalf of MNACT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.	
Changes to Fee Structure	By way of Extraordinary Resolution of MCT Unitholders.	By way of Extraordinary Resolution of MNACT Unitholders.	By way of Extraordinary Resolution of the unitholders of the Merged Entity.

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

The summary in this **Schedule 1, Part 3** should be read in conjunction with, and in the context of, the MCT Trust Deed, the MNACT Trust Deed and the Management Fee Supplement.

PART 4 – OTHER FEES RELATING TO THE MCT PROPERTIES

Type of Fees	Fees
Property Management Fees(1)	Mapletree Commercial Property Management Pte. Ltd. (the "**MCT Property Manager**") is entitled to a property management fee for each of MCT's properties located in Singapore under its management which comprises the following: (i) 2.0% per annum of MCT's Gross Revenue[75] for the relevant property; (ii) 2.0% per annum of MCT's Net Property Income[76] for the relevant property (calculated before accounting for the property management fee in that financial period); and (iii) 0.5% per annum of MCT's Net Property Income for the relevant property (calculated before accounting for the property management fee in that financial period for the relevant property) in lieu of leasing commissions otherwise payable to the MCT Property Manager and/or third party agents.
Project Management Fees(1)	In relation to the development and redevelopment of each of MCT's properties located in Singapore (if not prohibited by the Property Funds Appendix or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation works on such a property, the MCT Property Manager is entitled to a project management fee to be mutually agreed in writing between the MCT Manager, the MCT Trustee and the MCT Property Manager. Such project management fee shall be subject to: (i) a limit of up to 3.0% of the total construction costs; and (ii) an opinion issued by an independent quantity surveyor, to be appointed by the MCT Trustee upon recommendation by the MCT Manager, that the project management fee is within market norms and reasonable range.

Note:

(1) These fees will continue to apply post-Merger.

75 MCT's Gross Revenue consists of: MCT's Gross Rental Income and other income earned from the relevant property, including car park revenue, advertising and other income attributable to the operation of the MCT Properties. MCT's Gross Rental Income consists of: (i) a fixed rent component which includes base rent (after rent rebates, refunds, credits or discounts and rebates for rent free periods, where applicable, but excluding turnover rent), service charges and advertisement and promotion fund contribution payable by tenants; and (ii) a turnover rent component which is generally calculated as a percentage of the tenant's gross turnover.

76 Refers to MCT's Gross Revenue less property operating expenses.

PART 5 – OTHER FEES RELATING TO THE MNACT PROPERTIES

Type of Fees	Fees
Property Management Fees (payable to MNAPML, Mapletree Korea Management Co., Ltd. and Mapletree Management Services Japan Kabushiki Kaisha)(1)	Pursuant to property management agreements entered into with MNAPML (in relation to the China and Hong Kong SAR properties), Mapletree Korea Management Co., Ltd. (in relation to the Korean property) ("**MKM**") and Mapletree Management Services Japan Kabushiki Kaisha (in relation to the Japan properties) ("**MMSJ**" and together with MNAPML and MKM, collectively the "**MNACT Property Managers**"), the MNACT Property Managers have been engaged to provide property management services for the properties in MNACT's portfolio. The fees payable to each of the MNACT Property Managers are as set out in their respective property management agreements, and are generally as follows: Property Management Services (i) 2.0% per annum of the gross revenue for the property or properties managed by each of them; (ii) 2.0% per annum of the net property income[77] for the property or properties managed by each of them; and (iii) (applicable to MNAPML and MMSJ only) 20.0% of all fees paid to third party service providers (for supervising and overseeing of the services rendered by the third party service providers where any services are provided by the third party service providers). Marketing Services (applicable to MNAPML only) (i) Up to one month's gross rent inclusive of service charge, for securing a tenancy of three years or less; (ii) up to two months' gross rent inclusive of service charge, for securing a tenancy of more than three years; (iii) up to 0.5 month's gross rent inclusive of service charge, for securing a renewal of tenancy of three years or less; and (iv) up to one month's gross rent inclusive of service charge, for securing a renewal of tenancy of more than three years. MNAPML is not entitled to any marketing services commissions if such service is (1) performed by staff of the MNACT Manager or MNACT's subsidiaries or (2) performed by third party service providers.

77 Refers to gross revenue less property expenses.

Type of Fees	Fees
	Project Management Services (applicable to MNAPML and MMSJ only) In relation to the development and redevelopment of a property managed by MNAPML and MMSJ (if not prohibited by the Property Funds Appendix or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation works on such a property, each of MNAPML and MMSJ is entitled to a project management fee to be agreed in writing. Such project management fee shall be subject to (i) a limit of up to 3.0% of the total construction costs, and (ii) (in the event that the project management fee is more than S$100,000 (or its equivalent in Japanese yen)) an opinion issued by an independent quantity surveyor, to be appointed for or on behalf of MNACT (or for the benefit of its interests in the Japanese properties), that the project management fee is within market norms and reasonable range. Festival Walk staff costs reimbursement (applicable to MNAPML only) MNAPML employs the centre management team of Festival Walk in Hong Kong SAR, and also employs the persons to run The Glacier (which is the ice rink business of Festival Walk). MNAPML is entitled (i) to be reimbursed for the cost of employing the centre management team of Festival Walk and the persons to run The Glacier (which is the ice rink business of Festival Walk) and (ii) to receive an administrative cost based on a margin of 3.0% of such employment cost.
Japan Asset Management Fees (payable to Mapletree Investments Japan Kabushiki Kaisha)(1)	Pursuant to asset management agreements entered into with Mapletree Investments Japan Kabushiki Kaisha ("**MIJ**"), MIJ has been appointed as the asset manager of MNACT's Japan properties. The asset management fees payable to MIJ under the relevant asset management agreements will be 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 GK Makuhari Blue's or Tsubaki Tokutei Mokuteki Kaisha's distributable income as the case may be. In view of the fees payable to MIJ, the MNACT Manager has elected to waive the base fee which it is otherwise entitled to under the MNACT Trust Deed in respect of the Japan properties for so long as the MNACT Manager and MIJ are wholly-owned by MIPL and MIJ continues to receive asset management fees in respect of the Japan properties. In the event that the waiver ceases to apply, the MNACT Manager will make the necessary announcement on SGXNET and give prior notification to the SGX-ST.

Note:

(1) These fees will continue to apply post-Merger.

PART 6 – RISK FACTORS RELATING TO THE MERGER AND THE MERGED ENTITY

MCT Unitholders should consider carefully, together with all other information contained in this Circular, the factors described below in deciding how to vote on the resolutions proposed at the EGM and as these may, among others, adversely affect the level of the Merged Entity's distributable income.

The following sets out the risk factors relating to the Merger, namely the risks relating to the assets of MNACT (which may in turn affect the Merged Entity post-Merger), risks relating to the commercial real estate industry and other risks relating to the Merged Entity and they are not intended to be exhaustive.

RISKS ASSOCIATED WITH THE BUSINESS OF MNACT

Applicable laws, regulations and accounting standards in China, Hong Kong SAR, Japan, South Korea, Singapore[78] and the Cayman Islands[79] are subject to change.

MNACT may be affected by the introduction of new or revised legislation, regulations, guidelines, or directions applicable to it. There is no assurance that the MAS or any other relevant authority will not introduce new legislation, regulations, guidelines or directions which adversely affect REITs generally or MNACT specifically.

Further, the financial statements of MNACT may be affected by the introduction of new or revised accounting standards in China, Hong Kong SAR, Japan, South Korea, Singapore and the Cayman Islands (being jurisdictions which MNACT has properties and/or special purpose vehicles ("**SPVs**")). As the extent and timing of these changes in accounting standards are currently unknown, the effect of any such changes cannot be quantified. There can be no assurance that any future changes in accounting standards will not have a significant impact on the presentation of MNACT's financial statements or on MNACT's financial condition and results of operations. There can be no assurance that any such changes will not affect the implementation of MNACT's business strategy or the operations and financial condition of MNACT.

MNACT is exposed to risks associated with exchange rate fluctuations between the currencies of the countries in which MNACT invests and the Singapore dollar.

MNACT has made investments in China, Hong Kong SAR, Japan and South Korea, which are denominated in their respective currencies, and receives income arising from such assets in the respective foreign currencies. However, MNACT maintains its financial statements in Singapore dollars and makes Singapore dollar distributions, and the unit price of an MNACT Unit is in Singapore dollars. MNACT is therefore exposed to risks associated with exchange rate fluctuations between the Singapore dollar on the one hand and the currencies of the countries in which MNACT invests on the other, and the local currency of any other foreign countries in which MNACT may invest in future. Should the Singapore dollar appreciate in value against the currencies of countries in which MNACT invests, there may be a material adverse effect on MNACT's net asset value and results of operations.

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78 For the avoidance of doubt, none of the MNACT Properties are located in Singapore.

79 References in this **Schedule 1, Part 6** to the Cayman Islands are in relation to the investment holding companies of MNACT or of the Merged Entity, as the case may be. For the avoidance of doubt, none of the properties are located in the Cayman Islands.

MNACT may suffer higher taxes if any of its current or future SPVs are treated as having a taxable presence or permanent establishment outside their place of incorporation and place of tax residency.

If any of MNACT or its current or future SPVs are considered as having a taxable presence or permanent establishment outside its place of incorporation and place of tax residency, their income or gains may be subject to additional taxes which may have an adverse impact on MNACT and its subsidiaries' financial condition.

RISKS ASSOCIATED WITH THE MNACT PROPERTIES

Investments in commercial and commercial-related assets will expose MNACT to local real estate market conditions.

Investments in commercial and commercial-related assets will expose MNACT to local real estate market conditions. Real estate market conditions which may adversely affect the performance of MNACT include the attractiveness of competing commercial-related assets or an oversupply or reduced demand for such commercial-related assets in China, Hong Kong SAR, Japan and South Korea. Any weakening in these markets may adversely affect the business, financial condition and results of operations of MNACT.

Downturns in the commercial property sectors will likely have a direct impact on the revenues and cash flow, as well as the value of the properties, of MNACT.

MNACT's financial performance will be linked to economic conditions in the markets it operates in for commercial space generally. The demand for commercial space could be adversely affected by, among others:

- weakness in the national and regional economies;
- supply exceeding demand for commercial space in the countries MNACT operates in;
- the timing and costs associated with property improvements and rentals;
- any changes in taxation, zoning laws and planning requirements;
- adverse government regulation; and/or
- higher interest rates.

To the extent that any of these factors occur, they are likely to impact market rents for commercial space which will then affect the business, financial condition, results of operations and prospects, as well as the value of the properties, of MNACT.

Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow.

Design, construction or other latent property or equipment defects in the properties of MNACT may require additional capital expenditure, special repair, maintenance expenses or the payment of damages or other obligations to third parties. Costs or liabilities arising from such property or equipment defects may involve and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on the earnings and cash flows of MNACT.

MNACT may suffer an uninsured loss.

MNACT maintains insurance policies covering both its assets in line with general business practices in China, Hong Kong SAR, Japan and South Korea in the commercial retail and office space, with policy specifications and insured limits which the MNACT Manager believes are adequate. Risks insured against include those of property damage, terrorism and public liability. There are, however, certain types of losses (such as those arising from wars or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, MNACT could be required to pay compensation and/or lose capital invested in the relevant property, as well as anticipated future revenue from that property. MNACT may also be liable for any debt that is with recourse to MNACT and may be liable for any mortgage indebtedness or other financial obligations related to the relevant property. No assurance can be given that material losses will not be in excess of insurance proceeds in the future or that adequate insurance coverage for MNACT's properties will be available in the future on commercially reasonable terms or at commercially reasonable rates. Any such loss could adversely affect the financial condition and results of operations of MNACT and its distributable income.

RISKS ASSOCIATED WITH THE MERGER

The future market value of the existing properties in MNACT's portfolio may differ from the valuations determined by independent valuers.

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions. Accordingly, the future market value of the existing properties in MNACT's portfolio may differ from the valuations determined by independent valuers. For instance, as mentioned in **Paragraph 4.2.3(ii)** above, the valuation of Festival Walk is done on the basis that the lease will be renewed, notwithstanding that the lease is a non-renewable lease. There are no exceptional circumstances to expect that the lease will not be renewed (except as in the case of the site being required for a public purpose or a serious breach of the lease).

The due diligence exercise on the MNACT Properties and tenancies may not have identified all defects, breaches of law and regulations and other deficiencies.

The MCT Manager believes that reasonable due diligence investigations with respect to the MNACT Properties were, and with respect to future acquisitions will be, conducted prior to the acquisition. However, there is no assurance that the MNACT Properties will not have defects or deficiencies requiring repair, maintenance or replacement (including design, construction or other latent property or equipment defects in the MNACT Properties which may require additional capital expenditure, special repair, maintenance expenses, the payment of damages or to other obligations to third parties) or be affected by breaches of applicable laws and regulations.

Statutory or contractual representations, warranties and indemnities given by any seller of the MNACT Properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Costs or liabilities arising from such defects or deficiencies may require capital expenditures or obligations to third parties and may involve potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on the earnings and cash flows of MNACT and the Merged Entity.

The pro forma financial information on the Merger is not necessarily indicative of the future performance of the Merged Entity.

The pro forma financial information set out at **Paragraph 10** is not necessarily indicative of the future performance of the Merged Entity. There is no assurance that the properties of the Merged Entity will be able to generate sufficient revenue for the Merged Entity to make distributions to holders of units of the Merged Entity or that such distributions will be in line with those set out at **Paragraph 10**.

The Merged Entity may not be able to comply with the terms of certain tax approvals or such tax approvals may be revoked or amended.

Certain confirmations and rulings will or have been obtained from the Ministry of Finance and Inland Revenue Authority of Singapore (collectively, the "**Authorities**") in relation to the Merger as set out in **Paragraph 3** of **Schedule 3, Part 1**. These confirmations and rulings will be or have been made based on facts presented to the Authorities and the interpretation and application of the existing (or then-existing) tax law by the Inland Revenue Authority of Singapore.

These confirmations and rulings may be adversely affected if:

- the Merger is or the facts are materially different from the facts and/or arrangement stated in the confirmations and rulings obtained from the Authorities;

- there was a material omission or misrepresentation in, or in connection with the application for confirmations and rulings from the Authorities;

- the Authorities made an assumption about a future event or another matter that is material to the confirmations and rulings, and the assumption subsequently proves to be incorrect; or

- the Authorities stipulate a condition that is not satisfied.

These confirmations and rulings do not shelter the Merged Entity from any future changes in the tax laws that may have a direct impact on the confirmations and rulings obtained from the Authorities and where there is a change in the interpretation of any of the tax laws which affects the confirmations and rulings obtained from the Authorities, the Authorities may withdraw such confirmations and/or rulings.

If the confirmations and rulings obtained from the Authorities are withdrawn or amended, or if the confirmations and rulings obtained from the Authorities cease to apply for any reason, for example, because the facts on such confirmations and rulings were issued are no longer applicable or if the Merged Entity is unable to comply with the stipulated conditions, the Merged Entity may suffer increased Singapore tax liability, which in turn could affect the amount of distributions made to unitholders of the Merged Entity.

RISKS RELATING TO THE MERGED ENTITY'S OPERATIONS

The outbreak of COVID-19 or any other infectious disease or any other serious public health concerns in Singapore, China, Hong Kong SAR, Japan, South Korea and elsewhere could adversely impact the business, financial condition and results of operations of the Merged Entity.

The COVID-19 outbreak is an outbreak of respiratory illness caused by a novel coronavirus, which was first detected in Wuhan City, Hubei province, the People's Republic of China in late December 2019, and has since spread to other parts of the world. COVID-19 is highly contagious and has developed into a severe and widespread health crisis. The number of reported cases of COVID-19 worldwide, as well as the number of reported deaths as a consequence of COVID-19 worldwide, significantly exceed those observed during the severe acute respiratory syndrome ("**SARS**") epidemic that occurred from November 2002 to July 2003.

The COVID-19 outbreak has resulted in quarantines, travel restrictions, enhanced health screenings at ports of entry and elsewhere, event cancellations and suspensions, city lockdowns, limitations on social and work activities and border closures. As the Merged Entity's properties are catered to office and retail use, these measures directly impact its tenant base. Domestic and international COVID-19 measures imposed by the Singapore, China, Hong Kong SAR, Japan and South Korean governments, such as mandated work from home arrangements and quarantine measures may lead to a fall in demand for office and retail tenants, at least in the short term. Given the uncertainties as to the development of the COVID-19 outbreak (including the risk of emergence of new variants), it is difficult to predict how long such conditions will exist and the extent to which the Merged Entity may be affected.

Outbreaks of other infectious diseases such as the Ebola virus, SARS, Influenza A ("**H1N1**"), Middle East respiratory syndrome coronavirus ("**MERS-CoV**"), the Zika virus and avian influenza and other serious public health concerns, including epidemics and pandemics, in Singapore, China, Hong Kong SAR, Japan, South Korea and elsewhere which are beyond the Merged Entity's control may have a similar adverse effect as mentioned above.

There can be no assurance that any precautionary measures taken against infectious diseases would be effective. The outbreak of an infectious disease such as COVID-19, the Ebola virus, SARS, H1N1, MERS-CoV, the Zika virus and avian influenza in Singapore, China, Hong Kong SAR, Japan, South Korea and elsewhere, together with any resulting disruption to business operations, restrictions on travel and/or imposition of quarantines, could have a negative impact on the overall global market sentiment, economy and business activity, thereby adversely impacting the revenues and results of the Merged Entity. These factors could materially and adversely affect the business, financial condition and the results of operations of the Merged Entity.

Occurrence of any acts of God, war, adverse political developments and terrorist attacks may adversely and materially affect the business, financial condition, results of operations and prospects of the Merged Entity.

Acts of God such as natural disasters are beyond the control of the Merged Entity and may adversely affect the economy, infrastructure and livelihood of the local population in the communities in which the Merged Entity operates. The Merged Entity's business and operations may be adversely affected should such acts of God occur. There can also be no assurance that any war, adverse political developments, terrorist attack or other hostilities in any part of the world (potential, threatened or otherwise) will not, directly or indirectly, have an adverse effect on the business, financial condition, results of operations and prospects of the Merged Entity.

The Merged Entity may not be able to achieve future growth successfully.

There can be no assurance that the Merged Entity will be able to grow successfully. The Merged Entity's ability to achieve future growth will depend, among others, on its ability to acquire, develop or enhance its existing or new properties. The Merged Entity will rely on a combination of internal cash flows, resources and external sources of funding to acquire, develop or enhance its existing or new properties, which may not be available on commercially reasonable terms or at all. Even if the Merged Entity is successful in securing new assets or in developing or enhancing its existing assets, there can be no assurance that the Merged Entity will be able to achieve the intended returns or generate the intended revenue from such assets. Furthermore, the Merged Entity may face significant competition from other real estate companies or investors and managers of real estate assets in the acquisition, enhancement and management of commercial properties. There can be no assurance that the Merged Entity will be able to compete effectively, or to secure such opportunities on commercially reasonable terms or at all.

The anticipated future growth in the Merged Entity's business and assets may also challenge its managerial, operational, financial and other resources. The risks associated with the Merged Entity's anticipated future growth include, among others, the increasing operating complexity of its business and the increasing responsibility of its management. In turn, this will require the continued development of financial and management controls and systems and the Merged Entity's implementation of these systems across its business. Furthermore, the Merged Entity may face additional challenges in ensuring that adequate internal controls and supervisory procedures are in place. If the Merged Entity is unable to successfully manage the impact of the Merged Entity's growth on the Merged Entity's operational and managerial resources and control systems, this could have a material adverse effect on its business, financial condition, operations, performance and prospects.

The MCT Manager (as the manager of the Merged Entity post-Merger) may not be able to successfully implement its investment strategy for the Merged Entity.

The MCT Manager (as the manager of the Merged Entity post-Merger) may not be able to successfully implement its investment strategy, expand the Merged Entity's portfolio at any specified rate or to any specified size, or make acquisitions or investments on favourable terms or within a desired time frame.

The Merged Entity is required to comply with the Property Funds Appendix issued by the MAS and the applicable provisions of the MCT Trust Deed. Pursuant to Paragraph 6.1 of the Property Funds Appendix, the Merged Entity may only invest in:

(a) real estate, whether freehold or leasehold, in or outside Singapore, which may be by way of direct ownership or a shareholding in an unlisted special purpose vehicle constituted to hold or own real estate;

(b) real estate-related assets, wherever the issuers/assets/securities/units in the Merged Entity are incorporated/located/issued/traded (as the case may be);

(c) listed or unlisted debt securities and listed shares of, or issued, by local or foreign non-property corporations;

(d) government securities (issued on behalf of the Government of Singapore or governments of other countries) and securities issued by a supranational agency or a Singapore statutory board; and

(e) cash and cash equivalent items.

The Merged Entity is also required to ensure that:

(i) at least 75.0% of the Merged Entity's deposited property (as defined in the Property Funds Appendix) should be invested in income-producing real estate;

(ii) the Merged Entity should not undertake property development activities whether on its own, in a joint venture with others, or by investing in unlisted property development companies, unless the Merged Entity intends to hold the developed property upon completion. For this purpose, property development activities do not include refurbishment, retrofitting and renovations;

(iii) the Merged Entity should not invest in vacant land and mortgages (except for mortgage-backed securities). This prohibition does not prevent the Merged Entity from investing in real estate to be built on vacant land that has been approved for development or other uncompleted property developments;

(iv) the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10.0% of the Merged Entity's deposited property. The total contract value of property development activities may exceed 10.0% of the Merged Entity's deposited property (subject to a maximum of 25.0% of the Merged Entity's deposited property) only if:

    (1) the additional allowance of up to 15.0% of the Merged Entity's deposited property is utilised solely for the redevelopment of an existing property that has been held by the Merged Entity for at least three years and which the Merged Entity will continue to hold for at least three years after the completion of the redevelopment; and

    (2) the Merged Entity obtains the specific approval of its unitholders at a general meeting for the redevelopment of the property.

    For the purpose of this paragraph (iv), the value of the investment refers to the contracted purchase price and not the value of progress payments made to date; and

(v) for investments in permissible investments under sub-paragraphs (c), (d) or (e) above (except for deposits placed with eligible financial institutions and investments in high-quality money market instruments or debt securities), not more than 5.0% of the Merged Entity's deposited property may be invested in any one issuer's securities or any one manager's funds.

The Merged Entity faces active competition in acquiring suitable and attractive properties from other property investors, including other REITs, property development companies and private investment funds. There is no assurance that the Merged Entity will be able to compete successfully against such entities and its ability to make acquisitions under its acquisition growth strategy or acquisitions that are accretive may be adversely affected. Even if the Merged Entity were able to successfully acquire properties or other investments, there is no assurance that the Merged Entity will achieve its intended return on such acquisitions or investments.

The real estate industry in which the Merged Entity operates is capital intensive and the Merged Entity may from time to time require significant amounts of capital for purposes such as acquisitions or redevelopment. Since the amount of borrowings that the Merged Entity can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions are likely to be largely dependent on the Merged Entity's ability to raise equity capital. This may result in a dilution of unitholders' holdings. Potential vendors may view negatively the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase. They may instead prefer other potential purchasers and this may adversely affect the Merged Entity's ability to implement its investment strategy and in turn unitholders' investment in the Merged Entity.

The Merged Entity is exposed to real estate development risks in respect of future development property.

The Merged Entity's investment mandate will be to invest on a long-term basis in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, as well as real estate-related assets, in the key gateway markets of Asia (including but not limited to Singapore, China, Hong Kong SAR, Japan and South Korea). However, it may undertake development of real estate when the MCT Manager (as the manager of the Merged Entity post-Merger) considers it to be in the interests of the Merged Entity and provided that the Merged Entity's investments in such development activities do not exceed such limits required under the Property Funds Appendix. Undertaking real estate development involves various risks, including but not limited to regulatory, construction, financing, safety, health, environmental and social risks. For instance, various permits and approvals would have to be obtained from the relevant government agencies which may not be forthcoming, costs of construction may overrun as a result of unanticipated cost increases or delays, and external financing may not be available on acceptable terms or at all in order to fund the capital investment required for the development. The MCT Manager possesses a limited track record in real estate development and it may have to rely on its joint venture partners and/or service providers in respect of development activities undertaken by the Merged Entity.

The MCT Manager (as the manager of the Merged Entity post-Merger) may not be able to implement its AEI or successfully carry out its development activities.

One of the MCT Manager's strategies for growth for the Merged Entity is to increase yields and total returns through a combination of the addition and/or optimisation of commercial space at the relevant property. Any plans for AEI are subject to known and unknown risks, uncertainties and other factors which may lead to any of such AEI and/or their outcomes being materially different from the original projections or plans.

Market and economic conditions may affect the market price and demand for the units of the Merged Entity.

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the units of the Merged Entity.

An increase in market interest rates may have an adverse impact on the market price of the units of the Merged Entity if the annual yield on the price paid for the units of the Merged Entity gives investors a lower return as compared to other investments.

Applicable laws, regulations and accounting standards in Singapore, China, Hong Kong SAR, Japan, South Korea and the Cayman Islands are subject to change and the Merged Entity may suffer higher taxes if any of its current or future SPVs are treated as having a taxable presence or permanent establishment outside their place of incorporation and place of tax residency.

Entities operating in Singapore, China, Hong Kong SAR, Japan, South Korea and the Cayman Islands are subject to a variety of taxes and changes in legislation or the rules relating to such tax regimes could materially and adversely affect the Merged Entity's business, prospects and results of operations.

The governments of each of Singapore, China, Hong Kong SAR, Japan, South Korea and the Cayman Islands may in the future amend the tax legislation or rules, regulations, guidelines and practice relating to taxation with either prospective or retroactive effect and this may affect the overall tax liabilities of the Merged Entity and/or SPVs of the Merged Entity incorporated in

Singapore, China, Hong Kong SAR, Japan, South Korea and the Cayman Islands. Such changes may result in significant additional taxes becoming payable by such entities. Such additional tax exposure could have a material adverse effect on the Merged Entity's business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by the Merged Entity.

The Merged Entity may have a higher level of leverage than certain other types of unit trusts.

The Merged Entity may have a higher level of borrowings as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with higher leverage. An increase in leverage will subject the Merged Entity to risks in relation to changes in the economic climate. For example, in a climate of rising interest rates, the costs of financing of the Merged Entity's investments (including indebtedness) are expected to increase and this could in turn adversely affect the ability of the MCT Manager (as the manager of the Merged Entity post-Merger) to effectively carry out its strategies.

The Merged Entity may be adversely affected by economic and real estate market conditions (including uncertainties and instability in the Singapore, China, Hong Kong SAR, Japan and South Korea markets and increased competition in the real estate markets of Singapore, China, Hong Kong SAR, Japan and South Korea), as well as changes in regulatory, fiscal and other governmental policies in Singapore, China, Hong Kong SAR, Japan and South Korea.

The properties held by the Merged Entity are principally located in Singapore, China, Hong Kong SAR, Japan and South Korea. As a result, the Merged Entity's revenue and results of operations depend on the performance of the Singapore, China, Hong Kong SAR, Japan and South Korea economies and their respective real estate market conditions. An economic decline in Singapore, China, Hong Kong SAR, Japan or South Korea could adversely affect the Merged Entity's results of operations and future growth.

In addition, the Singapore, China, Hong Kong SAR, Japan and South Korea economies are affected by global economic conditions. Global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These events could adversely affect the Merged Entity insofar as they result in:

- a negative impact on the ability of tenants to pay their rents in a timely manner or continue their leases, thus reducing the Merged Entity's cash flow;

- a decline in the demand for leased space for commercial purposes across Singapore, China, Hong Kong SAR, Japan and South Korea and the rents that can be charged when leases are renewed or new leases entered into, as compared to rents that are currently charged;

- a decline in the market values of the properties of the Merged Entity;

- access to capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on the Merged Entity's ability to obtain debt capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;

- an increase in counterparty risk (being the risk of monetary loss which the Merged Entity may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or

- an increased likelihood that one or more of (i) the Merged Entity's banking syndicates (if any) or (ii) the Merged Entity's insurers, may be unable to honour their commitments to the Merged Entity.

The gross revenue earned from, and the value of, the properties held by the Merged Entity may be adversely affected by a number of factors.

The gross revenue earned from, and the value of, the properties held by the Merged Entity may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates which reduce the gross revenue of the Merged Entity and its ability to recover certain operating costs through service charges;

- the ability of the property managers of the Merged Entity to collect rent from tenants on a timely basis or at all;

- tenants requesting rental rebates due to the impact of economic downturns, pandemics or other external factors limiting their ability to operate;

- tenants requesting waiver of interest on late payment of rent;

- events affecting the properties held by the Merged Entity which could result in the inability of the relevant tenants to operate in such properties and thereby resulting in the inability of such tenants to make timely payments of rent;

- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease, which could hinder or delay the re-letting of the space in question, or the sale of the relevant property;

- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are secured being less favourable than those under current tenancies;

- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, commercial space, changes in market rental rates and operating expenses for the properties held by the Merged Entity);

- the ability of the MCT Manager (as the manager of the Merged Entity post-Merger) and the property managers of the Merged Entity to provide adequate management and maintenance of the properties held by the Merged Entity or to purchase or put in place adequate insurance;

- competition for tenants from other similar properties which may affect rental income or occupancy levels at the properties held by the Merged Entity;

- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and

- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the MCT Manager (as the manager of the Merged Entity post-Merger).

The properties held by the Merged Entity may be subject to increases in property expenses and other operating expenses.

The Merged Entity's ability to make distributions could be adversely affected if property expenses, such as maintenance charges, utilities, property management fees, property taxes, and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses and other operating expenses include any:

- increase in the amount of maintenance charges for any affected property held by the Merged Entity;

- introduction of, or increase in, property taxes and other statutory charges;

- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment;

- increase in utility charges;

- increase in sub-contracted service costs;

- inflation;

- increase in insurance premiums; and

- damage or defect affecting any properties held by the Merged Entity which needs to be rectified, leading to unforeseen capital expenditure.

The appraisals of the properties of the Merged Entity (comprising the MCT Properties and the MNACT Properties) are based on various assumptions and the price at which the Merged Entity is able to sell such properties in the future may be different from their initial acquisition value.

In accordance with its accounting policy, the Merged Entity's investment properties, which may include investment properties under development, will be stated at fair values based on independent external valuations. The Merged Entity will engage independent professional valuers with the appropriate professional qualifications and recent experience in the location and category of the properties being valued to determine the fair value of its properties. The fair value of the Merged Entity's properties is determined by independent real estate valuation experts using approved valuation methodologies which may involve, among others, estimates and discount rates applicable to those real estate assets and assessed in accordance with the Merged Entity's interests in the real estate assets.

In determining the fair value of the investment properties, the valuers may adopt various valuation methodologies, such as the income capitalisation method and discounted cash flow method. In determining the fair value of the investment properties under development, the valuers may adopt the residual land value method. Key inputs used for the income capitalisation method include capitalisation rates and estimated net income. Key inputs used for the discounted cash flow method include discount rates and estimated net income. Key inputs used for the residual land value method include gross development value and gross development costs.

There can be no assurance that the assumptions on which the appraisals of the properties of the Merged Entity are, or will be, based are accurate measures of the market, and the values may be evaluated inaccurately.

The independent desktop valuations of the MCT Properties as at 31 March 2022 were carried out by the MCT Independent Valuers. The independent full valuations of the MNACT Properties as at 31 March 2022 were carried out by the MNACT Independent Valuers[80].

The valuations may have included a subjective determination of certain factors relating to an MCT Property and/or an MNACT Property (as appropriate) such as its relative market position, financial and competitive strengths, and physical condition and, accordingly, the valuation of an MCT Property and/or an MNACT Property (which affects the NAV per unit) may be subjective and prove incorrect.

The Merged Entity may be unable to successfully integrate and operate the MNACT properties, which could have a material adverse effect on the Merged Entity.

Even if the Merged Entity is able to make acquisitions on favourable terms, its ability to successfully integrate and operate them is subject to the following significant risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;
- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;
- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;
- its tenant retention and lease renewal risks may be increased; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

Any inability to integrate and operate acquired properties to meet the Merged Entity's financial, operational and strategic expectations could have a material adverse effect on the Merged Entity.

The Merged Entity depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

The Merged Entity's performance depends, in part, upon the continued service and performance of the executive officers of the MCT Manager (as the manager of the Merged Entity post-Merger), and the property managers for the MCT Properties and MNACT Properties. These key personnel may leave the employment of the MCT Manager and/or the property managers. If any of the above were to occur, time will need to be spent searching for a replacement and the duties for which such executive officers are responsible may be affected. The loss of any of these individuals could have a material adverse effect on the financial condition and the results of operations of the Merged Entity.

[80] The independent full valuations of the MNACT Properties were done using a combination of methods, namely discounted cash flow method, income capitalisation method and direct comparison method.

The amount the Merged Entity may borrow is limited, which may affect the operations of the Merged Entity and the borrowing limit may be exceeded if there is a downward revaluation of assets.

Under the Property Funds Appendix, on or after 1 January 2022, the aggregate leverage of the Merged Entity cannot exceed 45.0% of the value of the deposited property, unless the Merged Entity has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings, in which case the aggregate leverage cannot exceed 50.0% of the value of the deposited property.

Under Guidance Note 1 of paragraph 9.1 of the Property Funds Appendix, "*borrowings*" include guarantees, bonds, notes, syndicated loans, bilateral loans or other debt. Pursuant to the Property Funds Appendix, the Merged Entity may use borrowings for investment or redemption purposes. It may also mortgage its assets to secure such borrowings.

Immediately following the completion of the Merger, the Japan Properties and TPG held under the Merged Entity would be subject to mortgage to secure payment of indebtedness under certain facilities. If any of the Merged Entity's properties are mortgaged under a secured loan in the future, the Merged Entity's assets would be given in security only and can be appropriated to the satisfaction of payment of outstanding borrowings by the Merged Entity to the relevant chargees/ mortgagees, and not by way of transfer of title or possession of the assets to such chargees/ mortgagees (as opposed to, for example, a prime broker to whom securities are pledged and who can use them for securities lending purposes); the Merged Entity would continue to have the rights to possess and enjoy its assets, including leasing of its real properties; and there would be no arrangement under which such collaterals and assets may be reused by the relevant chargees/ mortgagees to secure such borrowings.

A decline in the value of the deposited property of the Merged Entity may affect the ability of the Merged Entity to borrow further. Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements in relation to properties held by the Merged Entity;
- an inability to fund acquisitions of properties; and
- cash flow shortages which may have an adverse impact on the ability of the Merged Entity to satisfy its contractual obligations (including in respect of its debt financing arrangements).

A downward revaluation of any of the properties or investments held by the Merged Entity may result in a breach of the borrowing limit under the Property Funds Appendix. In the event of such a breach, the Merged Entity may not be able to incur further indebtedness. In such circumstances, while the MCT Trustee (as trustee of the Merged Entity post-Merger) may not be required to dispose of the Merged Entity's assets to reduce its indebtedness, the Merged Entity may not be able to incur further indebtedness, which may constrain its operational flexibility. In addition, a severe downward revaluation of any of the MCT Properties and MNACT Properties may result in a breach of certain financial covenants under the Merged Entity's debt financing arrangements.

The Merged Entity may, from time to time, require further debt financing to achieve its investment strategies. In the event that the Merged Entity decides to incur additional borrowings in the future, the Merged Entity may face adverse consequences as a result of this limitation on future borrowings, and these may include:

- having to miss out on attractive acquisition opportunities which may be available for only a limited period of time but for which debt financing in excess of the borrowing limits would have been required;
- an inability to fund capital expenditure requirements of the Merged Entity's existing asset portfolio or for future acquisitions to expand its portfolio;
- a decline in the value of the deposited property may cause the borrowing limit to be exceeded, thus affecting the Merged Entity's ability to make further borrowings; and
- cash flow shortages (including with respect to distributions) which the Merged Entity might otherwise be able to resolve by borrowing funds.

The Merged Entity may not be able to put in place or maintain adequate insurance in relation to the Merged Entity's properties and its potential liabilities to third parties or may suffer material loss in excess of insurance proceeds.

The Merged Entity will maintain insurance policies covering its assets in line with general business practices in Singapore, China, Hong Kong SAR, Japan and South Korea in the commercial retail and office space, with policy specifications and insured limits which the Merged Entity's manager believes are adequate. Risks insured against include those of property damage, terrorism and public liability. There are, however, certain types of losses (such as those arising from wars or acts of God) that generally are not insured because they are either uninsurable or not economically insurable.

Should an uninsured loss or a loss in excess of insured limits occur, the Merged Entity could be required to make payments and/or suffer a loss of capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property. The Merged Entity will also be liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds (if any) will not occur, or that adequate insurance coverage for the Merged Entity's properties will be available in the future on commercially reasonable terms or at commercially reasonable rates. Any such loss could adversely affect the financial condition and results of operations of the Merged Entity, reducing its ability to make distributions to the unitholders of the Merged Entity.

The MCT Manager (as the manager of the Merged Entity post-Merger) may not be successful in managing the liquidity risk of the Merged Entity.

Liquidity risk is the risk that the Merged Entity and its subsidiaries will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The MCT Manager (as the manager of the Merged Entity post-Merger) will endeavour to monitor and maintain sufficient cash and credit facilities on demand to meet expected operational expenses for a reasonable period including the servicing of financial obligations. In addition, the MCT Manager will monitor and observe the limitations imposed by the Property Funds Appendix on the Merged Entity's aggregate leverage.

In addition, in managing the liquidity risk of the Merged Entity, the MCT Manager may raise additional financing through equity offering of new units in the Merged Entity. For so long as the units in the Merged Entity are listed and traded on the SGX-ST, unitholders of the Merged Entity have no right to request the MCT Manager to repurchase or redeem their units in the Merged Entity. Unitholders may only deal in their listed units of the Merged Entity through trading on the SGX-ST.

There is no assurance that the MCT Manager's management of the Merged Entity's liquidity risk will not result in any breaches of any financial obligations as a result of insufficient cash or other financial assets. In the event that the Merged Entity or any of its subsidiaries is unable to meet liquidity requirements and is in breach of financial obligations, the financial condition and the results of operations of the Merged Entity may be adversely affected.

Unitholders of the Merged Entity will have no equitable or proprietary interest in the assets of the Merged Entity.

The rights and interests of unitholders of the Merged Entity are provided for in the MCT Trust Deed which is governed by the laws of Singapore. The terms and conditions of the MCT Trust Deed shall be binding on each unitholder of the Merged Entity as if such unitholder has been a party to the MCT Trust Deed and as if the MCT Trust Deed contains covenants by such unitholder to observe and be bound by the provisions of the MCT Trust Deed and an authorisation by each unitholder to do all such acts and things as the MCT Trust Deed may require the MCT Trustee or the MCT Manager (as trustee or the manager of the Merged Entity post-Merger, as the case may be) to do. A unitholder has no equitable or proprietary interest in the underlying assets of the Merged Entity. A unitholder of the Merged Entity is not entitled to the transfer to him of the Merged Entity's deposited property or any part of the Merged Entity's deposited property or of any estate or interest in the deposited property or in any part of the deposited property.

There is no single legal regime in Singapore governing the recognition and enforcement of foreign judgements in Singapore. Rather, under Singapore law, there exists common law, and statutory mechanisms for the recognition and enforcement of foreign judgements in Singapore. Each of these is subject to its own procedures and qualifications and whether a judgement given in a foreign court will be enforced in Singapore must be considered in light of the relevant factors in each case, including the applicable regime under which such judgement was given, the specific jurisdiction where such judgement was given and whether the requirements for recognition and enforcement of the foreign judgement have been satisfied.

Unitholders of the Merged Entity may not have any right of recourse against any counterparties.

Without prejudice to any potential right of action in tort or any potential derivative action, investors in the Merged Entity may not have a direct right of recourse against any counterparties of the Merged Entity as such a right of recourse will lie with the relevant contracting counterparty (in this case being the MCT Manager and the MCT Trustee as the manager and trustee of the Merged Entity post-Merger respectively) rather than the investors. Any contractual claim, demand or action against the relevant counterparty may, in the absence of any derivative action, be brought only by the MCT Manager and/or the MCT Trustee in their respective capacities as the manager and the trustee of the Merged Entity post-Merger. In the event that an investor in the Merged Entity considers that it may have a claim against the relevant counterparty of the Merged Entity in connection with its investment in the Merged Entity, such investor should consult its own legal advisers.

There may be potential conflicts of interest between the Merged Entity, the MCT Manager (as the manager of the Merged Entity post-Merger), the property managers and asset managers of the MNACT Properties, and MIPL.

As at the Latest Practicable Date, MIPL, through its wholly owned subsidiaries, has an aggregate indirect interest in 1,083,953,400 MCT Units, which is equivalent to approximately 32.61% of the existing MCT Units in issue. In addition, various property managers and asset managers of the MNACT Properties are wholly-owned subsidiaries of MIPL. As a result, it is possible that the overall interests of MIPL may influence the strategy and activities in respect of the Merged Entity. Further, MIPL may exercise influence over the activities of Merged Entity through the MCT Manager (as the manager of the Merged Entity post-Merger), which is a wholly-owned subsidiary of MIPL.

MIPL, one of Asia's largest real estate companies headquartered and listed in Singapore, is also engaged in the development of real estate products and services. Its diversified global real estate portfolio includes, among others, integrated developments and shopping malls. There can be no assurance that some of these properties in its real estate portfolio will not compete with the properties of the Merged Entity for tenants.

The MCT Manager (as the manager of the Merged Entity post-Merger) is not obliged to redeem MCT Units.

Unitholders of the Merged Entity have no right to request the MCT Manager (as the manager of the Merged Entity post-Merger) to redeem their MCT Units while the MCT Units are listed on SGXST. Unitholders of the Merged Entity may only deal in their listed MCT Units through trading on the SGX-ST. Accordingly, apart from selling their MCT Units through trading on the SGX-ST, unitholders of the Merged Entity may not be able to realise their investments in units of the Merged Entity. If the MCT Units are de-listed from the SGX-ST and are unlisted on any other recognised stock exchange, the MCT Manager (as the manager of the Merged Entity post-Merger), may, but is not obliged to, repurchase or cause the redemption of MCT Units more than once a year in accordance with the Property Funds Appendix and a unitholder of the Merged Entity has no right to request for the repurchase or redemption of the units of the Merged Entity more than once a year.

Schedule 2
The Management Fee Supplement

The proposed form of the management fee supplement for the MCT Trust Deed is as follows:

1. That Clause 1.1 of the MCT Trust Deed be amended by inserting the following definition(s) as indicated by the underlined text below:

   "“**DPU**” means distribution per Unit."

2. To amend Clause 15.1.1 of the MCT Trust Deed to reflect the additions as indicated by the underlined text below and the deletions as indicated by the deleted text below:

   "15.1.1 Base Fee

   The Manager shall be entitled to receive for its own account out of the Deposited Property the Base Fee, being a fee not exceeding the rate of ~~0.25~~10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Distribution Amount ~~of the Value of the Deposited Property~~ (calculated before accounting for the Base Fee and the Performance Fee) (for the purposes of this Clause 15.1.1, the "**permitted limit**") (the "**Base Fee**"). The Manager shall be entitled to alter the rate of the Base Fee to some percentage smaller than the prevailing rate by notice to the Trustee in writing and shall also be entitled to alter such rate to some percentage higher than the prevailing rate (but within the permitted limit) by giving written notice of any such alteration to all Holders, the Trustee and the Depository (in respect of the Depositors) of not less than three months prior to the date of effect thereof.

   Any increase in the rate of the Base Fee above the permitted limit or any change in the structure of the Base Fee shall be approved by an Extraordinary Resolution of a meeting of Holders, duly convened and held in accordance with the provisions of Schedule 1.

   The Base Fee shall accrue on each day of each calendar quarter, or such other period as may be agreed between the Manager and the Trustee, in respect of the period up to and including the last day of that calendar quarter. The amount accruing on each day of each calendar quarter shall be a sum equal to the appropriate percentage of the Distribution Amount ~~Value of the Deposited Property~~ on the last day of the calendar quarter multiplied by the number of days in the relevant period and divided by 365. The "**appropriate percentage**" shall be the rate of Base Fee applicable on the relevant day. The Base Fee shall be paid to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) in the form of cash and/or Units (as the Manager may elect prior to the relevant calendar quarter or such other period as may be agreed between the Manager and the Trustee) out of the Deposited Property. The amount of the Base Fee payable to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) shall be net of all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere. For the avoidance of doubt, the Trust shall bear all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed on the Base Fee by the relevant authorities in Singapore or elsewhere."

3. To amend Clause 15.1.2 of the MCT Trust Deed to reflect the additions as indicated by the underlined text below and the deletions as indicated by the deleted text below:

"15.1.2 Performance Fee

The Manager shall be entitled to receive for its own account from the Deposited Property the Performance Fee, being a fee equal to the rate of 25.0% of the difference in DPU in a Financial Year with the DPU in the preceding Financial Year ~~and, if relevant, each Special Purpose Vehicle owned by the Trust, in relation to any Financial Year, a fee equal to a rate of 4.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of Net Property Income in the relevant Financial Year~~ (calculated before accounting for the Performance Fee but after accounting for the Base Fee ~~this additional fee~~ in that Financial Year) multiplied by the weighted average number of Units in issue for that Financial Year (for the purposes of this Clause, the "**permitted limit**") (the "**Performance Fee**").

The Performance Fee is payable if the DPU in respect of any Financial Year exceeds the DPU in the preceding Financial Year, notwithstanding that the DPU in the Financial Year where the Performance Fee is payable may be less than the DPU in the Financial Year prior to the preceding Financial Year. Purely for illustrative purposes only, if the DPU is 5.20 Singapore cents in Year 1, 5.10 Singapore cents in Year 2 and 5.15 Singapore cents in Year 3, the Performance Fee is payable in relation to Year 3 as the DPU for Year 3 exceeds Year 2, notwithstanding that the DPU for Year 3 is less than the DPU for Year 1.

For the purpose of the computation of the Performance Fee only, the DPU shall be calculated based on all income of the Trust arising from the operations of the Trust, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the Authorised Investments of the Trust but shall exclude any one-off income of the Trust such as any income arising from any sale or disposal of (i) any Real Estate (whether directly or indirectly through one or more Special Purpose Vehicles) or any part thereof, and (ii) any investments forming part of the Deposited Property or any part thereof.

The Performance Fee shall be paid to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) in the form of cash and/or Units (as the Manager may elect) out of the Deposited Property. Any increase in the Performance Fee payable by the Trust or (as the case may be) each Special Purpose Vehicle above the permitted limit or any change in the structure of the Performance Fee shall be approved by an Extraordinary Resolution of a meeting of Holders duly convened and held in accordance with the provisions of Schedule 1.

The amount of the Performance Fee (if any) payable to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) shall be net of all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed thereon by the relevant authorities in Singapore or elsewhere. For the avoidance of doubt, the Trust or (as the case may be) the relevant Special Purpose Vehicle shall bear all applicable GST and all other applicable sales tax, governmental impositions, duties and levies whatsoever imposed on the Performance Fee by the relevant authorities in Singapore or elsewhere."

4. To amend Clause 15.1.4 of the MCT Trust Deed to reflect the additions as indicated by the underlined text below and the deletions as indicated by the deleted text below:

"15.1.4 Form and Timing of Payment of Management Fee

(i) Where the Management Fee is payable in the form of Units, such payment shall be made (a) (in respect of the Base Fee) within 30 days of the last day of <u>the relevant period</u> ~~every calendar quarter~~ (or such longer period as the Manager may determine) in arrears, and (b) (in respect of the Performance Fee) within 30 days after completion of the audited accounts for every Financial Year (or such longer period as the Manager may determine) in arrears.

..."

Schedule 3
Key Terms of the Implementation Agreement

PART 1 – CONDITIONS

1. Unitholder Approvals

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

No.	Column (1) – Approval	Column (2) – Approval Threshold
MCT Unitholders		
(i)	Subject to **Paragraph 1(ii)** and **Paragraph 1(iii)** of this **Schedule 3**, **Part 1** having been approved, the approval by the MCT Unitholders for the MCT Acquisition at the MCT EGM to be convened.	More than 50% of the MCT Unitholders present and voting either in person or by proxy cast for and against this resolution.
(ii)	Subject to **Paragraph 1(i)** and **Paragraph 1(iii)** of this **Schedule 3**, **Part 1** having been approved, the approval by the MCT Unitholders for the issuance of the Consideration Units as part or all of the consideration for the Merger, at the MCT EGM.	More than 50% of the MCT Unitholders present and voting either in person or by proxy cast for and against this resolution.
(iii)	The approval of the MCT Unitholders for the waiver of the requirement for MIPL and its Concert Parties to make a mandatory general offer for MCT as a result of the increase in its unitholding in MCT pursuant to the Trust Scheme and the Preferential Offering.	More than 50% of the MCT Unitholders present and voting either in person or by proxy cast for and against this resolution.
MNACT Unitholders		
(iv)	The approval by the MNACT Unitholders to amend the MNACT Trust Deed to reflect the MNACT Trust Deed Amendments at an extraordinary general meeting of MNACT Unitholders.	Not less than 75% of the total number of votes held by the MNACT Unitholders present and voting either in person or by proxy cast for and against this resolution.
(v)	Subject to **Paragraph 1(iv)** of this **Schedule 3**, **Part 1** being approved, the approval by the MNACT Unitholders for the Trust Scheme at the Trust Scheme Meeting.	A majority in number of the MNACT Unitholders representing at least 75% in value of the MNACT Units held by the MNACT Unitholders present and voting either in person or by proxy cast for and against this resolution.

2. Regulatory Approvals

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

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

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

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

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

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

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

(b) confirmations from the SIC, that:

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

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

(iii) MIPL and its Concert Parties be exempted from the requirements to make a mandatory general offer for MCT as a result of the increase in its unitholding in MCT pursuant to the Trust Scheme and the Preferential Offering;

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

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

(i) the Circular;

(ii) the Scheme Document;

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

(iv) the listing and quotation of the Consideration Units and the MCT Units to be issued pursuant to the Preferential Offering.

3. Tax Approvals

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

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

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

4. No Legal or Regulatory Restraint

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

5. No Prescribed Occurrence

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

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

6. No Breach of Warranties

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

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

7. No Material Adverse Effect

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

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

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

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

8. Authorisations and Consents

In addition to the approvals set out in **Paragraphs 2** and **3** of this **Schedule 3, Part 1**, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by any and all Parties under any and all applicable laws, from all Governmental Authorities (as defined in **Schedule 3, Part 4**), for or in respect of the implementation of the Trust Scheme and the transactions contemplated under the Implementation Agreement.

9. Third Parties

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

PART 2 – MCT PRESCRIBED OCCURRENCES

1. Amendment of Trust Deeds

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

2. Conversion of MCT Units

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

3. Issuance of Units or Shares

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

4. Securities Buy-back

The MCT Trustee (or any MCT Group Entity):

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

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

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

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

5. Distributions

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

6. **Borrowings, Indebtedness**

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

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

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

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

(d) any borrowing or indebtedness incurred from time to time in relation to working capital requirements not exceeding S$50.0 million whether under the existing MCT Revolving Credit Facilities or otherwise.

7. **Guarantees, Indemnities**

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

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

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

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

8. **Hedging**

The MCT Trustee (or any MCT Group Entity) entering into any material hedging and other derivative or off-balance sheet transactions without the prior written consent of MNACT (such consent not to be unreasonably withheld or delayed), save with respect to any cash-flow hedging for an underlying exposure which is permitted in **Paragraph 6** of this **Schedule 3, Part 2**, carrying out hedging activities in the ordinary course of business such as usage of currency forwards to hedge distributable income and interest rate swaps, cross currency interest rate swaps to hedge the interest rate risks.

9. **Capital Expenditure**

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

(a) any MCT Approved Capex; and

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

10. Acquisitions and Disposals

The MCT Trustee (or any MCT Group Entity):

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

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

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

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

11. Real Property

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

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

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

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

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

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

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

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

12. Investigations

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

13. Proceedings

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

14. Cessation of Business

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

15. Amend Accounting Policies

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

16. Resolution for Winding Up

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

17. Appointment of Liquidator and Judicial Manager

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

18. Order of Court for Winding-Up

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

19. Composition

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

20. Appointment of Receiver

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

21. Insolvency

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

22. Analogous Event

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

PART 3 – MNACT PRESCRIBED OCCURRENCES

1. Amendment of Trust Deeds

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

2. Conversion of MNACT Units

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

3. Issuance of Units or Shares

The MNACT Trustee (or any MNACT Group Entity) allotting or issuing, or granting an option to subscribe for, any MNACT Units, shares, units or equity securities of any MNACT Group Entity (including pursuant to the MNACT Distribution Reinvestment Plan), or securities convertible into MNACT Units or into such shares, units or equity securities, save for any issuance of MNACT Units to (a) the MNACT Manager as payment of fees (including base management fees, performance management fees and, if any, acquisition or divestment fees), as consistent with its usual policy of electing to receive MNACT Units in line with past practice and (b) Mapletree North Asia Property Management Limited as payment of fees for services provided (including property management services, marketing services and project management services) as consistent with the usual policy of such payment in line with past practice, subject to the approval of the SIC.

4. Securities Buy-back

The MNACT Trustee (or any MNACT Group Entity):

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

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

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

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

5. Distributions

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

6. Borrowings, Indebtedness

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

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

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

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

(d) any borrowing or indebtedness incurred from time to time in relation to working capital requirements not exceeding S$50.0 million whether under the existing MNACT Revolving Credit Facilities or otherwise.

7. Guarantees, Indemnities

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

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

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

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

8. Hedging

The MNACT Trustee (or any MNACT Group Entity) entering into any material hedging and other derivative or off-balance sheet transactions without the prior written consent of MCT (such consent not to be unreasonably withheld or delayed), save with respect to any cash-flow hedging for an underlying exposure which is permitted in **Paragraph 6** of this **Schedule 3, Part 3**, carrying out hedging activities in the ordinary course of business such as usage of currency forwards to hedge distributable income and interest rate swaps, cross currency interest rate swaps to hedge the interest rate risks.

9. Capital Expenditure

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

(a) any MNACT Approved Capex; and

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

10. Acquisitions and Disposals

The MNACT Trustee (or any MNACT Group Entity):

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

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

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

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

11. Real Property

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

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

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

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

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

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

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

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

12. **Investigations**

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

13. **Proceedings**

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

14. **Cessation of Business**

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

15. **Amend Accounting Policies**

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

16. **Resolution for Winding Up**

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

17. **Appointment of Liquidator and Judicial Manager**

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

18. **Order of Court for Winding-Up**

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

19. **Composition**

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

20. **Appointment of Receiver**

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

21. **Insolvency**

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

22. **Analogous Event**

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

PART 4 – DEFINITIONS

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

"**Convertible Securities**" means, in relation to any share or unit in the capital of any corporation or trust, any option, right, warrant or other securities exercisable into, convertible into or redeemable with any such shares or units, whether in whole or in part;

"**Disclosed**" means any matter fairly disclosed with sufficient detail to enable the MCT Trustee and the MCT Manager or the MNACT Trustee and the MNACT Manager (as the case may be) to identify the matter in question;

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

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

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

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

"**FRS**" means the Singapore Financial Reporting Standards;

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

"**MCT 1H FY21/22 Unaudited Financial Statements**" means the unaudited consolidated statements of financial position of the MCT Group as at 30 September 2021, the consolidated statements of total return and the consolidated statements of cash flows of the MCT Group for the six-month period from 1 April 2021 to 30 September 2021, and the notes thereto;

"**MCT Approved Capex**" means:

(a) any capital expenditure; or

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

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

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

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

"**MCT Programme**" means the S$3.0 billion Multicurrency Medium Term Note Programme of Mapletree Commercial Trust Treasury Company Pte. Ltd. and the MCT Trustee which was first established on 8 August 2012 with the maximum aggregate principal amount of notes and perpetual securities that may be issued thereunder subsequently increased on 29 June 2018;

"**MCT Properties**" means the five properties listed on page 2 of the MCT 1H FY21/22 Unaudited Financial Statements, and "**MCT Property**" means any one of them[81];

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

(a) S$70,000,000 Facility Agreement entered into between the MCT Trustee and Credit Industriel et Commercial, Singapore Branch dated 23 April 2020;

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

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

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

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

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

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

"**MNACT 1H FY21/22 Unaudited Financial Statements**" means the unaudited consolidated statements of financial position of the MNACT Group as at 30 September 2021, the consolidated statements of total return and the consolidated statements of cash flows of the MNACT Group for the six-month period from 1 April 2021 to 30 September 2021, and the notes thereto;

"**MNACT Approved Capex**" means:

(a) any capital expenditure; or

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

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

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81 For the avoidance of doubt, the above-mentioned five properties are the same as the properties listed on page 2 of the MCT FY21/22 Unaudited Financial Statements.

“**MNACT Competing Offer**” means any expression of interest, offer or proposal by any Person, acting together with its concert parties, other than the MCT Trustee or the MCT Manager involving:

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

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

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

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

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

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

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

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

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

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

"**MNACT Programme**" means the US$1.5 billion Euro Medium Term Securities Programme of Mapletree North Asia Commercial Trust Treasury Company (S) Pte. Ltd., Mapletree Greater China Commercial Treasury Company (HKSAR) Limited and the MNACT Trustee which was established on 31 May 2013;

"**MNACT Properties**" means the 13 properties listed on page 3 of the MNACT 1H FY21/22 Unaudited Financial Statements (including the 50.0% interest in The Pinnacle Gangnam), and "**MNACT Property**" means any one of them[82];

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

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

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

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

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

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

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

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

"**MNACT Top Tenants**" means the top ten tenants of the portfolio of MNACT Properties based on aggregate gross rental income across the portfolio as at the date of the Implementation Agreement;

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

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

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82 For the avoidance of doubt, the above-mentioned 13 properties are the same as the properties listed on page 3 of the MNACT FY21/22 Unaudited Financial Statements.

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

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

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

“**Title Documents**” means documents of title (including land grants, leases, building agreements and agreements to lease) relating to the MCT Properties or the MNACT Properties, as the case may be, and “**Title Document**” means any of such documents; and

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

Schedule 4
Existing Interested Person Transactions

The table below sets out details of all Existing Interested Person Transactions entered into between (1) MCT and (2) MIPL and its subsidiaries and associates, during the course of the financial year ended 31 March 2022:

No.	Interested Person	Nature of Transaction	Value of Transaction (S$'000)
1.	MIPL and its related companies	MCT Manager's management fees	37,765
		Property and lease management fees	20,212
		Staff costs	12,115
		Lease related income	11,832
		Project management fees	119
2.	Temasek and its related companies	Lease related income	1,678
		Operating related expenses	660
Total			**84,381**

Schedule 5
Unitholdings of the Other Concert Parties

	MCT Unitholdings As at Latest Practicable Date		MNACT Unitholdings As at Latest Practicable Date		After the Trust Scheme[83]				After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)	
					Merged Entity Unitholdings Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration		Merged Entity Unitholdings Assuming All MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration	
Other Concert Parties	No. of units	%(1)	No. of units	%(2)	No. of units	%(3)	No. of units	%(4)	No. of units	%(5)
DBS Bank Ltd.	24,004,873	0.72	24,203,013	0.69	38,437,130	0.71	36,128,162	0.69	24,004,873	0.46
Tsang Yam Pui (Director of MCT Manager and MIPL) (Resigned from Sponsor Board with effect from 31 January 2022)	426,043	0.01	540,000	0.02	748,045	0.01	696,529	0.01	426,043	0.01
Hiew Yoon Khong (Director of MCT Manager and MIPL)	5,089,131	0.15	7,412,495	0.21	9,509,202	0.18	8,802,050	0.17	5,089,131	0.10

83 No Preferential Offering will be required if all MNACT Unitholders elect to receive the Scrip-Only Consideration or if all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

	MCT Unitholdings As at Latest Practicable Date		MNACT Unitholdings As at Latest Practicable Date		After the Trust Scheme[83]				After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)	
					Merged Entity Unitholdings Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration		Merged Entity Unitholdings Assuming All MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration	
Other Concert Parties	**No. of units**	**%(1)**	**No. of units**	**%(2)**	**No. of units**	**%(3)**	**No. of units**	**%(4)**	**No. of units**	**%(5)**
Wendy Koh Mui Ai (Director of MCT Manager, MNACT Manager and MIPL Entities)	1,128,699	0.03	416,000	0.01	1,376,760	0.03	1,337,073	0.03	1,128,699	0.02
Amy Ng Lee Hoon (Director of MCT Manager)	680,513	0.02	419,228	0.01	930,499	0.02	890,504	0.02	680,513	0.01
Lim Li Hwee Sharon (Director of MCT Manager)	20,200	n.m.(6)	70,000	n.m.(6)	61,941	n.m.(6)	55,263	n.m.(6)	20,200	n.m.(6)
Paul Ma Kah Woh (Director of MNACT Manager and MIPL) (Resigned from Sponsor Board with effect from 31 January 2022)	645,246	0.02	1,332,527	0.04	1,439,832	0.03	1,312,709	0.03	645,246	0.01

	MCT Unitholdings As at Latest Practicable Date		MNACT Unitholdings As at Latest Practicable Date		After the Trust Scheme[83]				After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)	
					Merged Entity Unitholdings Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration		Merged Entity Unitholdings Assuming All MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration	
Other Concert Parties	**No. of units**	**%(1)**	**No. of units**	**%(2)**	**No. of units**	**%(3)**	**No. of units**	**%(4)**	**No. of units**	**%(5)**
Chiang Sui Fook Lilian (Director of MNACT Manager)	–	–	49,676	n.m.(6)	29,622	n.m.(6)	24,883	n.m.(6)	–	–
Kevin Kwok (Director of MNACT Manager)	–	–	775,156	0.02	462,226	n.m.(6)	388,276	n.m.(6)	–	–
Lok Vi Ming (Director of MNACT Manager)	–	–	190,000	n.m.(6)	113,297	n.m.(6)	95,171	n.m.(6)	–	–
Michael Kok Pak Kuan (Director of MNACT Manager)	–	–	540,000	0.02	322,002	n.m.(6)	270,486	n.m.(6)	–	–
Chua Tiow Chye (Director of MNACT Manager and MIPL Entities)	1,515,596	0.05	2,763,687	0.08	3,163,583	0.06	2,899,927	0.06	1,515,596	0.03

	MCT Unitholdings As at Latest Practicable Date		MNACT Unitholdings As at Latest Practicable Date		After the Trust Scheme[83]				After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)	
					Merged Entity Unitholdings Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration		Merged Entity Unitholdings Assuming All MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration	
Other Concert Parties	No. of units	%[(1)]	No. of units	%[(2)]	No. of units	%[(3)]	No. of units	%[(4)]	No. of units	%[(5)]
Cindy Chow Pei Pei (Director of MNACT Manager)	529,000	0.02	1,010,868	0.03	1,131,781	0.02	1,035,344	0.02	529,000	0.01
Edmund Cheng (Director of MIPL)	907,518	0.03	6,529,042	0.19	4,800,786	0.09	4,177,915	0.08	907,518	0.02
Lee Chong Kwee (Director of MIPL)	420,000	0.01	400,000	0.01	658,520	0.01	620,360	0.01	420,000	0.01
Wong Meng Meng (Director of MIPL) (Resigned from Sponsor Board with effect from 31 January 2022)	340,000	0.01	500,000	0.01	638,150	0.01	590,450	0.01	340,000	0.01
Lim Hng Kiang (Director of MIPL)	100,000	n.m.[(6)]	73,000	n.m.[(6)]	143,530	n.m.[(6)]	136,566	n.m.[(6)]	100,000	n.m.[(6)]

	MCT Unitholdings As at Latest Practicable Date		**MNACT Unitholdings As at Latest Practicable Date**		**After the Trust Scheme**[83]				**After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)**	
					Merged Entity Unitholdings Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		**Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration**		**Merged Entity Unitholdings Assuming All MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration**	
Other Concert Parties	**No. of units**	**%**(1)	**No. of units**	**%**(2)	**No. of units**	**%**(3)	**No. of units**	**%**(4)	**No. of units**	**%**(5)
Cheah Kim Teck (Director of MIPL)	435,800	0.01	740,000	0.02	877,062	0.02	806,466	0.02	435,800	0.01
Cheo Hock Kuan (Director of MIPL) (Appointed on 15 January 2022)	99,000	n.m.(6)	707,098	0.02	520,643	n.m.(6)	453,185	n.m.(6)	99,000	n.m.(6)
Lena Paw (Director of MIPL Entities)	314,000	n.m.(6)	614,000	0.02	680,128	0.01	621,553	0.01	314,000	0.01
Moses Lee (Director of MIPL Entities)	–	–	50,000	n.m.(6)	29,815	n.m.(6)	25,045	n.m.(6)	–	–
Total	**36,655,619**	**1.10**	**49,335,790**	**1.40**	**66,074,551**	**1.22**	**61,367,916**	**1.18**	**36,655,619**	**0.70**

Notes: The percentages are rounded to the nearest two decimal places.

(1) Based on a total of 3,323,513,585 MCT Units as at the Latest Practicable Date.

(2) Based on a total of 3,527,974,156 MNACT Units as at the Latest Practicable Date.

(3) Based on an aggregate of 5,427,244,574 units in the Merged Entity assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(4) Based on an aggregate of 5,219,052,142 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(5) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment in full. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

(6) Not meaningful.

Independent Market Research Report

Singapore Retail, Office and Business Park
Beijing Office
Shanghai Business Park
Hong Kong SAR Retail and Office
Greater Tokyo Office
Seoul Office

30 March 2022

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Executive Summary

Whilst the impact of COVID-19 continues to be felt globally, the economies of the key gateway Asian markets saw a rebound in gross domestic product ("GDP") growth in 2021 as initial restrictions were eased gradually and businesses resumed some form of normalcy. However, global economic recovery may be weighed down by the uncertainties arising from the Russia-Ukraine conflict and the resulting global repercussions, rising energy prices as well as COVID-19 infections from the Omicron-variant.

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

China: China is the second largest economy in the world and the only major economy to post a positive GDP growth rate in 2020, largely attributed to its "Zero-COVID" strategy. Its economy is underpinned and driven by the output of its Tier 1 cities which include Beijing, Shanghai, Guangzhou and Shenzhen that are frequently chosen by large domestic companies and multinationals as locations in which to establish a foothold and grow. China is the world's largest manufacturer and exporter and with a population that is becoming wealthier rapidly, it is now also the second largest importer in the world. While geopolitical concerns remain, the domestic political environment is very stable. The government announced measures in 2021 to achieve common prosperity by narrowing the wealth gap and promoting economic rebalancing and long-term sustainability.

Hong Kong SAR: Strategically located within the Greater Bay Area, Hong Kong SAR has played a pivotal role in serving as a gateway connecting Mainland China with the international markets and provides the largest source of foreign direct investment in Mainland China. While Hong Kong SAR has gone through two consecutive years of recession, it has bottomed out and experienced substantial recovery through much of 2021. By the end of 2021, GDP returned to pre-COVID levels. Hong Kong SAR has also moved up one position in 2021 to take the third place in the Global Financial Centres Index 30 Report. Hong Kong SAR's conducive business environment, coupled with its well-developed infrastructure and international communication network, makes it an attractive location for doing business in Asia. Domestic consumption, which took up less than 70.0% of the city's total retail sales prior to the start of COVID-19, is expected to grow with improving labour market conditions, but the return of restrictions on business operation and social distancing measures that have been introduced in response to the outbreak may potentially have a significant impact on the local economy and real estate market. This will need to be watched carefully during the first half of 2022. Eventually, the aim for Hong Kong SAR is to re-open its borders to Mainland China, with hopes that the return of mainland Chinese tourists will ultimately have a positive impact on footfall and retail sales, driving rental improvements. Although the timetable for full re-opening is still not certain, the recent announcement of the lifting of flight bans on nine countries, coupled with a shortening in the quarantine period for arrivals into Hong Kong SAR is however seen as a positive step towards dealing with the pandemic, whilst also protecting the local economy.

Over the next few years, Hong Kong SAR will continue its integration into the Greater Bay Area, strengthening its position as a major financial, innovation and technology conduit between China and the world.

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

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

Certain selected real estate indicators are highlighted below to illustrate the resilient performance in each of the key markets.

Notes:
(1) Lufthansa is a well-established business sub-market within Beijing, where Gateway Plaza is located in.
(2) Zhangjiang Science City is a key business park and innovation hub in Pudong, Shanghai, where Sandhill Plaza is located in.
(3) Gangnam Business District ("GBD") is one of the three core business districts in Seoul, where The Pinnacle Gangnam ("TPG") is located in.

1 Regional Comparison

1.1 GDP Forecast

Figure 1: Real GDP Trends in Asia

Source: Oxford Economics, Country Governments

Most of the major Asian economies saw a contraction in GDP growth in 2020 as COVID-19 resulted in lockdowns, travel restrictions and temporary business closures across the region. The only major economy in Asia that managed to avoid a contraction in its GDP was China, but it still saw a significant drop in the growth rate.

Whilst the impact of COVID-19 continues to be to be felt globally, all the major Asian economies witnessed a rebound in growth in 2021, as initial restrictions eased, and businesses were able to resume some form of normalcy.

For 2022, GDP growth is expected to remain positive across the region. However, the rate of growth is expected to slow down with uncertainties arising from the Russia-Ukraine conflict, rising energy prices, as well as the ongoing COVID-19 infections from the Omicron-variant.

1.2 Investment Transaction

Within the markets of Singapore, China, Hong Kong SAR, Japan and South Korea, the total transaction volume for office and retail assets in 2021 is US$106.4 billion. In particular, there are continued growth opportunities where offices will continue to play an integral role, and opportunities continue to exist in Asia's retail markets where well-positioned shopping malls remain relevant.

Figure 2: Historical Investment Transaction Volume

Note:
(1) Source: Real Capital Analytics (RCA)
Remark: Investment transaction volume for office and retail

With the exception of South Korea, all markets saw investment transaction volumes fall in 2020 as COVID-19 affected investment activity. However, a rebound has been observed in 2021 across most of the regions and total contracted transaction volumes of office and retail properties in the above 5 markets rose by 19.2% YoY in 2021 to US$106.4 billion.

Activity in 2021 has been strong across all commercial sectors, when compared to 2020, with the Seoul office market and Singapore retail markets particularly active. For Japan, the spike in COVID-19 cases in Q2 2021 and Q3 2021 led to movement restrictions being re-imposed, which affected total investment activity for the year. The gradual loosening of these restrictions however in Q4 2021 and into Q1 2022 should see investment activity bounce back in 2022. For Hong Kong SAR, the continued imposition of travel restrictions has continued to impact upon transaction volume, as international investors are restricted in their movements in and out of the SAR and the gap between buyer and seller expectations remains wide

Based on existing market fundamentals and interest rates still remaining low compared to long term trends notwithstanding forecast interest rate hikes, we expect to see investment transaction volume to increase again in 2022. However, the emergence of the Omicron variant and rising global geopolitical tension may affect the pace of increase in investment transaction volume in 2022.

2 Singapore

2.1 General Economy

Overview of Market and Political Environment

Owing to its strategic location, world-class infrastructure, stable and efficient government and competitive tax environment, Singapore is one of the world's key global trade, logistics and financial hubs and ASEAN's primary business centre.

According to Bloomberg's Innovation Index, the city-state is ranked as one of the most innovative economies worldwide. Research and innovation are critical components of Singapore's long-term economic resilience strategy.

Healthy economic fundamentals, including near full employment, high disposable incomes, and sustained growth in consumer demand and gross domestic product, provide a vital foundation for the continued performance of office, retail and business park sectors.

The latest Budget 2022 unveiled by the Singapore Government on 18 February 2022 will continue to be expansionary to provide support for the economy and includes new progressive tax measures aimed at generating revenues to fund for programmes needed over the next few years and to address social inequalities.

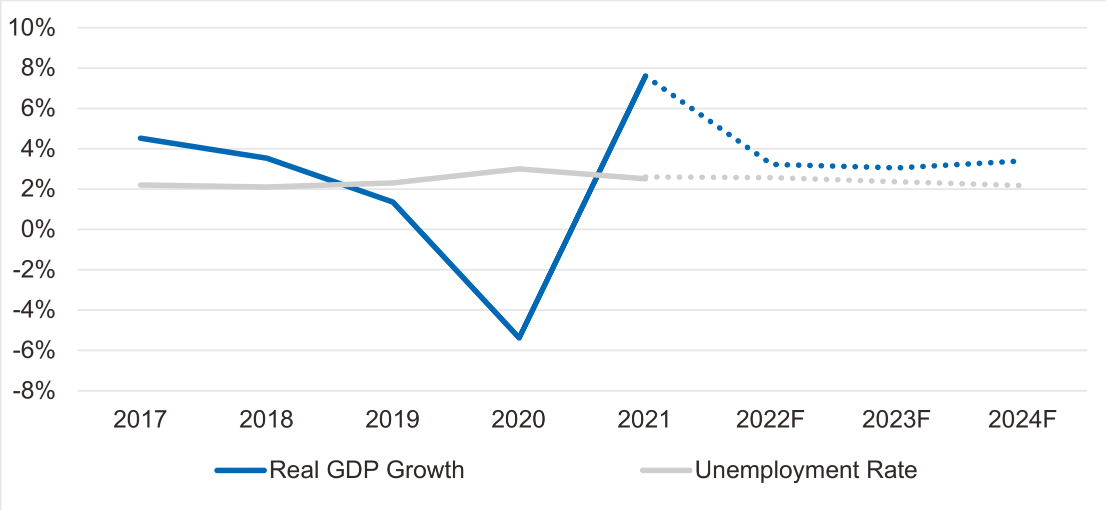
The S$109.0 billion Budget included a staggered hike in goods and services tax (GST) – rising from 7% to 8% from 1 January 2023 and then to 9% from 1 January 2024 to fund the recurring social and healthcare needs of the ageing population. There was also a S$6.0 billion draw on Singapore's reserves as part of the ongoing fight against the pandemic, S$1.0 billion in support for businesses, households and individuals affected by the pandemic, and S$900 million committed to encourage companies to invest in new capabilities with some further tightening workforce policies to ensure high calibre foreign hires. The 2022 Budget will run up an expected deficit of S$3.0 billion as Singapore enters a period of transition and recovery after two years of dealing with the COVID-19 pandemic.

With effect from 2024, personal income taxes for resident taxpayers with chargeable income in excess of S$500,000 up to S$1 million will be taxed at 23% while chargeable income in excess of S$1 million will be taxed at 24%, up from the current tax rate of 22%. This will only affect the top 1.2% of personal income taxpayers and is unlikely to have a considerable impact on overall consumer spending.

GDP and Employment

According to the Ministry of Trade and Industry (MTI) and the Department of Statistics (Singstat), gross domestic product (GDP) at current market prices totalled S$469.1 billion in 2020, contracting 5.4% YoY compared to 2019. The GDP contraction, the city-state's worst economic recession since the 2008-2009 Global Financial Crisis (GFC), was due to the COVID-19 pandemic and the ensuing global economic slowdown which adversely impacted Singapore's export-dependent economy. According to the MTI's press release in February 2022, the economy grew by 7.6% year-on-year for the full year 2021 and is forecast to grow between 3% and 5% in 2022 as the economy is expected to gradually recover from the impact of COVID-19.

Figure 3: GDP Growth and Unemployment Rate



Source: MTI, Singstat, Oxford Economics, Chart produced by Colliers Singapore

In 2020, as a result of the COVID-19 pandemic, Singapore posted an unemployment rate of 3.0% compared to 2.3% in 2019. Affected by weakened external and internal demand factors, the construction, retail trade, transportation & storage, accommodation, F&B, professional services, real estate and administrative sectors saw significant contractions in employment. Since the start of 2021, the labour market has been recovering, with unemployment rate at 2.5% in 4Q 2021, improving by 0.5 percentage points compared to 2020. This could be partly attributed to the growth in resident employment, especially in outward-oriented industries (including professional services, information, communications and financial services) amid the departure of expatriates and more stringent government regulations on hiring foreigners. Employment figures are expected to return to its pre-pandemic level after 2022.

Economic Fundamentals and Drivers

Singapore's service-oriented economy is one of the world's most open, diverse, and advanced market economies. According to the most recent data from Singstat, about 74.5% nominal gross domestic product (GDP) in 2020 was generated by service industries and about 25.5% by goods-producing activities, including manufacturing which remains the most significant single sector in terms of GDP contribution.

Population

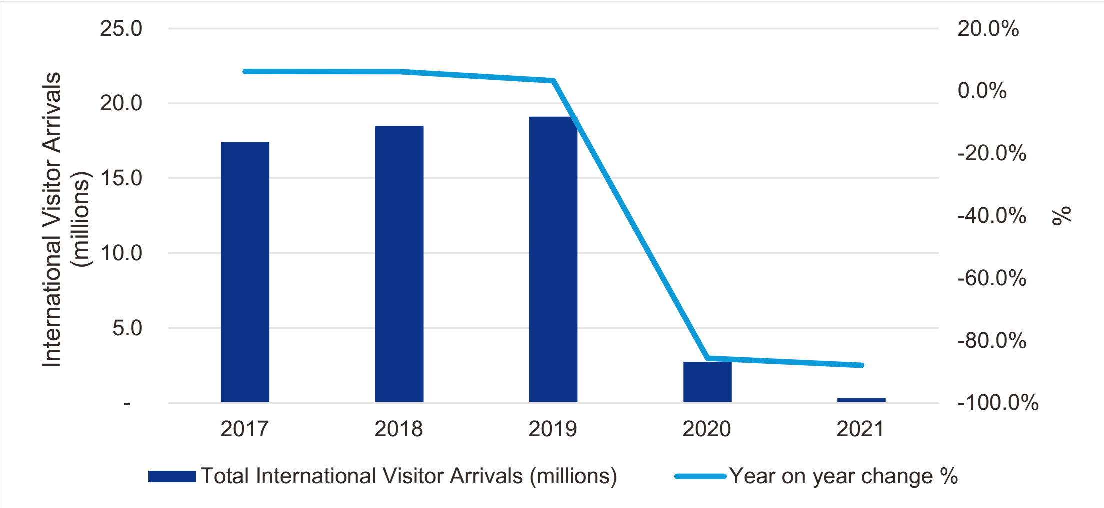
According to data from Singstat, Singapore recorded its most significant population decline in more than 20 years in 2021 (as of 30 June 2021), amid the departure of foreign workers and work pass holders during the COVID-19 pandemic and the travel and visa restrictions imposed by the Singapore authorities due to the pandemic. An ageing population and low birth rate are also key factors that have impacted population growth. While the population declines recorded in 2020 and

2021 were material, they are not expected to prevail in the medium to long term given Singapore's open and outward-facing economy.

Tourism

Singapore is an important international business and leisure tourism destination, attracting more than 19 million international visitors per year prior to the emergence of COVID-19. Tourism accounted for about 4% of the country's GDP in 2019. However, due to the COVID-19 pandemic, Singapore had to shut its borders to non-residents in 2020 and introduce travel restriction measures – including a mandatory 14-day quarantine period – for incoming travellers to limit the spread of the virus. As a result, international arrivals fell 85.7% in 2020 and declined a further 88.0% from January to December 2021 compared to 2020. Only about 329,970 visitors entered Singapore during that period, compared to 2.7 million in 2020, mainly before the border closures in March 2020. As the government gradually reopens the country's borders to international visitors, the Singapore tourism sector is expected to slowly recover in 2022, with a return to pre-pandemic visitation level by 2024.

Figure 4: International Visitor Arrivals



Source: Singstat

Inflation

Overall inflation has remained low over the past five years amid a strong and stable Singapore dollar and the country's secure access to the global supply chain, ensuring the availability and affordability of a wide range of imported products.

The CPI has been almost flat, rising by just 0.17% per year on average from 2016 to 2020, while the MAS core inflation also rose gradually, averaging about 0.98% per year for the same period. Core inflation fell into negative territory for the first time in a decade in February 2020 as the pandemic's impact on demand outweighed price pressure from supply disruptions. For the full year 2021, MAS core inflation stood at 0.9%, year-on-year up from -0.2% in 2020 while the CPI rose to 2.3% from -0.2% the previous year. As of November 2021, the CPI inflation for 2022 was forecast at 1.5% to 2.5% and the core inflation is forecast at 1.0% to 2.0%.

Monetary and Forex Policies

Singapore's monetary policy is overseen by the Monetary Authority of Singapore (MAS) that manages the trade-weighted exchange rate to ensure price stability over the medium term as a basis for sustainable economic growth. On 14 October 2021, the MAS tightened its monetary policy, for the first time in three years, amid mounting cost pressure caused by supply constraints and an improving global economy. The move slightly raised the slope of its currency policy band, from 0% previously, strengthening the Singapore dollar against a basket of key currencies to mitigate potential inflationary price pressure. As of December 2021, the Singapore dollar had depreciated slightly against the USD, trading around S$1.37, down from S$1.33 in December 2020 amid a strong greenback given the prospects of rising interest rates in the US. The decline of the Singapore dollar is nonetheless temporary and a reflection of the strength of the greenback as a safe haven currency and the measures taken by MAS to limit currency appreciation amid the pandemic. In the long term, the Singapore dollar is expected to continue its upward trend against key international currencies.

Geopolitical Events and Risk Factors

Given its open and outward-oriented economy based on trade and services, Singapore's economy is particularly exposed to global shocks. The COVID-19 pandemic is a key global event which considerably impacted Singapore's economy and remains a considerable risk for the city-state. US-Sino relations are also a risk for Singapore, given its role as a key trade and financial hub for both global economic powers. However, with its neutrality on the international geopolitical scene, its good handle of the pandemic and its solid rule of law, Singapore will continue to be favoured by investors as it is well-positioned to withstand global economic and geopolitical uncertainties.

Economic Outlook

Supported by the loosening of COVID-19 restrictions, Singapore's economy is expected to benefit from key ASEAN economies' recovery and the projected expansion of its manufacturing sector, tourism and aviation-related sectors, retail trade and construction sectors in 2022. According to MTI, growth in 2022 is expected to normalise as the economy recovers, with GDP growth forecast to be in the range of 3% to 5% YoY.

In 2022, Singapore will likely regain its global investment and business hub status as borders reopen. Furthermore, major large-scale urban development and infrastructure projects, including the Greater Southern Waterfront (GSW), the Tuas Mega Ports and the construction of the new MRT lines, are expected to further drive growth and stimulate investment in the real estate sector across asset classes.

2.2 COVID-19

The COVID-19 outbreak dampened the Singapore economy in 2020, particularly in the second quarter of 2020 amid the Circuit Breaker – a Singapore government-imposed partial shutdown to curb the spread of the virus. Singapore's borders were closed to foreigners from March 2020, with the exceptions of travellers from select countries and residency and visa holders who had to undergo a mandatory 14-day isolation period.

In the face of mounting economic pressure resulting from the COVID-19 pandemic, the Singapore government acted swiftly, announcing four rounds of economic measures and packages in 2020 namely, Unity (18 February), Resilience (26 March), Solidarity (6 April) and Fortitude (26 May) budgets – with a combined value of S$92.9 billion, equivalent to 19.2% of Singapore's GDP – to cushion the effect of the outbreak. The numerous government measures implemented included a deferred loan payment scheme to companies, direct financial support to self-employed workers and freelancers, direct pay-outs to households, a job support scheme for private sector employees and property tax rebates for non-residential properties.

In the 2021 budget, the Singapore government announced that it will allocate S$24 billion over three years to 2024 to enable firms and workers to emerge stronger from the downturn. While the economy recovery is underway, the Singapore government continues to extend generous support to businesses, including an additional S$11 billion to support the hardest-hit sectors such as aerospace, aviation and tourism. The Job Support Scheme (JSS) also provided wage support to all private sector employers to retain their local employees during the outbreak and the Circuit Breaker. In addition, the National Jobs Council will oversee support programmes aimed at the creation of 100,000 jobs and training opportunities under the SGUnited Jobs and Skills Package programmes.

Singapore's national COVID-19 vaccination programme rollout has been successful, with 92% of the total population (95% of the eligible population) having completed the full regimen while 71% of the total population have received booster shots as of 27 Mar 2022. As the country moves towards an endemic COVID-19 strategy, the Singapore government has gradually introduced Vaccinated Travel Lanes (VTL) which allow for quarantine-free travel for fully vaccinated travellers from selected countries. On 24 March 2022, Singapore took a significant step in relaxing wide-ranging measures, including making mask-wearing outdoors optional, doubling of group sizes for social gatherings from five to 10 people, increasing the capacity limits for large events from 50% to 75%, and allowing up to 75% of employees to return to the workplace from 29 March 2022. From 1 April 2022, fully vaccinated travellers can enter Singapore without quarantine or entry approvals, further demonstrating Singapore's commitment toward an endemic normal.

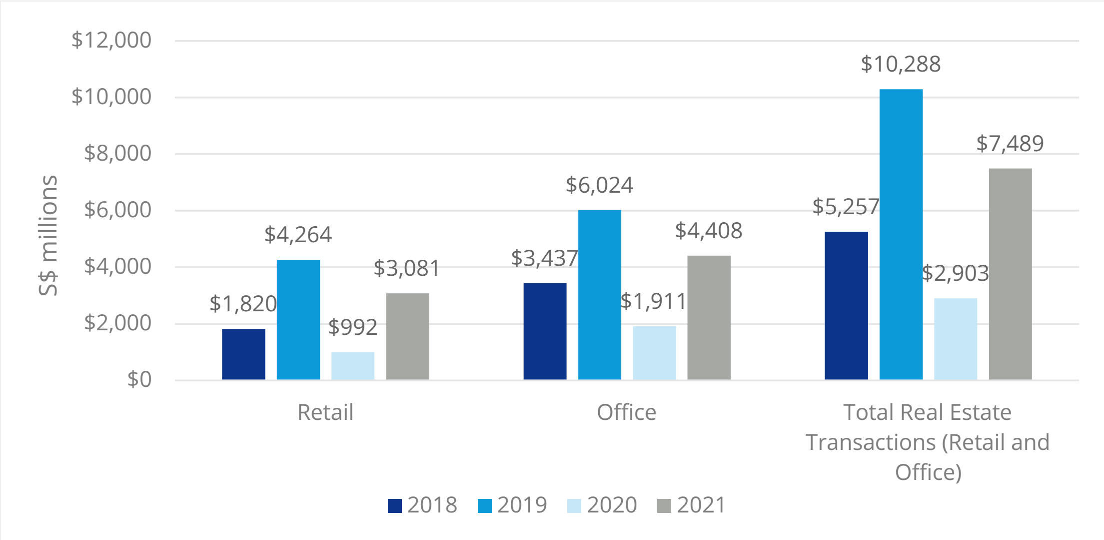
2.3 Singapore Real Estate Investment Trends

Singapore has recently established itself as a significant real estate investment destination, given its strong economic fundamentals, stable government and safe-haven status. It continues to shine for global institutional and private equity investors and has gained considerable traction with family offices to become one of the world's most attractive wealth management hubs.

Real estate transaction volume in retail and office asset classes totalled S$8.3 billion in 2021, compared to S$2.8 billion in 2020, S$10.3 billion in 2019 and S$5.3 billion in 2018. The COVID-19 pandemic considerably dampened Singapore's real estate transaction activity in 2020 given travel restrictions, the Circuit Breaker and the economic downturn. Despite COVID-19, Singapore-based Real Estate Investment Trusts (S-REITs) continued to play a vital role in the investment market. From 2011 to 2021, S-REITs transacted about S$134 billion in retail properties and S$220 billion in office properties, averaging approximately S$35.4 billion per year in terms of total gross cumulative transaction activity.

With borders gradually reopening, 2022 is expected to be a fruitful year in terms of real estate transaction volume. Local and international private equity and institutional investors are currently jockeying for potential acquisitions. A wave of real estate portfolio consolidation is expected, with REIT delistings, privatisations and portfolio acquisitions. There is also growing interest in business park properties as an investment asset class, given the office decentralisation trends and the flexible work from home arrangements.

Figure 5: Real Estate Transaction Volume in Singapore (2018 – 2021)



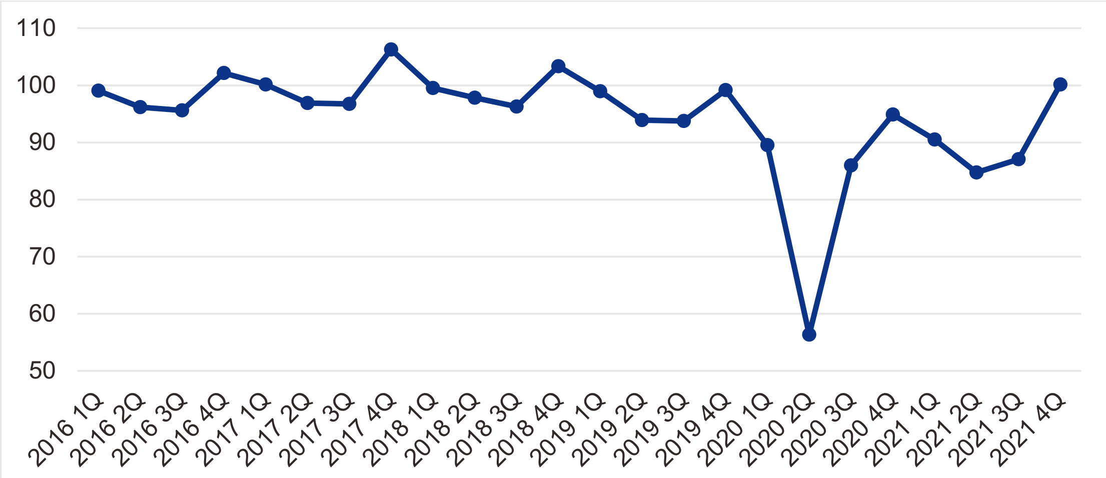
Source: Real Capital Analytics (RCA), Chart produced by Colliers Singapore

2.4 Singapore Retail Market Overview

Overview

As a result of the COVID-19 pandemic, total consumer expenditure declined in 2020 for the first time in five years due to the Circuit Breaker and the overall economic slowdown. Based on estimates from Oxford Economics, consumer spending (excluding transport and vehicle-related expenses) declined 14.1% in 2020 YoY but bounced back to 12.1% YoY in 2021. The Retail Sales Index fell 16.1% overall in 2020, with most categories recording a decline. The only exceptions were select categories including supermarkets, furniture and household equipment, and computer and telecommunications which recorded more robust sales since the start of the pandemic. The retail sales index is up 3.7% YoY on year in 4Q 2021 compared to the same period in 2020. This indicates a gradual return to pre-COVID retail sales and consumer spending levels by the end of 2023 when most restrictions are expected to be lifted, international tourism is expected to resume, and consumer confidence is expected to recover from the economic uncertainty.

Figure 6: Retail Sales Index (100 = 2017)



Source: Singapore Department of Statistics (SingStat)

E-commerce Penetration

According to JP Morgan's 2020 E-Commerce Report, Singapore's business to consumer e-commerce value totalled S$6.1 billion in 2019, with an expected compounded annual growth rate (CAGR) of 7.7% from 2020 to 2023. Singapore currently has the highest online shopping penetration rate in Southeast Asia, with 26% of Singaporeans shopping online at least once a week. During 2020, the COVID-19 pandemic intensified the rise of online sales, boosting total retail sales share to 10.4%, relative to 7.2% in 2019. The 25 to 44 age group has the highest propensity to shop online and is the driving force in the current retail environment. Brick-and-mortar grocers and retailers are increasingly combining offline and online strategies and pursuing omni-channel strategies, including "Click-and-Collect" options to improve overall sales. Well-positioned malls with comprehensive offerings and sizable catchments will continue to stay relevant and stand to benefit ultimately as retailers consolidate their physical footprint.

Existing Stock

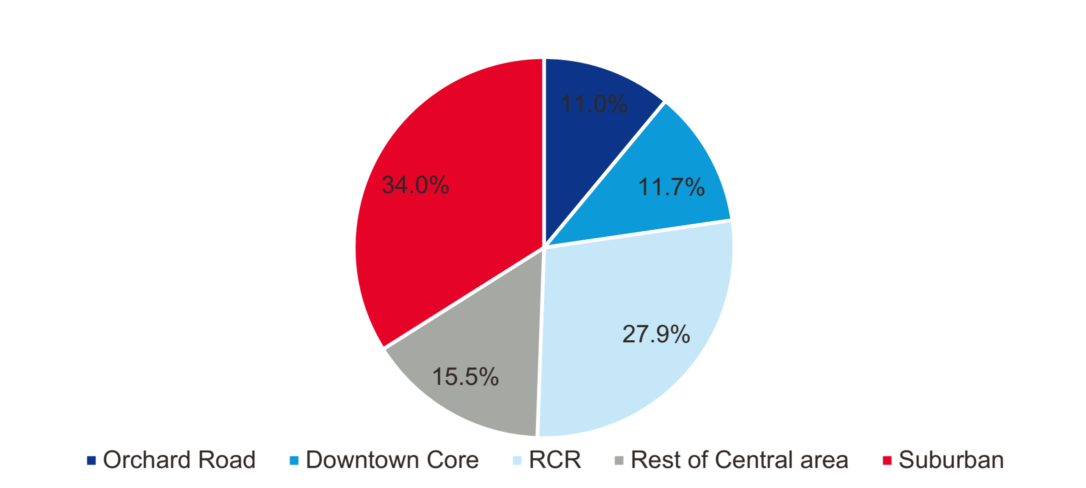
According to data from the Urban Redevelopment Authority (URA), Singapore's total existing island-wide retail stock stood at 66.7 million sq ft as at full year 2021. Approximately 60% is owned by private developers, 27% by REITs, 8% by funds and banks and the remaining (5%) by other investors.

The bulk of retail stock (55.0%) is in the Downtown Core, Rest of Central Area[1] and Rest of Central Region (RCR)[2], followed by the suburban area (34.0%) and Orchard Road (11.0%). Given the city's high population density and limited land supply, it has a lower existing shopping mall stock per capita at 5.80 sq ft per capita, compared to 23.1 sq ft per capita in the US, 16.8 sq ft per capita in Canada and 11.4 sq ft per capita in Australia as of 2020. This lower ratio translates to a higher retail productivity rate per sq ft of leasable space and higher capital values on a per plot ratio basis.

There is approximately 2.1 million sq ft in existing retail space in the HarbourFront/Alexandra micro-market, most of which is concentrated in VivoCity and HarbourFront Centre, which together form one of Singapore's most prominent retail clusters. There was no new space in the area over the past year, and no known retail project is currently in development.

Key developments in the HarbourFront/Alexandra micro-market include VivoCity, HarbourFront Centre and ARC, which are about a ten-minute drive from the central business district ("CBD"). They provide a range of retail and dining offerings, solidifying the precinct's position with a strong retail presence that caters across demographics.

Figure 7: Distribution of Existing Retail Stock in Singapore as of Q4 2021



Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

Future Supply

Approximately 1.95 million sq ft of retail space is anticipated island-wide from 2022 to 2024, averaging about 650,900 sq ft per year, which is slightly less than the five-year average of 680,000

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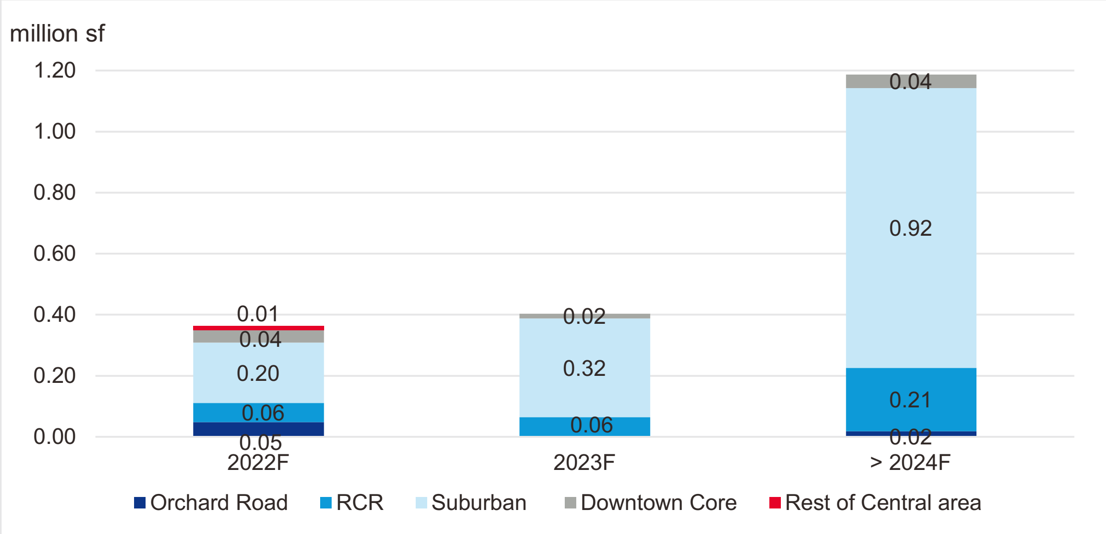
[1] Rest of Central Area refers to Central Area except for Downtown Core and Orchard Road.

[2] RCR refers to the Rest of Central Region, in the area outside of Central Area as demarcated by the Urban Authority of Singapore.

sq ft per year from 2015 to 2019. Some 362,900 sq ft is due in 2022, an additional 403,200 sq ft will be delivered in 2023, and 1.19 million sq ft is in the pipeline in 2024. The new additions are primarily in mixed-use developments in the suburban retail and RCR submarkets.

In 2022, 62,900 sq ft will be from the Grantral Mall @ Macpherson in the RCR submarket, 96,800 at Woodleigh Mall in the suburban submarket and 20,000 sq ft at Guoco Midtown in the Downtown Core submarket. The suburban retail submarket will make up the bulk of new supply in 2023 and 2024, with an expected 323,400 sq ft and 917,000 sq ft, respectively. The bulk of 2023's supply will be in the North-east region, with 173,000 sq ft from the retail component of Punggol Digital District and 65,500 sq ft from Sengkang Grand Mall. In 2024 and beyond, there will be significant supply in the East region and the RCR, as well as other retail developments that may come online in the next few years.

Figure 8: Future Retail Supply (2022 – 2024F)



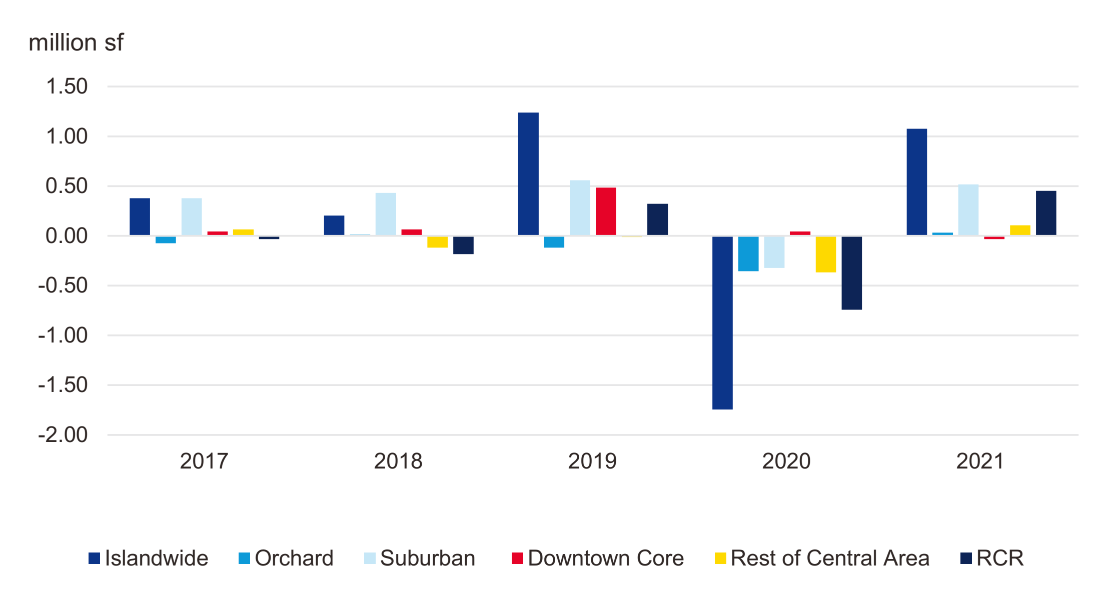
Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

Absorption

According to data from the URA, the average gross absorption of retail space over the past five years (2016 to 2020) stood at approximately 357,000 sq ft per year in the suburban submarket, and negative 105,000 sq ft per year in Orchard Road. The island-wide average gross absorption of retail space stood at 127,000 sq ft per year from 2016 to 2020, lower than the island-wide average supply of approximately 364,000 sq ft for the same period.

In 2020, the gross retail absorption saw its most significant decrease across the Orchard submarket and suburban submarket, shedding 355,200 sq ft and 322,900 sq ft, respectively, in tandem with the island-wide decline of approximately 1.7 million sq ft in the same year. In 2021, gross retail absorption rose to approximately 1.1 million sq ft and 0.5 million sq ft for the island-wide and suburban submarket respectively, while the Orchard Road submarket experienced a positive gross absorption of 30,000 sq ft.

Figure 9: Retail Gross Absorption (2017 – 2021)



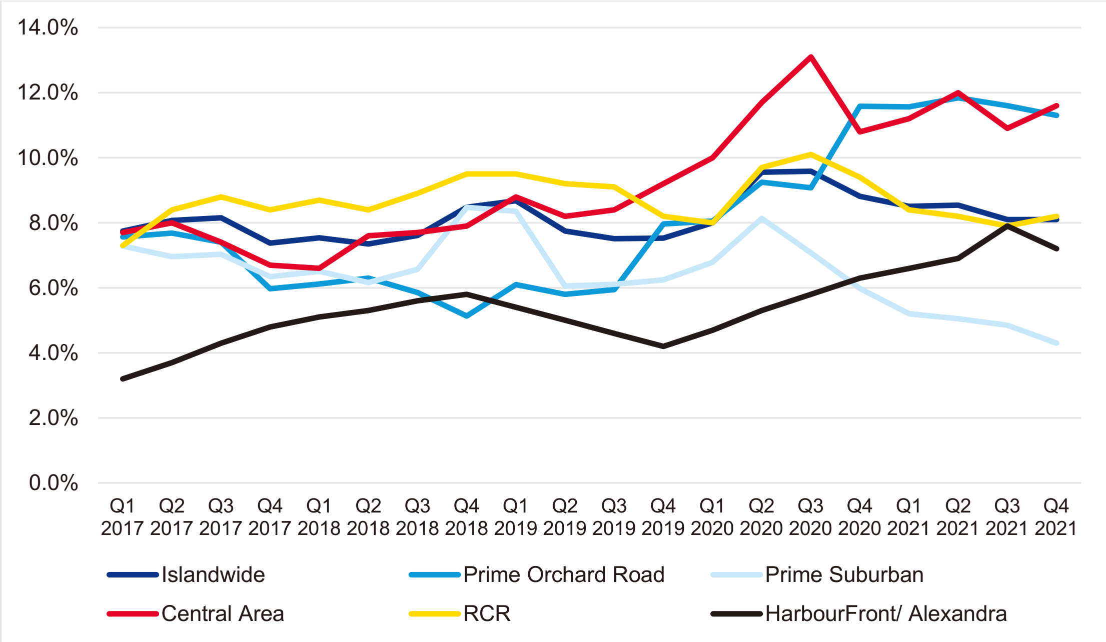
Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

Over the past year or so, there were several high-profile retail brand closures in Singapore including Robinsons, Esprit, Sportslink, Topshop, Kidzania, and several F&B brands, although not all of these were strictly related to COVID-19. However, some high-profile brands quickly backfilled these vacated spaces with new concepts as part of their Singapore expansion strategy. Ikea opened its first urban mall concept store at JEM in the former Robinsons department store. Decathlon also took over space previously occupied by Metro at Centrepoint, with the new store having a range of "immersive and activity-based" features and concepts. Furthermore, Courts has unveiled their flagship store at The Heeren in 2022, taking over the space vacated by Robinsons.

Vacancy Rate

The island-wide retail vacancy rate improved from 8.8% as at 4Q 2020 to 8.1% as at 4Q 2021. In the Orchard Road submarket, the vacancy rate improved slightly to 11.3% as at 4Q 2021 from 11.6% as at 4Q 2020. Vacancy rate of the suburban retail submarket improved from 6.0% as at 4Q 2020 to 4.3% as at 4Q 2021. The suburban markets' strong performance compared to the Orchard Road submarket underscores the resilience of suburban malls. Suburban malls provide convenience and essential retail and services catering to locals, so they have been less impacted, benefitting from work from home ("WFH") trends during 2020 and 2021. The retail vacancy rates in the HarbourFront/Alexandra micro-market increased from 6.3% as at 4Q 2020 to 7.2% as at 4Q 2021 due to continued falling demand in the submarket.

Figure 10: Singapore Retail Vacancies (2017 – 2021)



Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

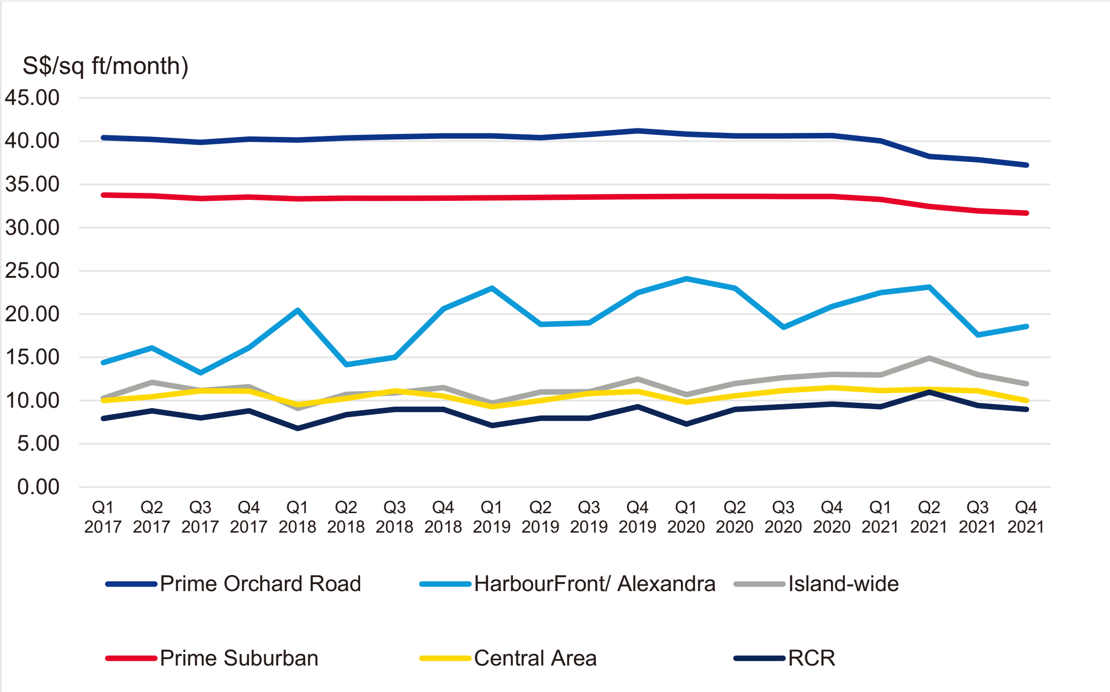
Rents

For 4Q 2021, average retail rents fell island-wide by 3.1% YoY, while the suburban rents and Orchard Road rents fell by 6.0% and 0.5% YoY, respectively. The decline was mainly due to weak demand of retail space amid business closures, low consumer spending and little tourism traffic. The lower decline recorded at Orchard Road in 2021 was attributable to the material drop in 2020, hence the more subtle impact in Orchard Road this year.

However, since the start of the pandemic in 2020, the Orchard Road submarket which the most dependent on tourism, was the hardest hit from the travel restrictions due to the pandemic and saw the most decline in rents overall.

The HarbourFront/Alexandra micro-market attracted locals seeking entertainment on Sentosa amid global travel restrictions. Benefitting from the excellent connectivity, the HarbourFront/Alexandra micro-market continues to be popular with retailers and has had new store openings despite the pandemic. As a result, generally rents have remained stable in this micro-market. However, it is important to note that the rental movements in the HarbourFront/Alexandra micro-market is volatile in the short term due to the small sample size and is highly dependent on the rental contracts signed during the reference quarter. Suburban malls have been more resilient due to the work from home arrangements as they have greater exposure to retail tenants serving necessity needs.

Figure 11: Singapore Retail Rents (2017 – 4Q 2021)



Source: Colliers, Urban Redevelopment Authority (URA)

Retail Transactions

From January to December 2021, there was approximately S$3.1 billion in retail property transactions, a near threefold bump compared to 2020 (about S$1.0 billion). The 2021 transactions included JEM being added to Lendlease Global Commercial REIT, which on its own accounted for about 70% of transaction volume in 2021.

Table 1: Notable Retail Property Transactions in 2021 (Above US$50 million)

Property	Micro-market	Transaction Price (S$)	Unit Rate S$/sq ft)	Date	Tenure	Buyer	Seller
JEM	Jurong East	2077	2539.12	Q3 2021	99 Years	Lendlease Global Commercial REIT	Lendlease Jem Partners Fund Limited
YewTee Point	Choa Chu Kang	220	2986.34	Q2 2021	99 Years	DWS Group, Arch Capital	Frasers Centrepoint Trust
Paya Lebar Square (1-3FL)	Paya Lebar	201.016	2115.95	Q2 2021	99 Years	Low Keng Huat	Sun Venture
Le Quest (Retail)	Bukit Batok	139.38	2158.12	Q3 2021	99 Years	Firmus Capital	Sigitech Holdings Pte Ltd., ZACD Group, Qingjian Int'l
Big Box	Jurong East	118	118	Q1 2021	30 Years	HPRY Holdings, Primero Investment Holdings	TT International , Utraco Group (SG), Prima Group

Anchorpoint	HarbourFront/ Alexandra Rd	110	1549.3	Q1 2021	Freehold	Not disclosed	Frasers Centrepoint Trust

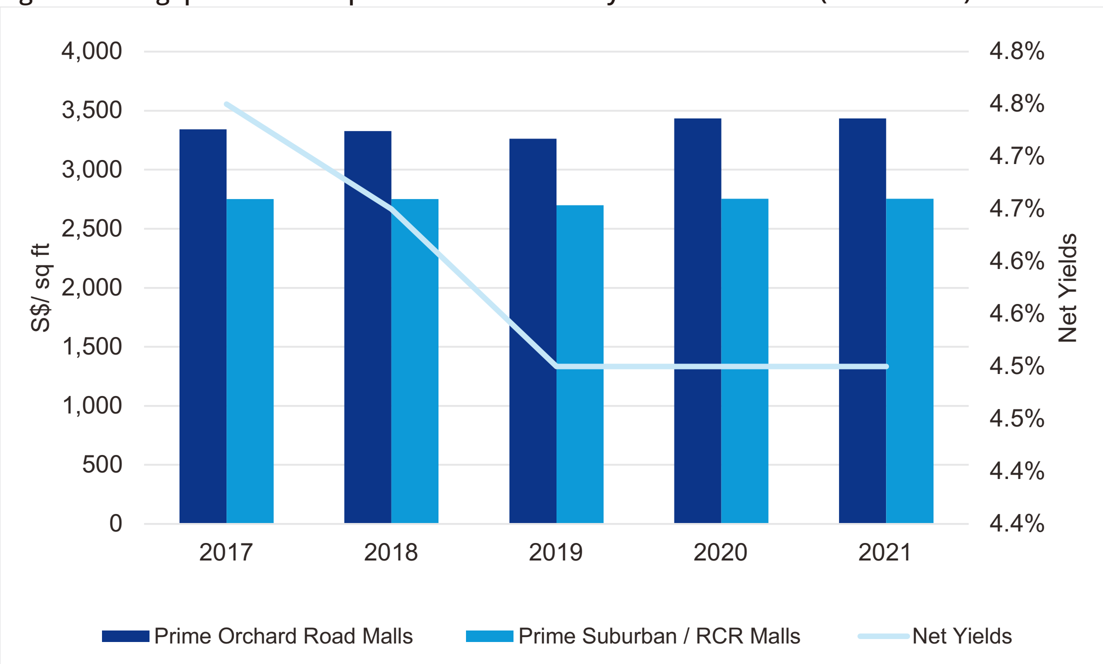
Source: Real Capital Analytics (RCA)

Capital Values and Yields

According to Colliers' valuation metrics, prime retail yields island-wide compressed steadily from 2016 to around the 4.25% to 4.75% range in 2021 amid considerable investment appetite for, but a shortage of, prime assets for sale. The average capital values of prime shopping malls at Orchard Road stood at S$3,434/sq ft, while that of prime suburban and RCR malls were at S$2,753/sq ft as at Q4 2021.

Capital values and net yields have been flat throughout 2021 and are expected to remain that way in 2022, tracking rental rates and stable yields. There is a marked increase in interest for good quality retail mall assets from local and foreign investors as the pandemic subsides. We expect investors to continue to favour mall assets in the long run due to their relative scarcity and stability and the increasing capital allocation to quality assets in Asia's key gateway cities such as Singapore. Therefore, capital values will continue to appreciate amid robust investor appetite for and limited supply of quality retail assets.

Figure 12: Singapore Retail Capital Values & Yields by Area and Grade (2017 – 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**")
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

Outlook

Retail sales are expected to gradually return to its pre-COVID level by end-2023 in tandem with easing of COVID-19 restrictions, reopening of international borders, resumption of inbound tourism and an improvement in consumer and business confidence. Notwithstanding that new supply will remain muted in the short term, average rents are expected to stay flat in 2022 but could improve after that once occupancy levels return to their pre-pandemic levels. Rents are expected to edge up after 2022 as retail sales and footfall improve and occupancy levels return to pre-pandemic levels.

Looking forward, uncertainties are expected to remain due to the evolving nature of COVID-19, and e-commerce will continue to be combined into retailers' online and offline strategies. However, well-positioned malls with a complete range of retail and experiential offerings will continue to stay relevant and benefit from the tourism and retail recovery.

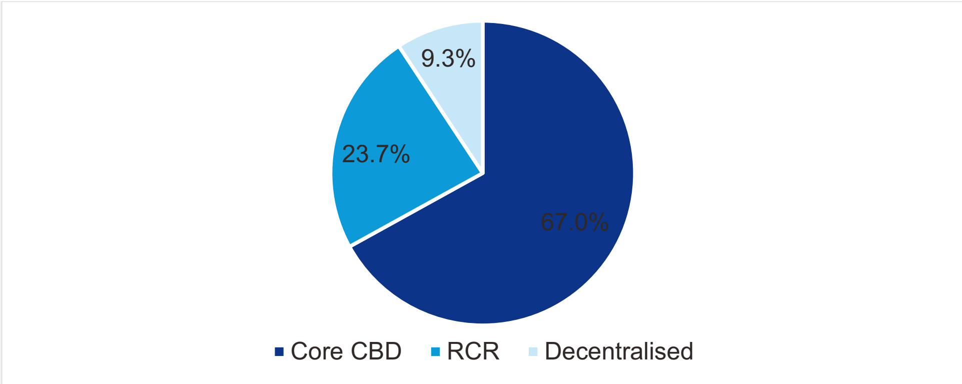
Capital values will continue to appreciate amid robust investor appetite for and limited supply of quality retail assets. The lack of future retail supply in the HarbourFront/Alexandra micro-market as well as the GSW development and future developments on Sentosa and Brani Islands are expected to benefit existing retail properties in the HarbourFront/Alexandra micro-market. VivoCity, Singapore's largest and most diverse shopping mall, maintains its premium positioning within the micro-market and is expected to play a vital role in tourism and retail recovery and the future development of the GSW.

2.5 Singapore Office Market Overview

Existing Supply

According to the URA, existing office stock stood at 87.9 million sq ft as at the end of Q4 2021. The bulk is in the Core CBD (67.0%), followed by the RCR (23.7%) and the remainder (9.3%) in decentralised office locations.

Figure 13: Distribution of Existing Office Stock in Singapore, as at end of Q4 2021

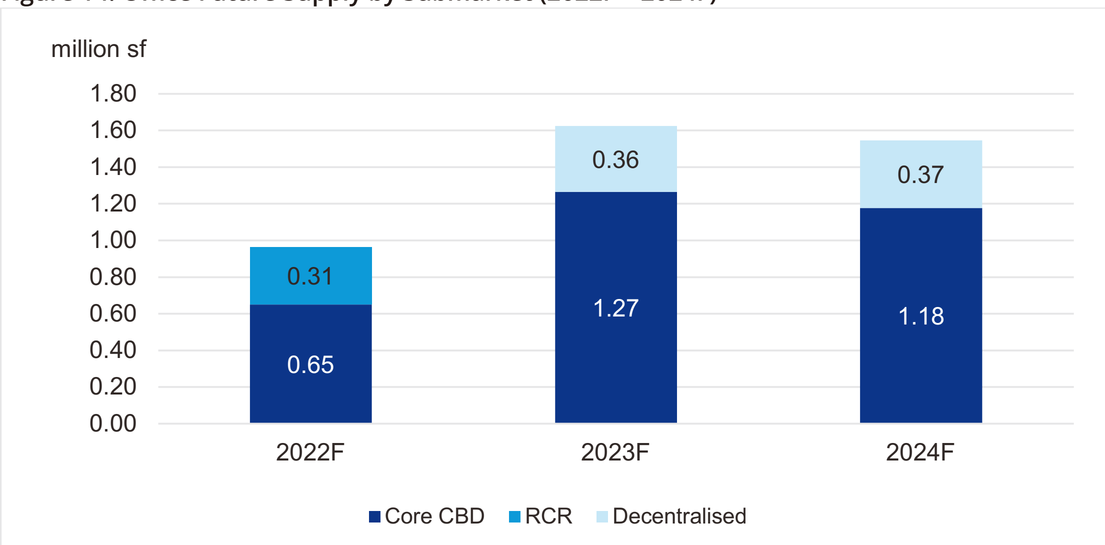


Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

Future Supply

Approximately 4.1 million sq ft of office supply will be available from 2022 to 2024 island-wide, of which an estimated 75% (or around 3.1 million sq ft) will be in the Core CBD. The CBD Grade A supply is expected to be muted in 2022, with the next major supply wave scheduled for 2023.

Figure 14: Office Future Supply by Submarket (2022F – 2024F)



Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

In 2022, there will be an expected 0.9 million sq ft of office space to be completed, with majority of the new supply (0.7 million sq ft) to be injected into the Core CBD submarket. Notable upcoming office developments include the Guoco Midtown integrated development (650,000 sq ft) and Hub Synergy Point redevelopment (130,000 sq ft), both located within the Core CBD.

In 2023, there will be an expected 1.6 million sq ft of office space to be completed, with the majority of the new supply (1.3 million sq ft) to be injected into the Core CBD submarket. The upcoming office supply in Core CBD will come from the IOI Central development (1,258,000 sq ft) which was delayed from 2022. There is an expected 360,000 sq ft of office space to be completed in the decentralised submarket, taken up by the office development at the new mixed-use Punggol Digital District by JTC. The new development will feature a business park, in addition to office, residential and retail components, as well as community facilities and the Singapore Institute of Technology's new campus.

In 2024, the new upcoming office supply is estimated at approximately 1.5 million sq ft, half of which will be in the Core CBD submarket and the other half in the decentralised submarket. Notable new office developments in the Core CBD submarket include Keppel Towers redevelopment and the Shaw Towers redevelopment which will inject approximately 525,000 sq ft and 400,000 sq ft of office space, respectively.

There are two mixed use developments in the pipeline in the Decentralised and RCR submarkets. The office/retail development Holland Road will add another 53,200 sq ft of office space to the total office stock. It is understood that this new development will primarily house the corporate offices of LTA and other government agencies, complementing the Jem office which is 100% leased to the Ministry of National Development (MND), including the Building Construction Agency (BCA) and Agri-food & Veterinary Authority of Singapore (AVA).

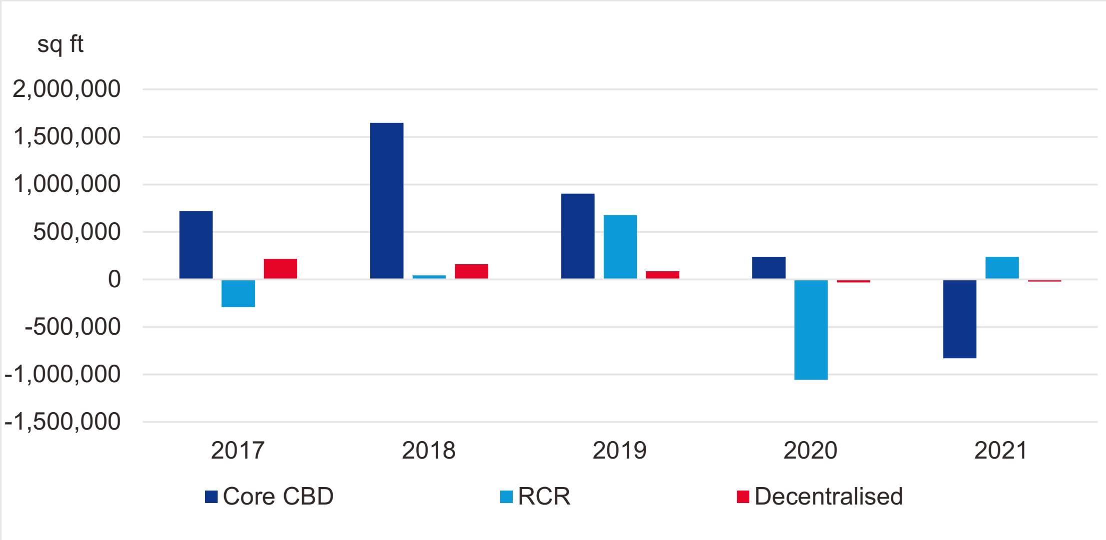
Absorption

The island-wide office absorption for office space has turned negative for the first time in five years in 2020, with occupied space declining by approximately 850,000 sq ft due to the pandemic. Negative absorption continued in 2021 but at a slower pace, with a decline of approximately 610,000 sq ft occupied space for the full 2021. As a result, vacancy rates have continued to rise from 11.8% as at Q4 2020 to 12.8% as at Q4 2021. Most of the negative absorption recorded was in the CBD Grade B and below segment and is due to the flight-to-quality trend which favoured Grade A and Premium buildings. This sudden decline in absorption and occupancy occurred on the back of the cost-conscious approach of office occupiers and the implementation of WFH arrangements during and after the Circuit Breaker.

Gross absorption in the Core CBD office segment has dropped from approximately 240,000 sq ft in 2020 to approximately -830,000 sq ft in 2021, though the demand level was down significantly from the 0.9 million of sq ft absorbed in 2019. Amid the negative absorption, the addition of 480,000 sq ft of new office space in the Core CBD led to the increase in vacancy rate from 11.6% in 2020 to 13.6% in 2021 amid a supply overhang.

Office demand continues to be driven by the flexible workspace and technology sectors. It has also been reported that Twitter and Rackspace Technology, among other technology firms, are expanding their headcount in Singapore. Furthermore, ByteDance is reportedly planning to invest billions of dollars and recruit hundreds in Singapore as part of its global expansion, while Tencent intends to open a new office in Singapore that will be its regional hub for Southeast Asia. Global technology firm Amazon also recently took over three floors (approximately 90,000 sq ft of space) at Asia Square Tower 1 from Citigroup which will be relocating some consumer banking staff and employees in other functions to the Changi Business Park. Other firms that performed well during this period are seeking to expand, moving into recently vacated office spaces.

Figure 15: Office Gross Absorption (2017 – 2021)



Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

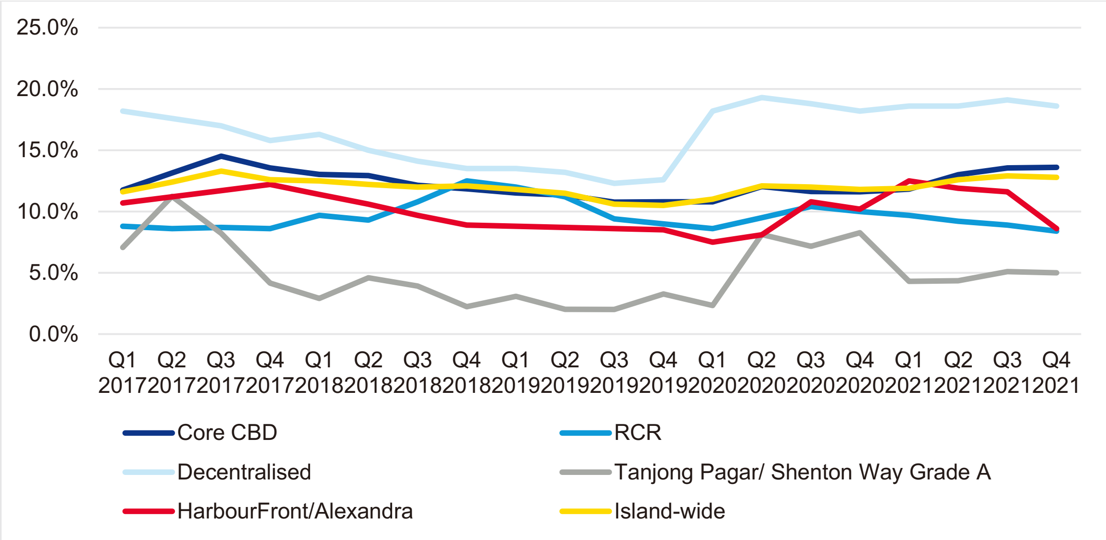
Vacancy Rate

The island-wide office vacancy rate rose from 10.5% as at Q4 2019 to 11.8% as at Q4 2020 and 12.8% as at Q4 2021 amid slower absorption and lower demand amid the economic uncertainty. Similarly, vacancies increased in the Core CBD market, from 10.8% as at Q4 2019, to 11.6% as at Q4 2020 and 13.6% as at Q4 2021. The highest increase in vacancy was in the Decentralised submarket, where vacancy increased from 12.6% as at Q4 2019, to 18.2% as at Q4 2020 and 18.6% as at 4Q 2021, due to the less established tenant profile and the shift to WFH, particularly among small and medium sized enterprises.

In the HarbourFront/Alexandra micro-market, the vacancy level moved in line with the Island-wide trend, from 8.5% as at Q4 2019, to 10.2% as at Q4 2020 and 8.6% as at Q4 2021 amid slower demand and nearly 40,000 sq ft of new office supply in the area. The Tanjong Pagar/Shenton Way micro-market recorded an increase in vacancy from 3.3% as at Q4 2019 to 8.3% as at Q4 2020, but the vacancy declined to 5.0% as at Q4 2021 amid the decline in stock associated with the refurbishment of large office buildings which led to major tenants relocating to nearby properties.

The rise of the office vacancy rate has been a global phenomenon over the past two years and was linked directly to the pandemic and the economic downturn associated with it. In Singapore, the vacancy rate is expected to gradually return to its pre-pandemic level by 2024 amid the widespread return to the office and given the city-state's strong economic and business fundamentals.

Figure 16: Singapore Office Vacancy Rate (2017 – 2021)

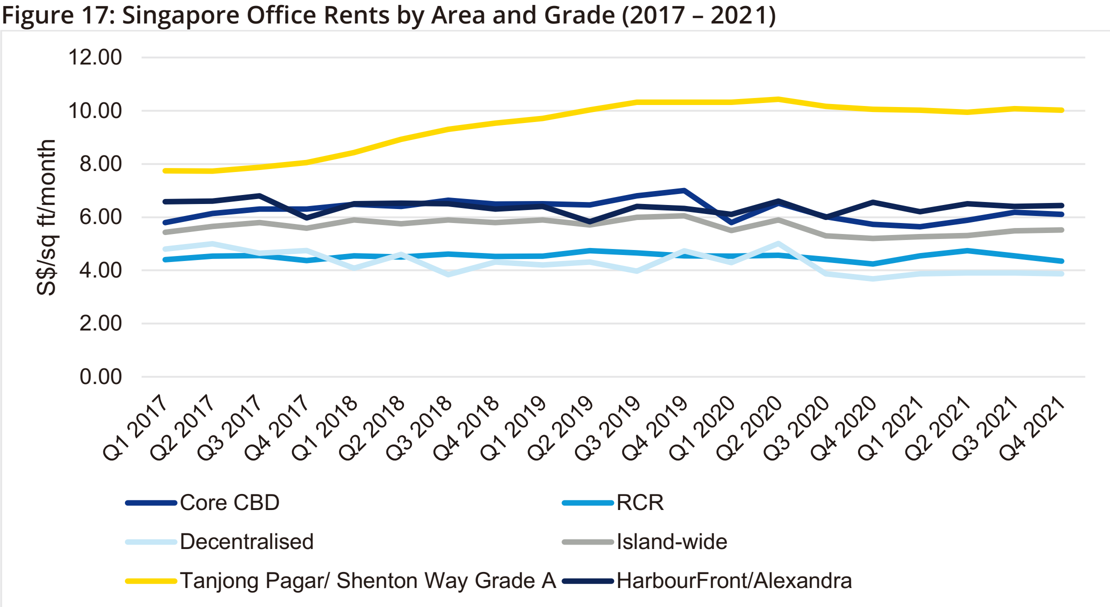


Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

Office Rents

According to the URA, the median rent of island-wide office space shows signs of recovery as it rose by 6.1% year-on-year from Q4 2020 to S$5.52 /sq ft per month as at Q4 2021 as WFH became the norm for a majority of companies amid the pandemic. Based on Colliers Research, the Core CBD showed uptick in rents as well, marginally by 6.5% in Q4 2021 compared to Q4 2020. The RCR and Decentralised submarket has shown similar improvements in average rents by 2.6% and 5.2%, respectively, as at Q4 2021 compared to Q4 2020. The HarbourFront/Alexandra micro-market located in the RCR area experienced a fall in median rents by 2.0% as at Q4 2021 compared to Q4 2020.

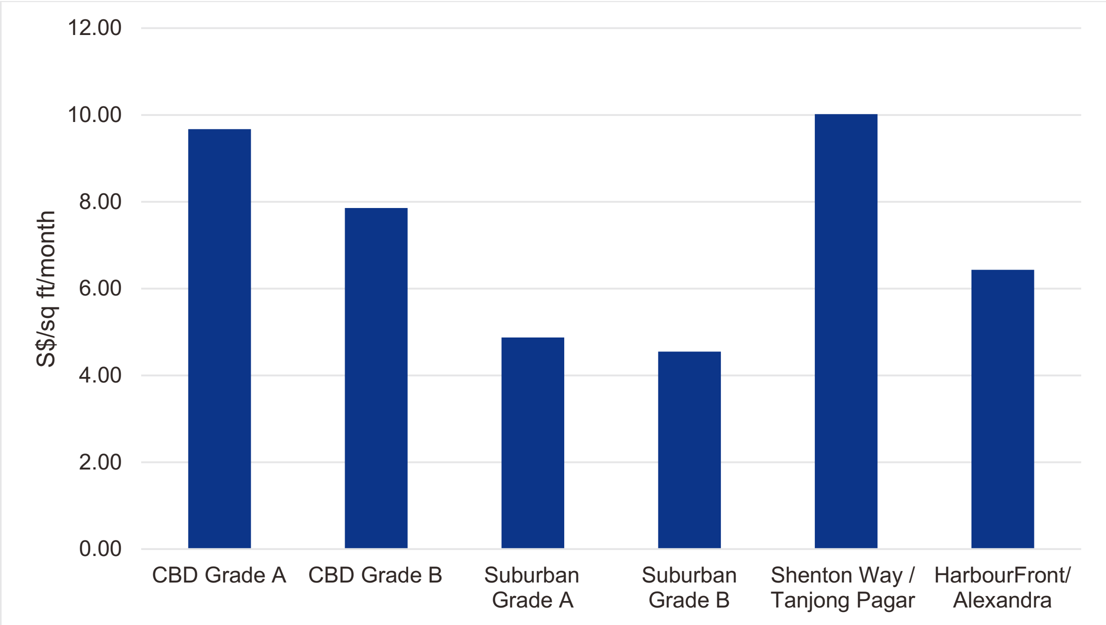
Figure 17: Singapore Office Rents by Area and Grade (2017 – 2021)



Source: Urban Redevelopment Authority (URA), Chart produced by Colliers Singapore

The rents in the HarbourFront/Alexandra micro-market stood at S$6.43/sq ft pm as at Q4 2021, which are well below rents in the Core CBD Grade A segment (S$9.67 sq ft per month) but are considerably higher than in the Decentralised market (Suburban Grade A at S$4.87 and RCR at S$4.55/sq ft per month). As at 4Q 2021, the office rents in the HarbourFront/Alexandra and the Tanjong Pagar micro-markets have been resilient in the face of the pandemic, a modest decline of 2.0% and 0.3% year-on-year respectively compared to their 2020 levels.,The resilience in the HarbourFront/Alexandra and the Tanjong Pagar micro-markets can be attributed to strong tenant profile, long term tenancies and exposure to growth sectors which benefited from the pandemic.

Figure 18: Average Office Rent by Micro-Market and Segment as at Q4 2021



Source: Colliers

Key Drivers and Developments

Since the start of the pandemic, there has been an acceleration of the decentralisation trends as the move towards telecommuting meant businesses seeking to reduce their workforce concentration in the CBD and lowering their office real estate rental costs. The rising rents and tight vacancies in the CBD over the past few years has seen a move towards a decentralised business operation model, which was made possible by the economic decentralisation policy of the Urban Redevelopment Authority (URA), promoting the development of new office precincts outside of the Central Area, including at HarbourFront/Alexandra, Paya Lebar and Jurong East. The trend for shifting non-consumer facing operations to these non-CBD areas in recent years, are expected to continue as the companies adopt more flexible WFH and hybrid work arrangements. With rising occupier demand for decentralised office spaces and business centres, the rental premium between CBD vs non-CBD areas is expected to narrow as the latter raise their profile as attractive prime decentralised office locations in years to come.

Transactions

In 2021, there was approximately S$4.4 billion worth of office property transactions in Singapore. The value of office property transaction was significantly higher than in 2020 during which S$1.9 billion worth of office properties was transacted. The number of office transactions rose from 147 in 2020 to 208 in 2021 as market activity recovered gradually from the pandemic. There was one notable office transaction (Keppel Bay Tower) recorded in the HarbourFront/Alexandra office micro-market during the same period.

Table 2: Notable Office Property Transactions in 2021 (Above US$50 million)

Property	Micro-market	Transaction Price (S$ million$)	Unit Rate (S$/ sq ft)	Date	Tenure	Buyer	Seller
One George Street	Raffles Place /New Downtown	1,281.50	2,875.03	Q4 2021	99 Years	Nuveen Real Estate (UK), JP Morgan	CapitaLand Integrated Commercial Trust, FWD Group
OUE Bayfront	Raffles Place /New Downtown	1,267.50	3,170.11	Q1 2021	99 Years	Allianz RE APAC, NPS	OUE Commercial REIT
9 Penang Road	Orchard Road	985.00	2,468.40	Q2 2021	99 Years	Haiyi Holdings Pte Ltd	Suntec REIT
Keppel Bay Tower	Harbourfront/ Alexandra	657.20	1,692.50	Q2 2021	99 Years	Keppel REIT	Keppel Land
Robinson Point	Raffles Place /New Downtown	500.00	3,758.79	Q2 2021	999 Years	Viva Land Investment & Development Holdings	Tuan Sing Holdings
Robinson Centre	Tanjong Pagar/Shenton Way	422.00	2,972.71	Q3 2021	99 Years	Rivulets Investments	ARA Asset Management
PIL Building	Tanjong Pagar/Shenton Way	325.00	3,031.72	Q2 2021	Freehold	TE Capital Partners, LaSalle	Pacific Intl Lines
Maxwell House	Tanjong Pagar/Shenton Way	276.80	1,542.33	Q4 2021	99 Years	Chuan Holdings, Chip Eng Seng, SingHaiyi Group	NA
Crown at Robinson (Condo)	Orchard Road	257.50	3,642.15	Q4 2022	Freehold	Tahir Family	Wywy Group
Westgate Tower (6-25FL)	Jurong East	242.84	796.29	Q2 2021	99 Years	Sun Venture	Low Keng Huat
Certis Cisco Centre	Paya Lebar	150.00	0.00	Q2 2021	30 Years	Lendlease	Temasek
108 Robinson	Tanjong Pagar/Shenton Way	142.69	2,601.13	Q1 2021	Freehold	PGIM Real Estate	Sin Capital Partners
Suntec City Tower 2 (12-13FL)	City Hall	69.22	2,449.86	Q2 2021	99 Years	Silk Road Property	Suntec REIT, ARA Asset Management

Source: Real Capital Analytics (RCA)

Office Capital Values and Yields

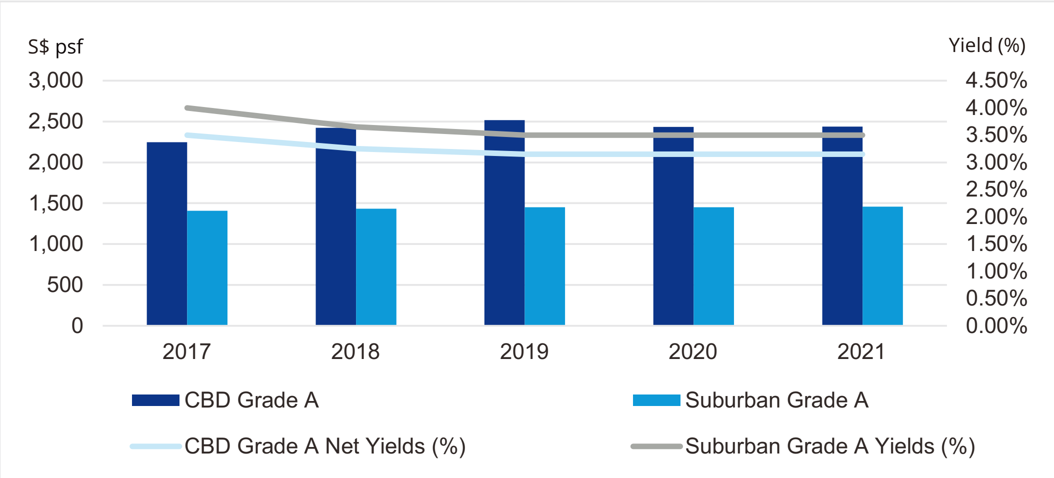
The capital values and rental yields for CBD Grade A and suburban Grade A office have generally stayed flat in the first three quarters of 2021 amid uncertainty about the pandemic and the extension of the WFH arrangements. The average capital value of CBD Grade A office properties showed signs of recovery as in Q4 2021, increasing by 0.1% year-on-year from S$2,436 /sq ft in 2020 to S$2,438 /sq ft in 2021, along with the rental recovery. In contrast, the Suburban Grade A capital value improved by 0.5% from S$1,452/sq ft in 2020 to S$1,460/sq ft in 2021, demonstrating the resilience of suburban office assets.

Based on Colliers' valuation matrix, the net rental yields for CBD Grade A office properties stood at 3.15% in 2021, remaining stable from 2020 while net rental yields for Suburban Grade A office properties stood at 3.5% in 2021, also unchanged from 2020, in spite of the rental compression in these submarkets, supported by the strong investor demand for Singapore office buildings as a safe revenue-generating asset.

While the threat of rising interest rates has become a concern for real estate investors, the Singapore office market is expected to continue to record a healthy level of capital appreciation for years to come. The Singapore office capital values are expected to continue an upward trajectory of about 2.8% per year amid the strong investor interest for Singapore office buildings, large volume of liquidity chasing yield-generating assets, a limited supply of office properties available in the market and the city-state's robust long-term economic fundamentals.

Capital value growth of good quality office assets are expected to remain healthy amid the increasing weight of capital allocation to gateway cities in Asia such as Singapore. Rental yields are expected to remain relatively constant amid the low interest rate environment and the desirability of Singapore office properties as an investment asset class.

Figure 19: Singapore Office Capital Values and Yields by Area and Grade (2017 – 2021)



Source: Colliers, Urban Redevelopment Authority ("**URA**")
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

Outlook

Market dynamics are conducive to recovery in the office property market sector, which is expected to gradually return to its pre-pandemic performance by the end of 2024. Singapore's economic recovery is well underway, with Singapore's GDP growing by 7.2% in 2021. New office demand continues to be driven by the technology sector, an overall post-pandemic business recovery and the gradual but widespread return to the office. The trend towards office decentralisation is likely to continue with the development of new business park and suburban commercial locations and the strong occupier demand for this type of space. Furthermore, there will be limited new office supply levels in the short term, with the upcoming next new supply being relatively low compared to historic levels. CBD stock is expected to further reduce through redevelopment by landlords, such as AXA Tower, Fuji Xerox Towers and Tower Fifteen which have all announced plans for redevelopment, and more are expected to follow in the next few years. Despite the rise of permanent work from home and hybrid work arrangements, the Singapore office sector will remain relevant for occupiers across most industries, particularly for growth sectors such as finance, technology and business services where face to face interactions and relationship building will remain key.

The office micro-markets adjacent to the GSW, including Tanjong Pagar/Shenton Way and the HarbourFront/Alexandra areas, will considerably benefit from the infrastructure development and urban rejuvenation projects to be delivered nearby in the coming years. New MRT stations on the Thomson East Coast Line (TEL) and the Circle Line extension are expected to start operations within the area by 2026, significantly enhancing the connectivity and accessibility of the area. Furthermore, the redevelopment of the port lands in the GSW into an extension of the downtown core under a "live work play" concept will rejuvenate the area and help position it as one of Singapore's more attractive business locations. The office assets in these areas, including those owned by Mapletree Commercial Trust, will benefit from their premium positioning, strategic location at the heart of the GSW and near key transport infrastructure as the area develops and become one of Singapore's more sought-after office locations.

Demand for office space in the HarbourFront/Alexandra micro-market will remain resilient in the near to medium term as more office occupiers look to the decentralised business locations outside the CBD to save on rental costs and adopt a hybrid strategy. In addition, in view of the projected growth of the technology sector and their penchant for locating in the RCR/suburban market, a healthy and resilient demand for office spaces in this micro-market is expected in the coming years. Rental rates are projected to improve over the next five years in all submarkets amid limited new supply and strong economic and business fundamentals in Singapore. Capital value growth of good quality office assets are expected to remain healthy amid the increasing weight of capital allocation to gateway cities in Asia. Rental yields are expected to remain relatively constant amid the low interest rate environment and the desirability of Singapore office properties as an investment asset class.

2.6 Singapore Business Park Market Overview

Singapore Business Park

"Business parks" are campus-like spaces that cater to non-pollutive industries and businesses which engage in high-technology, research and development, high value-added and knowledge-intensive activities. Spaces are typically modern offices for various business activities permitted in the URA land-use requirements. These parks are a common location for back-office, research & development and company headquarters.

Featured below is a map of Singapore's business park clusters.

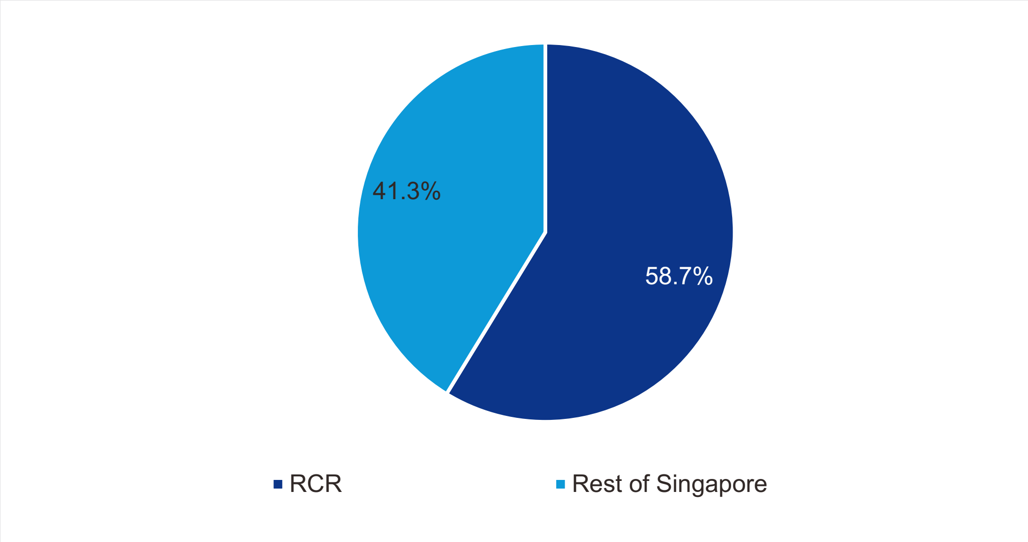
Figure 20: Existing and Planned Business Park Clusters in Singapore

Source: Colliers, J-Space

Existing Supply

As the end of 2021, the business park stock stood at about 24.5 million sq ft concentrated in seven clusters. Most of the business park stock are located in the RCR (58.7%), comprising Mapletree Business City, one north and Singapore Science Park. The remaining supply (41.3%) includes Business Park @ Chai Chee, Changi Business Park, Cleantech Park and the International Business Park. Two additional large business park clusters - the Jurong Innovation District and the Punggol Digital District - are currently in development for completion by 2024 and are expected to consolidate the business park offerings in Singapore, bringing the total number of business park clusters in Singapore to nine.

Figure 21: Existing Business Park Distribution (As of Q4 2021)

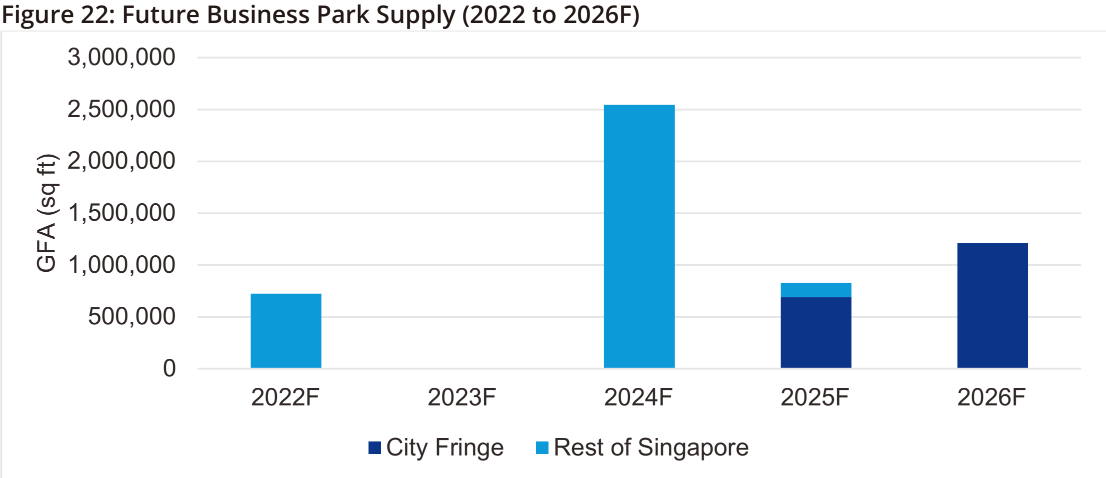


Source: Colliers, J-Space

Future Supply

There is currently 5.3 million sq ft of business park space in the development pipeline in Singapore, some of which will be delivered in 2022 and others from 2024 to 2026. In 2022, the completion of the Surbana Jurong Campus and Cleantech Three will inject approximately 0.4 million sf and 0.3 million sq ft of GFA respectively, both in the Western Water Catchment district. Almost half of the new supply will be delivered in the Punggol Digital District in Punggol, developed by the JTC Corporation in 2024. The 1 Science Park Drive business park project by a joint venture between CapitaLand Development and Ascendas REIT is intended to redevelop the former TÜV SÜD PSB Building into a 1.2 million sq ft life science and innovation campus in 2026. Other notable business park projects also include the development of another Science Park Drive site by the Science Park Property Trustee (310,216 sq ft), the development of the Kajima HQ in Tampines (139,608 sq ft), and a development at North Buona Vista Drive by HB Universal (378,674 sq ft).

Figure 22: Future Business Park Supply (2022 to 2026F)



Source: Colliers, J-Space (Note: there is no new supply expected in 2022 and 2023)

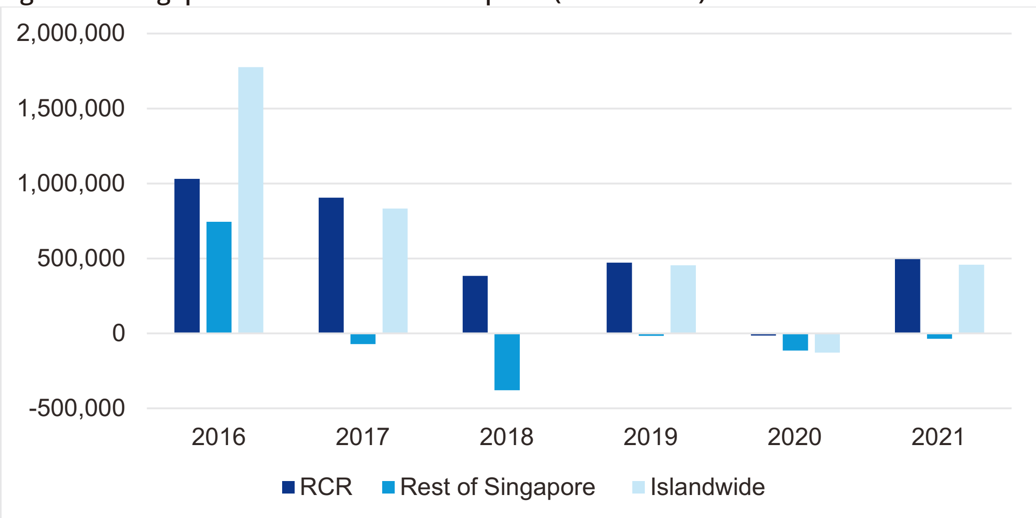
Absorption

From 2017 to 2021, the island-wide business park market averaged about 300,300 sq ft of new net supply and 324,351 sq ft of annual absorption, which led to a decrease in the overall vacancy rate from about 17.0% in 2016 to 15.5% in 2021. In 2021, approximately 0.88 million sq ft of business park space has been completed, considerably higher than the five-year average of 300,300 sq ft per year, due to construction delays related to the pandemic in 2020. The absorption recorded in 2021 (458,700 sq ft) also exceeds the average of the past five years. An increase in the vacancy rate was recorded in 2021 relative to 2020 given the large amount of business park space delivered in a relatively short time period.

Absorption in the Island-wide business park segment has dropped from approximately 1.8 million sq ft in 2016 to approximately 460,000 sq ft in 2021, though the demand level was down significantly to approximately 4,000 sq ft absorbed in 2018. The higher absorption levels despite the addition of 480,000 sq ft of new business space in the RCR in 2021 led to the improvement in vacancy rate from 8.9% in 2020 to 8.5% in 2021.

The absorption in the Rest of Singapore sub-market has shown declining absorption from 2017 onwards, standing at -36,000 sq ft in 2021 as the net supply had risen to 0.4 million sq ft for the same period.

Figure 23: Singapore Business Park Absorption (2017 – 2021)

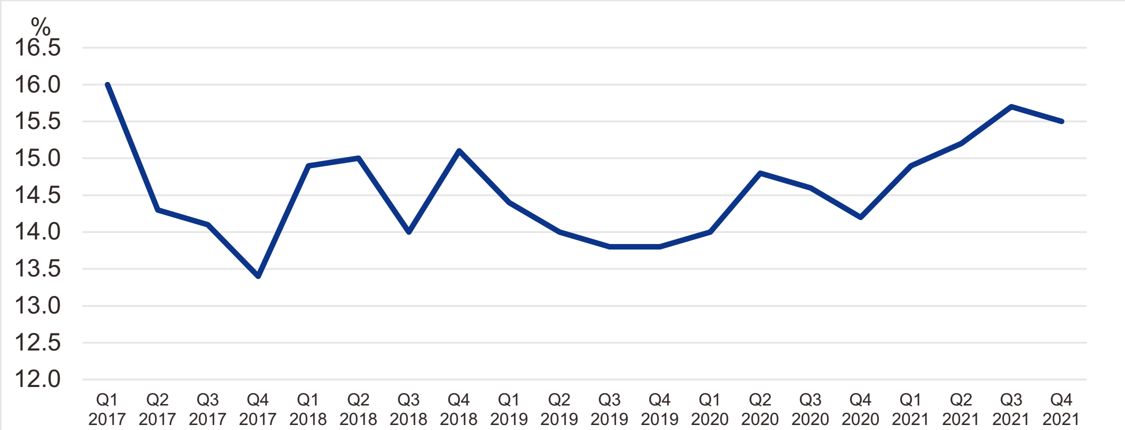


Source: Colliers, J-Space

Vacancy

Island-wide business park vacancy rate rose moderately from 13.8% as at Q4 2019 to 14.2% as at Q4 2020 and 15.5% as at Q4 2021 amid slower absorption and economic uncertainty due to the global Covid-19 pandemic. Vacancy rates of business park in the RCR remained flat from Q4 2019 to Q4 2020 at 8.9% and fell slightly to 8.5% as at Q4 2021, while the business park vacancy rate in the rest of Singapore increased from 20.7% as at Q4 2019, to 21.7% as at Q4 2020 and 25.2% as at Q4 2021. In addition to slower demand, the increase in the vacancy rate recorded in 2021 relative to 2020 was due to the large amount of business park space delivered in a relatively short time period.

Figure 24: Singapore Business Park Vacancies (2017 – 2021)



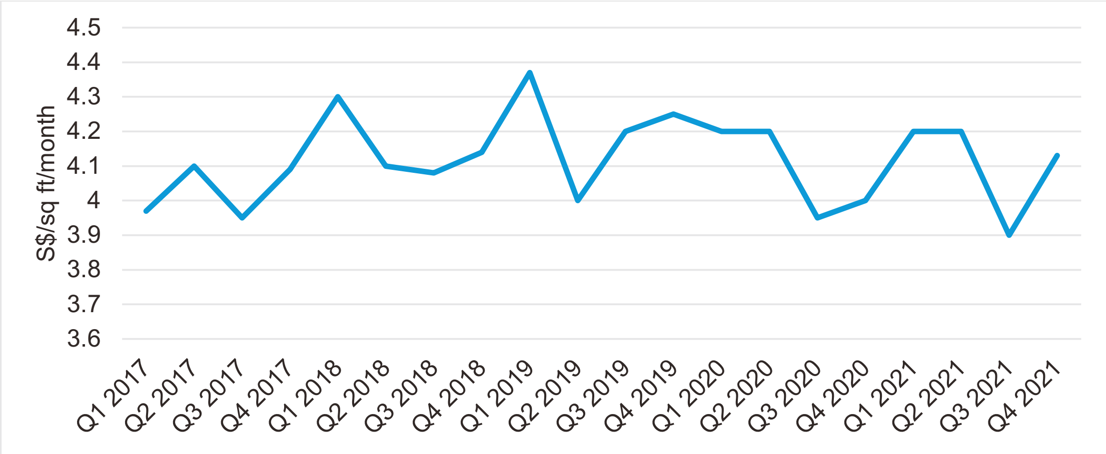
Source: Colliers, J-Space

Business Park Rents

Business park rents have fared well given their lower costs relative to CBD office spaces and their substantial exposure to occupiers who benefited from the pandemic including the pharmaceutical, technology and health sectors. They have increased by an average CAGR of 0.24% per year from 2017 to 2021 and have stayed resilient with only a few minor dips in 2019 to 2021. However, rents for business parks in the RCR and the rest of Singapore submarkets have been diverging.

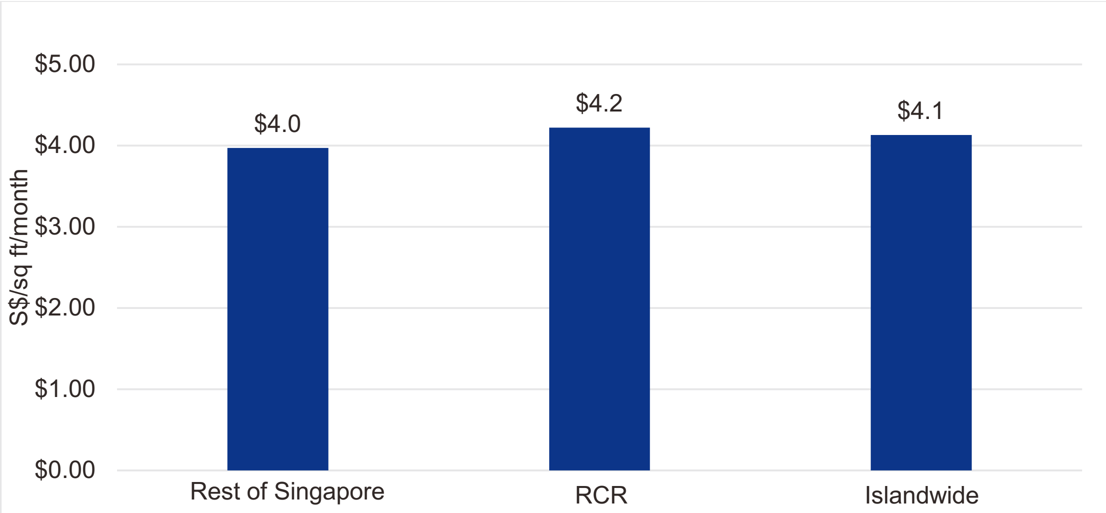
Business park properties located in the RCR submarket, comprising one-north, Singapore Science Park and Mapletree Business City, have always enjoyed rental premiums compared to other business park clusters given its clear advantage in locational attributes, close proximity to the CBD as well as its good quality stock. Rental rates for the RCR submarket have performed well since 2020 as a result of the limited supply of new business park projects in the area such as 3 Media Close and 28 Biopolis Road, coupled with strong demand for decentralised business locations close to the CBD. On the other hand, business park clusters located in the rest of Singapore have seen rents slightly lower than RCR rents. This diverging performance is expected to continue. Rents for RCR business parks are projected to increase given steady demand but limited new supply, while rents for those in the rest of Singapore are projected to remain stable amid greater upcoming supply in years to come.

Figure 25: Business Park Rents (2017 – 2021)



Source: Colliers, J-Space

Figure 26: Business Park Rents by Submarket (as of Q4 2021)



Source: Colliers, J-Space

Key Drivers and Developments

The Singapore business park market has benefited from the decentralisation and WFH trend that was accelerated by the pandemic. A growing number of corporate occupiers are considering business park spaces as an alternative to prime CBD office spaces in order to reduce their office costs and provide greater flexibility to their employees. The shift to a hybrid work from home / office arrangements has generally been in favour to the business park segment as it allows to reduce the desktop cost of employees that may only be present physically a few days per week. In addition, decentralised business parks are usually located near residential areas which provide shorter commute hours for employees. Moreover, with the increasing shift toward large occupiers consolidating their headquarters and industrial spaced into a single integrated facility, there is a growing demand for purpose-built business park facilities in Singapore.

Transactions

In 2021, there were 5 business park property transactions totalling approximately S$1.32 billion in Singapore, more than double that of 2020 when there was only one S$630 million business park transaction. Business park properties have become a key asset class of interest in recent years given their attractive rental yield and the strong occupier demand for decentralised business space.

Table 3: Notable Business Park Property Transactions in 2021 (Above US$50 million)

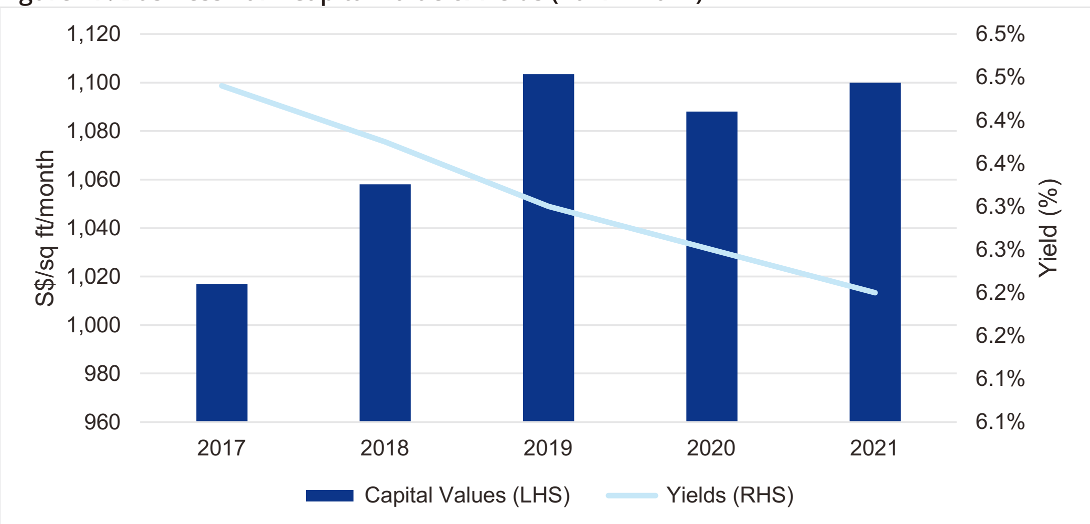
Property	Sub-Market	Transaction Price (Million)	Unit Rate (S$/sq ft)	Date	Tenure	Buyer	Seller
Galaxis	RCR	720	1101.03	Q2 2021	60 Years	Ascendas REIT	CapitaLand
Solaris	RCR	365.3	827.34	Q2 2021	60 Years	Blackstone	Soilbuild REIT
PSB Science Park Building	RCR	103.16	441.87	Q4 2021	60 Years	CapitaLand Development	Ascendas REIT
Eightrium at Changi Business Park	Changi (Rest of Singapore)	97.2	548.27	Q2 2021	60 Years	Blackstone	Soilbuild REIT
Cyberhub @IBP	Jurong East (Rest of Singapore)	39	334.2	Q2 2021	60 Years	Not disclosed	Swiber Holdings Ltd

Source: Real Capital Analytics (RCA), Colliers

Capital Values and Yield

Business parks have become a favoured investment asset class by institutional and private equity investors given their attractive rental yields and more attractive price point compared to office and retail assets. Capital values for business parks are expected to continue to appreciate at a rate of about 2.5% per year over the coming years amid strong occupier and investor interest for the business park segment in Singapore. Yields are expected to compress only gradually in the coming years to about 6.0% amid the prospect of rising interest rate environment.

Figure 27: Business Park Capital Value & Yields (2017 – 2021)



Source: Colliers, JTC Space ("JSpace")
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

Outlook

Singapore's business park sector is expected to return to its pre-pandemic performance level by the end of 2022 and reach new peak in 2024 for rents due to strong occupier and investor interests, limited new supply, and sustained growth in the technology, pharmaceutical and health sectors. Business park properties are also becoming increasingly attractive for large corporate occupiers interested in consolidating their regional headquarters, R&D and industrial activities in a single location. The trend for shifting non-consumer facing operations to non-CBD areas, as seen in Google and Cisco moving to Mapletree Business City in recent years, will continue to support the demand for good quality and well-located business parks.

Business park properties located in the RCR are expected to outperform Grade A office market in years to come as they continue to attract occupiers interested in reducing their CBD office footprint in favour of low-cost yet centrally located spaces. With hybrid work arrangements becoming more permanent across many business sectors, corporate occupiers will increasingly adopt a multiple office location strategy with appropriate cost and quality levels according to business functions. The business park segment will attract a fair share of business functions that do not require day-to-day face-to-face interactions and that require specialised on-site facilities such as lab, R&D spaces and testing facilities. Mapletree Business City is one of the key business park assets located in the RCR that will continue to benefit from the decentralisation trend given its prime positioning and location, Grade A building specifications, campus-style environment and proximity to amenities.

3 China

3.1 General Economy

Overview of the Market and Political Environment

China is the second largest economy in the world and over the past few decades, it has been one of the world's fastest growing economies. Its economy is underpinned and driven by the output of its Tier 1 cities which include Beijing, Shanghai, Guangzhou and Shenzhen that are frequently chosen by large domestic companies and multinationals as locations in which to establish a foothold and grow. China is the world's largest manufacturer and exporter and with a population that is becoming wealthier rapidly. It is now also the second largest importer in the world. As one of the world's fastest growing economies, its current economic development is expected to be underpinned and boosted further by its new 'dual circulation' development strategy, which will prioritise domestic consumption, whilst ensuring it remains open to international trade and investment.

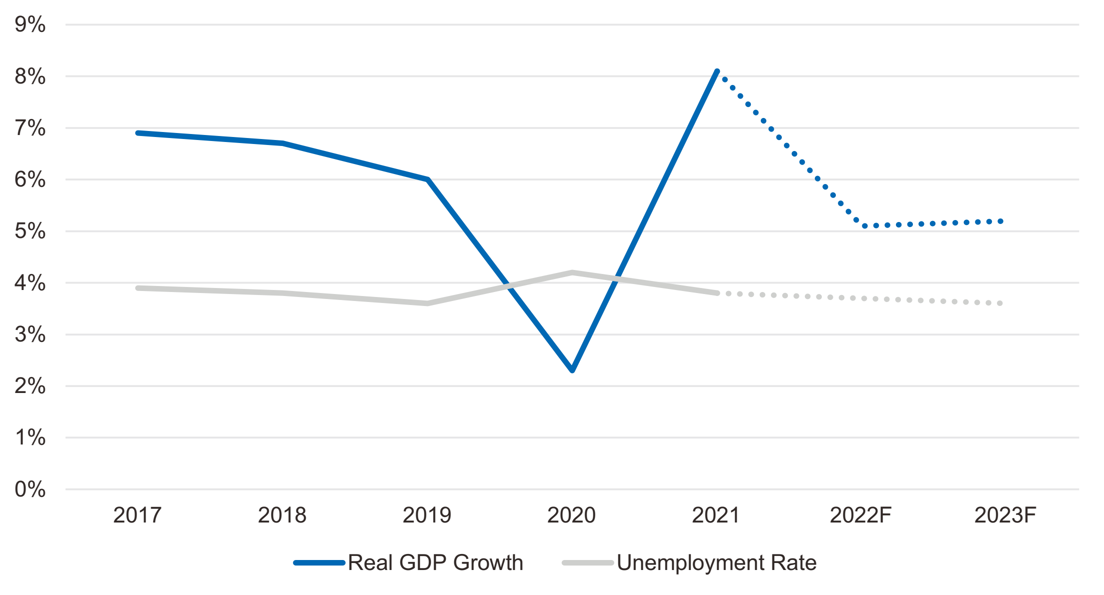
While geopolitical concerns remain, in particular relations between China and US, the domestic political environment remains stable. At the closing of the sixth plenary session of the Central Committee, a historic resolution was passed that will secure President Xi Jinping's political power for the foreseeable future and pave the way for his win for a third term as president in the 2022 convening of the National Congress.

GDP and Employment

China was the only major economy to post a positive GDP growth rate in 2020. Recovery gathered further momentum in 2021, with a GDP growth rate of 8.1%. This can largely be attributed to China's adoption of the 'Zero-COVID' strategy which has kept local transmission to a minimum for much of the year, allowing most activities to return to normalcy in 2021, although Q1 2022 has seen several outbreaks of COVID-19 across Chinese cities with snap lockdowns being imposed in some areas.

The GDP growth rate of 8.1% in 2021 represents a 5.8 percentage point increase from 2020 as the economy continues to recover from the impact of COVID-19.

Figure 28: GDP Growth and Unemployment Rate from 2017 to 2023F



Source: Colliers, Chinese Statistics Bureau

The economic stability has boosted the jobs market. While unemployment rate rose to 4.2% in 2020, it improved to 3.8% in 2021 as businesses expanded and manufacturing output rose in line with the re-opening of other major economies.

Economic Fundamentals and Drivers

The economy in China is driven predominantly by state owned enterprises which account for over 60% of China's overall market capitalisation and 40% of China's GDP. The domestic economy is underpinned and driven by the output from its key Tier 1 cities which include Beijing, Shanghai, Guangzhou and Shenzhen. The principal seat of government, Beijing, along with the financial capital of China, Shanghai, are the two key cities and will remain the main focus of investment for the foreseeable future.

In December 2021, China hosted its Central Economic Work Conference (CEWC), its annual economic summit, and communicated its clear shift in policy focus - from de-risking and de-leveraging to supporting growth. The CEWC also saw the emphasis of economic stability with prudent monetary policy to ensure reasonably sufficient liquidity, together with the expansion of domestic demand. Another 50-basis point RRR cut and a 10-basis point policy rate reduction are expected during H1 2022.

Based on the Government's 14th Five-Year blueprint, China reiterated its commitment to high quality growth and development, encouraging innovation and digitalisation, as well as improving living standards and the environment. These are expected to drive demand from sectors such as telecommunications, media and technology (TMT), finance and business services, benefitting Gateway Plaza and Sandhill Plaza – the two properties from Mapletree North Asia Commercial Trust ("MNACT").

In addition, China's push to achieve technology self-sufficiency, especially in strategically important industries such as semiconductors and biomedical, is expected to benefit Sandhill Plaza, with the government prioritising Shanghai as an innovation hub.

Population

China is the world's most populous country, with an estimated population of 1.447 billion as at December 2021. However, the yearly population growth rate has been falling steadily since the late 1960's and now stands at 0.39% for 2021 compared to 2020.

Inflation

While much of the western world is focused on rising inflation rates, China's current inflation rate remains within an acceptable range at 1.5% at the end of Q4 2021, representing a dip from the 2.3% that was recorded in November 2021 which was the highest since August 2020. This inflation rate is well below the optimum target of 3.5% set by the central government.

Monetary and Forex Policies

A central part of the Chinese economy is the effective management of the Yuan exchange rate so as to benefit exports. The Exchange Rate in China is pegged to the US Dollar and the rate is adjusted from time to time on a managed float system.

Geopolitical Events and Risks Factors

While the domestic environment looks very stable, there are a number of geopolitical flashpoints which have the potential to unsettle the Chinese economy. The key issue is the ongoing tension with the United States (US) which has led to a series of tit-for-tat sanctions and the de-listing of several Chinese companies from US stock exchanges. Given China's relationship with Russia, the Russia-Ukraine conflict has resulted in further geopolitical tension between China and the western nations.

Domestically, President Xi Jinping has called on China to achieve common prosperity and to narrow the wealth gap within the country. While this is not a new policy, we have seen a crackdown on technology and private tutoring companies which have made investors nervous. This, coupled with a general policy of being a more inward-looking nation in the years to come, have contributed towards a degree of uncertainty over China's long term economic growth.

Outlook of Economy

Beijing hosted the Winter Olympic games in February 2022 and whilst this was not the international spectacle that people may have hoped for, it is still expected to have had a positive impact upon the economy. Domestically, the continued adoption of the 'Zero-Covid' strategy should ensure that most business operations will remain largely unaffected by widespread outbreaks seen in other parts of the world which in turn should also ensure positive economic growth throughout 2022.

While China's economy was well supported in 2020 (compared to other major economies) due to the 'Zero-COVID' strategy and border restrictions, moving forward, the continuation of such strategies will continue to limit consumption and economic growth.

However, a lot of attention is now turning towards when China will start opening up again to international travel. There have been no official remarks yet, but it is expected that this will provide a significant boast to the economy.

3.2 COVID-19

Impact of Pandemic

The overall impact of the COVID-19 pandemic in China has been far less than in many other countries around the world. Having first identified the virus in Wuhan in December 2019, China was the first country to impose lockdowns on its population. The biggest impact was therefore felt in Q1 2020 and Q2 2020 when much of the country was locked down and factories were shut down.

Since then, China has set strict entry requirements, with international travellers banned and long quarantine periods imposed for Chinese citizens returning from overseas. This, combined with rapid responses to any isolated outbreaks, has effectively ensured that there have been fewer local cases since Q2 2020, allowing businesses to return to a near normalcy.

Nevertheless, the lockdowns from 2020 did carry some economic costs and with temporary business closures, overall leasing demand fell strongly for the year. While demand is seeing a recovery, rents and capital values remained below pre-COVID levels in 2021.

There have also recently been a number of COVID-19 Omicron outbreaks in China, leading to several flash lockdowns across various cities. On 28 March 2022, Shanghai's city government announced that the city will go through a two-phase lockdown for nine days to contain the spread of COVID-19. These outbreaks are the largest that have been seen in China since the initial outbreak in Wuhan in January 2020. With similar lockdowns observed in Shenzhen and Jilin Province in the far north, there could be further challenges ahead should the situation deteriorate significantly in China.

Despite rising numbers of confirmed COVID-19 cases in parts of China, there still remains a general preference to work from the office, contrasting with the global trend of remote work.

3.3 Real Estate Investment Market Drivers and Trends

Overview of Key Cities in China

Chinese cities are typically classified by tiers based on income levels, population sizes, infrastructure, talent pool and business opportunities. This is an informal classification system which is not officially recognised or used in published materials by the central government.

'Tier 1' cities generally include Beijing, Shanghai, Guangzhou and Shenzhen. In real estate terms, these cities are typified by having a high level of international quality office, retail and industrial stock and are frequently chosen by large domestic companies and multinationals as locations in which to do business. As such, rents in these cities are normally higher than in 'Tier 1.5' or 'Tier 2' cities. 'Tier 1' cities attract a lot of attention from developers and there is normally a significant supply of new stock. This is essential to facilitating growth, but as a result, vacancy rates are typically higher than other cities across China.

The next tier is referred to as 'Tier 1.5' or 'New Tier 1' and this includes several provincial capitals including Chengdu, Chongqing, Hangzhou, Wuhan, Nanjing, Tianjin, Suzhou, Xi'an, Changsha, Shenyang, Zhengzhou, Dalian, Dongguan and Ningbo. These cities normally have a mixture of international quality stock and older, less well specified buildings. Corporates headquartered in these cities comprise a mix of domestic and provincial companies. While there is normally a high rental differential between the newer and older buildings, the rents for the newer properties are still well below those of 'Tier 1' cities. With limited office development, vacancy rates in 'Tier 1.5' cities are typically quite tight and will normally be less than 10%.

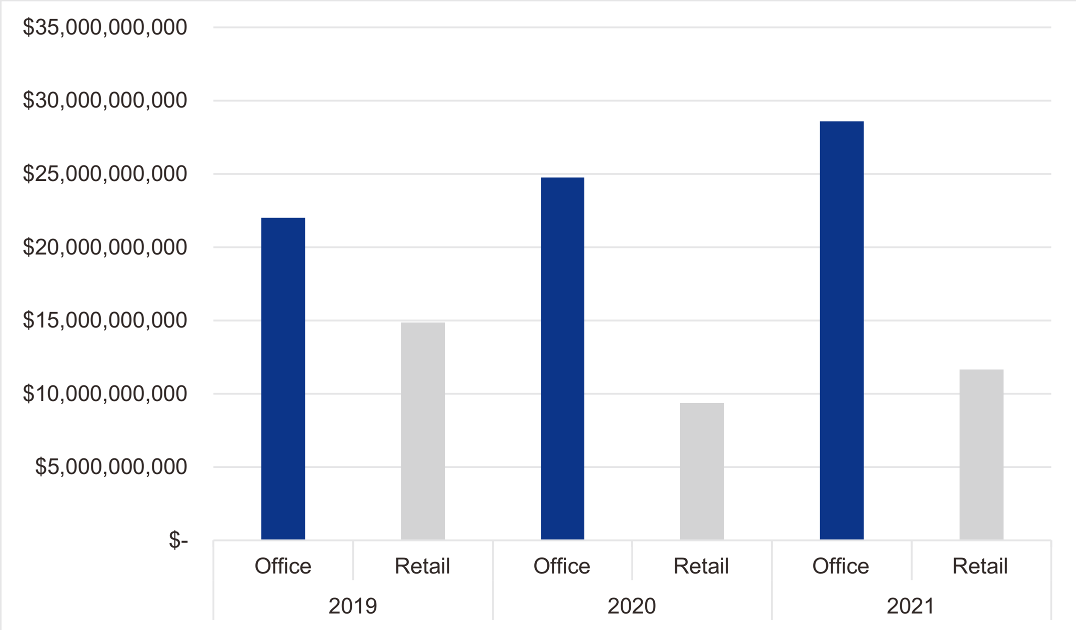
'Tier 2' cities typically include smaller provincial capitals and prefecture level cities and comprise 30 cities across China including Xiamen, Fuzhou, Kunming, Harbin, Changchun and Zhongshan. These cities normally have a limited number of purpose-built offices, which are mainly lower quality and predominantly let to local businesses. With the limited amount of stock, vacancy levels are normally quite low and rents are also much lower than in 'Tier 1' and 'Tier 1.5' cities.

Table 4: List of Tier 1, 1.5 and 2 cities

Tier 1 Cities
Beijing, Shanghai, Shenzhen and Guangzhou
Tier 1.5 Cities
Chengdu, Chongqing, Hangzhou, Wuhan, Nanjing, Tianjin, Suzhou, Xi'an, Changsha, Shenyang, Qingdao, Zhengzhou, Dalian, Dongguan and Ningbo
Tier 2 Cities
Xiamen, Fuzhou, Wuxi, Hefei, Kunming, Harbin, Jinan, Foshan, Changchun, Wenzhou, Shijiazhuang, Nanning, Changzhou, Quanzhou, Nanchang, Guiyang, Taiyuan, Yantai, Jiaxing, Nantong, Jinhua, Zhuhai, Huizhou, Xuzhou, Haikou, Ürümqi, Shaoxing, Zhongshan, Taizhou and Lanzhou

Transaction Volume – China

Figure 29: Transaction Volume by Sector (in US$)



Source: RCA

Whilst office transaction volume in China increased in 2020 on a YoY basis as shown in the chart above due to the resilience of the asset class, retail transaction volume fell over the same period, as this sector was harder hit by COVID-19 causing many investors to shy away from the asset class.

In 2021, we saw transaction volumes recovering, led by an increased focus on the office sector as companies have returned to the office after a period of working from home. Retail transaction volume also increased YoY, but still remains below the level of transactions recorded in 2019.

China Real Estate Market

As one of the most developed and mature economies in China, the economy in Beijing is dominated by the services sector and supported by many Fortune Global 500 companies which have headquarters in Beijing. In addition, a number of government departments and state-owned enterprises (SOE) are based in Beijing. With the establishment of the Beijing Stock Exchange, this is expected to drive a new wave of demand from small and medium enterprises along with global and domestic financial institutions in 2022 and 2023.

Shanghai has the largest economy among the Chinese cities in terms of GDP and, over half its economic activity is generated from private enterprises. The first city in China to have a Free Trade Zone in 2013, Shanghai is also one of the first markets in China to undergo economic liberalisation and reform. Based on the Shanghai Master Plan (2017-2035), Shanghai's vision is to be a modern international metropolis and an excellent global city by 2035. The Shanghai economy has traditionally been dominated by the financial sector, with the Shanghai Stock Exchange being the world's third largest in terms of market capitalisation. The cosmopolitan nature of Shanghai and the high living standards within the city also make it a popular China base for multinationals.

The first batch of China Real Estate Investment Trust ("C-REIT") were officially listed in June 2021. This first batch were mostly infrastructure based, but it is expected that this will in time be expanded to include conventional real estate assets. Further development of the C-REIT sector will deepen liquidity of the real estate market.

3.4 Beijing Office Market

Within Beijing, there are eight major sub-markets, comprising the Central Business District (CBD), Beijing Financial Street (BFS), Zhongguancun (ZGC), Dongcheng Business District ("Dongcheng"), Lufthansa, Wangjing, Asian Games Village ("AGV") & Olympic Park and Lize. The map below shows the relative locations of the districts.

The Lufthansa district of Beijing, where MNACT's property Gateway Plaza is located, is one of the most established international commercial zones in Beijing, evident from the strong presence of international schools, western supermarkets, international dining options and shopping malls. This, coupled with its good accessibility to the Beijing International Airport makes it a popular area for expats and multinational companies (MNCs).

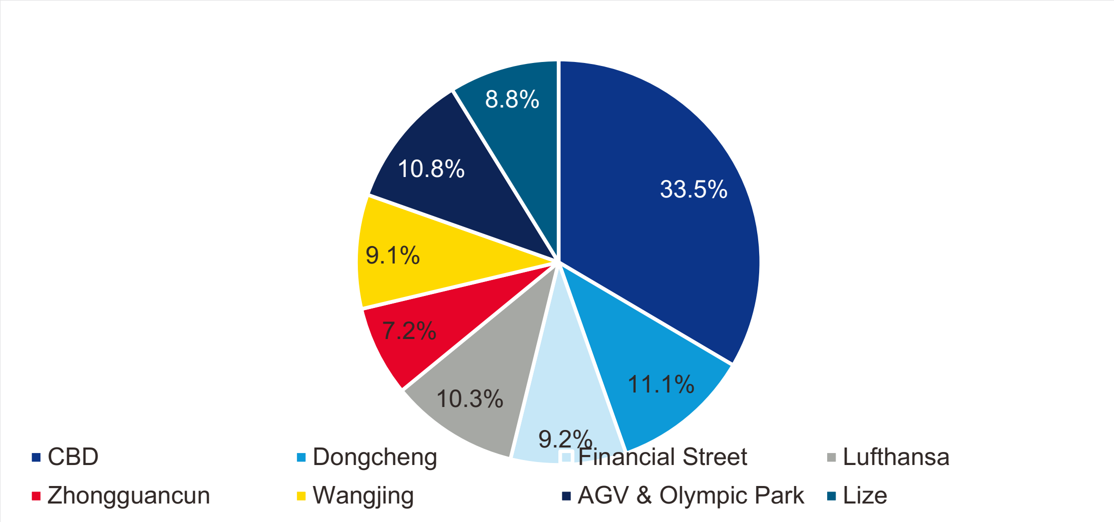
Figure 30: Map of Beijing Major Office Districts

Source: Colliers

Existing Supply

A total of eight new buildings were completed in 2021, raising the total stock levels to approximately 10.5 million sq m. This represents an increase of 6.7% YoY. Around 23.7% of the new supply is situated in Lize and around 48.2% of the new supply in 2021 is in CBD.

Figure 31: Beijing Grade A Office Supply by District as at end 2021



Source: Colliers

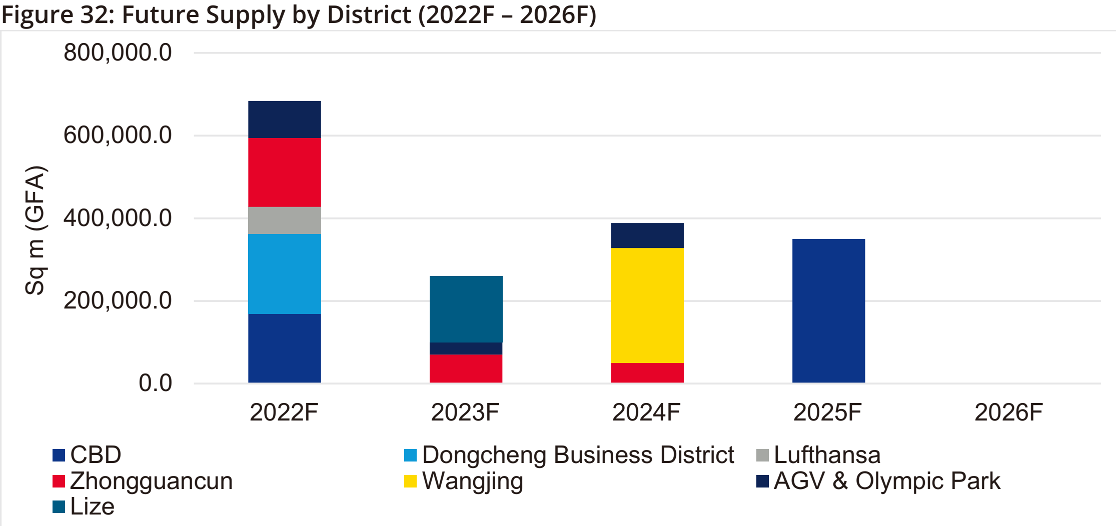
Future Supply

A total of 683,877 sq m of new supply is expected in 2022. The majority of this new supply will be in the Dongcheng district, including the Cinda Center (185,000 sq m). In a break from previous years, no new supply is expected in the Lize district in 2022.

Over the next 5 years, the CBD is expected to add another 518,261 sq m of new supply (30.8% of total forecast supply) while Zhongguancun and Wangjing are forecast to add 17.0% and 16.5% of the total new supply respectively. The single largest new building due to complete in the next 5 years - Indigo Port Phase II (278,000 sq m) - is located in Wangjing and is expected to complete in 2024.

There is limited new supply in Lufthansa over the next 5 years to 2026, with only the Vanke Xiaoyun Road (65,000 sq m) project which is expected to be completed in 2022.

Figure 32: Future Supply by District (2022F – 2026F)



Source: Colliers (Note: there is no new supply expected in 2026)

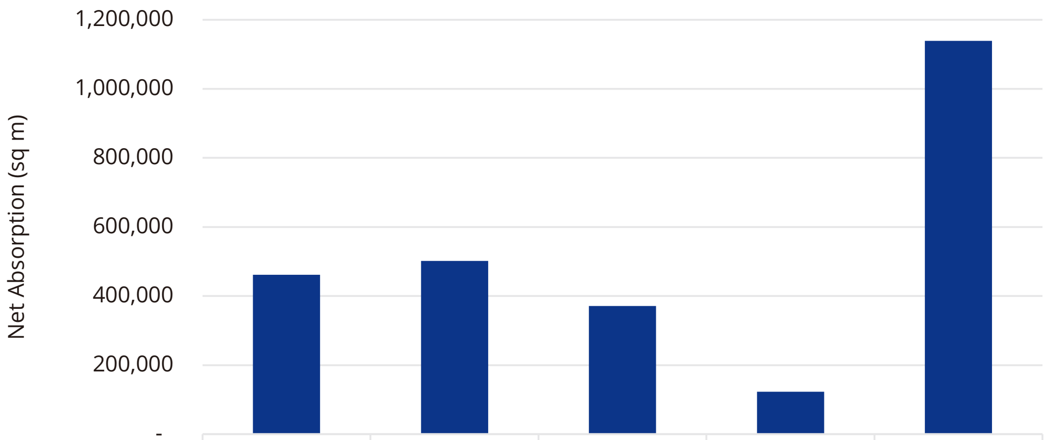
Net Absorption

Demand across Beijing for office space in 2021 continued to be driven by the IT sector (31.1%). The finance sector is the 2nd largest contributor at 30.2%, only 0.9 percentage points below IT. This is principally due to the opening of the Beijing Stock Exchange, which has led to increasing demand from financial firms, particularly small and medium sized enterprises.

Net absorption over 2021 stood at approximately 1,139,184 sq m which was the highest level in recent years and represents an increase of 824.2% compared to 2020. CBD and Lize were the best performing districts with CBD registering 446,921 sq m of net absorption and Lize registering 332,672 sq m. The increase in net absorption was driven by tenants moving to the newly completed modern stock situated in Lize and the trend of 'flight to quality' to the CBD, particularly with rents having fallen to a more affordable level.

Net absorption in the Lufthansa area (39,787 sq m) was supported by Grade A landlords increasingly maintaining a flexible leasing strategy, prioritising occupancy over rental levels which has helped absorption. In addition, after a period of consolidation, multinationals have once again started looking at expansion options on the back of a recovering economy.

Figure 33: Beijing Office Net Absorption (2017 – 2021)



	2017	2018	2019	2020	2021
Net Absorption	461,395	501,961	371,514	123,257	1,139,184

Source: Colliers

Vacancy Rates

The overall office vacancy rate across the key districts at the end of 2021 stood at 15.1%, a 4.3 percentage point decrease over the year, along with an increase in net absorption.

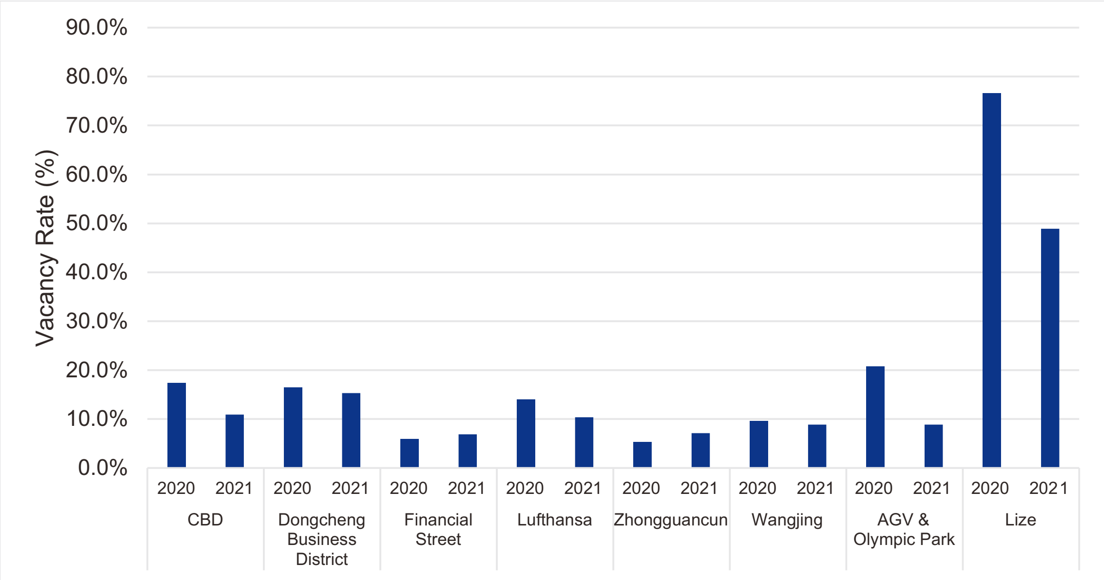
The best performing districts were CBD where vacancy fell by 6.5 percentage points as of end Q4 2021 compared to as of end Q4 2020, AGV & Olympic Park (11.9 percentage points), Lufthansa (3.7 percentage points) and Lize (27.7 percentage points). These districts all saw a significant increase in net absorption as occupiers increasingly sought out higher quality or more modern offices.

The worst performing district was Financial Street which saw a second consecutive year of negative net absorption, with the vacancy rate rising by 1.0 percentage points from Q4 2020 to Q4 2021.

Lufthansa district saw total vacancy level fall in 2021 as net absorption turned positive, increasing from -10,221 sq m in 2020 to 39,787 sq m at the end of 2021. Compared to the city average, the Lufthansa district consistently recorded lower than average vacancy rates. This can be attributed to it being one of the more established office districts as well as being a popular district for international occupiers.

Given the limited new office supply level in Lufthansa over the next five years and the gradual absorption of demand, this may result in the vacancy rate dropping below 10% by 2025 from the current 10.3% at the end of 2021. Lufthansa's vacancy rate is expected to continue to remain lower than average office vacancy rates in Beijing, in line with the office district's positioning as a popular district for international and domestic occupiers.

Figure 34: Beijing Grade A Vacancy Rates by Districts (2020 – 2021)

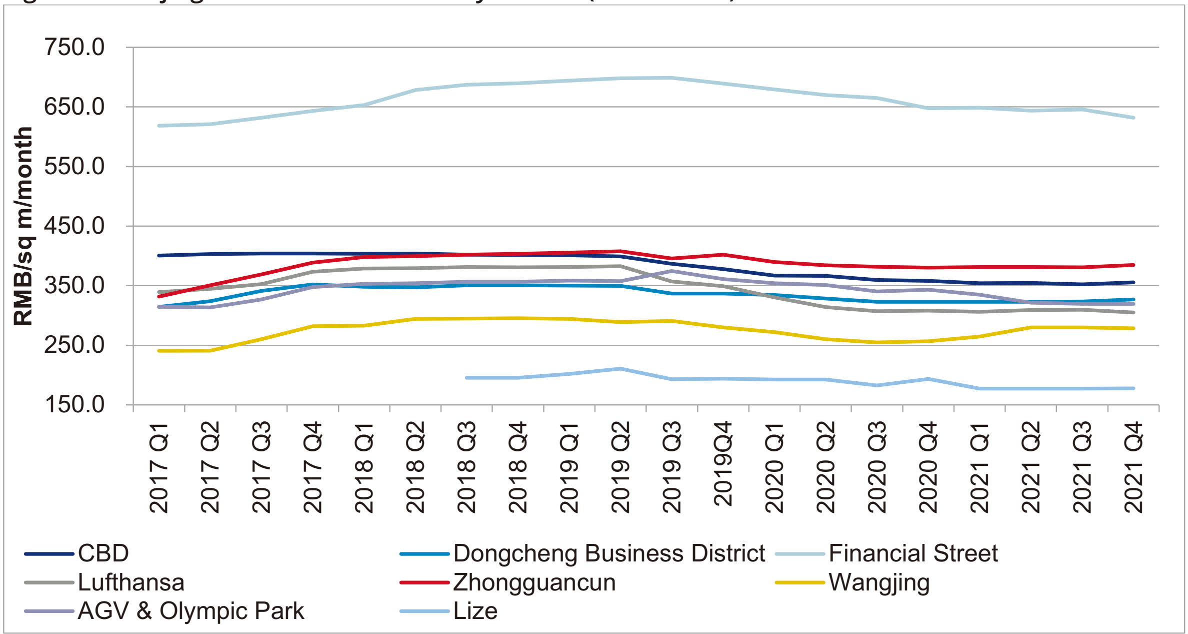


Source: Colliers

Rents

As at the end of Q4 2021, average Grade A office rent in Beijing has declined by 11.0% compared to pre-COVID levels.

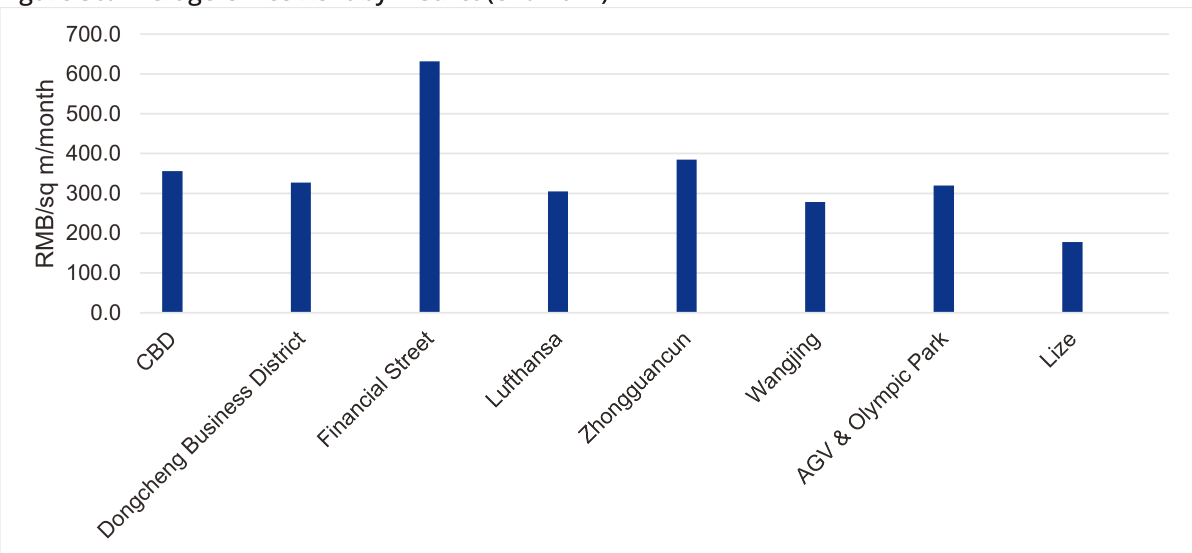
Figure 35: Beijing Grade A Office Rents by District (2017 - 2021)



Source: Colliers

During 2020, Lufthansa saw rents fall by 11.8% YoY. In 2021, the pace of rental decline has slowed considerably to just -1.0% YoY. In previous years we've seen a number of tenants move from Lufthansa to Wangjing to achieve cost savings, but with rents increasing in Wangjing by 8.5% YoY, the rental gap between Lufthansa and Wangjing is now much less, so we saw fewer relocations in 2021, resulting in improvements in the figures for net absorption, vacancy levels and leading to a decrease in rental declines.

Figure 36: Average Office Rent by District (end 2021)



Source: Colliers

Further rental growth is expected in Wangjing during 2022 as this area attracts IT, bioscience and technology sectors, which are actively promoted by the government. We also expect further rental growth in Financial Street, Dongcheng and the CBD as financial companies expand with opening of the new Beijing Stock Exchange. Overall, we would expect an average annual rental growth across all districts of around 1.0% but districts such as Lize may see lesser growth as a result of the existing high vacancy rate.

Key Drivers and Developments

In 2020, we saw the impact of COVID-19 with government imposed mandatory lockdowns across most of China during Q1 and into Q2. While there have been some localised lockdowns since 2021, there is a higher preference to work from office, given the smaller flats and extended families often living together. Compared to other markets where remote working has become a major trend going forward, the impact of working from home arising from COVID-19 has been much less significant in China. Offices are therefore expected to continue to remain relevant and important.

Transactions

During the entire 2021, there were a total of RMB39.3 billion office transactions. The most significant was the sale of Beijing SK Mansion in Q2 2021, which was sold at approximately RMB85,000/sq m.

The table below sets out the key transactions that took place in 2021:

Table 5: Key Office Transactions in Beijing in 2021 (value in excess of US$50 million)

Property	Sub-Market	Transaction Price (RMB)	Unit Rate (RMB/sq m)	Date	Buyer	Seller
Lerong Building	Lufthansa	572,845,880	29,196.62	Q4 2021	TWC Group	LeEco
Xisanqi (Jingyu) S&T Park Tower 4	AGV & Olympic Park	430,315,820	38,300.93	Q4 2021	Beijing Infosec Technologies	BBMG Corporation
Raffles City Beijing (Office)	Dongcheng	2,627,546,490	63,981.14	Q4 2021	Ping An Insurance	CPP Investment Board, CapitaLand Investment
Xinfu'ercun Building 40 (-1-7FL)	Others	338,545,792	35,678.36	Q4 2021	Confidential	Confidential
Beijing CBD Z6 Tower (1-27FL)	CBD	8,850,000,000	83,888.30	Q4 2021	GIC, Sino-Ocean Prime Office Partners I	Sino-Ocean Capital
Fenghui Int'l Center Blk 1 (5-7FL & Unit 801)	Others	324,116,600	41,743.82	Q2 2021	Beijing Cuiwei Tower	Beijing Zhongguancun Int'l Shopping Center Dev
IC Park Tower 2	Others	561,000,000		Q2 2021	Beijing Telesound Electronics	Zhongguancun Dev, Beijing Capital Land Ltd
Beijing SK Mansion (Buildings A & B)	Lufthansa	9,057,114,346	85,203.01	Q2 2021	Hexie Health Insurance	SK Group
Diamond Plaza Beijing	Zhongguancun	850,000,000	37,500.36	Q2 2021	ACR Asset Management	Sino Ocean Land
Tongzhou KWG Center Tower B	CBD	1,674,000,000	51,480.44	Q2 2021	Agricultural Bank of China	KWG Property Holding
ZT International Center (Blocks C&D)	Lufthansa	3,382,054,940	27,275.30	Q1 2021	GLP	Zhaotai Group
Qidi Science and Technology Complex Block D	Wangjing	2,650,000,000	57,200.99	Q1 2021	Beijing Capital Dev Hldgs, China Jinmao, GoHigh Capital	Sunshine Insurance
Zhongguancun Mobile Intelligent Svc Innovation Pk	Zhongguancun	2,800,000,000	24,518.99	Q1 2021	China Orient Asset	Zhonghong Holding

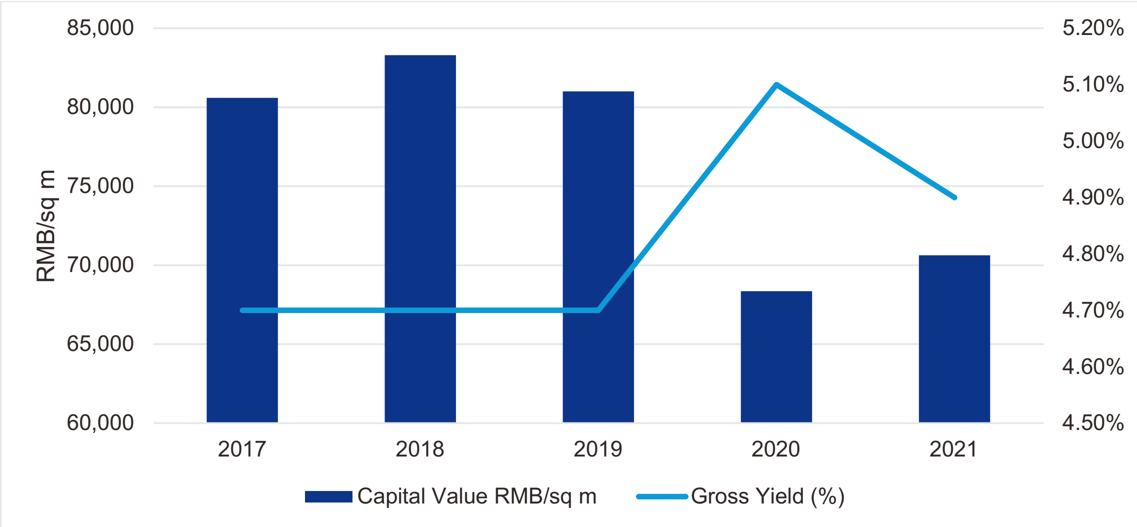
Source: Colliers

Office Capital Values and Yields

Average Grade A office capital value at the end of 2021 stood at RMB72,032/sq m which represents a YoY increase of 5.4%. This increase was driven by a strong return in investor sentiment as the global economic recovery gathered pace into 2021 with the rollout of vaccinations against COVID-19, together with improved net absorption and rents increasing in some of the major districts.

Average Grade A office yield at the end of 2021 compressed by 0.2 percentage points YoY to 4.9%, illustrating the improvement in investor demand and risk appetite.

Figure 37: Beijing Office Capital Values & Yields (2017 – 2021)



Source: Colliers

Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

Sector Outlook

Over the next five years, overall net absorption is expected to stabilise at close to 400,000 – 500,000 sq m per annum, which is in line with the historic trend for Beijing. Lufthansa is a traditionally stable market and while new supply is forecast for 2022, we expect to see net absorption average around 40,000 sq m per annum, as both this district and the wider Beijing office market continue to expand. Demand will also continue to be driven by domestic insurance, wealth management and media companies, and international tenants.

In addition, the Chaoyang district where Gateway Plaza is situated, is scheduled to have significant future re-development, including the renovation of older residential buildings and the development of the area into a cultural innovation area, a leading international exchange and the fourth embassy district, boosting the attractiveness of the area to occupiers and investors alike.

With the opening of the Beijing Stock Exchange and continued strong economic growth forecast in 2022, demand is expected to be strong with rents expected to rise from 2021 to 2025.For markets such as Lufthansa, which are nearer to the CBD area where high levels of new supply exist, rents are expected to remain stable in the near-term and will likely rise in late 2022 or early 2023. Over the next few years, TMT, finance and business services, including domestic insurance, wealth management and media companies, as well as international tenants in the financial services and media sector will form the bulk of leasing demand at Lufthansa in line with Beijing's opening up of the services industry, and this is expected to benefit Gateway Plaza.

Being the capital of China, Beijing remains a key location favoured by investors. With rent forecast to improve in most districts of Beijing and with the global economy continuing to recover from the impact of COVID-19, we forecast that capital value should continue to track back towards pre-COVID levels by the middle part of 2023. We expect to see yields return to pre-COVID levels by mid to late 2023 if capital values increase at a faster rate than rents.

3.5 Shanghai Business Park Market

Overview of Shanghai Business Park

The Shanghai office market can be differentiated by its conventional office buildings and its business parks. Originally, the business parks were built for industrial purposes, but around 20 years ago, with office occupancy levels at record highs, developers started to convert business parks for office use.

Whilst the traditional office market is largely clustered around the centre of Shanghai, the business parks are predominantly located in de-centralised locations, which are increasingly popular among corporates.

The map below shows the relative locations of the six key business parks as well as other emerging business parks in Shanghai.

Figure 38: Map showing the location of core and emerging business parks in Shanghai

Source: Google Maps, Colliers

There are a number of benefits for business parks over traditional offices in the central areas. Rents are typically around half the level of traditional offices, and business parks tend to attract sector specific clusters. Zhangjiang Science City, where MNACT's business park property Sandhill Plaza is situated, is a good example of this, where biomedical, semi-conductor and tech companies have clustered to create an innovation hub. With the Chinese government's plans to expand these sectors, semiconductors in particular, strong demand and investment is expected in Zhangjiang Science City in the coming years.

Shanghai was one of the first cities in China to pilot a Free Trade Zone in September 2013 and today, the Shanghai Pilot Free Trade Zone (FTZ) covers a range of locations within the city, including Zhangjiang Science City. Eligible companies within the FTZ can receive a number of tax incentives and more streamlined trade benefits.

As Shanghai's population continues to grow, especially in the suburban locations, there will likely be further improvements/upgrades to public transport and road networks, resulting in better connectivity and in turn making decentralised business park locations more appealing.

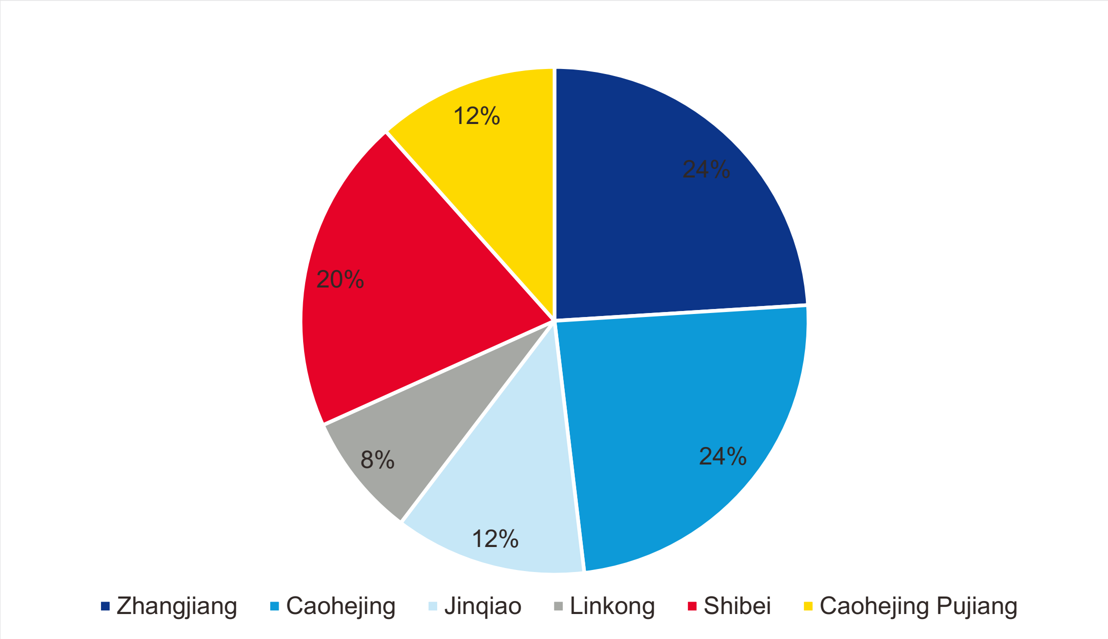
Existing Supply

The six key business parks in Shanghai are Zhangjiang Science City ("Zhangjiang"), Caohejing, Jinqiao, Linkong, Shibei and Caohejing Pujiang. They have a total GFA of around 12.1 million sq m as at the end of Q4 2021, representing an increase of 7.9% over the period compared to 2020.

Over 2021, an estimated 890,000 sq m of new completions took place across the six-key business.

Of the new stock added in 2021, the majority was in Jinqiao (245,300 sq m) and Caohejing (206,094 sq m). In Zhangjiang, around 135,525 sq m of new supply was delivered.

Figure 39: Overall Grade A Office Stock by Business Park as at end 2021



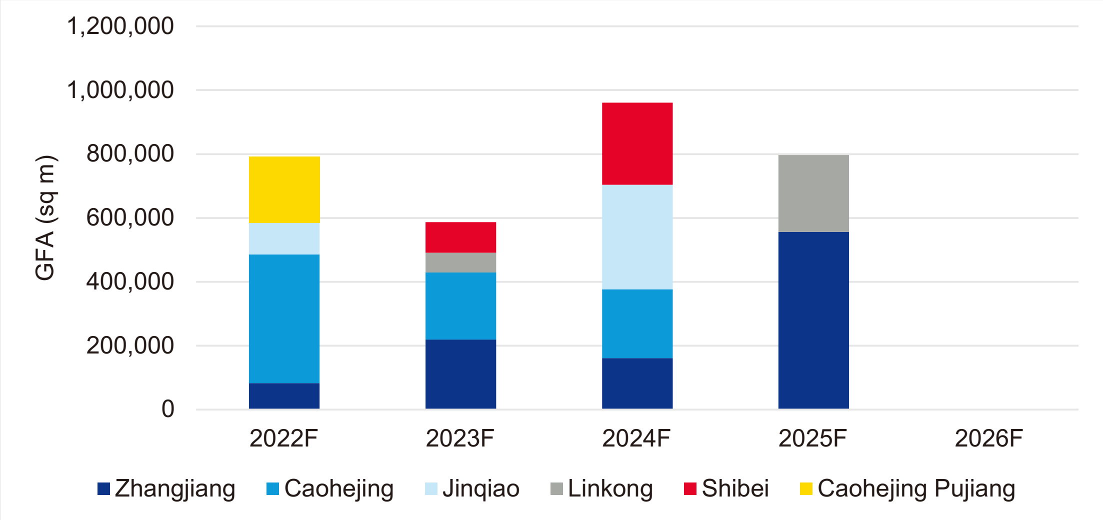
Source: Colliers

Future Supply

By the end of 2026, the total Grade A office supply across the six key business parks is expected to reach approximately 16.1 million sq m. The majority of future supply over the next five years (approximately 4.0 million sq m) will be located in Zhangjiang (28.7%), Caohejing (25.7%) and Jinqiao (16.7%).

In 2022, about 800,000 sq m of new supply will be added including around 80,000 sq m of new completions in Zhangjiang. This significant new supply in 2022 could potentially create a supply and demand imbalance, but the announcement of the new Pudong Modern Socialism Pilot Zone is expected to lead to increased foreign and domestic investment, which will help absorb the new space at a faster rate.

Figure 40: Projected Grade A Office Supply (2022F – 2026F)

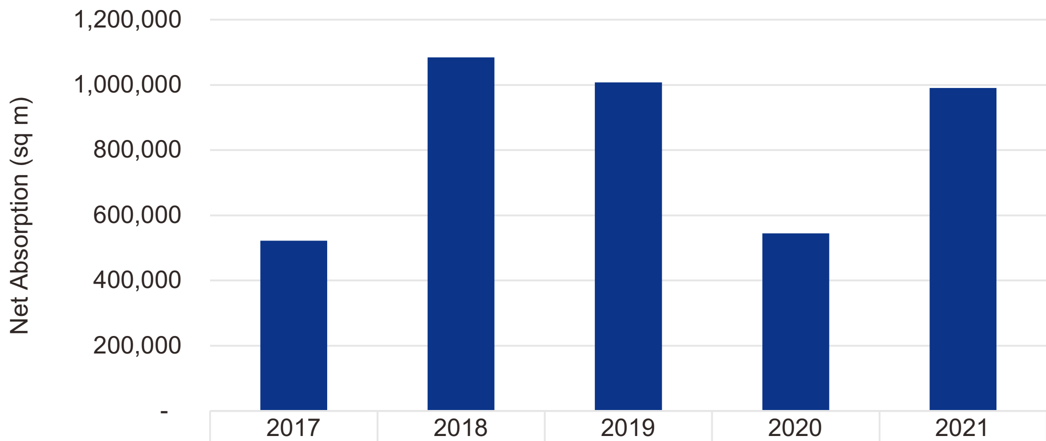


Source: Colliers (Note: there is no new supply forecast at present in 2026)

Net Absorption

Overall net absorption for 2021 stood at approximately 990,432 sq m, mainly due to the improved economic conditions. This represents an improvement on 2020 where approximately 544,797 sq m of net absorption took place. The best performing business parks were Zhangjiang (approximately 210,798 sq m), Shibei (approximately 236,691 sq m) and Caohejing (approximately 306,464 sq m), while all business parks saw positive net absorption.

Figure 41: Shanghai Key Business Parks Net Absorption (2017 – 2021)



	2017	2018	2019	2020	2021
Net Absorption	521,991	1,084,508	1,007,578	544,797	990,432

Source: Colliers

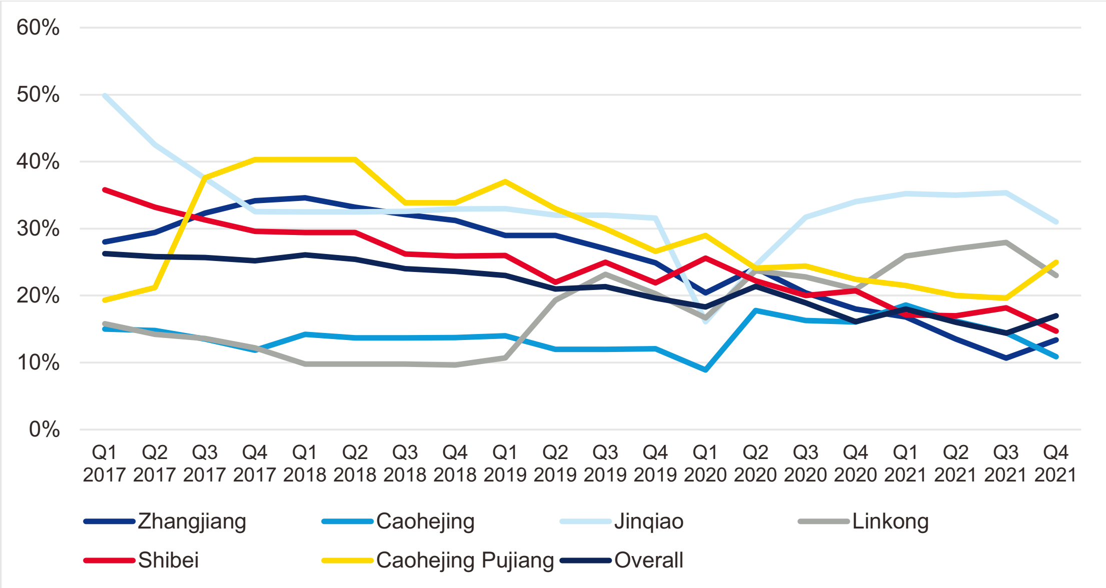
Vacancy Rates

At the end of 2021, the average vacancy rate in the six key business parks stood at 17.1%. This represented an improvement in vacancy rate of 3.5 percentage points compared to the end of Q4 2020, which is due to government supportive stimuli and expansion needs from rapid-growing sectors such as tech, biomedical and new infrastructure.

With the high level of new supply anticipated in 2022, vacancy rates should increase slightly in 2022 before continuing in a downward trend until the end of 2024, when there is a further significant level of new supply expected.

The business park vacancy rate at 17.1% compares favourably to the traditional office vacancy rate in Shanghai which stood at 18.2% at the end of 2021. While we expect to see the business park vacancy rate continue to improve over the next five years on average, the office vacancy rate is expected to peak at almost 30% by the end of 2022 and then remain above 25% for a number of years to come. This is a result of the preference for business parks which are positioned to benefit from the structural upgrading of the economy towards innovation-driven growth.

Figure 42: Vacancy Rate by Business Park (2017 - 2021)



Source: Colliers

Zhangjiang saw total vacancy level fall from 18.0% as of Q4 2020 to 13.4% at the end of Q4 2021, due to strong levels of net absorption.

Compared to the business park average, since the start of 2021, Zhangjiang has been recording lower than average vacancy rates as shown by the chart above. This can be attributed to it being one of the most popular business parks where biomedical, semi-conductor and technology companies have clustered together, coupled with government support for these types of occupier uses. It is an innovation hub within the Pudong Free Trade Zone, and this is expected to be so for years to come.

The worst performing business parks are Linkong and Caohejing Pujiang, where new supply is outstripping demand, leading to vacancy rates rising by 2.1 and 2.6 percentage points over 2021 respectively.

Demand in 2021 has been primarily driven by the Medical & Health and Software sectors. The rising popularity of electric vehicles in China has also boosted demand from the automobile sector. There is limited demand from traditional office occupiers such as professional services, real estate and finance as these corporates prefer the centralised business locations.

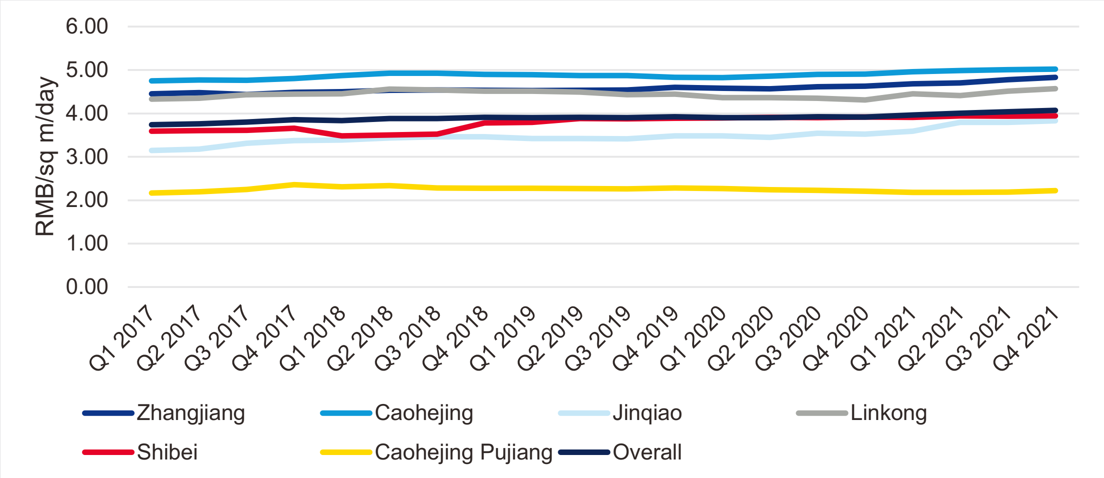
Across much of the world, one of the lasting impacts of COVID-19 is a shift in working practices from being almost exclusively office based, to an adoption of a hybrid remote working model. In China, while home working was universally adopted during the initial stages of the pandemic, there is a stronger cultural tie to the office and having visibility to the employer. As such, the impact of working from home has been much less pronounced than in many other markets and working from the office continues to remain popular despite some small COVID-19 outbreaks across the country.

Rents

The average rent for Grade A office space in the six key business parks at the end of Q4 2021 stood at RMB4.07/sq m/day. While this represents an increase of 4.0% YoY, the average business park rent still remains well below the average of RMB9.70/sq m/day for a prime high-rise office in Lujiazui, the central business district of the Shanghai office market.

Rents have been boosted by the general improvement of the Chinese economy during 2021, coupled with rising demand from tech, biomedical and semiconductor corporates. Rents increased across all the key business parks and interestingly, both Linkong and Caohejing Pujiang saw rents increase by 6.0% and 0.6% respectively over 2021, despite vacancy rising in both business parks, as landlords were still able to increase their rent expectations to reflect the improving market sentiment.

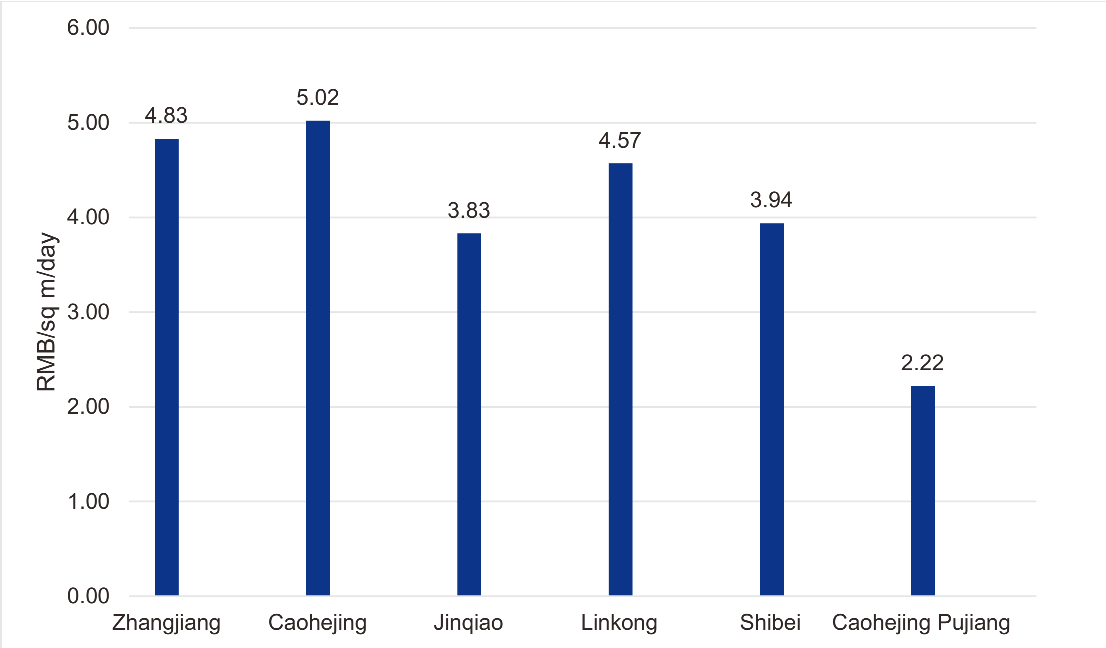
Figure 43: Rent by Business Park (2017 - 2021)



Source: Colliers

In Zhangjiang, rents increased by 4.3% as of end 2021, boosted by high net absorption at 210,798 sq m, driven by the large number of technology, biomedical and semiconductor firms operating within the business park. As a result of high levels of demand from these sectors, both Zhangjiang and Caohejing, which are both popular with these types of occupiers, see higher levels of rent than the overall average.

Figure 44: Average Office Rent by Business Park (end 2021)



Source: Colliers

Key Drivers and Development

Most business parks saw rents and occupancy levels recover in 2021, helped by a central government focus on innovation and development in sectors such as semi-conductors, artificial intelligence and biotech. This has helped boost demand within a number of business parks and will be further accelerated as part of Shanghai's plan to become a 'world class science and technology centre' by 2025.

Meanwhile, the increasingly sub-urban population of Shanghai and the desire of workers to not have to commute into central locations are boosting demand from traditional office occupiers as well, who are keen to achieve some savings by moving to de-centralised locations.

Transactions

During the course of 2021 there were a total of RMB8.8 billion value real estate transactions, with the most significant being the sale of Xingchuang Technology Plaza in Q1 2021 to Allianz Real Estate and NPS, which was sold at RMB39,743/sq m.

The table below sets out the key business park transactions (of at least US$50 million) that took place during 2021:

Table 6: Business Park Transactions in Shanghai in 2021

Property	Sub-Market	Transaction Price (RMB)	Unit Rate (RMB/sq m)	Date	Buyer	Seller
Kailong L6 & L8	Jinqiao	(approx.) 450,000,000	21,935	Q4 2021	Kailong	World Union Investments
Pharma R&D Base	Zhangjiang	650,000,000	9,397	Q4 2021	Microport	Shanghai Huabo
Kaico Building	Caohejing	1,617,800,000	40,000	Q3 2021	Gsun Fund	AEW
Shanghai Second Printing and Dyeing Factory	Yangpu	507,383,855	13,145	Q2 2021	Suzhou Xuanliang	Shenda
Wanhua Chemical R&D Centre	Zhoukang	887,289,900	16,431	Q1 2021	Jimin Credible	Wanhua Chemical
Jisheng Qingpu Industrial Park	Qingpu	1,536,000,000	7,703	Q1 2021	Tus Tech City Group	Keyson-KY
Xingchuang Technology Plaza	Zhangjiang	2,200,000,000	39,743	Q1 2021	Allianz，NPS	D&J China
Zhangjiang Microelectronics Port #1	Zhangjiang	471,835,000	32,500	Q1 2021	Creater	Shanda
799 Kangqiao East Road	Zhoukang	448,000,000	11,711	Q1 2021	Bacchus	Mettersbonwe

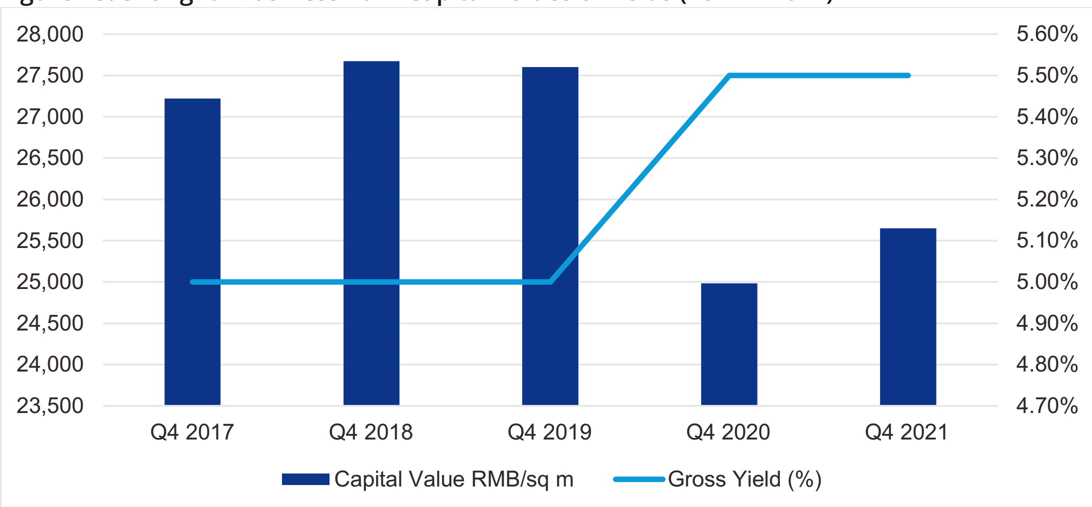
Source: Real Capital Analytics

Capital Values and Yields

Average Grade A business park capital value at the end of 2021 stood at RMB25,648/sq m which represents a YoY increase of 2.7%. This increase was driven by a strong return in investor sentiment as the global economic recovery gathered pace into 2021 with the rollout of vaccinations against COVID-19, together with rents and occupier sentiment improving across most of the business parks.

Average Grade A business park yield at the end of 2021 was 5.5% which is unchanged from the end of 2020, but given rents have increased while yields remain stable, this indicates an improvement in investor demand and risk appetite. However, a return to the peak of 2018 and H1 2019 may not be reached again until later into 2023.

Figure 45: Shanghai Business Park Capital Values & Yields (2017 – 2021)



Source: Colliers

Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

Outlook

With an increasingly suburban population and an increasing focus on work-life balance, there is growing occupier demand for office space in decentralised business parks rather than the traditional office in the CBD. With a significant rent differential likely to persist for the next five years to 2026 at least, we expect to see the decentralisation trend gather pace and with the exception of 2022, we expect to see vacancy levels decrease each year, as steady demand continues. The pandemic operating environment also generally favoured business park assets as cost-sensitive tenants were attracted to the affordability of decentralised offices.

Occupiers looking for business park space are likely to continue be predominantly engaged in technology and medical focused industries. With the government placing significant emphasis on the development of semiconductor industry and extra focus being placed on medical innovation, we expect these sectors to drive demand over the next five years.

Further rental growth across the six key business parks, including Zhangjiang, is expected for the next five years to 2026. There is a growing cluster of semi-conductor and biomedical occupiers within Zhangjiang given the Chinese government's effort to grow these sectors, particularly for semiconductor industry. As a result, strong demand and investment is expected in Zhangjiang, outstripping supply over the next few years, resulting in the overall vacancy rate improving from 2023.

While average capital value has fallen over the past two years, we anticipate a gradual recovery over 2022 as investors re-focus on the business park market in Shanghai. A return to pre-COVID levels should be reached by the end of 2022, but a return to the peak of 2018 and H1 2019 may not be reached again until later into 2023.

4 Hong Kong SAR

4.1 General Economy

Overview of Market and Political Environment

The Hong Kong Special Administrative Region ("Hong Kong SAR")'s economy has gone through two consecutive years of recession from 2019 to 2020, dominated by the impact of the social incidents, followed by the COVID-19 pandemic. However, the imposition of the National Security Law in July 2020 coupled with the early success of Hong Kong SAR's "Zero-COVID'" strategy has helped create a more stable environment for economic development.

GDP and Employment

Since the Global Financial Crisis, Hong Kong SAR's economy has, up until 2019, enjoyed solid growth at an annual average rate of 3.0%. However, in 2019, GDP growth recorded a decline, primarily due to the impact on exports from the US-China trade war as well as months of social incidents which impacted consumption and tourism.

The decline in 2019 was exacerbated in 2020 when the overall real GDP growth rate fell to -6.1%. This was primarily due to the pandemic which caused global economic disruption, coupled with the ongoing domestic political and economic issues that weighed heavily on Hong Kong SAR's economy.

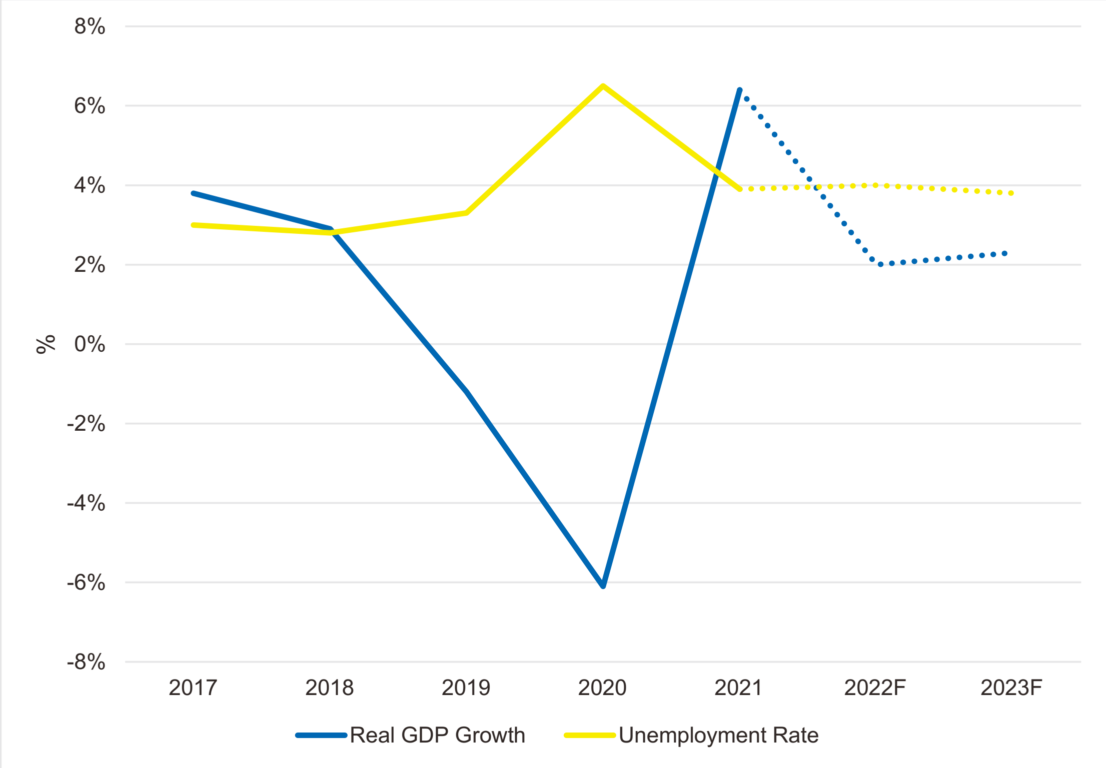
2021 was a more positive year registering a robust GDP growth figure of 6.4%, beating expectations of 5.4%. Based on nominal GDP alone, the Hong Kong SAR economy at the end of 2021 had returned to pre-COVID levels. In the next few years, as market conditions stabilise, GDP growth is expected to ease slightly.

The labour market weathered two consecutive years of higher unemployment from 2019 to 2020 due to the social incidents and COVID-19 pandemic. With the relaxation of several social distancing measures and the stabilising impact of the National Security Law, sentiment has improved slightly, and the unemployment rate as at the end of 2021 has improved by 260 percentage points YoY to 3.9%.

However, whilst the picture at the end of 2021 appeared much more positive, the outbreak of the Omicron variant of COVID-19 in January 2022 has seen several social distancing restrictions being re-introduced and further tightened. It was subsequently announced that these measures will start to be relaxed from 21 April 2022. This shift will be welcomed by most of the business community, especially those in the retail, leisure and hospitality sectors. Should the restrictions be relaxed as planned, any lasting impact from these measures should be confined to Q1 and Q2 2022 only, and it is expected that employment rates and the economy in Hong Kong SAR will recover once the restrictions are lifted.

The Hong Kong SAR Budget announced on 23 February 2022 was heavily influenced by the current Omicron variant outbreak in Hong Kong SAR and contained several measures to try and relieve pressure on the local population and businesses. These included several counter-cyclical measures such as tax relief, consumption vouchers for Hong Kong residents, increased protection for tenants and a number of other measures to provide relief.

Figure 46: GDP Growth and Unemployment Rate



Source: Census and Statistics Department

Economic Fundamentals and Drivers

Hong Kong SAR economy is primarily driven by four key sectors – Financial Services, Tourism, Trading & Logistics and Professional and Producer Services. Between them, these key sectors currently contribute around 55% of Hong Kong SAR's total GDP. However, this figure has been declining over the past decade, driven by a lower percentage share of trading, producer services and more recently, a decline in tourism accelerated by the pandemic. Against the overall trend of the four key sectors, the relative contribution of the financial services sector to Hong Kong's GDP has increased by around 50% from 2010 to about 23% in 2020, in line with the sector's role in Hong Kong SAR, one of the world's most active markets for initial public offerings and one of the biggest stock markets in terms of market capitalisation.

Similar to the contribution to the GDP, the share of the total number of employees in the four key industries has been declining from just under 50% in 2010 to just over 40% in 2020. Besides a general downward trend in the trading and logistics sector, a main driver for this was the significant loss of jobs in the tourism industry caused by the pandemic.

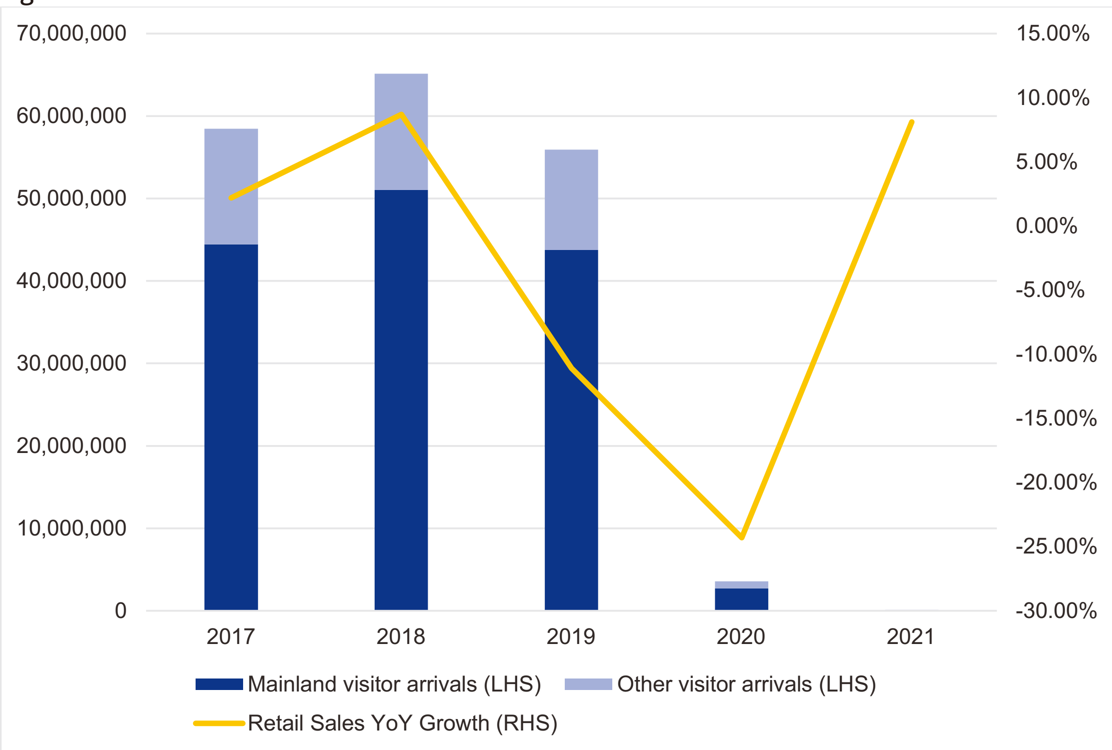
Population

Similar to other developed Asian economies, Hong Kong SAR has one of the lowest population growth rates in the world. At the end of August 2021, the population was recorded in the census at 7,394,700. Amid existing pandemic-related travel restrictions and quarantine measures, the inflow of people has slowed significantly since February 2020. The number of One-way Permit holders arriving in Hong Kong SAR, which used to be a key growth contributor, decreased by 50% and 37% YoY, in 2020 and 2021, respectively.

Tourism

Being one of the four key industries, tourism traditionally contributes around 5% of Hong Kong SAR's total GDP. This was primarily driven by inbound tourism, particularly from mainland China. The border closures and imposition of mandatory quarantine brought about by the pandemic have dramatically impacted the number of tourist arrivals during 2020 and 2021, resulting in a decline of 93.6% YoY in 2020 and a further 97.4% in 2021. Going forward, a recovery in these numbers will be dependent upon the phased re-opening of the border with China which will substantially drive tourism in Hong Kong SAR.

Figure 47: Retail Sales & Visitor Arrivals



Source: Hong Kong Tourism Board

Inflation

Over the past decade (2011 to 2021), prices for goods and services have grown steadily at an average annual rate of 3.1%. In 2020, inflation rate fell to only 0.3% as the economic downturn resulted in most prices remaining subdued throughout the year. Inflation has recovered somewhat in 2021, averaging 0.6% over the year. It remains to be seen if the inflationary pressures witnessed globally will have more of an impact on Hong Kong SAR in 2022.

Monetary and Forex Policies

The Hong Kong Monetary Authority ("HKMA") is tasked with maintaining a stable exchange value of the Hong Kong dollar. The HKD is pegged to the US dollar at around HK$7.8 to US$1.0 through a currency board system.

The Hong Kong dollar recently slipped into the lower half of its trading band for the first time since December 2019, losing 0.3% against the US dollar in November 2021, the most significant monthly fall since February 2020. With this drop, the HKMA is likely to intervene to stabilise the currency.

Geopolitical Events and Risks

Whilst the imposition of the National Security Law has reduced the risk of further social incidents, Hong Kong SAR's position in the middle of the geopolitical tension between the US and China could potentially create a number of risks for businesses in Hong Kong.

The ongoing 'Zero-COVID' policy that has been adopted by the Hong Kong SAR government is also presenting a number of risks to business and creating a rather uncertain environment for businesses in Hong Kong SAR, particularly those who are dependent on foreign talent or international travel. The recent announcement of the lifting of flight bans, coupled with a shortening in the quarantine period for arrivals into Hong Kong SAR is however seen as a positive step towards dealing with the pandemic, whilst also protecting the local economy.

Economic Outlook

A strong rebound in domestic demand and limited new pandemic related restrictions in 2021 helped the economy grow by 6.4% However, further growth will depend on how the Government handles the current Omicron outbreak and whether and when some of the current restrictions can be lifted. The "Zero-COVID" strategy had successfully kept community transmission to a minimum for much of the pandemic, but the current Omicron outbreak has largely evaded any restrictions imposed so far. While the current wave of the outbreak appears to have reached its peak and is entering a downward trajectory, we still expect to see a significant impact on the economy from this outbreak in Q1 and Q2 2022. However, with the Hong Kong SAR government announcing a gradual relaxation of the restrictions from 21 April 2022 onwards, we do not expect to see a significant long term negative impact on both the office and retail sectors.

Despite the announcement of a reduced quarantine period for incoming Hong Kong residents, entry is still prohibited for non-residents and in the short term at least, travel into Hong Kong from both the Mainland and the rest of the world will still require a period of compulsory hotel quarantine. This will continue to restrict tourist arrivals and business trips into the city. However, should the border controls be relaxed further, it would result in a major boost to the local economy.

In real terms, the GDP growth rate forecast is 2% in 2022 and 2.3% in 2023. It is noteworthy that the forecast for 2022 was recently downgraded from an earlier figure of 3.5%. However, it is still positive to see consistent growth forecasts after two consecutive years of decline in 2019 and 2020.

4.2 COVID-19

From the start of the pandemic, the Hong Kong SAR Government, along with the nation's Central Government, pursued a 'Zero-COVID' strategy whereby no local transmission is acceptable, and restrictions would be rapidly implemented to quash any local outbreaks.

While this approach had successfully reduced local transmission, it has also required a quasi-closure of the border, with all incoming travellers having to undergo a mandatory quarantine period.

As of December 2021, about 69% of eligible Hongkongers are fully vaccinated. There has, however, been a significant slowdown in the number of people receiving their first dose, and to achieve an acceptable level of vaccine coverage, the Government will need to look at incentivising vaccination.

In January 2022, Hong Kong SAR registered its first sustained community transmission of COVID-19 after several months of zero community cases and the outbreak saw the introduction of the toughest social distancing measures to date. But as the outbreak is believed to have peaked in early March and with case numbers falling, the Hong Kong SAR government announced a gradual relaxation of these restrictions to be effective from 21 April 2022.

However, Hong Kong SAR continues to maintain its "Dynamic Zero-COVID" strategy, and hence would risk losing out to competitor cities which has been lifting COVID-19 restrictions at a faster pace to resume normalcy.

4.3 Hong Kong SAR Real Estate Investment Trends

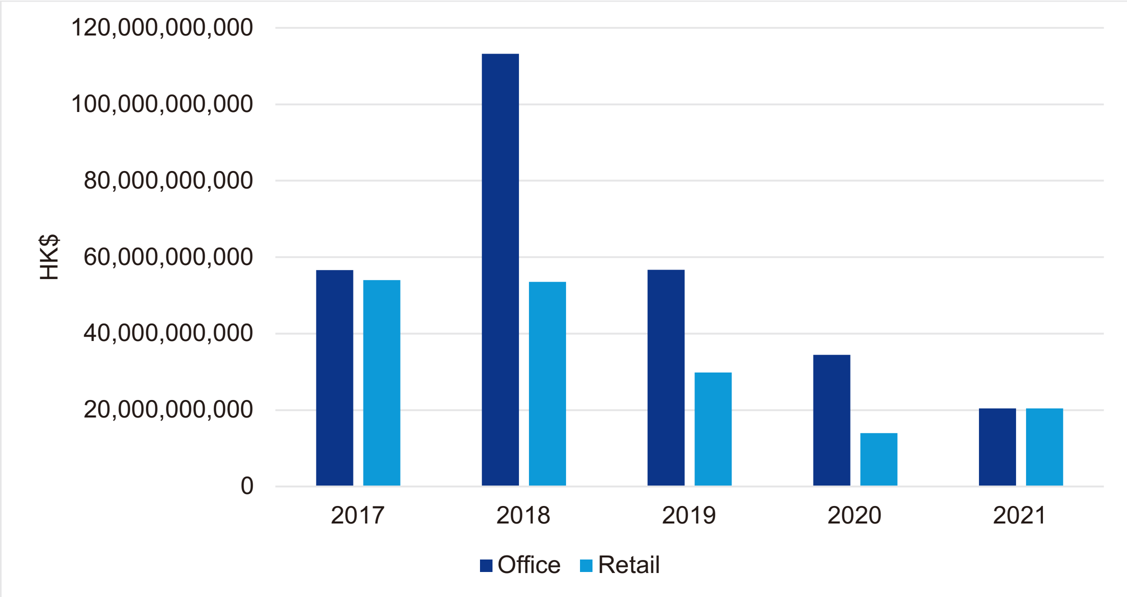
The Hong Kong SAR real estate market is one of the world's largest, consistently recording some of the highest capital values in the world with high levels of global investor demand. Despite the size of the market, it remains rare for quality assets of scale to come to the market, with property owners generally preferring to hold assets in Hong Kong SAR for a long period of time.

Overall transaction volume has decreased each year since it peaked in 2018. The biggest change however, is in the sectors that investors are deploying capital. Traditionally, the majority of investment was in the office sector and this remained the case until 2021, where retail investment transaction volumes overtook that of office. However, we do not see this as being necessarily representative of a longer-term trend. Instead, it is most likely due to most owners of office assets being reluctant to sell in the current market conditions.

While total real estate transaction volumes are still below their 2018 peak, current volumes in retail showed some signs of recovery in 2021. With uncertainty remaining over the impact of the work from home trend on the office sector, investment in office properties remains below the long-term average.

There is however still significant liquidity in the market, and while interest rates may start to increase again, they are expected to still remain at attractive levels for investors. As such, we expect investment volume to rise again in 2022, particularly once quarantine-free international travel returns.

Figure 48: Transaction Volume by Sector



Source: Colliers, Real Capital Analytics

Land Tenure in Hong Kong SAR

A significant proportion of land leases in Hong Kong are due to expire in mid-2047, including over 30,000 land leases in the New Territories which are expiring on 30 June 2047. The Hong Kong SAR government has a clear policy for dealing with land leases and related matters, including the extension of land leases. Under the policy, all leases (excluding short term tenancies and special purpose leases) not containing a right of renewal ("non-renewable leases") may, upon expiry and at the sole discretion of the Hong Kong SAR government, be extended for a term of 50 years without payment of an additional premium. The extended leases are subject to a payment of an annual rent at 3% rateable value of the property at the date of extension. The annual rent will be adjusted in step with any changes in rateable value thereafter.

No limit on the number of times that a land lease can be extended by the arrangements stipulated has been set out under the policy.

While the extension of non-renewable leases is not automatic, the Hong Kong SAR government follows due process in exercising its 'sole discretion' prudently. Various factors will be considered on lease extension, including but not limited to whether serious lease breaches are found under the original lease, if the lease was granted on policy considerations for promoting certain objectives such as individual industries and whether the policy consideration is still valid. The

Lands Department has extended most non-renewable leases since the policy was first promulgated in July 1997, and the renewal of land leases for a nominal annual fee is standard market practice for property valuations in Hong Kong SAR.

Therefore, leasehold assets are considered to be at low risk of government repossession.

4.4 Hong Kong SAR Retail Market Overview

Overview

Hong Kong SAR was most impacted by the pandemic in 2020, when restrictions on dining, temporary closures of certain businesses and social distancing measures had a substantial effect on the economy and the retail market.

Retail sales have bottomed out and recorded growth of 8.1% YoY during 2021. This was driven by strong growth in apparel, luxury goods and electronic goods and a low base effect, supplemented by the local Government's Consumption Voucher Scheme, which gave HK$5,000 (US$641) to every eligible person in Hong Kong SAR. Besides the Consumption Voucher Scheme that has helped lift retail sales, shopping malls are increasingly offering coupons to attract customers and increase spending. Coupons are usually given out upon spending a minimum amount in the mall's shops or restaurants and can be redeemed within the mall. As a result, we see more occupier demand and leasing activity in these malls.

As total retail sales were dominated by local consumption, there was a change in spending patterns towards F&B and products related to personal fitness, sports, recreation and technology. F&B consumption also shifted from traditional fine dining to newer concepts such as light refreshments, Grab & Go and modern bakeries, which allowed consumers more flexible dining options and hours. Given the change in consumption patterns and attractive high-street rents, retailers such as lifestyle and international athleisure brands, discounted luxury, and creative F&B concepts are actively expanding their footprints in Hong Kong SAR. Retailers benefiting from the change in spending patterns took advantage of attractive retail rents to open their first stores or expand their footprints in Hong Kong SAR, as high-street retail rents declined significantly since 2018. Shopping mall landlords emphasise a potent tenant mix that includes innovative F&B and lifestyle concepts to further enhance footfall. With almost no visitors to the city, the new occupiers help boost local spending and create a more diverse mall tenant profile. According to the Food and Environmental Hygiene Department, the total number of restaurant licence applications received in the first four months of 2021 from new restaurants was 67% higher than that of the same period in 2020.

While the impact of COVID-19 will continue to weigh on the performance of the retail sector, especially in the first half of the year with the current Omicron outbreak, it is expected that retail market and shopper sentiments will continue to recover gradually, especially as the current restrictions are gradually relaxed from 21 April 2022 onwards.

To help mitigate the impact of the Omicron outbreak, the Hong Kong SAR budget for 2022-2023 includes a number of measures to try and boost retail consumption and provide relief to tenants. This includes a new round of consumption vouchers of HK$10,000 to every eligible person as well as a moratorium on landlords terminating the tenancies of certain sectors if they fail to pay their rent on time.

E-commerce Penetration

While e-commerce penetration in Hong Kong SAR lagged behind peer cities in Asia, more retailers are recognising the need to invest in digital business lines, their plans accelerated by COVID-19 through necessity. Improvements in online presence, customised payment solutions and a general shift of consumer preferences contribute to high growth rates in the field.

Driven by the social distancing measures, shoppers increasingly turned to online shopping. Online retail sales continued their upward trajectory in 2021, growing 39.0% YoY. The online retail sales penetration rate has witnessed significant growth since the start of COVID-19, with the value of online sales making up 10.8% of total Hong Kong SAR retail sales in December 2021 compared to 3.3% at the start of COVID-19 in January 2020. This has prompted a shift by shopping mall landlords to enhance their retail mix by offering more experiential and F&B brands which provide experiences that cannot be replicated online. Some have also introduced more reward-based programmes and aggressive promotions to enrich digital touchpoints and entice purchases. To retain footfall in their physical stores, other retailers seek ways to interweave their stores with their online presence, with 'click and collect' options and offer in-store discounts.

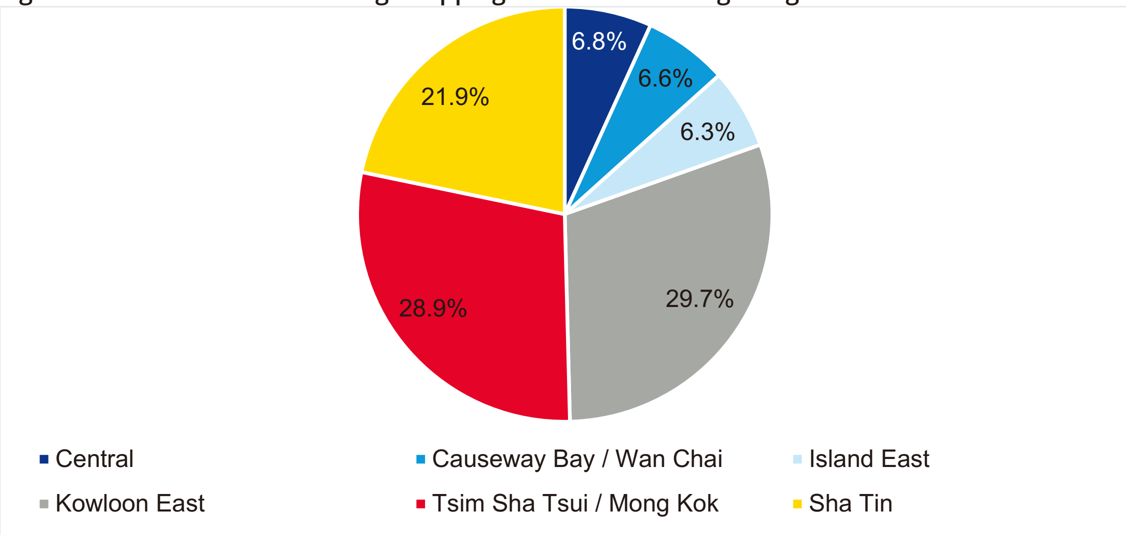
Existing Stock

Hong Kong SAR's retail market has seven key retail districts, which can be classed into core areas such as Central, Tsim Sha Tsui, Mong Kok and Causeway Bay/Wan Chai and the non-core areas Kowloon East, Island East and Sha Tin.

The core areas comprise 42% of shopping mall stock, and the non-core regions comprise 58% of the available 125.1 million sq ft. The top 10 malls in terms of total GFA make up 10.9% of the entire shopping mall stock. Festival Walk mall[3] is ranked the 9th largest by GFA.

In 2021, relatively few new shopping malls were added to the market, with only around 357,577 sq ft being completed as there were no significant new developments within 2021. The only new mall was Yue Man Square at Development Areas 2 & 3 of the Kwun Tong Town Centre Redevelopment by the Urban Renewal Authority (URA). Based on this, the total stock increased 0.3% YoY.

Figure 49: Distribution of Existing Shopping Mall Stock in Hong Kong SAR as at end 2021



Source: Rating and Valuation Department, Colliers

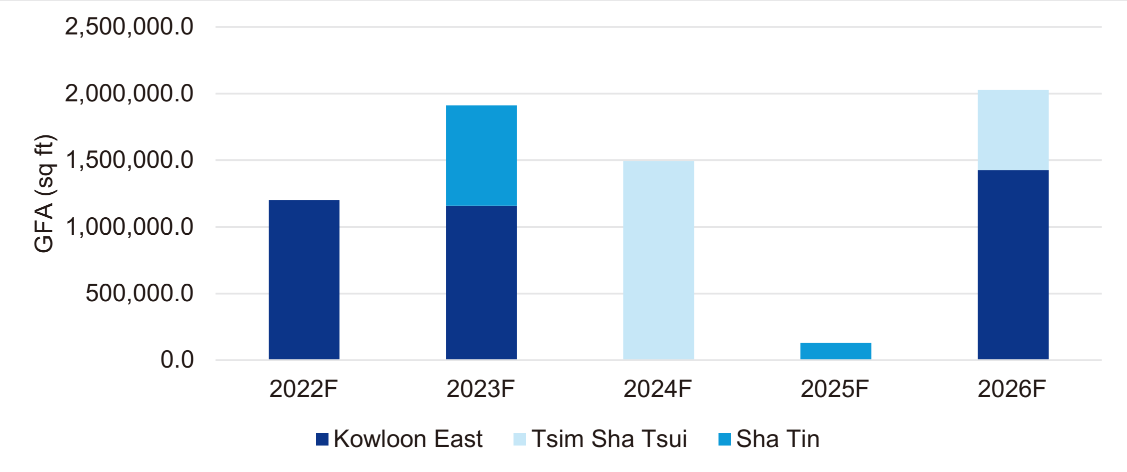
[3] Festival Walk, situated in Kowloon Tong (Kowloon East), is owned by MNACT and has a total GFA of 980,089 sq ft of retail space.

Future Supply

In 2022, only two new shopping malls are expected to complete, providing a combined area of 1.2 million sq ft. They are the retail portions of the Airside (700,000 sq ft) and 98 How Ming Street (500,000 sq ft) in Kowloon East. Most of the anticipated stock is due to complete around 2023-2024, including the 807,164 sq ft site owned by Lifestyle International at Kai Tak (Kowloon East), The Wai with 652,508 sq ft atop Tai Wai MTR station (Sha Tin) and West Kowloon Cultural District's 1,493,796 sq ft retail element (Tsim Sha Tsui).

Kowloon East has approximately 3.8 million sq ft slated for completion from 2022 to 2026, principally around Kwun Tong and Kai Tak, some distance away from Festival Walk that is located in Kowloon Tong. Malls well-connected to transportation nodes and with established consumer base are expected to remain popular among shoppers and be preferred choice locations among retailers.

Figure 50: Future Shopping Mall Supply (2022F – 2026F)

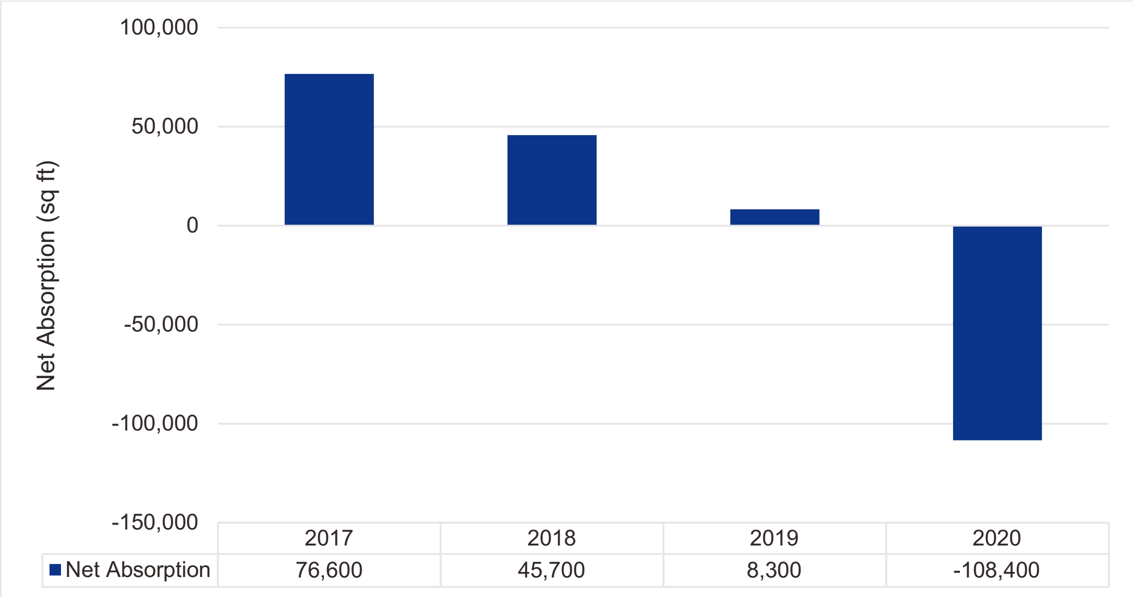


Source: Buildings Department, Colliers

Net Absorption

After positive net absorption in 2017 and 2018, demand in the retail market started to cool down in the second half of 2019 and turned negative in 2020, in large part due to negative adverse effects of the pandemic. In 2021, net absorption is expected to recover slightly and turn positive.

Figure 51: Retail Net Absorption

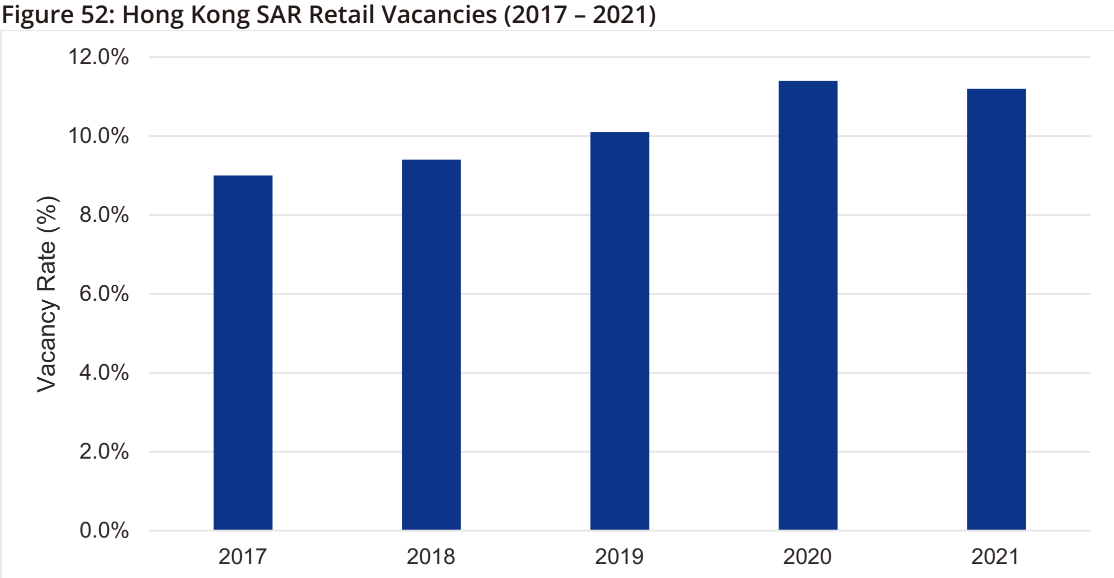


Source: Rating and Valuation Department (Note: The figures for 2021 are not yet available)

Vacancy Rate

With borders effectively shut, tenants that can sustain their business based on local consumption can thrive better. While most retailers' expansion plans remain on hold with uncertainties around the revival of non-local demand, we observed increased leasing activity in the city's Central region, where vacant space was filled in prime locations in 2021. Among the most prominent new occupiers in the community are Samsung, Lululemon, Hang Seng Bank, and American Eagle Outfitters, which significantly increased their footprint. As a result, the overall vacancy rate decreased to 11.2% at the end of 2021, 0.2 percentage points lower than 2020.

Figure 52: Hong Kong SAR Retail Vacancies (2017 – 2021)



Source: Rating and Valuation Department, Colliers

In 2022 and 2023, there will be several new completions which may result in vacancy levels increasing very slightly. With any potential re-opening of the border, there may be a rebound in demand from sectors which compressed over the past two years, such as luxury goods, which will help improve vacancy rates. By 2026, overall vacancy is expected to drop below 10.0%.

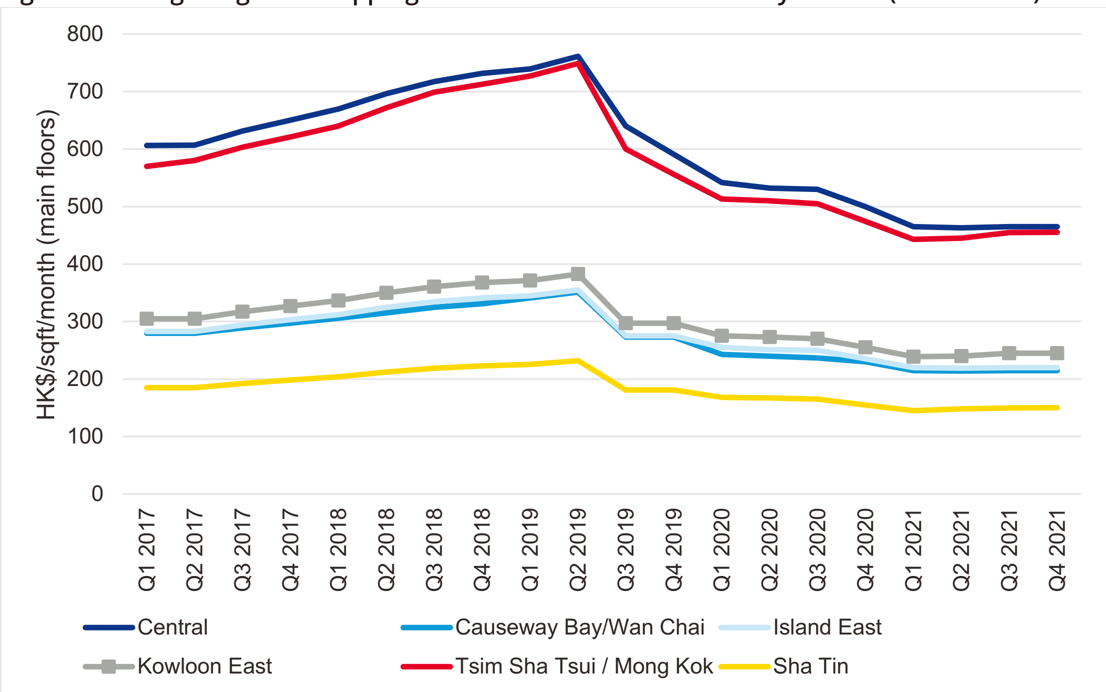
Shopping Mall Rents

Shopping malls increasingly seek lifestyle and 'retailtainment' brands as anchor tenants to drive foot traffic and increase the mall's attractiveness for consumers and potential tenants alike. With uncertainty over the pandemic lingering in the retail sector, landlords are willing to accept shorter leases and pop-up stores to make do until the start of a full recovery.

Retail rents as of end 2021 have come down by -19% since the start of COVID-19 in January 2020. Rents are expected to remain stable or possibly even decrease slightly in the next few quarters, with incremental growth only likely to materialise once the current Omicron outbreak is brought under control and cross-border travel is back to normal. The increase is expected to be mainly driven by a recovery in rental values for the hardest hit markets of Tsim Sha Tsui/Mongkok and Causeway Bay. The re-opening of the border with Mainland China should see a rebound in demand from luxury goods and pharmacy occupiers which will help to boost rents in these districts.

We expect to see a more gradual rental increase in Kowloon East as new supply at Airside, 98 How Ming Street, Lifestyle Kai Tak and New Kowloon Inland Lot No. 6568 may temper any significant rental growth. Kowloon East, while not tourist-focused, will benefit from the improved consumer sentiment due to the re-opening of the border and is expected to see some recovery in rents, albeit at a moderated pace.

Figure 53: Hong Kong SAR Shopping Mall Main Floor Retail Rents by District (2017 – 2021)



Source: Colliers

Retail Transactions

2020 was a challenging year for Hong Kong SAR's retail market as it was impacted by social incidents and the pandemic. However, since retail investment activities were on the rise during 2021 following the gradual relaxation of social distancing rules. Local private investors accounted for almost all 2021 retail investment transactions and are attracted by the potential for capital value growth with a potential reopening of the border between Hong Kong SAR and the rest of China, although they will also be watching the current Omicron outbreak in both Hong Kong SAR and Mainland China closely. The total transaction volume for 2021 surpassed the 2020 by 46.1%.

The most significant en-bloc office transaction in 2021 was the sale of KITEC in Kowloon East, with other significant sales including Jade & Pearl Plaza in Causeway Bay. KITEC is a multi-purpose property with a significant retail portion. For the purpose of the table below, we have separated out the retail portion from the office and event space within the building, while Jade & Pearl Plaza is situated on Paterson Street in the heart of Causeway Bay and comprises a mix of retail and F&B uses.

Table 7: Notable Retail Property Transactions in 2021 (Above US$50 million)

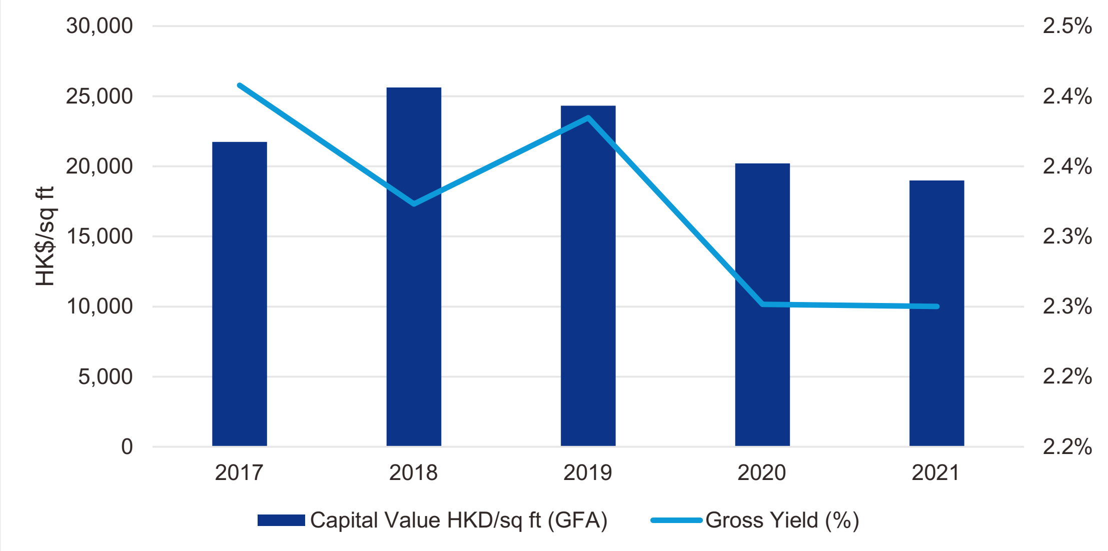
Property	Sub-Market	Transaction Price (HK$)	GFA (sq ft)	Unit Rate (HK$/sq ft)	Date
Sai Kung Garden (Unit 18 G/F & 1/F)	Other	$400,000,000	28,439	14,065	Q1 2021
Jade & Pearl Plaza (B1/F & Units 1-2 on G/F)	Wan Chai/Causeway Bay	$1,250,000,000	22,600	55,310	Q2 2021
KITEC (Retail)*	Kowloon East	$8,374,794,730	909,860	9,204	Q2 2021
Shek Wai Kok Shopping Centre	Other	$765,000,000	129,855	5,891	Q2 2021
On Yam Shopping Centre	Other	$535,000,000	40,899	13,081	Q2 2021
Pun Tak Building (Units A-D on G/F, 1-2/F)	Wan Chai/Causeway Bay	$525,000,000	13,800	38,043	Q3 2021
Wheelock House (Unit A on G/F)	Central	$710,000,000	8,564	82,905	Q3 2021
The Hudson (G/F-1/F)	Other	$400,000,000	11,609	34,456	Q4 2021
Mei Foo Sun Chuen (28 Retail Units)	Other	$455,000,000	85,284	5,335	Q4 2021

Source: Colliers, Market News, EPRC
Remark: *estimated price breakdown

Capital Values and Yields

While average rents have remained largely flat, capital values have increased by around 14.8% YoY in 2021, leading to a compression of average yields by 0.1 percentage points to 2.5%. In 2022, gross yield is expected to remain flat as any increase in rent is expected to be countered by rising capital values. Beyond 2022, yields are expected to remain broadly stable while capital value will continue to recover.

Figure 54: Hong Kong SAR Retail Capital Values and Gross Yields



Source: Rating and Valuation Department

Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

Outlook

While the pandemic will continue to weigh on the retail sector in 2022, we expect market sentiment to gradually improve, although the outbreak of Omicron in Q1 is likely to significantly impact upon the market for the first half of the year. However, provided that the restrictions are gradually relaxed from 21 April 2022 as currently planned, we are confident that the sector will bounce back. In the short term, sales will remain mainly dependent on local consumption in the short term. A return to pre-pandemic levels will depend primarily upon the border reopening and also on how Hong Kong and Mainland China shift from their current 'Zero-COVID' strategies.

In 2022, high street and shopping mall rents may witness a slight decrease in the next few quarters before stabilising with early signs of mild upwards momentum once the current Omicron outbreak is brought under control and cross-border travel starts to resume gradually. Limited new retail supply is expected in 2022, which will help to lift rental levels from the current lows. As landlords look for sustainable operators, we recommend retailers entering or expanding in the city to lock in their leases while rents are still attractive.

Even if the Federal Reserve tapers its quantitative easing programme, interest rates are not expected to increase rapidly as long as inflation numbers start to inflect down at some point in H1 2022. In a low-interest-rate environment with high market liquidity, we expect transaction volumes to continue to increase for retail assets.

There will be new supply coming up in Kowloon East in 2022 and then Lifestyle Kai Tak and 98 How Ming Street, are scheduled for completion in 2023 and 2024 respectively. However, with Festival Walk continuing to benefit from being situated at an MTR interchange station and with an established consumer base, we expect it to remain one of the most popular shopping malls in Hong Kong SAR.

4.5 Hong Kong SAR Office Market Overview

Hong Kong SAR's office market is divided into core and non-core areas. The core areas include Central, Tsim Sha Tsui and Causeway Bay/Wan Chai, whereas the non-core areas include the emerging sub-markets of Island East, Kowloon East and Kowloon West (which includes West Kowloon, Jordan, Lai Chi Kok and Mong Kok).

Figure 55: Major Office Submarkets

Source: Colliers

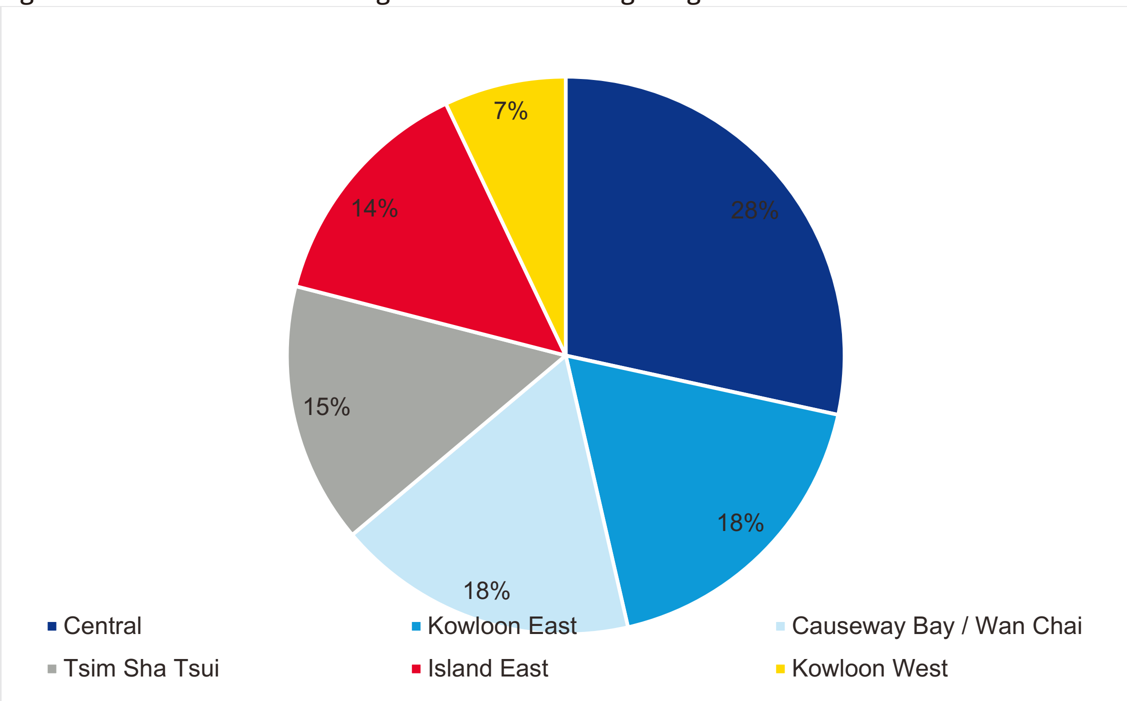
For the purposes of this report, it covers only the following core office submarkets (Central, Tsim Sha Tsui and Causeway Bay/Wan Chai) and non-core office submarkets (Kowloon East[4], Island East and Kowloon West).

[4] Festival Walk, situated in Kowloon Tong (Kowloon East), is owned by MNACT and has a total GFA of 228,665 sq ft of office space.

Existing Supply

Current Grade A office supply for the above core and non-core office submarkets stands at 91.4 million sq ft (net). No new supply was added in any of the key office sub-markets during 2021.

Figure 56: Distribution of Existing Office Stock in Hong Kong SAR as at end 2021



Source: Rating and Valuation Department and Colliers

Future Supply

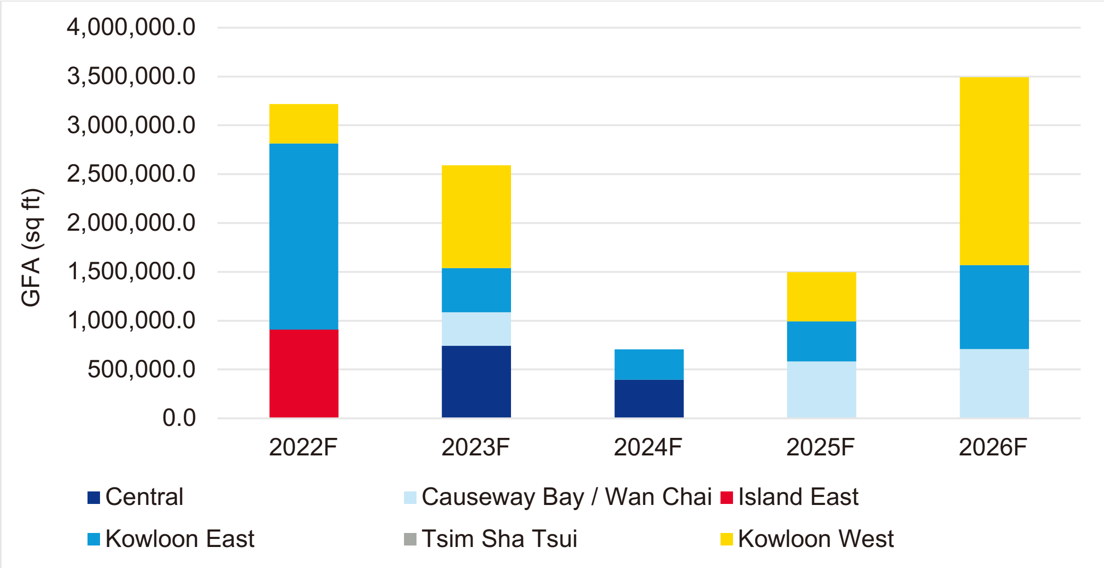
Significant new supply is planned for 2022, with approximately 3.2 million forecast to come onstream. The majority will be in Kowloon East (1.9 million sq ft) and is connected with the Kai Tak redevelopment and its surrounding areas as part of the HK Government's 'CBD2' plan.

Several of these projects have already been slightly delayed by landlords due to the weaker office leasing demand seen in 2020 and 2021, so new supply in 2022 is expected to be at one of the highest amounts of space on record.

From 2023 to 2026, approximately 8.3 million sq ft of new supply is expected. Central, the traditional CBD will add about 1.1 million sq ft, with The Henderson and Cheung Kong Center II due in 2023, marking the first significant new completions for several years.

Kowloon East and Kowloon West will contribute the highest overall proportion of new supply from 2023 to 2026, adding approx. 5.5 million sq ft as development around Kai Tak and Kwun Tong in Kowloon East and the West Kowloon Cultural District and XRL Station in Kowloon West accelerates. This may create further pressure on rents and occupancy levels in these districts.

Figure 57: Future Office Supply (2022 – 2026F)



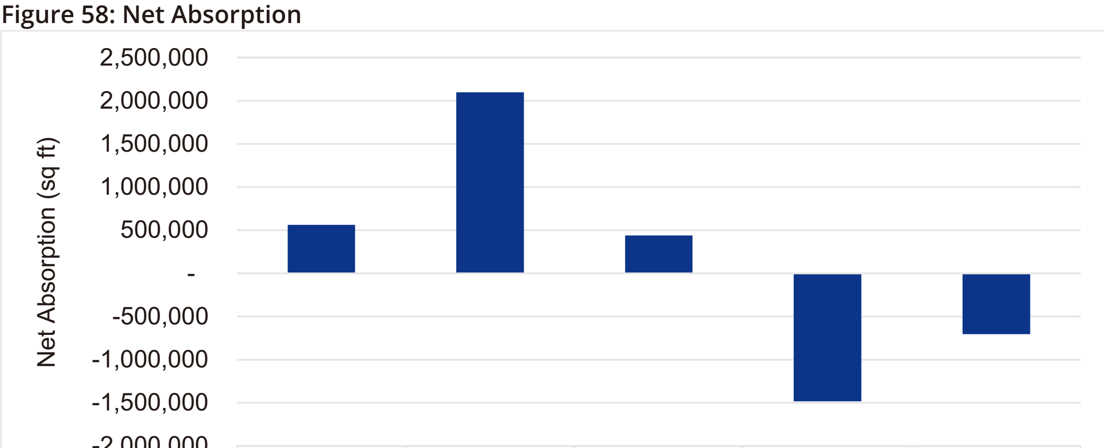
Source: Buildings Department, Colliers

Net Absorption

While overall net absorption for 2021 remains negative at around -703,845 sq ft, demand is recovering, and in Q3 2021, it turned positive to 117,720 sq ft after eight consecutive negative quarters. This recovery is due to a return to more positive business sentiment and the return of leasing demand amid the improving domestic economy. The best performing sub-market in 2021 was Kowloon West and Tsim Sha Tsui, where several large leasing deals were signed over the year.

While Q4 saw a return to negative net absorption overall (-115,916 sq ft), it is still expected that demand and occupancy levels will further stabilise in 2022, especially once restrictions are gradually relaxed from 21 April 2022.

Figure 58: Net Absorption



	2017	2018	2019	2020	2021
Net Absorption	562,521	2,096,587	438,107	-1,480,393	-703,845

Source: Colliers

We expect average annual net absorption to stand at around 1,300,000 sq ft over the next five years as renewed demand from Mainland Chinese corporates and a rebound in expansion from existing occupiers fuel a return to pre-COVID levels of activity.

Vacancy Rate

As business sentiment and the domestic economy continue to recover, leasing demand is returning. Overall net absorption turned positive after eight consecutive negative quarters in Q3 and occupancy levels are starting to stabilise. Discussions between Hong Kong SAR and mainland Chinese authorities have raised hopes for the re-opening of the border, although the recent Omicron outbreak may delay this slightly. Should this materialise, demand from China corporates is likely to improve. September 2021's launch of the cross-boundary Wealth Management Connect Scheme covering the Greater Bay Area should provide impetus to Hong Kong SAR's financial sector, benefitting the long-term office leasing demand.

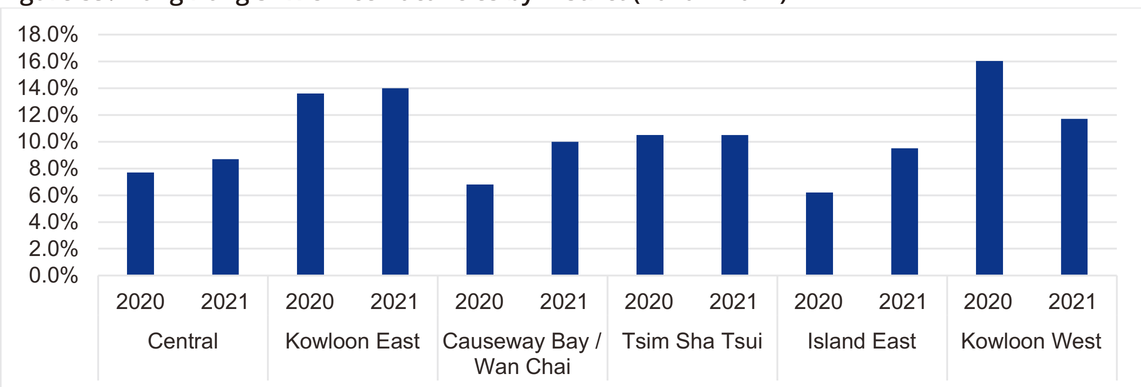
While many companies in Hong Kong SAR have now permanently adopted flexible work from home policies, most staff still prefer to work from the office, often due to the limited size of apartments and lack of suitable workspace at home.

The overall vacancy rate increased from 9.0% at the end of 2020 to 10.3% at the end of 2021. While there is a slight increase of 1.3 percentage points over the year, it compares favourably to the 2.7 percentage points increase in 2020 compared to 2019, a sign that occupancy levels are starting to stabilise amid the return of leasing demand.

Comparing 2020 to 2021, the most significant changes in vacancy rates were seen in Causeway Bay/Wan Chai, which increased 3.2 percentage points and Island East where vacancy increased by 3.3 percentage points. Meanwhile, the vacancy rate in Central only increased by 1.0 percentage point. One of the reasons behind this was a trend of re-centralisation or a 'flight-to-quality' where many occupiers took advantage of lower rents to re-locate back to Central whilst still saving some costs.

Kowloon East's overall vacancy rate remained pretty stable, only increasing by 0.4 percentage points as significant new leasing deals were agreed across the district, notably in Manulife Place and The Quayside.

Figure 59: Hong Kong SAR Office Vacancies by District (2020 – 2021)



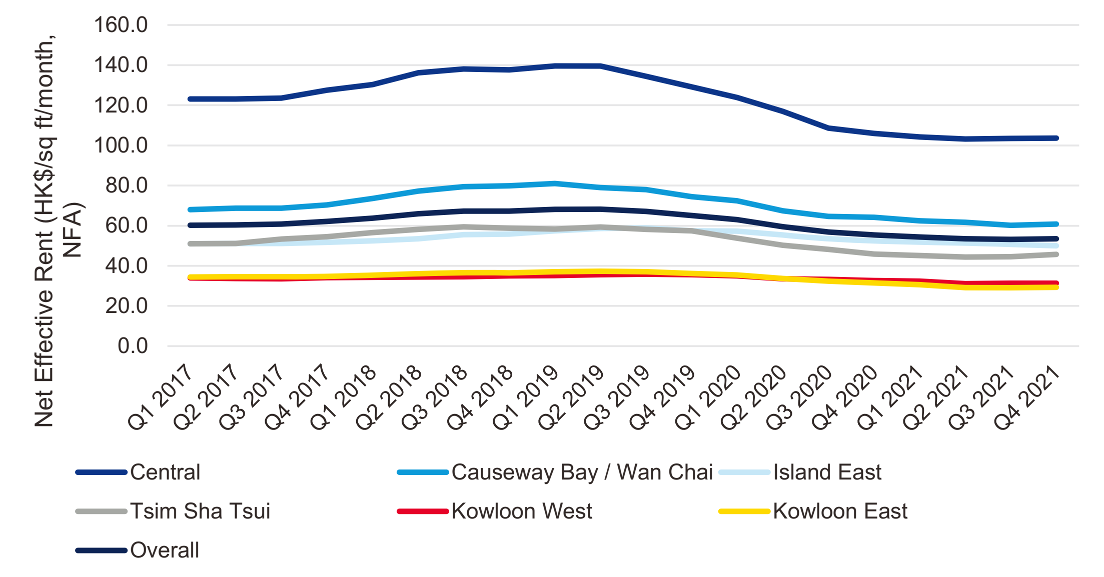
Source: Colliers

While overall net absorption is expected to be positive from 2022 to 2026, the significant level of new supply entering the market will result in vacancy levels increasing by around 2.5 percentage points over the same period. Actual performance will vary across office sub-markets and so while vacancy levels are expected to fall in Central and Tsim Sha Tsui, we forecast that the vacancy level in Kowloon East will continue to rise due to the high amount of new stock entering the market.

Rents

Overall, average Grade A office rents are HK$53.5per sq ft per month as at the end of 2021. This is a 3.6% decline YoY compared to 2020, while the drop in 2020 vs 2019 was 14.7%. This slowdown in rental declines suggests that the market has hit or is about to hit its nadir.

Figure 60: Hong Kong SAR Office Rents by District (2017 – 2021)



Source: Colliers

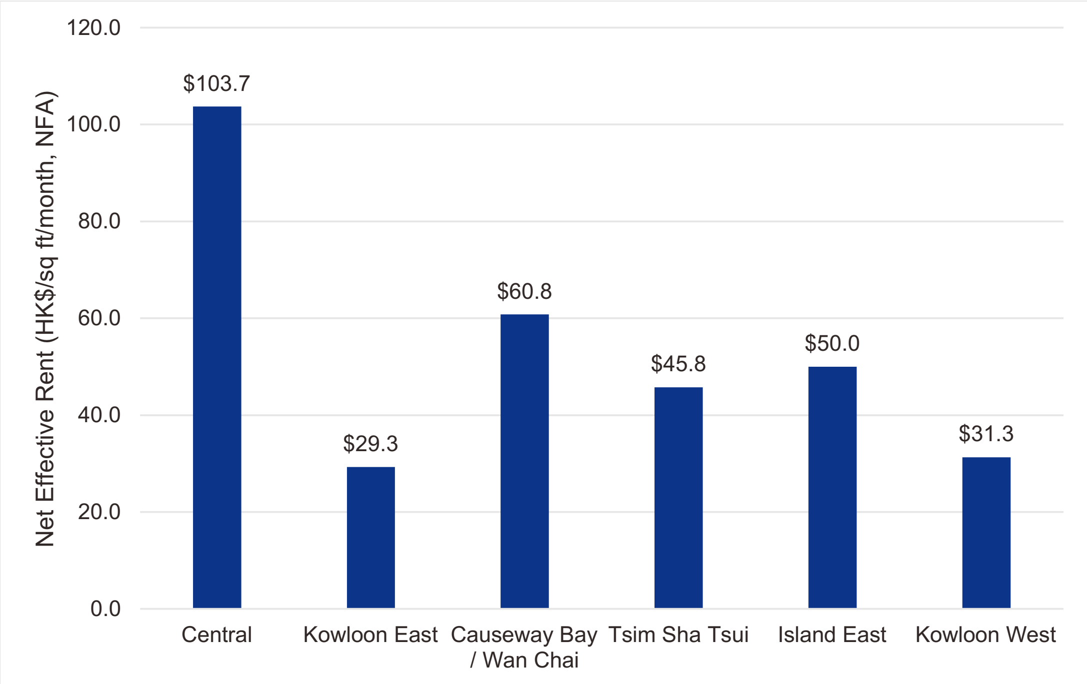
Over the course of 2021, the districts with the most significant rent declines were Kowloon East (7.1%), Causeway Bay/Wan Chai (5.2%) and Island East (4.8%). While Kowloon East and Island East were two of the better performing districts in 2020, the decline in 2021 could be attributed to a delayed response to 2020's general market downturn.

Comparing Q4 2021 vs Q3 2021, overall rents increased by 0.6%, compared to a drop of 0.5% in Q3 and 1.8% in Q2 and Q1. This is the first time since Q2 2019 where we have seen rents increased on a QoQ basis.

At the end of 2021, average rents for Kowloon East are standing at around HK$29.3 per sq ft per month, which is 71.7% lower than Central's rents.

Lower rents in Kowloon East helped prevent the vacancy level from rising further. While rents have fallen across the whole district on average, actual building performance varies considerably, with some better-quality developments starting to see slight rental improvements. In contrast, rents in older buildings with higher vacancy levels have shrunk more significantly.

Figure 61: Average Rental Rate by District (Q4 2021)



Source: Colliers

Supply pressure will inevitably weigh on the recovery of rental rates. The 5.8 million sq ft combined pipeline for 2022 and 2023 will add to the approximately 6.4 million sq ft of existing vacancy, providing occupiers with more options. While occupier demand and leasing volume are expected to recover as the economic outlook improves, the new supply will take time to gradually absorb.

With rents starting to stabilise and absorption improving, landlords have become less willing to contribute towards initial capital expenditure, and the number of incentives they offer new tenants has remained flat.

For Kowloon East, we forecast rents to remain stable and incrementally pick up once the new supply is gradually absorbed. However, like in all sub-markets, better quality buildings or those well-located buildings near to major transportation nodes will be more resilient as staff retention becomes ever more important.

Key Drivers and Developments

From 2015 until 2019, Hong Kong SAR's office market grew at an unprecedented rate as the number of corporates from mainland China rose by 81.5%. This led to office rents increasing 24.4% overall and 42.2% in Central between January 2015 and June 2019.

With 2019's social incidents and the travel restrictions in 2020 and 2021, demand from mainland China corporates declined. However, with quarantine-free travel between Hong Kong SAR and the rest of China remaining the top target for the Hong Kong SAR government in 2022, this sector is likely to be a significant engine of demand.

Throughout 2020 and 2021, companies have had to adapt to the work-from-home arrangement, and going forward, we expect remote and flexible working to increasingly become standard policy. While some companies may see this as an opportunity to downsize, they may also look at it as a way of reusing existing space to allow greater social distancing and more breakout spaces. In addition, whilst the additional flexibility will be appreciated by office workers in Hong Kong, the smaller sized apartments that are generally found in Hong Kong SAR, plus the shorter commute times when compared to other cities, mean that most employees will retain a preference for working from the office.

Positive catalysts for the office sector are likely to come from the finance sector that has proven to be resilient over the past two years. September 2021's launch of the cross-boundary Wealth Management Connect Scheme covering the Greater Bay Area should provide impetus to Hong Kong's financial sector, benefitting the long-term office leasing demand. Meanwhile, the local government also launched the Come2hk Scheme in September 2021, allowing non-Hong Kong residents from Guangdong Province or Macao to visit Hong Kong without being subject to quarantine. Although this is now on hold due to the Omicron outbreaks in both Hong Kong SAR and Guangdong, we believe this policy provides a good blueprint for how cross-border travel can eventually resume.

Office Transactions

2021 saw a total office investment transaction volume of HK$20.4 billion. This was 40.6% lower than 2020. The most significant en-bloc office transaction in 2021 was the sale of KITEC in Kowloon East, while there were other notable strata sales in The Center, C Wisdom Centre (both located in the Central region) and Enterprise Square Three in Kowloon East.

Table 8: Notable Office Property Transactions in 2021 (Above US$50 million)

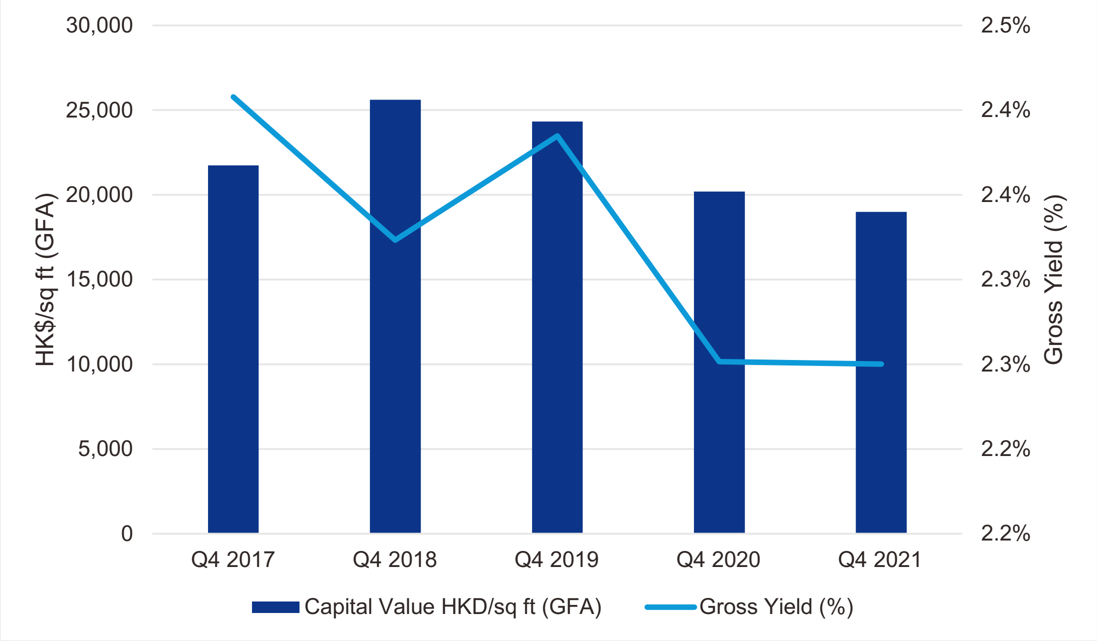
Property	Sub-Market	Transaction Price (HK$)	GFA (sq ft)	Unit Rate (HK$/sq ft)	Date
Enterprise Square Three	Kowloon Bay	$786,240,000	72,800	10,800	Q1 2021
The Center	Central	$870,000,000	25,412	34,236	Q2 2021
KITEC (Office)*	Kowloon Bay	$4,396,039,437	743,140	5,915	Q2 2021
C Wisdom Centre	Central	$430,000,000	23,889	18,000	Q2 2021
The Center	Central	$693,000,000	25,000	27,720	Q3 2021
The Center	Central	$625,000,000	24,593	25,414	Q3 2021
The Center	Central	$674,460,000	30,000	22,482	Q3 2021
United Centre	Admiralty	$515,000,000	20,489	25,135	Q3 2021
888 Lai Chi Kok Road	Lai Chi Kok	$1,188,337,500	68,000	17,476	Q3 2021
Cosco Tower	Sheung Wan	$420,000,000	19,745	21,271	Q4 2021
The Center	Central	$750,000,000	25,412	29,514	Q4 2021
N.K.I.L. 6607	Kai Tak	$3,380,000,000	174,294	19,393	Q4 2021

Source: Colliers, Market News, EPRC
Remark: *estimated price breakdown

Capital Values and Yields

At the end of 2021, the average capital value fell by 6.0% YoY compared to 2020, while the average yield remained largely unchanged at 2.3%. The principal reason for the fall in average capital value was the decline in rents, which resulted in the value falling relative to a stable yield. We forecast that capital values will increase over the next five years as rents recover and yields compress in line with investors' risk perception.

Figure 62: Hong Kong SAR Office Capital Values and Yields (2017 – 2021)



Source: Colliers
Note: Gross Yields are based on Gross Rents before deducting any operational costs, incentives or purchase costs.

Outlook

Subject to a successful management of the current Omicron outbreak without prolonged strict measures, we expect rents to increase in 2022 as demand picks up and travel restrictions with the rest of China gradually lift. Despite the significant new supply forecast in 2022, vacancy rates should decrease gradually in most districts as fewer occupiers look to surrender and demand increases.

Corporates from the rest of China traditionally prefer core office submarkets such as Central and once travel restrictions with the Mainland can be lifted, there is expected to be another round of these companies moving into Hong Kong SAR, which may see the decentralisation trend regain momentum as existing tenants move out to non-core areas like Kowloon East, similar to what was seen between 2015 and 2018.

Occupiers' increasing awareness of ESG standards will increase the performance imbalance between older and newer buildings, and landlords will be increasingly interested in deploying capital on sustainable and green building features and tenants continue to adopt a 'flight to quality' strategy.

September 2021's launch of the cross-boundary Wealth Management Connect Scheme covering the Greater Bay Area should provide impetus to Hong Kong SAR's financial sector, benefitting the long-term office leasing demand.

5 Japan

5.1 General Economy

Overview of market and political environment

Japan is the world's third-largest economy behind the United States and the People's Republic of China and has one of the most developed markets in terms of transaction volumes and existing stock in the Asia Pacific region.

The Kanto region, which includes Japan's capital Tokyo and the surrounding administrative areas, has a population of about 40 million and forms one of the largest economic areas in the world. The Kansai region, home to Osaka – the historic commercial centre for centuries, and Kyoto – the traditional capital – is the second-largest region. During the economic growth of the 1960s, manufacturing flourished in the cities on the Pacific side of the country. The Shinkansen, the rapid train network, connects these vital cities to Tokyo and Osaka.

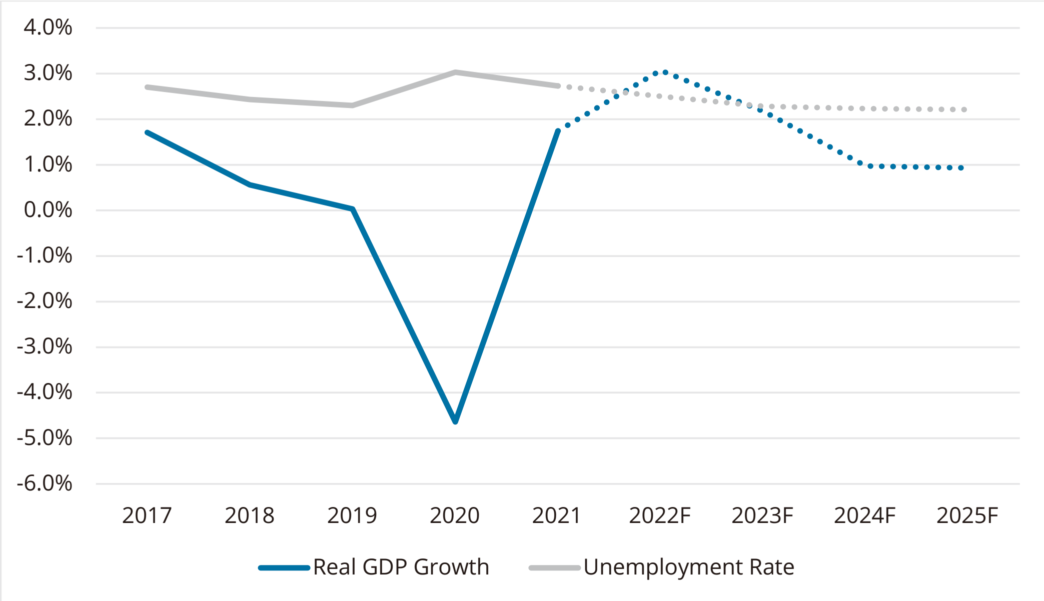
The new government, led by Prime Minister Fumio Kishida, came into power in October 2021. One of the new government's key focus is to implement policies to increase middle-class incomes, while continuing the previous government's policies. Boosting wages were seen as a means to get the economy back on track in view that restrained domestic demand was one of the reasons for the prolonged subdued economic growth.

The number of new COVID-19 infections remained low from October up to early December 2021 and healthcare capacity has been expanded. Although there are concerns over the new Omicron variant, infection rate is expected to be under control and coupled with the easing of economic restrictions, the Japanese economy is expected to be back on track for a steady recovery in 2022.

GDP and Employment

Annual real GDP growth in 2021 was 1.7% YoY which was a recovery from the negative growth of 4.6% in 2020. A shortage of semiconductors due to the pandemic affecting South East Asia – where they are produced – led to a sharp decline in automobile production, depressing consumer spending, exports and capital investment. In addition, domestic economic activity was restrained by a state of emergency, which was in effect until 30 September 2021. Consumer spending fell sharply but is likely to increase, particularly for services and durable goods, as the pandemic subsides, economic activity resumes, and car sales recover as supply constraints ease.

Figure 63: GDP Growth and Unemployment Rate



Source: Oxford Economics

Unemployment as at Q4 2021 was 2.7%, a 0.3 percentage point decrease year on year. The employment environment is expected to improve on the back of a pick-up in consumer spending.

Economic Fundamentals and Drivers

Japan's largest core industry is manufacturing, followed by retail. Overall, the service sectors comprising education, public health and social, public, professional, scientific, technical and business support and others made up more than half of the nation's economic production.

Although there are some concerns about the slowdown in imports and exports due to constrained global logistics capacity, demand is strong domestically and internationally, and manufacturing is expected to power economic recovery. In particular, a recovery in machinery and equipment and automobiles, whose production has been constrained by the shortage of semiconductors, is likely to be a key driver.

Japanese companies maintained a high market share in semiconductor manufacturing equipment, and demand is expected to grow due to a domestic and global effort to invest in expanded production.

Government statistics suggest households have around JPY40 trillion in excess savings due to pandemic restrictions, and as constraints ease, we expect a rapid rebound in consumer spending to boost retail recovery.

In addition, employment in the IT industry is rising, signalling the sector's growth potential. The government's policy to promote digitalisation will boost its expansion. Digital transformation (DX), a recent trend, is also expected to improve productivity in other industries and grow the Japanese economy.

Population

Japan's population has been declining since 2009 and was estimated to be 125 million in 2021, a 0.3% decline YoY. The shrinking birth rate in urban areas, and the consequential ageing population nationwide, is recognised as a national issue. However, the population in major cities such as Tokyo and Osaka continue to grow, with an influx of young people from surrounding regional cities seeking employment and educational opportunities. As a result, even though there are households exiting Tokyo's city centre to settle in the suburbs, the capital's overall population is not expected to decline rapidly.

Inflation

The CPI rose for the fourth consecutive month by 0.8% YoY in December 2021, mainly due to higher energy prices. Entertainment and recreation, including accommodation, also contributed to the increase due to the reduced consumer spending in the previous year and supported by the Go To campaign, which is the government aid programme to stimulate travel and entertainment consumption. The overall increase in CPI was however suppressed by lower mobile telecoms prices.

Although inflation concerns have emerged against a backdrop of rising oil and energy prices, companies are cautious about reflecting increased costs. Product price increases are expected to be limited to areas such as energy and food. As a result, inflation will be expected to trend around 0%.

Monetary and Forex Policies

In its recent January 2022 meeting, the Bank of Japan ("BoJ") decided to maintain its current accommodative monetary policy, including its long and short-term interest rates and exchange-traded funds ("ETF") purchases. Looking ahead, the BOJ is likely to hold its course to assess the effects of government aid measures for businesses hit by the pandemic.

Long-term interest rates have been trending down, with the most recent downward pressure on interest rates caused by fears of an economic downturn against the backdrop of the Omicron variant emerging.

Geopolitical events and risk factors

No serious direct geopolitical risks to Japan have emerged in 2021. The US-Sino trade tensions may indirectly affect Japan's supply chain stability. While China remained the core of the manufacturing and trading industry's supply chain, the industries have adopted a 'China plus one' strategy to diversify their supply chain by expanding into Southeast Asian countries and other regions to avoid potential risks. Mr Kishida, who became Prime Minister in October 2021, has made economic security a critical point in his economic agenda, and the government remains vigilant and ready to act against any increase in geopolitical risks.

Economic Outlook

The pandemic substantially impacted the Japanese economy in 2020 and 2021, but overall pessimistic sentiment has eased as public health and economic countermeasures have been taken to restore confidence. Expectations for an economic recovery are strong due to the high vaccination rate.

Although high oil and energy prices will increase the burden on households, the negative impact on private consumption will be contained by the excess household savings of more than JPY40 trillion. Exports and capital investment are also expected to increase overall. As a result, although new and fast-spreading COVID-19 variants remain a risk, we expect real GDP to recover to its pre-pandemic level (4Q 2019) and to exceed that in early 2022.

5.2 COVID-19

Japan's first COVID-19 case was confirmed on 15 January 2020. As a result of successful infection control measures and high vaccination rate, the situation has remained well-controlled until the number of cases surged in January 2022 due to the spread of Omicron variant.

The government declared a state of emergency four times from 2020 to 2021. While the number of confirmed cases during the state of emergency that was implemented on 7 April 2020 and lifted on 25 May 2020 was considerably lower than subsequent peaks, the sense of urgency was shared nationwide and there was a reduction in cross-prefectural travel. Office workers were encouraged to WFH. This prompted a migration towards the suburbs within Greater Tokyo, and there were an increased number of households moving to Saitama, Chiba and Kanagawa.

The measures implemented during Japan's state of emergency restrictions were focusing mainly on travel, mass events and restaurants where people are crowded into small spaces. As a result, a small proportion of office workers continue to WFH as it is encouraged but not compulsory. While there was an emerging migration of households moving out of Tokyo to Saitama, Chiba and Kanagawa, the younger population continue to migrate into Tokyo seeking jobs and education even amidst the COVID-19 situation, and this partially offsets the outflow of older population.

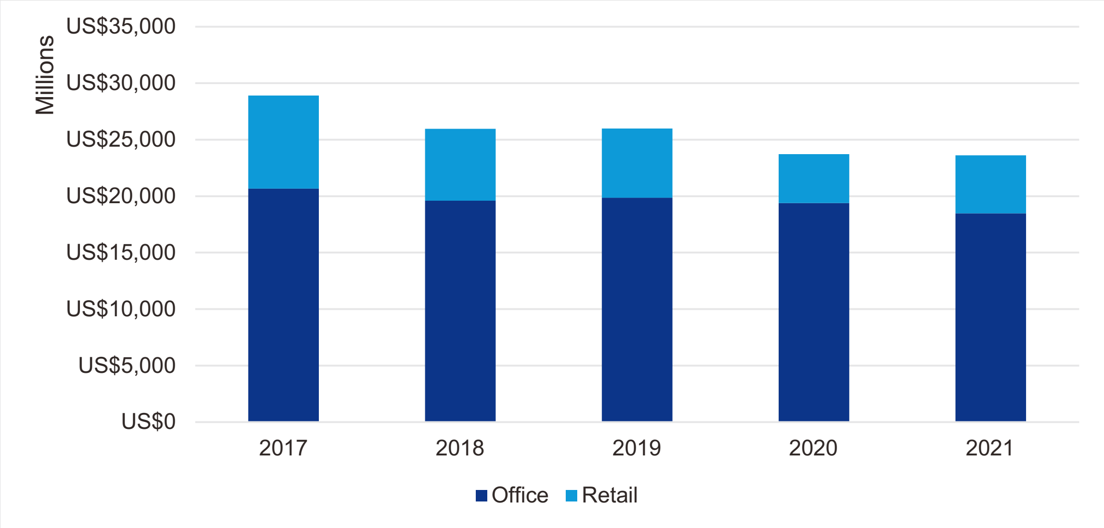
The delta variant led to the declaration of a state of emergency on 12 July 2021 and the most severe shortage of medical resources. The situation eased subsequently as Japan saw sharp decline in new infections, and the state of emergency was lifted on 30 September 2021. Since the beginning of 2022, the spread of the Omicron variant has been widespread, with the number of cases exceeding the previous peak in August 2021. However, due to the relatively low number of serious cases, medical resources are not as strained as they were at the peak in 2021, and the government has not declared a state of emergency, and economic activities have continued to recover. On 22 March 2022, the Japanese government lifted the COVID-19 quasi-emergency measures throughout the country, amid a decreasing trend in numbers of new infections.

5.3 Japan Real Estate Investment Trends

Japan's real estate market is the largest, and an attractive core market in the Asia Pacific region, attracting both domestic and foreign investors, with a favourable spread between asset yields and cost of funds. The market maintains its status as a mature market with benign growth. As a result of the high level of interest, transaction volumes for office and retail have exceeded US$20 billion per annum since 2017. In 2021, the annual volume for office and retail transactions reached approximately US$24 billion. Office transactions dominated the market.

Japan has a mature market for offices, with investment opportunities for core assets available not only in Tokyo, Osaka but also in other major cities. Tokyo has the highest transaction volume, followed by Osaka, and both are among the top 10 markets in the Asia Pacific region by transaction volume, with a wide range of asset types. Retail is also a prime investment sector, with a variety of investment opportunities for urban retail buildings and regional shopping malls.

Figure 64: Transaction volume



Source: Real Capital Analytics

5.4 Japan Office Market Overview

Overview

The Greater Tokyo Area's office market comprises Tokyo 23 wards (which includes the Tokyo Central 5 wards), Chiba City and Yokohama City. Tokyo's five central wards – Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku – are home to the largest agglomeration of office buildings and the headquarters of many global enterprises.

Greater Tokyo has more office space than any other city in the world, and Japan has one of the most developed office markets in terms of transaction volumes and existing stock in the Asia Pacific region. Due to Greater Tokyo's large geographical area, more companies have set up subsidiaries or satellite offices in the surrounding regions outside of Tokyo such as Chiba and Yokohama to ensure business continuity. This move also helps to reduce employees' commute as these secondary offices are closer to the employees' residences. As these areas have more available – and larger – lots of land than central Tokyo, they have seen a concentration of large office buildings used by large enterprises for back-office functions.

Figure 65: Map of Greater Tokyo Office Markets

Source: GSI, Esri, HERE, Garmin, FAO, METI/NASA, USGS, Colliers

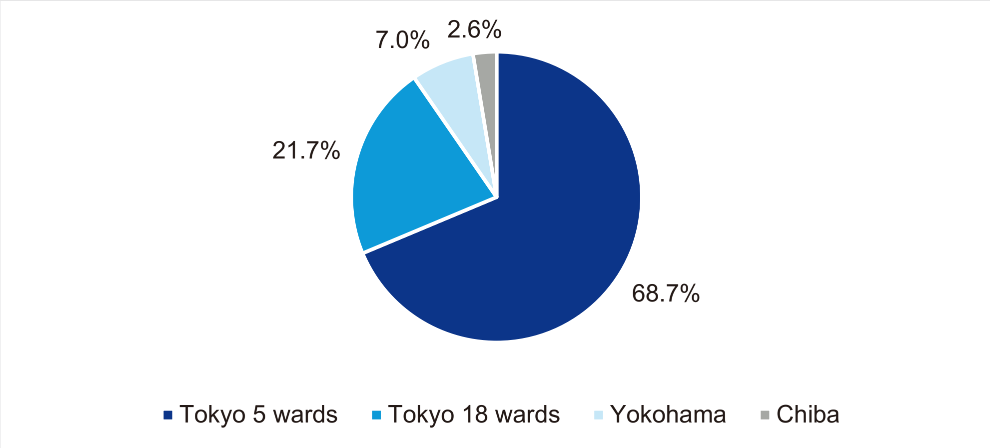
Existing Supply

With a total of 10,023,656 tsubo at the end of 2021, Greater Tokyo has one of the highest concentrations of office stock compared to any major city in the world. Roughly 70% is concentrated in Tokyo's five central wards, while around 20% is in the other 18 wards, and 10% is in Yokohama and Chiba.

In central Tokyo, where business districts have existed for almost more than a century, many office buildings are relatively old, small and generally outdated. Several large-scale redevelopments have been completed since the 2000s, resulting in a renewal of the office stock.

On the other hand, in the peripheral areas such as Yokohama and Chiba, against the backdrop of soaring land prices and rents in central Tokyo during the bubble economy of the late 1980s, office buildings were constructed to support large corporations' back-office functions, forming the current concentration of office buildings.

Figure 66: Distribution of Existing Office Stock in Japan at the End of 2021



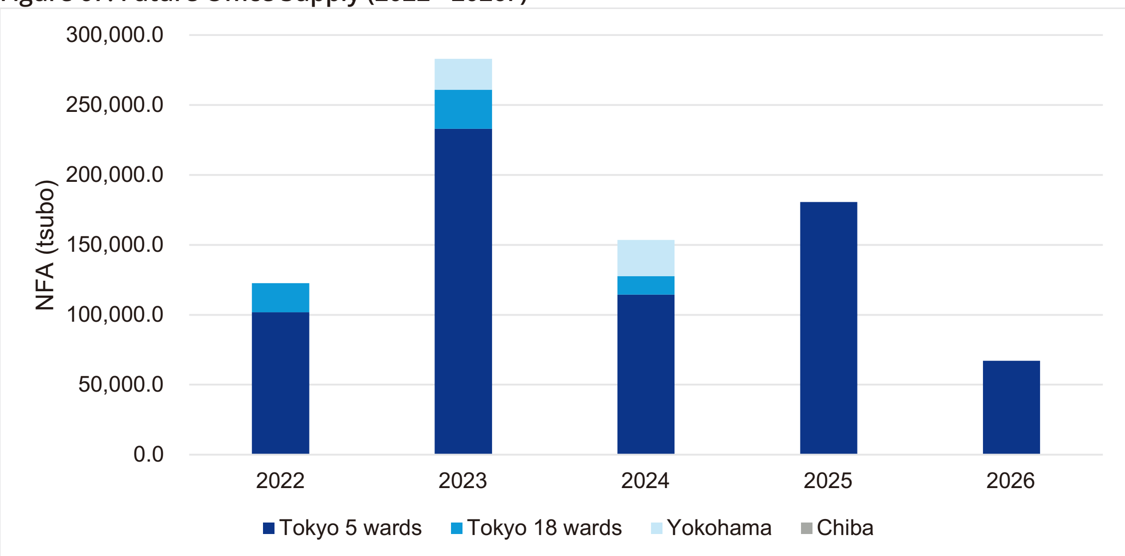
Source: Colliers

Future Supply

In Greater Tokyo, 807,163 tsubo is expected to enter the market in the next five years, a volume similar to the previous five years. While the expected supply is relatively low in 2022, it is expected to increase from 2023 onwards with the scheduled completion of several large-scale redevelopments in the Tokyo 5 wards. The projects in Chuo and Minato wards comprise more than half of the forecast supply from 2022 to 2026.

While new supply volume in Tokyo 5 wards is high, new supply in outer areas such as Tokyo 18 wards, Yokohama and Chiba is relatively low. In Yokohama, a couple of significant redevelopments are underway in Minato Mirai, while we are not aware of any large-scale projects in Chiba at this time.

Figure 67: Future Office Supply (2022 - 2026F)

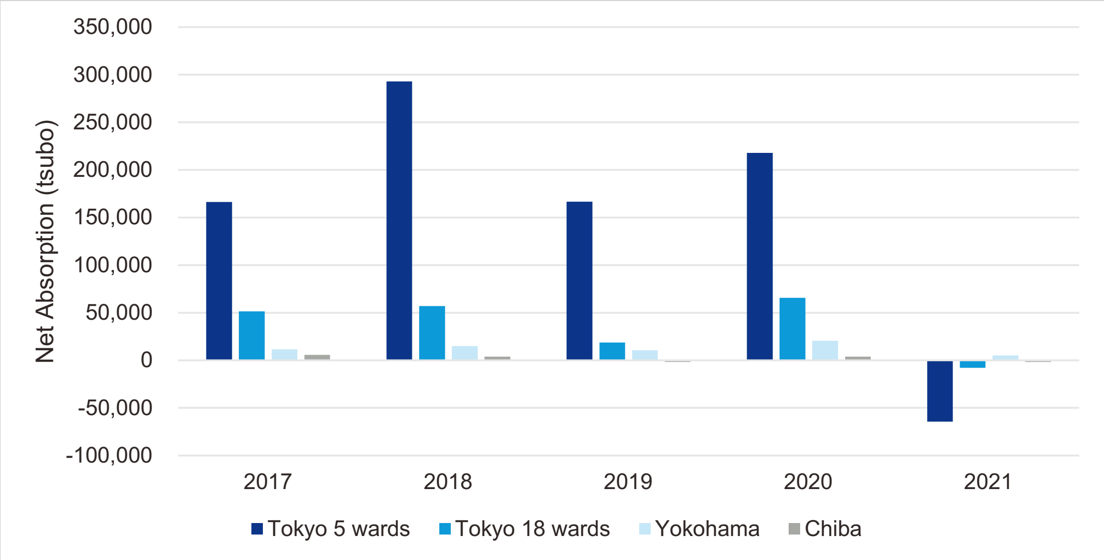


Source: Colliers

Net Absorption

Although there has been a high level of supply, an equal or greater level of demand existed until 2020. However, with COVID-19, an increasing number of companies are reviewing their office strategies to incorporate hybrid working, by combining office-based work and telecommuting. Some tenants are partially cancelling or downsizing. Others are relocating their spaces without expansion, resulting in negative net absorption in 2021. For 2022, net absorption is expected to turn positive as the overall economy improves and office demand resumes gradually.

Figure 68: Net Absorption



Source: Colliers

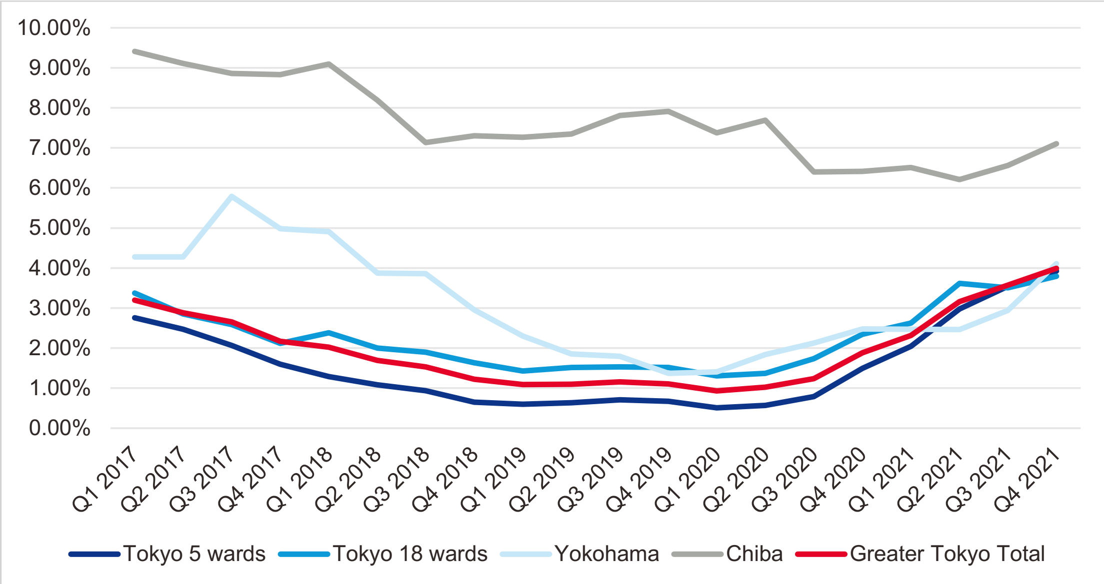
Vacancy Rate

In Q1 2020, vacancy rates in Tokyo 5 wards hit their nadir at 0.5%. With the pandemic, vacancy rates started to increase in the first half of 2020 as restrictions prompted companies to adopt WFH measures and large corporates to rethink their future office needs. In the second half of 2020 and the first half of 2021, vacancy rates rose rapidly due to downsizing and early lease terminations, but the increase began to slow by the second half of 2021. For 2022, the increase in vacancy rate is expected to moderate amid subdued new supply. However, vacancy rates are expected to increase again from 2023 onwards with increased new supply coming on stream.

For peripheral areas such as Tokyo's 18 wards and Yokohama, vacancy rates started to rise since the second half of 2020, but not as sharply as central Tokyo. This can be attributed to the fact that the supply-demand balance is relatively stable due to the smaller volume of new supply than central Tokyo and the trend to diversify office locations receiving more attention following the pandemic. Compared to central Tokyo, the peripheral areas did not see many lease contract cancellations, particularly for large companies renting large areas.

In Tokyo 5 wards, vacancy rates are likely to rise, especially in areas with sizeable new supply, and rents are likely to continue to fall over the next five years. In Tokyo 18 wards, where future new supply volume is modest, the rents are expected to be resilient over the next five years. Yokohama has a concentration of high-rise office buildings in the Minato Mirai district, where several large office buildings are scheduled to complete in the next five years. Due to increased supply, vacancy rates are likely to rise slightly. The average rents in the Minato Mirai district may be suppressed due to the increased vacancy level. However, overall rental performance in the rest of Yokohama, where MNACT's ABAS Shin-Yokohama building is located, is expected to be stable over the next five years due to its relatively small market. Chiba is the smallest of Greater Tokyo's markets, and previous vacancy rates have registered only minor fluctuations.

Figure 69: Japan Average Office Vacancies by District (2017 – 2021)



Source: Colliers

Rents

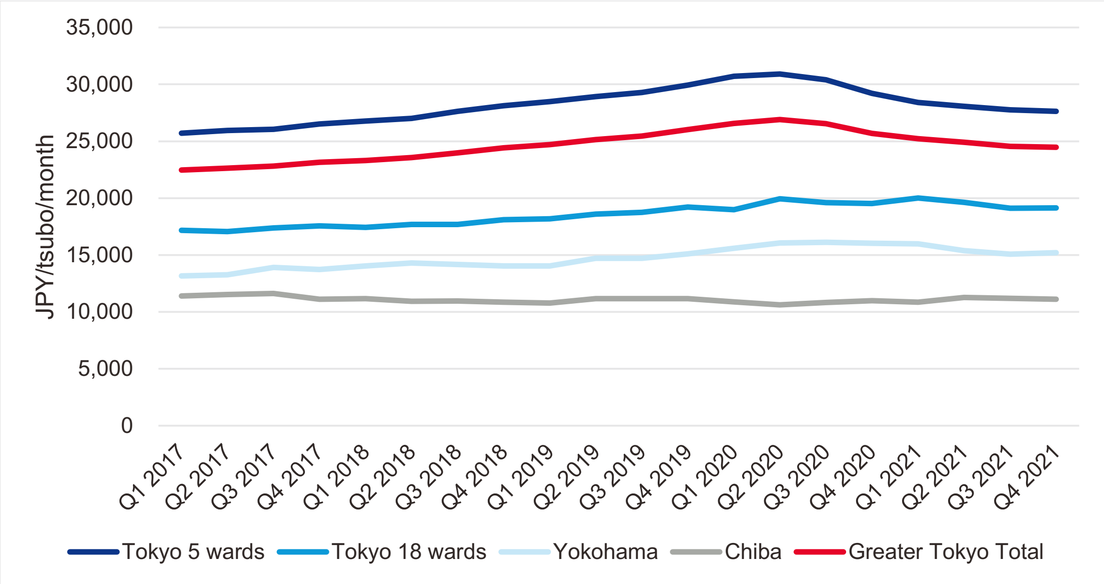
Tokyo 5 wards is expected to maintain its crown as a central location for company headquarters for many Japanese firms. However, lower rents in peripheral areas, including Tokyo 18 wards, Yokohama and Chiba, where MNACT's Japan Properties are located, will particularly attract occupiers seeking to reduce costs.

Office rents in Greater Tokyo continued to rise through the first half of 2020 on the back of historically low vacancy rates. In the second half of 2020, though, average rents began to fall as more landlords reduced prices to reduce vacancies that had rapidly risen due to weakened demand from COVID-19.

This trend was particularly pronounced in Tokyo 5 wards, where vacancies increased rapidly, with average rents falling by 5.4% to JPY27,634 per tsubo as of end Q4 2021 compared to Q4 2020. In Yokohama, many vacancies have emerged since 2020, mainly in the Minato Mirai area, which has a concentration of office buildings. This resulted in average rents falling 5.2% YoY to JPY15,203 per tsubo as of end Q4 2021. The trend was less pronounced in Tokyo's 18 wards, with average rents falling 2.0% YoY to JPY19,149 per tsubo as of end Q4 2021. Average rents remained stable in Chiba, rising 1.3% YoY as of end Q4 2021 to JPY11,122 per tsubo partly due to the lack of new supply in the area.

For 2022, as fewer large companies are downsizing, and the number of early lease terminations is easing, the rental decline is expected to be flattened. In 2023 and beyond, new supply will increase in central Tokyo, and rents may be under downward pressure again if the vacancy rate rises accordingly. However, in peripheral areas where expected supply is less than in central Tokyo, the impact on average rents is expected to be smaller in Tokyo's 18 wards than in the five wards of central Tokyo.

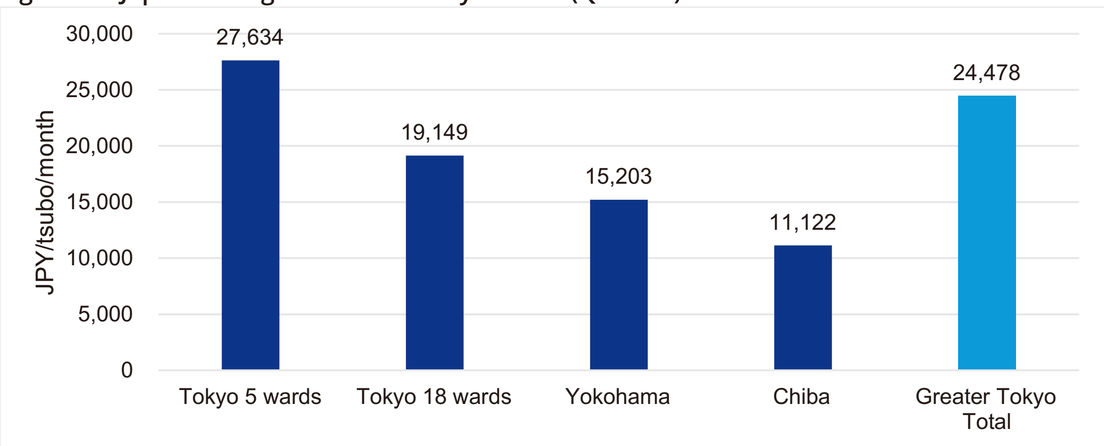
Figure 70: Japan Average Office Rents by District (2017 – 2021)



Source: Colliers

As of Q4 2021, there remains a substantial rental differential between Tokyo 18 wards, Yokohama and Chiba compared to the Tokyo 5 wards. As such, these peripheral areas are expected to remain popular among cost conscious tenants and those who are seeking alternate offices.

Figure 71: Japan Average Office Rents by District (Q4 2021)



Source: Colliers

Key Drivers and Developments

The majority of office demand in Tokyo comes from domestic companies. More than 99% of local enterprises are SMEs in Japan and these employ around 70% of the workforce. However, many of Japan's largest companies are headquartered in Tokyo, where the demand for big office buildings is driven by the need for spacious areas to house headquarters.

MNCs are mainly based in Tokyo, with Minato-ku being the most popular area for foreign companies.

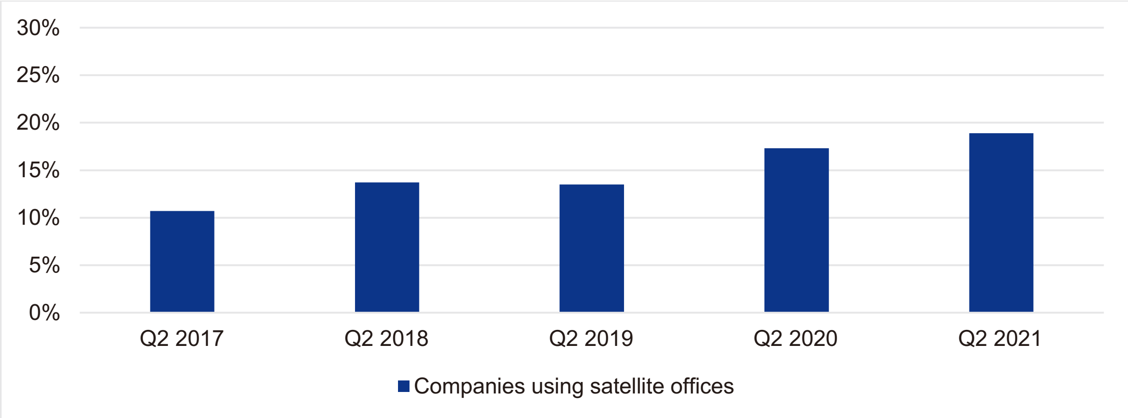
Since the mid-2010s, "work style reform" has been a popular topic, and there has been a trend to promote "teleworking", especially in Tokyo and other large cities where employees find the burden of commuting relatively heavy. The Tokyo Metropolitan Government launched a campaign several years in advance to encourage companies to prepare for teleworking to ease traffic congestion. As a result, an increasing number of companies, particularly the big enterprises, promoted WFH and satellite offices as far back as the 2010s.

Ironically, however, it was due to the start of the pandemic in 2020 that WFH became more popular among companies. However, housing conditions in Japan do not afford many workers a suitable WFH environment, creating a demand for workplaces closer to home, which has led to companies opening satellite offices.

Many of Japan's large corporations employ tens of thousands of office workers and continue to relocate or consolidate space as they restructure or expand. Several companies have set up satellite offices in the suburbs since 2019, dispersing the demand for space previously concentrated in the city centre.

An annual survey of around 1,000 companies by Xymax Real Estate Institute in August 2021, a real estate-focused research firm, shows an increase in satellite offices over the past few years. According to the survey, office attendance should increase, with many companies expressing their intention to reduce teleworking after the risks from COVID-19 subsides. Some 19% of companies use satellite offices in 2021, nearly double those in 2017. Large companies with more than 1,000 employees headquartered in Tokyo have an appetite for satellite offices, with almost 50% already using them. In the wake of the pandemic, the concept of hybrid working is becoming more appealing, and satellite offices will likely become even more popular to complement the main office and telecommuting. Indeed, the office is still considered as a key point of collaboration and innovation for companies, where 80% of respondents believe that working in the office makes communication and collaboration easier.

Figure 72: Companies using satellite offices



Source: Xymax Real Estate Institute (Note: the survey is carried out each year in the second quarter)

Looking forward, satellite offices located in peripheral areas outside of Tokyo 5 wards will likely become even more popular.

Transactions

With the most extensive office floor area globally and a mature rental office market, Tokyo has seen exceptionally high transaction volumes, with office investment consistently exceeding JPY1 trillion per annum over the past five years. Given its position as the major Asia-Pacific market for core investment across a wide range of asset types, including office space, a high liquidity level is expected to be maintained in 2022 to support the region's highest transaction volumes.

Office investment in Greater Tokyo is predominantly in the Tokyo 5 wards, where office space is concentrated. However, offices in the peripheral areas such as Yokohama and Chiba have also attracted investors.

Table 9: Key transactions (Above US$50 million)

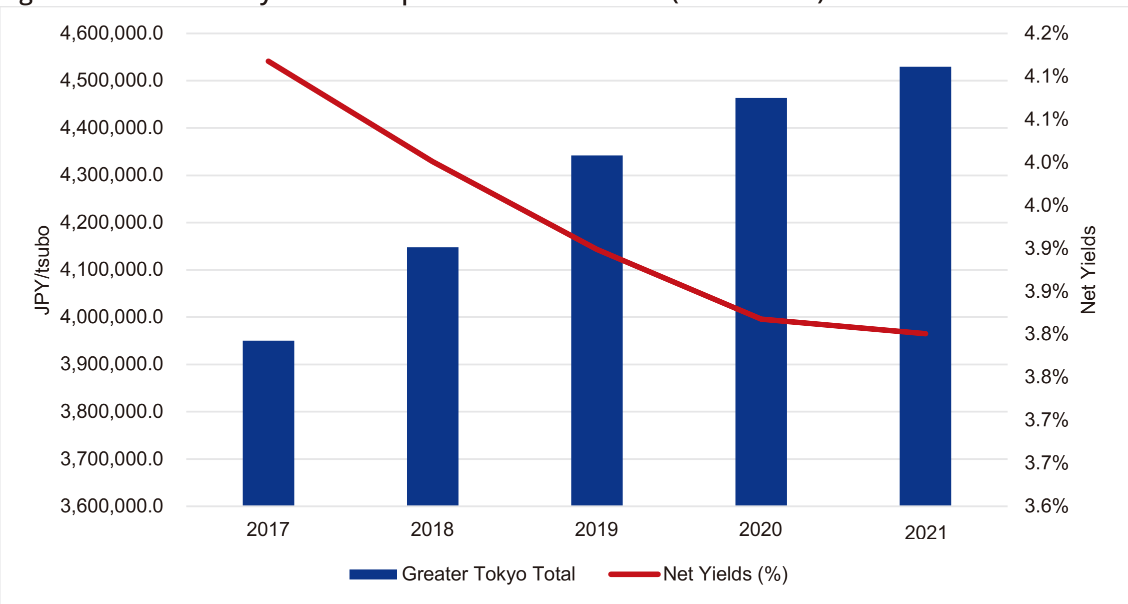
Property	Sub-Market	Transaction Price (million JPY)	Unit Price (JPY/tsubo)	Date	Buyer	Seller
NBF Minami Aoyama Bldg.	Tokyo 5 wards	31,600	5,580,000	Q1 2021	N/A	Nippon Building Fund
Dentsu HQ Bldg.	Tokyo 5 wards	270,000	3,951,000	Q2 2021	HULIC	Dentsu
Yokohama Nomura Bldg.	Yokohama	33,000	2,792,000	Q2 2021	Morgan Stanley	Nomura Fudosan
Kamiyacho Trust Tower	Tokyo 5 wards	32,400	14,102,000	Q3 2021	SMFL Mirai Partners	HIS.

Capital Values and Yields

Due to the low interest rate and high liquidity in the market, office cap rate in Japan has continuously compressed over the years. Capital Value data in Japan is released on a bi-annual basis at the end of Q1 and Q3 each year. As at the end of Q3 2021, Tokyo 5 wards reached a cap rate of 3.7% which is lower than the previous bottom in 2008.

Given the strong demand for quality office assets in Japan, the capital value in Tokyo 5 wards increased 1.7% as of end Q3 2021 compared to Q3 2020. Tokyo 18 wards also faced a capital value appreciation of 0.8% YoY despite an economic downturn during the pandemic. Capital value in Tokyo 5 wards is expected to reach its peak in Q3 2022 and will slowly adjust downward to reflect the future supply. Tokyo 18 wards is expected to follow a similar trend as that of Tokyo 5 wards, while Yokohama and Chiba will face a mild increase for the next three years.

Figure 73: Greater Tokyo Office Capital Values and Yields (2017 – 2021)



Source: Colliers
Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

While a change in monetary easing policy is expected in major European countries and the US against the backdrop of rising consumer prices, Japan's price levels are still not on a clear upward trend, and we expect the policy to remain. With interest rates at a historical low, a high yield spread level will be maintained even as cap rates fall. As a result, we expect Tokyo's core assets to remain attractive for investors, given the relatively high yield spreads, which we also expect to continue, compared to other global core markets.

Outlook

A significant amount of new office supply is expected in Tokyo 5 wards from 2023, and most will be concentrated in Chuo and Minato.

Greater Tokyo's office market is likely to follow a different course depending on location. Office investments in Greater Tokyo are expected to remain active in central and peripheral areas. Submarkets with a high supply level may face oversupply, leading to a prolonged increase in vacancy rates and a fall in rents. On the other hand, the peripheral areas where future supply volume is lower than central Tokyo are likely to be more stable. These areas can benefit further from office decentralisation.

In Tokyo 5 wards, vacancy rates are likely to rise, especially in areas with sizeable new supply, and rents are likely to continue to fall. Future supply volume is particularly high in Minato. However, capital values are expected to fall to a certain extent due to the reduced rental revenue from 2023. On the other hand, given investors' strong appetite for offices in central Tokyo, changes in cap rates are expected to be modest compared to the downward-trending rental performance.

In Tokyo 18 wards, where future new supply volume is modest, the rents are not expected to change as significantly as in the Tokyo 5 wards. Banking on decentralisation is appealing in the capital markets, especially for international investors, and suburban offices positioned as secondary commercial spaces are gradually gaining attention. As a result, cap rates and capital values are expected to remain in line with current levels.

Yokohama has a concentration of high-rise office buildings in the Minato Mirai district, where several large office buildings are scheduled to complete in the next five years. Due to increased supply, vacancy rates are likely to rise slightly. The average rents may be suppressed on the overall downward trend in Greater Tokyo. However, rental performance in the rest of Yokohama is expected to be stable overall due to its relatively small market. Cap rates and capital values are expected to trend within a small range in the capital market.

Chiba is the smallest of Greater Tokyo's markets with relatively few rental transactions, and previous vacancy rates have registered only minor fluctuations. With no significant new office supply in the pipeline for the next five years, we expect vacancies and rents not to move out of this historically narrow range. As in Greater Tokyo's other peripheral markets, investor appetite may be piqued by the potential of decentralisation, although fewer large office buildings are available for investment in Chiba. As transaction volumes are not expected to change significantly, we expect cap rates and capital values to remain at the same levels.

Tokyo 5 wards is expected to maintain its crown as a superior location for company headquarters for many Japanese firms, notwithstanding that the trend of consolidating head offices in prime locations will continue. However, lower rents in peripheral areas will attract some occupiers, especially those seeking to reduce costs to tackle any financial challenges the pandemic brings. We expect rental performance in peripheral areas to be resilient over the next five years, given the potential demand for satellite office space.

Although Greater Tokyo's overall office rental market is experiencing a cycle of retreat, it has shown its stability as one of the most developed office markets in the world. Vacancies are still lower than other major markets in the Asia-Pacific region.

Demand is expected to recover as pandemic countermeasures are gradually eased, and businesses return to growth.

6 South Korea

6.1 General Economy

Overview of Market and Political Environment

South Korea is known for its miraculous economic transformation from being among the poorest nations in the world in the 1960s to a high-income country in just one generation. Its economy grew even during the peak of the global financial crisis of 2007-2008. As of Q4 2021, it is the 10th largest global economy and the 4th largest in Asia in terms of nominal gross domestic product (GDP).

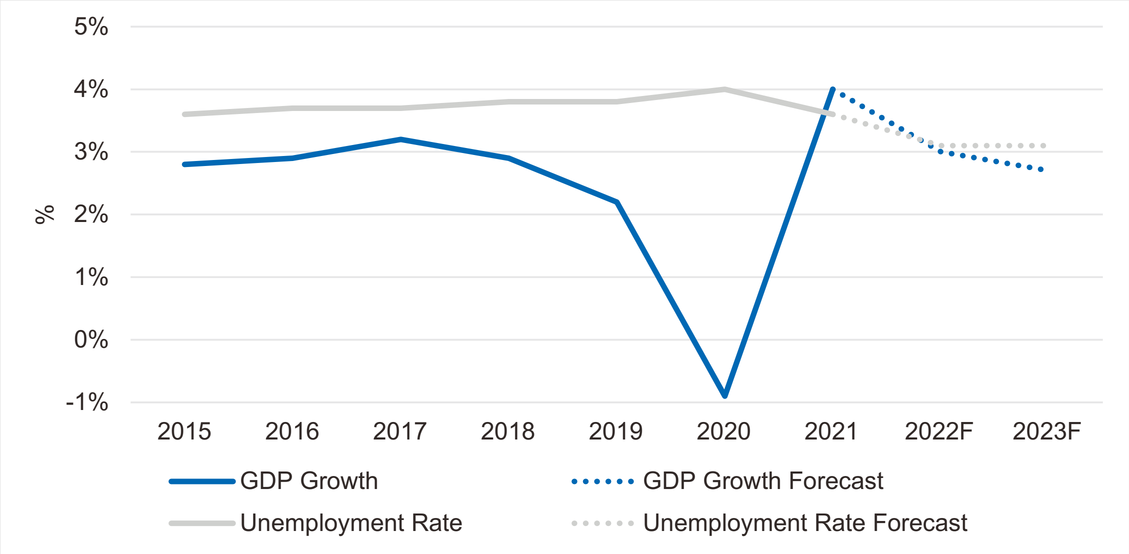
South Korea has a mixed economic system; private freedom combined with centralised planning and government regulation. Government policies resulted in GDP growth averaging 5.5% annually between 1988 and 2019. GDP expanded 4.0% in 2021 and hit an 11-year high as the demand for exports soared. South Korea's economy is expected to continue to increase through 2024. South Korea is one of the leading economies driving the next generation of economic growth, alongside the BRICS countries – Brazil, Russia, India, China and South Africa.

Geographically, South Korea shares a border with North Korea to the North and is separated by the East Sea from Japan to the East. Another important neighbour country, in terms of culture and trade, is China to the West. South Korea is a member of the Asia-Pacific Economic Cooperation (APEC), the Asia-Pacific Trade Agreement (APTA), one of the World Bank Group's key development partners, and a significant contributor (since 1977) to the International Development Association (IDA).

GDP and Employment

The economy recovered from its pandemic-induced 0.9% YoY drop in 2020 to grow 4.0% in 2021 and the economy is expected to remain robust in 2022 (3.0%) and 2023 (2.7%). A near 80% vaccination rate as of end 2021 is also expected to accelerate private consumption as normalcy returns. However, a slowdown in capital investment due to rising interest rates and the upcoming parliamentary and presidential elections has cast a cloud over the growth outlook in 2022.

Figure 74: GDP growth and Unemployment Rate



Source: Bank of Korea

South Korea has a solid export base and a skilled labour force. After experiencing a bail out by the IMF in 1998, South Korea has built large buffers in the financial and public sectors. Banking is well-capitalised with sizable liquidity buffers.

In August 2021, the unemployment rate dropped to 2.8%, its lowest since the pandemic, signalling the country's recovery. The number of employed increased by 518,000 from a year earlier, after 542,000 jobs were added in July, primarily in healthcare and social services, construction, transportation, and warehouses. As of end December 2021, unemployment rate was at 3.6%.

Economic Fundamentals and Drivers

South Korea advanced two paces in the global economic ranks in 2021 from 2019, suffering relatively little harm from the global economic contraction caused by the pandemic compared to other countries. South Korea's GDP growth hit an 11-year high in 2021 on strong exports and corporate investments, rebounding from the previous year's negative growth. According to the Bank of Korea, exports grew 9.7% and corporate capital investment expanded 8.3% in 2021. With strong global demand for semiconductors and other products ongoing, exports are expected to grow robustly and the economy to continue to recover throughout 2022.

South Korea's US$1,660 billion economy is led by electronics, telecommunications, automobile production, chemicals, shipbuilding, steel, with newcomers like micro-chips, bio-health and conceptual vehicles making a solid showing, both domestically and globally.

South Korea is a world leader in semiconductor production, second only to Taiwan and has maintained this position since 2013. The sector is a key economic driver of output, exports, and investment. The top exports of South Korea are Integrated Circuits (US$85.2B), Cars (US$40.8B), Refined Petroleum (US$38.9B), Vehicle Parts (US$18.5B), and Passenger and Cargo Ships (US$17.1B), exporting mostly to China (US$136B), United States (US$74.8B), Vietnam (US$47.8B), Hong Kong (US$31.6B), and Japan (US$28.3B) (OEC).

Population

Based on 'Statistics Korea', the population reached 51.64 million in 2021. Among that, 9.5 million people are residents in Seoul and another 13.6 million in Gyeonggi-do. This means that about 45% of the overall population is living in the Greater Seoul Area. Due to the low birth rate in Korea, the population has remained fairly static over the past 5 years and even recorded -0.4% YoY drop in 2021.

This is mainly caused by high education costs, home prices, and the difficulty women face in returning to work after giving birth. This extremely low fertility rate threatens the national workforce, economy, and military capabilities. Almost half of the population is expected to be older than 65 by 2065.

Inflation

Inflation accelerated to 2.5% at the end of 2021, which is the highest it has been for a decade and marks the eighth consecutive month above the Bank of Korea's 2.0% annual target, with higher prices driven by the elevated cost of oil and other commodities. The upward impetus mainly came from transport (12.9%), food & non-alcoholic beverages (6.1%), furnishings, household equipment & routine maintenance (4.6%), restaurants & hotels (3.8%), housing, water, electricity, gas & other fuels (2.7%) and clothing & footwear (1.3%). Prices will gradually cool as oil prices ease and consumers begin to feel the government's fuel tax cuts. The government lowered fuel taxes for six months to help stabilize inflationary pressure on domestic gasoline prices.

Monetary and Forex Policies

In early 2021, the government announced its plan to adopt stricter guidelines, regulations, and monitoring for local banking institutions involved in foreign exchange trading. The monitoring will measure companies' forex purchases and supply, the gap between their forex assets and debt and forex management and maturity dates.

This year, the Government will maintain its expansionary budget with an eye on the economic recovery and rising inflation. Meanwhile, policies would need to address the issue of proliferating private-sector debt and resultant risk of financial instability.

In August 2021, Korea became the first major Asian economy to raise interest rates since the pandemic began. It was the country's first rate hike in almost three years and put it at the forefront of a global move to withdraw the huge amounts of stimulus put in place to help soften the impact of COVID-19 on economies. In November 2021, the Bank of Korea increased rates by another 0.25% to 1% base rate. A third increase in rates (over the past 6 months as of January 2022) has been announced, and rates have returned to pre-pandemic levels.

Bank of Korea announced that it will continue to maintain its existing monetary policy in order to sustain the recovery of economic growth and stabilise consumer price inflation at the target level over a medium-term horizon, while paying attention to financial stability.

Economic Outlook

With a modest recovery, the economy is projected to grow 3.0% in 2022 with the recovery of domestic demand. Private consumption is showing initial signs of growth due to increased vaccination uptake since September 2021, resuming economic activity and improving consumer sentiment. In 2022, rising vaccination numbers and robust exports will be the key to economic growth.

Despite growing global concern over the pandemic, South Korea's exports reached US$644.5 billion in 2021, up 25.8% YoY. As face-to-face services rebounded, employment picked up in H2 2021, led by the service industry. Headline inflation stood above the 2% level in 2021, but this may go up further given the current core inflation and expectations in 2022.

The OECD projected that the Korean economy should continue to pick up once COVID-19 containment measures are lifted. Solid exports and government's proactive fiscal policy despite the latest spike in COVID-19 cases will continue to support the country's economy in 2022.

6.2 COVID-19

South Korea confirmed its first known COVID-19 case on 20 January 2020, and the number of cases gradually increased.

Although the government has tried to steer away from "lockdown", they implemented very tight COVID-19 curbs. Various efforts such as limiting number of diners and making vaccination a mandatory to enter public places, helped flatten the infection curve, and in November 2021, the government announced its "Living With COVID-19" strategy.

Then in December 2021, South Korea returned to strict pandemic regulations when the Omicron variant spread quickly worldwide. Whilst there are a significant number of Omicron cases each day, the variant is placing less pressure on the healthcare system and on 15 February 2022, Korea Disease Control and Prevention Agency announced a gradual return to normalcy. More recently, social distancing measures were eased and officials announced that tourists will no longer need to quarantine starting from 1 April 2022. While the country is still battling a record COVID-19 wave driven by the highly infectious Omicron variant, the country's infection and death rates are still far below those recorded elsewhere, as almost 87% of its 52 million residents are fully vaccinated and 63% have received booster shots.

The COVID-19 pandemic also changed people's living style, consumer patterns as well as working environment. For example, online shopping in South Korea hit a record high in September 2021, led by solid demand for food delivery services and electronics goods amid the resurgence in COVID-19 cases, based on Statistics Korea. Online shopping transactions increased 17% YoY in September 2021.

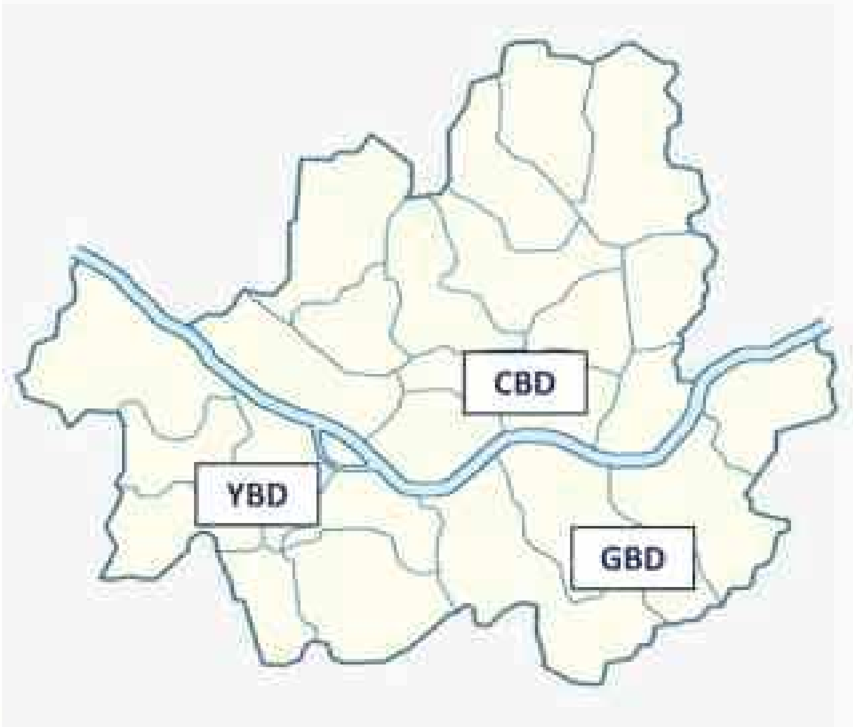
COVID-19 also changed South Korea's work habits such as increased telecommuting. Large corporations are converting some redundant space into flexible workspaces. We also expect tech demand to continue increasing over the next five years, driving the office market.

6.3 South Korea Real Estate Investment Trends

Overview of Key Cities in Korea

The Seoul office market comprises three core business districts: Central Business District ("CBD"), Gangnam Business District ("GBD") and Yeouido Business District ("YBD"). They have different characteristics, development histories and occupiers.

Figure 75: Major Office Submarkets



CBD: Central Business District

Historic center of Seoul, HQ for MNCs and Korean Conglomerates (Samsung, Hyundai, Microsoft, [illegible])

GBD: Gangnam Business District

IT, Tech, Fashion, and Media concentration (Samsung, Google, Facebook, etc.)

YBD: Yeouido Business District

Financial and business services (Major securities, AMCs, IBM, etc.)

Source: Colliers

The CBD, being the historical centre of Seoul, is home to the headquarters of many multinational companies and Korean conglomerates, including Hyundai, Hanhwa, SK, and Microsoft. The GBD is the second-largest business district and the preferred location for information technology ("IT"), technology, media, fashion and pharmaceutical corporates, including Google and Facebook. As a younger business district, the YBD is Seoul's principal finance and investment banking district, accommodating significant securities and asset management companies.

Having served as the nation’s central commercial district for more than 600 years, the CBD is Seoul’s traditional downtown precinct and Korea's most prominent business district. It has been the preferred home of government offices and foreign embassies, and now hosts the headquarters of most Korean conglomerates and many international companies.

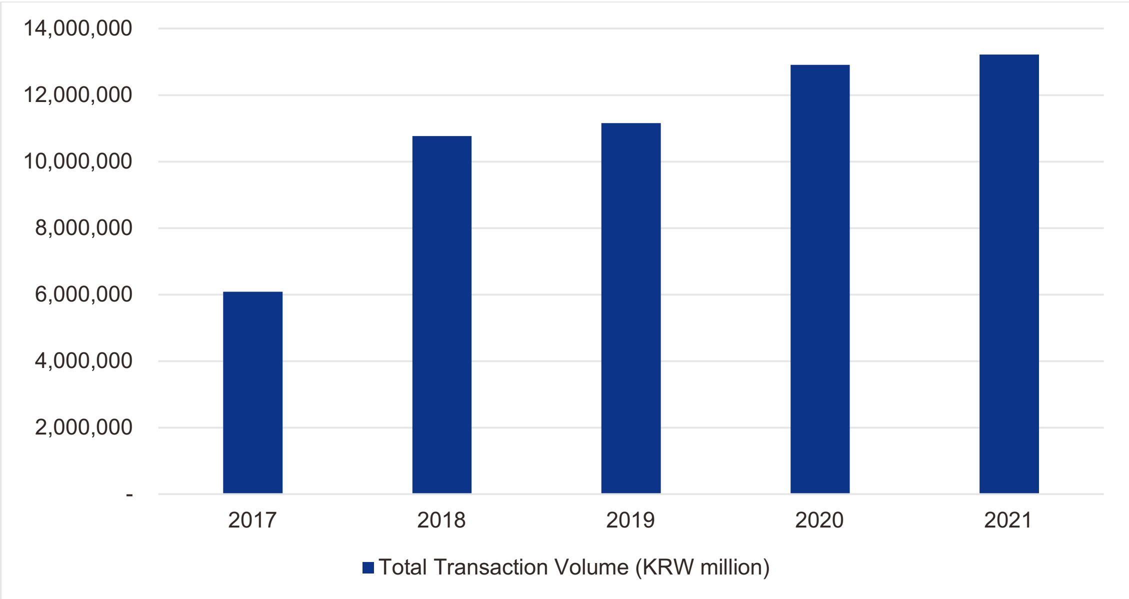
The GBD is the second largest office submarket in Seoul and has been established based on the city master planning only 40 years ago. Road system and infrastructure development well supports the district positioning as the centre of education, business and shopping in South Korea. It is also the most stable office market due to tight supply over the years. The proximity of the GBD to the Apgujeong/Cheongdam area, being a popular shopping and entertainment area is also exciting for younger working professionals.

Home to The National Assembly Building, Yeouido (YBD) had emerged as a key economic and governmental center of Seoul since 1970s and has become the catalyst that established financial, government, and media center in Seoul. Today, Yeouido boasts the highest concentration of financial institutions and excellent infrastructure for business.

Transaction Volume

Seoul’s office transaction volume has seen a surge among institutional investors during the COVID-19 pandemic. Recently, the residential tax system in South Korea aimed at cooling the country’s residential market has been imposed, diverting some institutional capital towards commercial properties. Due to the border closure, outbound institutional funds for overseas deals have also been shifted their focus to the domestic market.

Figure 76: Real Estate Transaction Volume in South Korea 2017 – 2021 (KRW Million)



Source: RCA

Drivers, Trends and Forecasts

Seoul's investment market remained upbeat in 2021, and office and retail transaction value topped KRW38.4 trillion (US$ 32.0 billion) with the closing of several significant deals. Supported by ample liquidity, low interest rates and limited outbound investment opportunities, transaction values have eclipsed those seen in the previous quarters.

As one of the few developed Asian markets to still include attractive built-in rental escalations in the lease structure, investors seeking yield growth have been particularly active in the market.

The influence of tech occupiers on Korea's leasing market is growing. With rapid growth in their online business and strong financial backing, tech companies are emerging as big players in the office sector, especially in GBD. The major players in the Korean office market are shifting from manufacturing companies to tech companies.

Landlords in the market are showing strong interest in tech tenants as they have great growth potential. The financial industry has the largest share of occupied space in the Grade A office market, accounting for over 30% of the total. However, we see big tech companies, such as Naver and Kakao, and fintech companies expanding quickly and they may soon overtake the traditional finance sector as the biggest office demand driver. Expansion momentum is strong not only among mature tech companies, but also start-up tenants, with a rapidly expanding start-up ecosystem, mainly attracted to the GBD. In the future, we expect tech occupiers to exert growing influence on the office market.

Grade A office space posted positive absorption in Q4 2021, and this is expected to continue due to the strong leasing demand for expansion and re-location from high-growth IT, pharmaceutical and medical sectors, coupled with continued strong demand from domestic flexible workspace operators. Supply, which peaked in 2020, is decreasing, so we expect the market to stabilise and rents to increase as new supply dwindles.

6.4 South Korea Office Market Overview

Existing Supply

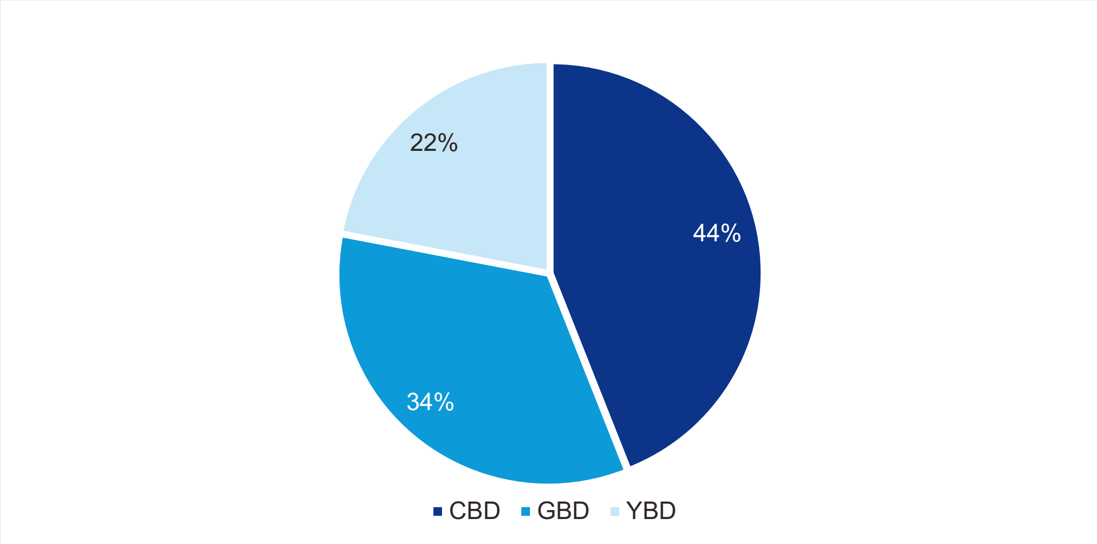
The three major office markets, CBD, the GBD and the YBD, comprise a total office stock of around 2.4 million pyeong (8.0 million sq m) as at the end of 2021. The CBD is in the central downtown area of Seoul and remains the first-choice business district for many key government and multinational companies.

GBD is second largest office district with 34% of market share. GBD houses several hi-tech and media agencies and has a highly robust office market, owing to limited levels of supply, coupled with high demand.

YBD is the smallest of the three major office districts in Korea with 22% of the market share. Figure 77 below shows the relative size of these three sub-markets.

The GBD district is a strong performing submarket, supported by tenant demand from the technology sector and infrastructure development. However, the CBD remains the main office hub in Seoul with 44% of the market share and 56 Grade A buildings.

Figure 77: Distribution of Existing Office Stock in South Korea at end of 2021



Source: Colliers

Future Supply

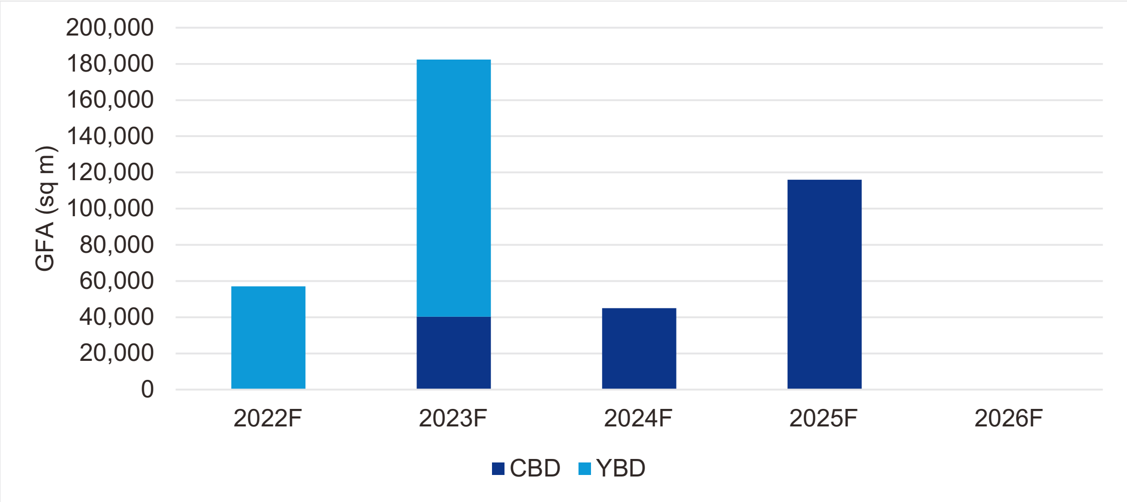
In the next five years, 201,323 sq. m. is expected in the CBD, 199,087 sq. m. in the YBD but none in the GBD.

In the CBD, there is no major new supply scheduled in 2022. In 2023, MeritzFire & Marine Insurance's new headquarters will come on stream near Seoul Station in the CBD providing about 12,200 pyeong (40,278 sq m). Additional CBD supply is expected after 2024.

In the GBD, there is a lack of new office development. There is no new supply planned over the next five years other than the Hyundai Motor headquarters which is currently a under development plan and expected to complete in 2026. At this stage the exact size of this building is unknown, so it is excluded from all figures provided within this report. In view of limited supply and the expansion by tech tenants, we expect the shortage of available supply in the GBD to continue.

In the YBD, the 42-storey Teacher’s Pension Building and the MBC Site are the only new supply currently scheduled over the next five years and this is currently due to complete in 2023.

Figure 78: Forecast Office Supply 2022F – 2026F



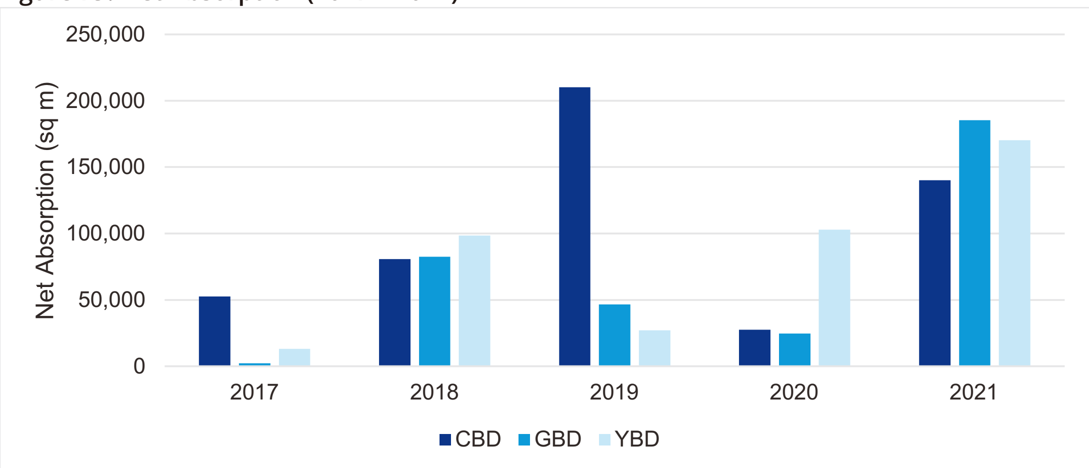
Source: Colliers
(Note: There is currently no new supply forecast in the GBD over the next five years and no new supply is currently forecast in any of the submarkets in 2026)

Net Absorption

Seoul has benefitted from strong occupier demand in 2021 with all three of the sub-markets seeing positive net absorption. Demand in the GDB in particular has been strong with Amazon signing for a significant amount of space at Centerfield and PeopleFund and Naver taking ten floors between them at Asset Gangnam Tower.

Net absorption in the YBD is also at the highest level in the past five years as tech and co-working companies have joined the traditional finance occupiers in taking space within this submarket. Total net absorption in CBD is close to record levels, but still trailing the total in 2019, although this can partly be explained by the high level of new stock in the CBD during 2018 and 2019.

Figure 79: Net Absorption (2017 – 2021)

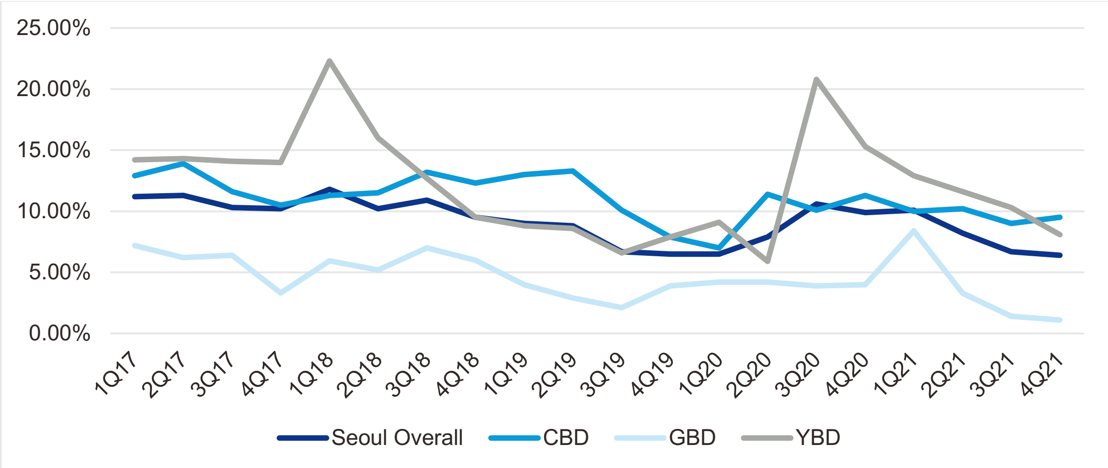


Source: Colliers

Vacancy Rate

Overall Seoul vacancy rate in Q4 2021 was 6.4%, down 250-basis points YoY. The GDB vacancy rate compressed to just 1.1% in Q4 versus 4.0% at the same point in 2020. While the vacancy rate for the CBD fell to 9.5%, compared to 11.3% in Q4 2020. In line with this trend, the vacancy rate in YBD fell to 8.1% in Q4 2021, which represents a 720-basis point compression YoY, the biggest annual change among three main markets.

Figure 80: South Korea Office Average Vacancies (2017 – 2021)



Source: Colliers

CBD Grade A office vacancy rate rose as of end Q4 2021. Despite the completion of new buildings, their spaces were taken up by tenants mainly in the tech sector as well as the expansion of domestic flexible working space operators.

The vacancy rate of Grade A offices in the GBD reached its lowest record in 2021 since 2017. In the GBD area, as there were not many available options for tenants looking for Grade A office space, new buildings including Centerfield were leased out. Given limited supply in the next three years, GBD's vacancy is expected to stay low.

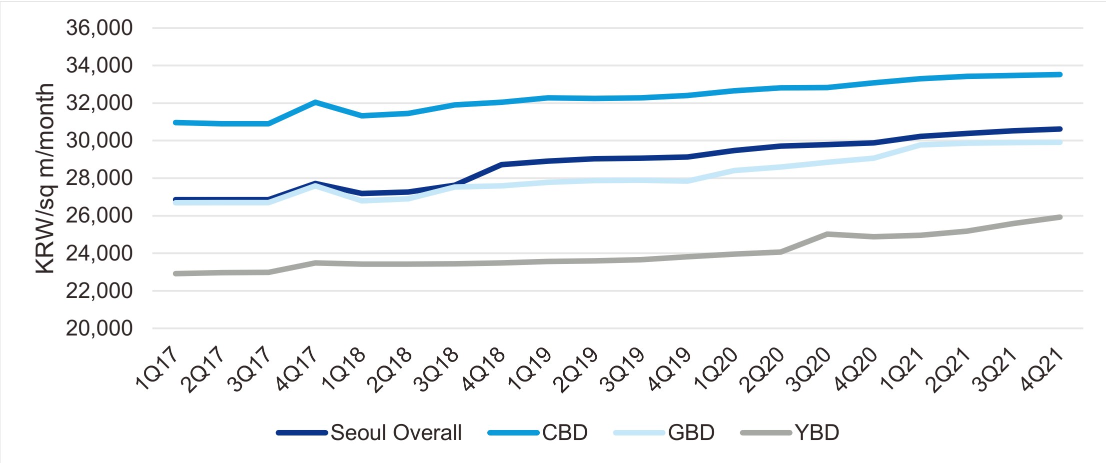
In the YBD, Grade A office vacancy rate continued to decrease as of end Q4 2021. In particular, there is increased demand from certain fintech companies which prefer proximity to the financial sector. For the first time, we have seen the expansion of tech tenants and increasing demand from domestic co-working companies in the GBD extending into the traditionally financial sector focused YBD area. This increasing demand has helped the vacancy rate in in the YBD area recover from around 15.3% in Q4 2020 to around 8.1% in Q4 2021. With low levels of new supply forecast, the vacancy rate should continue to recover in 2022.

Rents

Most developed office markets saw rents fall in 2020 and 2021 as a result of the impact of COVID-19, but the Seoul office market has shown itself to be remarkably resilient, with rents across all the submarkets increasing during this time.

Rents in all three major markets increased throughout 2021, with Seoul overall rents closing Q4 with 2.5% increase YoY to stand at KRW 30,620/sq m/month. Despite the highest level of vacancy, the best performing district was the YBD where rents have increase by 4.2% YoY. Rental performance in YBD was primarily driven by tech and co-working occupiers expanding into the submarket, attracted by the high-quality modern stock.

Figure 81: Seoul Grade A Office Face Rents (2017 – 2021)



Source: Colliers

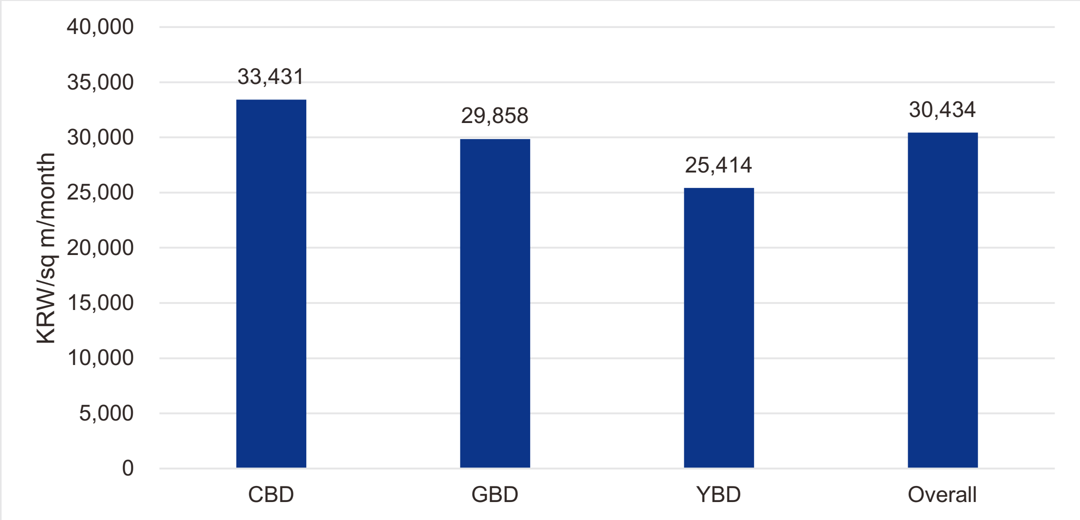
Note: Rents are face rents excluding management charges

While the financial industry has the largest share of occupied space in the Grade A office market, accounting for over 30% of the total, big tech companies, such as Naver and Kakao as well as fintech companies have been expanding quickly. These tech companies may soon overtake the traditional finance sector as the biggest office demand driver overall. Expansion momentum was also strong among start-up tenants, with a rapidly expanding start-up ecosystem, mainly focused around the GBD. With rapid growth in their online business and strong financial backing, tech companies are emerging as big players with increasing importance in the office sector, especially in the GBD.

Grade A office supply, which peaked in 2020, is decreasing, so we expect the market to stabilise and rents to increase. Given that no supply has been scheduled in GBD, office rent will continue to perform strongly and this will benefit The Pinnacle Gangnam Building, a Grade A office located in the GBD.

Generally, face rents in the CBD are highest as this is the traditional core business district of Seoul and has the highest number of premium office buildings. The CBD also has a limited amount of supply, which along with the GBD district, mean that office rents are generally higher than in the YBD where several significant new completions have taken place recently such as IFC and ParcOne, causing the vacancy level to be much higher than the other markets.

Figure 82: Average Grade A Office Face Rent by Sub-market at end 2021



Source: Colliers

Note: This chart shows aggregate figures for the CBD, GBD and YBD. Rents are face rents excluding management charges

Going forward, the GBD is expected to face the strongest rental growth among the three districts due to limited supply and continued demand from the growing tech sector.

Key Drivers and Developments

The COVID-19 pandemic significantly impacted the Seoul office market, bringing relevant changes that will likely stay. With the government's social distancing policy in place and with the transmission of COVID-19 frequently occurring among groups of people in enclosed spaces, companies are promoting smart work environments such as 1) utilising home offices 2) keeping social distance in the office and 3) focusing more on workplace hygiene.

Coworking centres and Activity-Based Working (ABW) environments have been the subject of scrutiny because of their typical features of unassigned seating, relatively high density, and close interaction between users. On the other hand, South Korea's experiment with remote working has proved to be gaining popularity. Many Korean companies are encouraged to continue with their new work environment, hybrid with a physical office and home office, which could continue to expand to a larger scale in the future.

Companies are prepared to invest in and manage this transformation, as well as augment hygiene and safety measures in response to the pandemic in order to secure benefits from a more productive, inspired, and loyal workforce. While these trends may lead to a decline in office footprint requirements in the long term, demand for a bigger space for social distancing and a better working environment will offset the decline. Companies will need more office spaces per employee to comply with social distancing guidelines in the medium to long term.

Office Transactions

The South Korea office market saw the completion of several transactions involving prime properties in 2021. These included SK Seorin Building, Twin Tree Tower, FastFive Tower and H Square Building.

We expect the GBD to continue to attract investor attention in the coming quarters. Competition for office assets will continue despite concerns about an economic slowdown with rising interest rates.

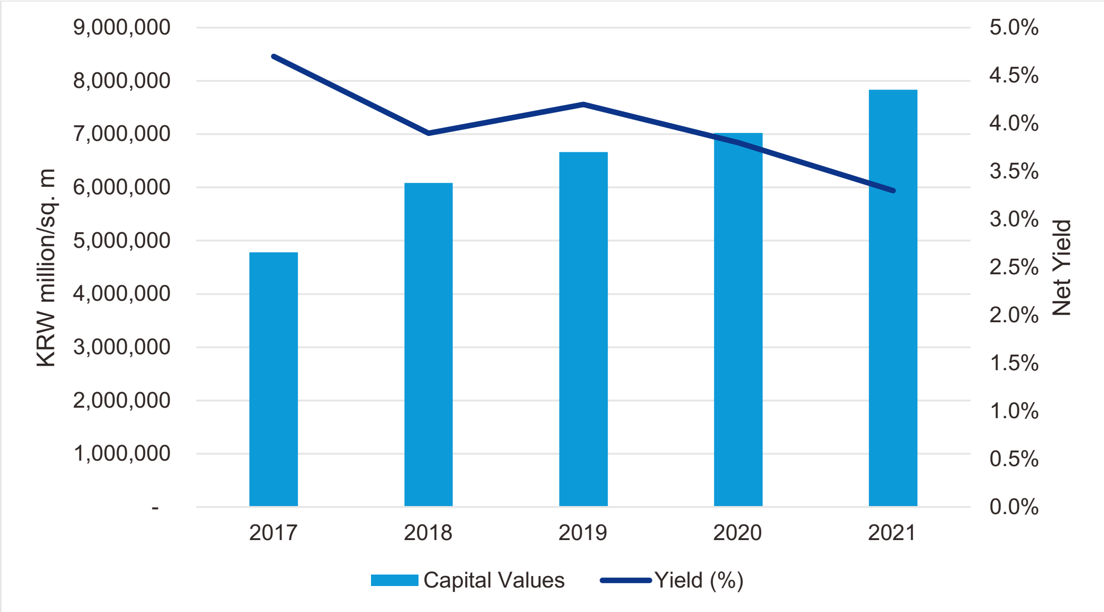
Table 10: Notable Office Property Transactions in 2021 (Above US$50 million)

Property	Sub-Market	Area (py)	Transaction Price (KRW billion)	Date	Price per py (KRW million)	Price per sq m (KRW million)	Buyer	Seller
Yeouido Finance Tower	YBD	12,809	300	1H 2021	23	7.08	KB AMC	Keppel Inv
Doosan E&C HQ	GBD	9,650	236	1H 2021	24	7.40	IGIS AMC	Hana Alternative AMC
Dongkyung Richwell Tower	GBD	5,500	200	1H 2021	36	11.00	SPMC	Dongkung Co.
Pine Avenue Tower B	CBD	19,428	620	1H 2021	32	9.65	Samsung SRA MC	KORAMCO REITs
Q2 Tower (HP Bldg)	YBD	13,570	336	1H 2021	25	7.49	Samsung SRA MC	IGIS AMC
31 Bldg	CBD	10,649	442	1H 2021	38	12.56	NH Amundi AMC	IGIS AMC
The Pinnacle Yeoksam BLDG	GBD	4,373	176	1H 2021	40	12.17	IGIS AMC c/o Mapletree	Pebblestone AMC
SK Seorin Bldg	CBD	25,356	1,003	2H 2021	39	11.97	SK REITs	Hana AMC
Twin Tree Tower	CBD	16,875	427	2H 2021	25	7.65	AEW Capital	IGIS AMC
Wise Tower	CBD	12,802	333	2H 2021	26	7.87	Shinhan REITs Management	KB Real Estate Trust
Fast Five Tower	CBD	4,580	106	2H 2021	23	7.00	K-REITs Investment	Pebblestone AMC

Capital Values and Yields

In 2021, Seoul's office capital market witnessed a 11.6% YoY growth in capital value, exceeding KRW 7.8 million per sq m. The yield also compressed to 3.3% at the end of the year, representing a 50-basis point compression over 2021. Capital values in Seoul office market are forecast to continue to grow further between 2022 and 2025, as global investors remain keen in the market. Buildings with high occupancy will be the most popular options and can be traded with a premium.

Figure 83: South Korea Office Capital Values and Yields (2017 – 2021)



Source: Colliers

Note: Net Yields are based on Net Operating Income after deducting all operational costs and incentives.

Outlook

South Korea's Grade A office market has shown strong growth in 2021 despite the uncertainty caused by COVID-19 and benefits from attractive market dynamics, including built-in rental escalations. Vacancy rates decreased in all major districts, including the strong performing submarket of GBD, supported by high-growth tech companies that are still performing well despite COVID-19. These tech tenants were mainly attracted to the GBD, but some also took to the CBD and YBD. Overall, after 2023, the vacancy rate is expected to come down from approximately 5.5%.

Effective rents are expected to continue to increase due to the attractive market dynamics and built-in rental escalations, which are common among the leases in the office districts. GBD, supported by the expanding technology sector, is expected to enjoy higher growth due to limited supply. We expect office vacancy rates in Seoul's three major submarkets to continue stabilizing due to decreased supply in the next five years.

Especially in the GBD, given the lack of any new supply and strong levels of demand from technology companies, the office rent will continue to outperform other submarkets and this will benefit The Pinnacle Gangnam Building, a Grade A office located in the GBD.

Due to changes in work habits such as increased telecommuting, large corporations are converting some redundant space within their buildings into flexible workspaces. We also expect tech demand to continue increasing over the next five years. Due to the increasing demand and tepid supply, we expect the market will shift to a landlords' market from the end of 2022.

Limitations of Report

This report is based upon Colliers' ("The Consultant") analysis, opinions and conclusions regarding market movement and trends. In making the assessment, the Consultant has relied to a considerable extent on the statistics and data that is available from third parties. The Consultant has not undertaken any independent verification of this data or information and is unable to warrant the veracity or accuracy of the information. The outlook, forecasts and opinions provided by the Consultant are based on events that have not yet happened and should therefore be regarded as a best guess projection, rather than a statement of fact. Market evidence is, by its very nature, subject to a time lag and an element of projection is necessary in providing any outlook. Any market projections incorporated within this report are projections only and must be viewed as such, rather than as certainty.

The Consultant is unable to provide any warranty or assurance that any of the forecasts provided within the report will happen and the reader should not place any reliance upon the information provided. This report is based on what is known at the date of writing. Any unforeseen future events or changes in any of the variables considered could significantly affect the outlook and the reader should be aware of this possibility. All references to measurements are approximate only and the Consultant has not independently verified any measurements referred to in the report. Colliers International (Hong Kong) Limited can accept no liability to any third party who relies upon this information.

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Accelerating success.

Appendix B
MCT 805 Auditors' Opinion

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INDEPENDENT AUDITOR'S REPORT

To DBS Trustee Limited (as Trustee of Mapletree Commercial Trust), and the Board of Directors of Mapletree Commercial Trust Management Ltd. (as Manager of Mapletree Commercial Trust)

Opinion

We have audited the carrying values of investment properties of Mapletree North Asia Commercial Trust ("MNACT") and its subsidiaries (collectively, the "MNACT Group"), and of its joint venture, IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6 ("IGIS REIT"), as at 31 March 2022, and related notes (the "Statement") on pages B-4 to B-7.

In our opinion, the Statement is prepared, in all material respects, in accordance with the basis of accounting described in Note 2 *Basis of Accounting* to the Statement.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the MNACT Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of accounting and restriction on distribution and use

We draw attention to Note 2 of the Statement, which describes the basis of accounting. Our work was undertaken so that we might report to you on those matters as stated in Note 2 to the Statement and for no other purpose. Our report has been prepared for inclusion in the circular of Mapletree Commercial Trust ("MCT") dated 29 April 2022 to its unitholders in relation to the proposed merger of MCT and MNACT by way of a trust scheme of arrangement, and is not intended for any other purpose. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Statement. These matters were addressed in the context of our audit of the Statement, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Statement section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Statement. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the Statement.

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Key audit matters (continued)

Carrying values of investment properties

The carrying values of investment properties of the MNACT Group and IGIS REIT amounted to S$7,996.1 million and S$542.0 million, respectively, as at 31 March 2022. These investment properties are stated at their respective fair values based on independent external full valuations.

The valuation of the investment properties requires significant judgement in the determination of the appropriate valuation methodology and in deciding on the assumptions and estimates that are to be applied in the valuation. The valuation is complex and highly dependent on a range of estimates made by external valuers and agreed upon by Mapletree North Asia Commercial Trust Management Ltd., as manager of MNACT (the "MNACT Manager"). As disclosed in Note 4 *Investment Properties* to the Statement, the valuation of the investment properties is highly sensitive to key assumptions such as capitalisation rates, discount rates and adjusted price per square meter. A minor change in these key assumptions may cause significant impact on the valuation. As further disclosed in Note 4 *Investment Properties* to the Statement, there was an increase in the level of estimation uncertainty in determining the valuation of investment properties at 31 March 2022 due to the current market and economic conditions.

We obtained an understanding of the MNACT Manager's process relating to the selection of the external valuers and the determination of the scope of work of the external valuers. We held discussions with the external valuers to understand the valuation methodologies, key assumptions used in the valuation and their scope of work in response to the heightened level of estimation uncertainty in view of the current market and economic conditions. We assessed the appropriateness of the valuation models used by the external valuers by considering the valuation methodologies adopted for similar property types. We considered the objectivity, independence and capability of the external valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We also obtained an understanding of the process relating to the MNACT Manager's review of the valuation reports issued by the external valuers and in addressing the heightened level of estimation uncertainty in view of the current market and economic conditions, including the investment property held by IGIS REIT. We tested the key inputs or assumptions used in the projected cash flows and net operating income used in determining the valuation to supporting key information such as contractual terms of the leases and comparable transactions data. We also compared the projected cash flows and net operating income with recent actual financial performance of the properties to determine their reasonableness.

We tested the reasonableness of the capitalisation rates and discount rates used in the valuations by comparing them against available industry data, taking into consideration comparability and prevailing market conditions. We also involved our internal valuation specialists to assist us in evaluating the appropriateness of the capitalisation rates and discount rates used in the valuations. Our internal valuation specialists also tested the reasonableness of the adjusted price per square meter assumption by comparing them against recent transacted prices of comparable properties.

Based on the work performed, we consider the methodology applied to be appropriate and key assumptions used in the valuations to be reasonable.

We assessed the adequacy of the disclosures in Note 4 *Investment Properties* of the Statement relating to the key assumptions used in the valuation process, taking into consideration the estimation uncertainty and sensitivity of the valuations.

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Responsibilities of the MNACT Manager for the Statement

The MNACT Manager is responsible for the preparation of the Statement in accordance with the basis of accounting stated in Note 2 *Basis of Accounting* of the Statement; and for such internal control as the MNACT Manager determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

The MNACT Manager is responsible for overseeing the MNACT Group's financial reporting process.

Auditor's responsibilities for the audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MNACT's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the MNACT Manager.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Lee Wei Hock.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

29 April 2022

Statement of Investment Properties of Mapletree North Asia Commercial Trust and its Subsidiaries (collectively, the "MNACT Group"), and of its joint venture, IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6 ("IGIS REIT"), as at 31 March 2022

	Note	As at 31 March 2022 S$'000
Investment properties of the MNACT Group	4	7,996,064
Investment property of IGIS REIT [1]	4	542,049

[1] The reported valuation as at 31 March 2022 represents valuation of the investment property of IGIS REIT on a 100% basis. The MNACT Group owns 50% interest in IGIS REIT as at 31 March 2022.

1. Purpose of the Statement

The Statement is prepared for the purpose of giving additional comfort to the unitholders of Mapletree Commercial Trust that the carrying values of the investment properties of Mapletree North Asia Commercial Trust ("MNACT") and its subsidiaries (the "MNACT Group") and of its joint venture, IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6 ("IGIS REIT"), as at 31 March 2022 were stated, in all material respects, in accordance with the basis of accounting as set out in Note 2 and that, accordingly, the investment properties held by the MNACT Group and IGIS REIT were stated at fair values.

The Statement is prepared by Mapletree North Asia Commercial Trust Management Ltd., as Manager of Mapletree North Asia Commercial Trust (the "MNACT Manager").

2. Basis of accounting

2.1 Statement of compliance

The Statement is prepared in accordance with the significant accounting policies set out in Note 3 *Significant Accounting Policies*.

2.2 Functional and presentation currency

The Statement is presented in Singapore dollars ("S$"), which is the functional currency of MNACT. The investment properties are recognised based on the functional currency of their holding entities before being translated to Singapore dollars at exchange rates at the reporting date and presented in Singapore dollars. All financial information presented are rounded to the nearest thousand ("$'000"), except where otherwise indicated.

2.3 Significant accounting judgements and estimates

The preparation of the Statement requires the MNACT Manager to exercise judgements and make estimates and assumptions that affect the application of accounting policies and the reported carrying amount of the investment properties. Actual results may differ from these estimates. These 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note:

- Note 4 – Investment properties

3. Significant accounting policies

Investment properties

Investment properties are properties held either to earn rental income and/or capital appreciation.

Investment properties are accounted for as non-current assets and initially recognised at cost on acquisition, and subsequently carried at fair value. Fair values are determined in accordance with MNACT's Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. Changes in fair values are recognised in profit or loss.

3. **Significant accounting policies (cont'd)**

Investment properties (cont'd)

Investment properties are subject to renovations or improvements from time to time. The cost of major renovations and improvements are capitalised and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to profit or loss.

If an investment property becomes substantially owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its costs for accounting purposes.

4. **Investment properties**

Valuation techniques and key unobservable inputs

The fair values of the investment properties have been derived using the following valuation techniques:

- Income capitalisation – Properties are valued by capitalising the net income on a fully leased basis at a blended rate to arrive at the core capital value. The net income of the building is the estimated current rate and potential future income from existing vacancies after deducting all necessary outgoings and expenses. The adopted yield reflects the nature, location and tenancy profile of the property together with the prevailing property market condition.

- Discounted cash flow – Properties are valued by discounting the net cash flows over the assumed cash flow period at an appropriate rate to reflect risk.

- Direct comparison – Properties are valued by using transacted prices for comparable properties for which price information is available, with adjustments made for differences in size, location, time, amenities, building age, building quality, remaining land tenure and other relevant factors.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of the investment properties categorised under Level 3 of the fair value hierarchy:

Valuation techniques	Key unobservable inputs and their range	Inter-relationship between key unobservable inputs and fair value measurement
Income capitalisation (except for Japan properties)	Capitalisation rates of: 4.00% - 5.50% per annum	The higher the capitalisation rate, the lower the fair value.
Discounted cash flow	Discount rates of: 3.20% - 9.25% per annum	The higher the discount rate, the lower the fair value.
Direct comparison (only for China and Korea properties)	Adjusted price per square metre of: • RMB 38,066 – RMB 61,997 • KRW 11,093,286	The higher the adjusted price per square metre, the higher the fair value.

4. Investment properties (cont'd)

Valuation process

The MNACT Group engages independent and qualified valuers to determine the fair value of the investment properties based on the properties' highest and best use. As at 31 March 2022, the fair values of the properties were determined by the following valuers:

Hong Kong SAR and China properties	-	Knight Frank Petty Limited
Japan properties	-	JLL Morii Valuation & Advisory K.K.
Korea property	-	CBRE Korea Co. Ltd.

The independent valuers are of the view that the valuation techniques and estimates they have employed are reflective of the current market conditions and have considered the impact of COVID-19 based on information available as at 31 March 2022. In particular, the valuation reports for the properties in Hong Kong SAR and China included a 'material valuation uncertainty' clause due to the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19. Given the uncertainty over the length and severity of the COVID-19 outbreak in the respective markets in which the MNACT Group operates and the ongoing measures being adopted by them to address the outbreak, valuation for certain investment properties may be subjected to more fluctuations subsequent to 31 March 2022 than during normal market conditions.

The MNACT Manager has reviewed the appropriateness of the valuation techniques and the assumptions applied by the independent valuers.

Fair value hierarchy

The following level presents the investment properties at fair value and classified by level of fair value measurement hierarchy:

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

All properties are classified within Level 3 of the fair value hierarchy.

Security

As at 31 March 2022, the investment properties in Japan with an aggregate fair value of S$1,660,983,000 and investment property in Korea with fair value of S$542,049,000 have been pledged as security for Tokutei Mokuteki Kaisha ("TMK") bonds and certain bank loans of the Japanese subsidiaries and bank loan of IGIS REIT respectively.

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Appendix C
MCT IFA Letter

INDEPENDENT FINANCIAL ADVISER'S LETTER

Australia and New Zealand Banking Group Limited, Singapore Branch
(Incorporated in Australia)
Australian Company Number: 005357522

29 April 2022

The Independent Directors and the Audit and Risk Committee of
Mapletree Commercial Trust Management Ltd.
(as Manager of Mapletree Commercial Trust)
10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

DBS Trustee Limited
(as Trustee of Mapletree Commercial Trust) (the "**MCT Trustee**")
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs,

INDEPENDENT FINANCIAL ADVICE WITH RESPECT TO (1) THE PROPOSED MERGER OF MAPLETREE COMMERCIAL TRUST ("MCT") AND MAPLETREE NORTH ASIA COMMERCIAL TRUST ("MNACT") BY WAY OF A TRUST SCHEME OF ARRANGEMENT (THE "MERGER"), (2) THE PROPOSED ALLOTMENT AND ISSUE OF NEW MCT UNITS TO THE UNITHOLDERS OF MNACT AS PART OF THE CONSIDERATION PURSUANT TO THE MERGER, (3) THE MCT TRUST DEED AMENDMENTS (AS DEFINED BELOW); (4) THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP (AS DEFINED BELOW)

*For the purpose of this letter (the "**Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 29 April 2022 to the MCT Unitholders (the "**Circular**"). MCT Unitholders are advised to refer to the full list of definitions set out in pages 118 to 132 of the Circular in conjunction with reading this Letter.*

Please refer to section 12 of the Letter for a summary of the key financial analyses performed in this Letter, which should be considered in the context of the entirety of this Letter and the Circular.

1. INTRODUCTION

1.1 Overview of the Merger

On 31 December 2021 (the "**Joint Announcement Date**"), the respective boards of directors of Mapletree Commercial Trust Management Ltd., as manager of Mapletree Commercial Trust ("**MCT**", and as manager of MCT, the "**MCT Manager**") and Mapletree North Asia Commercial Trust Management Ltd., as manager of Mapletree North Asia Commercial Trust ("**MNACT**", and as manager of MNACT, the "**MNACT Manager**") made a joint announcement (the "**Joint Announcement**") in relation to the proposed merger of MCT and MNACT (the "**Merger**"). On 28 January 2022, a joint supplemental announcement was released in relation to the proposed Merger. On 21 March 2022, a revision joint announcement (the "**Revision Joint**

Announcement") was also released in relation to the revised terms of the Trust Scheme (as defined below).

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

Pursuant to the Trust Scheme, each holder of MNACT Units ("**MNACT Unitholder**") will be entitled to receive, for each MNACT Unit held by it as at 5.00 p.m. on the record date to be announced (before the Effective Date[1]) by the MNACT Manager on which the Register of MNACT Unitholders will be closed to determine the entitlement of the MNACT Unitholders in respect of the Trust Scheme (the "**Record Date**"), the following consideration for each MNACT Unit (the "**Scheme Consideration**"), at its election:

(i) **Scrip-Only Consideration**: 0.5963 Consideration Units[2] at the issue price of S$2.0039 per Consideration Unit (the "**Scheme Issue Price**"), being the 1-day volume weighted average price ("**VWAP**") per MCT Unit as at the last trading day immediately prior to the Joint Announcement Date, being 27 December 2021 (the "**Last Trading Day**")[3] (the "**Scrip-Only Consideration**"); **OR**

(ii) **Cash-and-Scrip Consideration**: S$0.1912 in cash and 0.5009 Consideration Units at the Scheme Issue Price of S$2.0039 (the "**Cash-and-Scrip Consideration**"); **OR**

(iii) **Cash-Only Consideration**: S$1.1949 in cash (the "**Cash-Only Consideration**"),

in accordance with the terms and conditions of the Implementation Agreement (as defined below). Based on the Scheme Issue Price of S$2.0039 per Consideration Unit the implied value of the Scrip-Only Consideration and the implied value of the Cash-and-Scrip Consideration is equivalent[4] to the Cash-Only Consideration of S$1.1949 per MNACT Unit.

The Scheme Issue Price of S$2.0039 per Consideration Unit may not be equivalent to the market price of, nor reflective of the fair value of, the Consideration Units as at the Effective Date and/or the Scheme Settlement Date[5].

Each Consideration Unit may, depending on market conditions and sentiments, trade above or below the Scheme Issue Price of each Consideration Unit of S$2.0039.

The MCT Manager reserves the right to adjust the Scheme Consideration by reducing the Cash-Only Consideration, the cash component of the Cash-and-Scrip Consideration, the

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[1] "**Effective Date**" refers to the date on which the Trust Scheme becomes effective in accordance with its terms.

[2] "**Consideration Units**" refers to the new MCT Units to be issued as full or part of the Scheme Consideration, comprising 0.5963 MCT Units for each MNACT Unit under the Scrip-Only Consideration, and 0.5009 MCT Units for each MNACT Unit under the Cash-and-Scrip Consideration.

[3] The MCT Manager had requested for a trading halt with the SGX-ST on 28 December 2021 which was in effect from 28 December 2021 (before trading hours) to 31 December 2021, 2.00 p.m..

[4] The implied value of the Scrip-Only Consideration and the implied value of the Cash-and-Scrip Consideration of S$1.1949 is computed by multiplying the illustrative value of one new MCT Unit at the Scheme Issue Price of S$2.0039, which is determined by reference to the 1-day VWAP per MCT Unit as at the Last Trading Day (i) by 0.5963x under the Scrip-Only Consideration or (ii) by 0.5009x, plus the cash component of the Cash-and-Scrip Consideration of S$0.1912 under the Cash-and-Scrip Consideration.

[5] "**Scheme Settlement Date**" means the date falling not later than seven Business Days after the Effective Date.

unit component of the Cash-and-Scrip Consideration, the Scrip-Only Consideration or by any combination of the foregoing, if and to the extent any distribution in excess of the MNACT Permitted Distributions (as defined in **Paragraph 5.6.2** of the Circular) is declared, made or paid by the MNACT Manager on or after the Joint Announcement Date.

Notes:

(1) Mapletree Investments Pte Ltd ("**MIPL**", or the "**Sponsor**"), as the sponsor of MCT and MNACT, has provided an undertaking to elect to receive Scrip-Only Consideration in respect of all its MNACT Units.

For the avoidance of doubt, each MNACT Unitholder is entitled to elect to receive only one form of the Scheme Consideration, being the Scrip-Only Consideration **OR** the Cash-and-Scrip Consideration **OR** the Cash-Only Consideration, in respect of its entire holdings of MNACT Units held as at 5.00 p.m. on the Record Date. No combination of different forms of the Scheme Consideration is permitted.

The Cash-Only Consideration will be the default form of the Scheme Consideration.

MNACT Unitholders who do not make any election or fail to make a valid election for the Scrip-Only Consideration, Cash-and-Scrip Consideration or Cash-Only Consideration shall be deemed to have elected to receive the Cash-Only Consideration if the Trust Scheme becomes effective in accordance with its terms.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, an MNACT Unitholder holding 1,000 MNACT Units as at the Record Date will receive:

- 596 Consideration Units; **or**
- 500 Consideration Units and S$191.20 in cash; **or**
- S$1,194.90 in cash.

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

1.2 The Negotiation Process relating to the Merger

The Merger was conceived by the MCT Manager and presented to the independent directors of the MCT Manager, being Ms. Kwa Kim Li, Mr. Premod P. Thomas, Mr. Kan Shik Lum, Mr.

Koh Cheng Chua, Mr. Wu Long Peng, Mr. Mak Keat Meng and Mr. Alvin Tay Tuan Hearn (the "MCT Independent Directors"). The MCT Independent Directors approved the Merger and subsequently presented a non-binding expression of interest to the MNACT Manager which commenced the negotiation process.

The negotiations of the terms of the Merger were led by the MCT Independent Directors together with the assistance of the management team and the Financial Adviser. Further, as described in **Paragraph 15.5** of the Circular, Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon have abstained from making any recommendations in respect of the proposed Merger, and as described in **Paragraph 19.1** of the Circular, for the purposes of good corporate governance, they will abstain from voting on the resolution relating to the proposed Merger at the EGM of the MCT Unitholders.

In March 2022, the MNACT Manager had requested the MCT Manager to review the terms of the Trust Scheme, in particular, the inclusion of an alternative Cash-Only Consideration option in light of the prevailing market conditions and feedback from MNACT Unitholders.

As announced in the Revision Joint Announcement issued jointly by the MCT Manager and the MNACT Manager on 21 March 2022, the Parties to the Implementation Agreement (as defined below) (being the MCT Trustee, the MCT Manager, the MNACT Trustee and the MNACT Manager (each a "Party", and collectively, the "Parties")) have agreed to provide the alternative Cash-Only Consideration option, in addition to the Scrip-Only Consideration option and the Cash-and-Scrip Consideration option announced pursuant to the Joint Announcement on 31 December 2021. Both the MCT Manager (having considered the MNACT Manager's request) and the MNACT Manager believe that the introduction of the alternative Cash-Only Consideration option gives higher certainty to MNACT Unitholders amidst prevailing market conditions and provides greater flexibility for MNACT Unitholders to elect the form of the Scheme Consideration that is most suited to their investment needs, without prejudice to the interests of the MCT Unitholders.

At all times during the negotiations between the MCT Manager and the MNACT Manager in respect of the Merger, and up to 20 April 2022, being the latest practicable date prior to the printing of this Circular (the "**Latest Practicable Date**"):

(i) a majority of the MCT Board (as defined in **Paragraph 1.5.2** of the Circular) has been comprised of directors who are independent of the Sponsor and MNACT;

(ii) more than one-third of the board of directors of the MNACT Manager has been comprised of directors who are independent for the purposes of the Trust Scheme; and

(iii) there has been no overlap of management teams between the MCT Manager and the MNACT Manager, and the management teams of both the MCT Manager and the MNACT Manager have remained the same respectively.

The Sponsor's role in the Merger was largely limited to reinforcing its commitment and support for the Merger and the growth of the Merged Entity as reflected in (a) the MIPL Undertaking; (b) the Sponsor Lock-Up Undertaking; (c) the Sponsor's undertaking to elect to receive the Scrip-Only Consideration; (d) the waiver by the MCT Manager (which is a wholly-owned subsidiary of the Sponsor) of 100.0% of the acquisition fee in respect of the Merger; and (e) the proposed adoption of the revised management fee structure for the Merged Entity that is pegged to distributable income and distribution per unit ("**DPU**") growth[6].

In addition, information barriers are in place between the MCT Manager and the MNACT Manager to ensure that any information relating to MCT's business strategy or operations is not shared with MNACT (and *vice versa*), save for the limited exchange of information between the MCT Manager and the MNACT Manager for the sole purpose of conducting due diligence and to evaluate and implement the Merger.

1.3 Information on MCT and the MCT Manager

1.3.1 MCT

MCT is a Singapore-focused real estate investment trust ("**REIT**") established with the principal investment objective of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, in Singapore as well as real estate-related assets[7]. MCT has been listed on the SGX-ST since 27 April 2011 and has a market capitalisation of S$6.6 billion as at the Last Trading Day. As at the Joint Announcement Date, MCT has a portfolio of five properties located in Singapore, with a total net lettable area ("**NLA**") of 5.0 million square feet ("**sq ft**").[8]

Certain key financial information with respect to the MCT Group as at 31 March 2022 and for the financial year ended 31 March 2022 ("**FY21/22**") is set out as follows:

MCT Group	Information
NAV(1)	S$5,622.7 million
NAV per MCT Unit(1)	S$1.69
Distributable income for FY21/22	S$317.0 million
Distribution per MCT Unit for FY21/22	9.53 Singapore cents
Net profits before tax for FY21/22	S$347.0 million
Total assets	S$8,984.5 million
Assets under management(2)	S$8,821.0 million

Notes:

(1) For the purposes of this Circular, all references to the NAV of the MCT Group exclude distributable income, unless otherwise stated. Based on MCT's NAV per unit of S$1.74 as at 31 March 2022 and excludes MCT's reported 2H FY21/22 DPU of 5.14 Singapore cents to be paid on 3 June 2022.

(2) Based on independent desktop valuations which were commissioned by the MCT Manager and the MCT Trustee and carried out by CBRE Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd (collectively, the "**MCT Independent Valuers**") as at 31 March 2022 (the "**MCT 2022 Independent Valuations**") using a combination of methods, namely discounted cash flow method and income capitalisation method

[6] This is subject to the approval by MCT Unitholders of the MCT Trust Deed Amendments (as defined below).

[7] Under the Property Funds Appendix, "**real estate-related assets**" refers to listed or unlisted debt securities and listed shares of or issued by property corporations, mortgage-backed securities, other property funds, and assets incidental to the ownership of real estate (e.g. furniture).

[8] Please refer to Schedule 1, Part 1 of the Circular for details on the five properties in MCT's portfolio.

1.3.2 MCT Manager

MCT is managed by the MCT Manager. The MCT Manager is a wholly-owned subsidiary of MIPL. The MCT Manager holds a Capital Markets Services Licence ("**CMS Licence**") for REIT management pursuant to the Securities and Futures Act 2001 (the "**SFA**").

As at the Latest Practicable Date, the board of directors of the MCT Manager (the "**MCT Board**") comprises the following persons:

(i) Mr. Tsang Yam Pui (Non-Executive Chairman and Director);

(ii) Ms. Kwa Kim Li (Lead Independent Non-Executive Director);

(iii) Mr. Premod P. Thomas (Independent Non-Executive Director);

(iv) Mr. Kan Shik Lum (Independent Non-Executive Director);

(v) Mr. Koh Cheng Chua (Independent Non-Executive Director);

(vi) Mr. Wu Long Peng (Independent Non-Executive Director);

(vii) Mr. Mak Keat Meng (Independent Non-Executive Director);

(viii) Mr. Alvin Tay Tuan Hearn (Independent Non-Executive Director);

(ix) Mr. Hiew Yoon Khong (Non-Executive Director);

(x) Ms. Wendy Koh Mui Ai (Non-Executive Director);

(xi) Ms. Amy Ng Lee Hoon (Non-Executive Director); and

(xii) Ms. Lim Hwee Li Sharon (Executive Director and Chief Executive Officer).

1.4 Information on MNACT and the MNACT Manager

1.4.1 MNACT

MNACT is the first and only North Asia focused commercial REIT listed in Singapore that aims to invest, directly or indirectly, in a diversified portfolio of income-producing real estate in the People's Republic of China (the "**PRC**"), Hong Kong Special Administrative Region ("**SAR**"), Japan and South Korea which is used primarily for commercial purposes (including real estate used predominantly for retail and/or offices), as well as real estate-related assets. Listed on the SGX-ST on 7 March 2013, MNACT has a market capitalisation of S$3.9 billion as at the Last Trading Day. As at the Joint Announcement Date, MNACT has a portfolio of 13 properties[9] located in China, Hong Kong SAR, Japan and South Korea, with a NLA of 5.9 million sq ft.

Certain key financial information with respect to the MNACT Group as at 31 March 2022 and for FY21/22 is set out as follows:

[9] This includes 50.0% effective interest in The Pinnacle Gangnam (**"TPG"**) located in South Korea.

MNACT Group	Information
NAV[(1)]	S$4,224.3 million
NAV per MNACT Unit[(1)]	S$1.197
Distributable income for FY21/22	S$239.2 million
Distribution per MNACT Unit for FY21/22	6.819 Singapore cents
Net profits before income tax for FY21/22	S$53.6 million
Total assets	S$8,456.1 million
Assets under management[(2)]	S$8,267.1 million

Notes:

(1) For the purposes of this Circular, all references to NAV of the MNACT Group exclude non-controlling interests and distributable income, unless otherwise stated. Based on MNACT's NAV per unit of S$1.231 as at 31 March 2022 and excludes MNACT's reported 2H FY21/22 DPU of 3.393 Singapore cents to be paid on 19 May 2022.

(2) Based on the independent full valuations which were commissioned by the MNACT Manager and the MNACT Trustee and carried out by Knight Frank Petty Ltd, JLL Morii Valuation & Advisory K.K. and CBRE Korea Company Limited (collectively, the "**MNACT Independent Valuers**") as at 31 March 2022 using a combination of methods, namely discounted cash flow method, income capitalisation method and direct comparison method.

1.4.2 MNACT Manager

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

As at the Latest Practicable Date, the board of directors of the MNACT Manager comprises the following persons (the "**MNACT Directors**"):

(i) Mr. Paul Ma Kah Woh (Non-Executive Chairman and Director);

(ii) Mr. Lawrence Wong Liang Ying (Lead Independent Non-Executive Director);

(iii) Ms. Tan Su Shan (Independent Non-Executive Director);

(iv) Ms. Chiang Sui Fook Lilian (Independent Non-Executive Director);

(v) Mr. Chua Kim Chiu (Independent Non-Executive Director);

(vi) Mr. Pascal Jean-Louis Lambert (Independent Non-Executive Director);

(vii) Mr. Kevin Kwok (Non-Executive Director);

(viii) Mr. Lok Vi Ming (Non-Executive Director);

(ix) Mr. Michael Kok Pak Kuan (Non-Executive Director);

(x) Mr. Chua Tiow Chye (Non-Executive Director);

(xi) Ms. Wendy Koh Mui Ai (Non-Executive Director); and

(xii) Ms. Cindy Chow Pei Pei (Executive Director and Chief Executive Officer).

1.5 Information on the Merged Entity

1.5.1 Expansion of Investment Mandate

It is intended that on the Trust Scheme becoming effective in accordance with its terms, the existing investment mandate of MCT will be expanded pursuant to the deed of trust dated 25 August 2005 constituting MCT (as amended) (the "**MCT Trust Deed**"). Under the MCT Trust Deed, the MCT Manager may from time to time change MCT's investment policies subject to compliance with the listing manual of the SGX-ST (the "**Listing Manual**"), so long as it has given not less than 30 days' prior notice of the change to DBS Trustee Limited (as trustee of MCT) (the "**MCT Trustee**") and MCT Unitholders by way of an announcement to the SGX-ST.

For the purposes of Clause 10.2.4 of the MCT Trust Deed, the announcement of the Merger released by the MCT Manager on the Joint Announcement Date is deemed to be the notice of the expansion of the existing investment mandate of MCT (as the Merged Entity) on or before the Trust Scheme becoming effective in accordance with its terms.

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

1.5.2 Unitholding Percentages in the Merged Entity

The following table sets out the unitholding percentages in each of MCT and MNACT as at the Latest Practicable Date and in the Merged Entity after the Trust Scheme and, if undertaken, the Preferential Offering. The table is prepared based on the following assumptions:

(i) the size of the Preferential Offering will be determined based on (a) the results of the election of the form of the Scheme Consideration to be received by the MNACT Unitholders pursuant to the Trust Scheme, and (b) the proportion of MCT Unitholders (excluding the MIPL Entities) who elect to subscribe for the Preferential Offering Units;

(ii) to fund the cash component of the Scheme Consideration, MCT proposes to raise (a) up to S$417.3 million[10] through the issuance of perpetual securities and/or debt funding and (b) up to S$2.2 billion through the Preferential Offering;

(iii) the Preferential Offering is not subscribed for by any other MCT Unitholder, and any one or more of the relevant MIPL Entities is or are (as the case may be) required to subscribe for the Maximum Preferential Offering Units (the "**Excess Commitment**"); and

(iv) the resultant unitholdings of MIPL Entities in the Merged Entity set out in the following table do not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (as defined in the table below) (in its

[10] The maximum cash amount required by MCT to satisfy the cash component of the Cash-and-Scrip Consideration is approximately S$417.3 million assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

capacity as property manager of the MNACT Properties) prior to the Record Date or the record date to be announced by the MCT Manager on which the Register of MCT Unitholders will be closed to determine the eligibility of the MCT Unitholders to participate in the Preferential Offering (the "**Preferential Offering Record Date**") (as the case may be).

<table>
<tr><th rowspan="2"></th><th colspan="2" rowspan="2">As at the Latest Practicable Date</th><th colspan="2">After the Trust Scheme</th><th>After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)</th></tr>
<tr><th>Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration</th><th>Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration</th><th>Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration</th></tr>
<tr><th>Unitholders</th><th>MCT (%)(1)</th><th>MNACT (%)(2)</th><th>Merged Entity (%)(3)</th><th>Merged Entity (%)(4)</th><th>Merged Entity (%)(5)</th></tr>
<tr><td>The HarbourFront Pte Ltd ("HFPL"), HarbourFront Place Pte. Ltd. ("HF Place"), HarbourFront Eight Pte Ltd ("HF Eight"), Sienna Pte. Ltd. ("Sienna") and Mapletree Commercial Trust Management Ltd.</td><td>32.61</td><td>-</td><td>19.97</td><td>20.77</td><td>41.71</td></tr>
<tr><td>Kent Assets Pte. Ltd. ("Kent"), Suffolk Assets Pte. Ltd. ("Suffolk"), Mapletree North Asia Property Management Limited ("MNAPML") and Mapletree North Asia Commercial Trust Management Ltd.</td><td>-</td><td>38.14</td><td>14.79</td><td>15.37</td><td>15.37</td></tr>
<tr><td>Sub-Total of MIPL Entities</td><td>32.61</td><td>38.14</td><td>34.76</td><td>36.14</td><td>57.09</td></tr>
<tr><td>Other Concert Parties(6)</td><td>1.10</td><td>1.40</td><td>1.22</td><td>1.18</td><td>0.70</td></tr>
<tr><td>Other existing MCT Unitholders</td><td>66.28</td><td>-</td><td>40.59</td><td>42.21</td><td>42.21</td></tr>
<tr><td>Other MNACT Unitholders who</td><td>-</td><td>60.46</td><td>23.44</td><td>20.47</td><td>-</td></tr>
</table>

	As at the Latest Practicable Date		After the Trust Scheme		After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)
			Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration
Unitholders	**MCT (%)[1]**	**MNACT (%)[2]**	**Merged Entity (%)[3]**	**Merged Entity (%)[4]**	**Merged Entity (%)[5]**
will become unitholders of the Merged Entity upon the completion of the Trust Scheme					
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Notes: The percentages are rounded to the nearest two decimal places. Total percentage values may not add up to 100.0% due to rounding differences.

(1) Based on a total of 3,323,513,585 MCT Units as at the Latest Practicable Date.

(2) Based on a total of 3,527,974,156 MNACT Units as at the Latest Practicable Date.

(3) Based on an aggregate of 5,427,244,574 units in the Merged Entity, assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(4) Based on an aggregate of 5,219,052,142 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(5) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment (as defined in **Paragraph 8.4 of the Circular**) in full. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

(6) The details of certain other persons who are deemed to be acting in concert with MIPL (other than MIPL Entities) (the "Other Concert Parties") are set out in **Schedule 5 of the Circular**.

For completeness, the MCT Manager, the MNACT Manager and MNAPML (in its capacity as property manager of the MNACT Properties) may receive fees payable in MCT Units or MNACT Units prior to the Effective Date. Further details of such fee issuances are set out in **Paragraph 8.2** of the Circular.

In addition to the Preferential Offering Units and the Consideration Units:

(a) pursuant to the MCT Trust Deed, the MCT Manager (being an MIPL Entity), may receive up to an additional 4,533,905 new MCT Units prior to the Record

Date or the Preferential Offering Record Date (as the case may be)[11], as payment of its base fee for the period from 1 January 2022 to 31 March 2022 (both dates inclusive) and its performance fees for the financial year ending 31 March 2022 (the "**4Q FY21/22 MCT Fee Units**"); and

(b) the MNACT Manager and MNAPML (each of whom is an MIPL Entity) may, prior to the Record Date or the Preferential Offering Record Date (as the case may be), receive up to approximately 11,591,728 MNACT Units (the "**MNACT Fee Units**") as payment for fees pursuant to the MNACT Trust Deed, , and the master property management agreement entered into between the MNACT Trustee, the MNACT Manager and MNAPML (the "MNACT Master Property Management Agreement"), and these MNACT Fee Units will, on completion of the Trust Scheme, be transferred to MCT in exchange for Consideration Units. The actual number of MNACT Fee Units to be issued to the MNACT Manager and MNAPML will depend on the fees payable and the actual issue prices as determined in accordance with the MNACT Trust Deed and the MNACT Master Property Management Agreement..

Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Record Date or the Preferential Offering Record Date (as the case may be), the aggregate resultant unitholding interest of the MIPL Entities in the Merged Entity[12] will be approximately:

(1) 34.89% immediately after the Trust Scheme (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration);

(2) 36.28% immediately after the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration); and

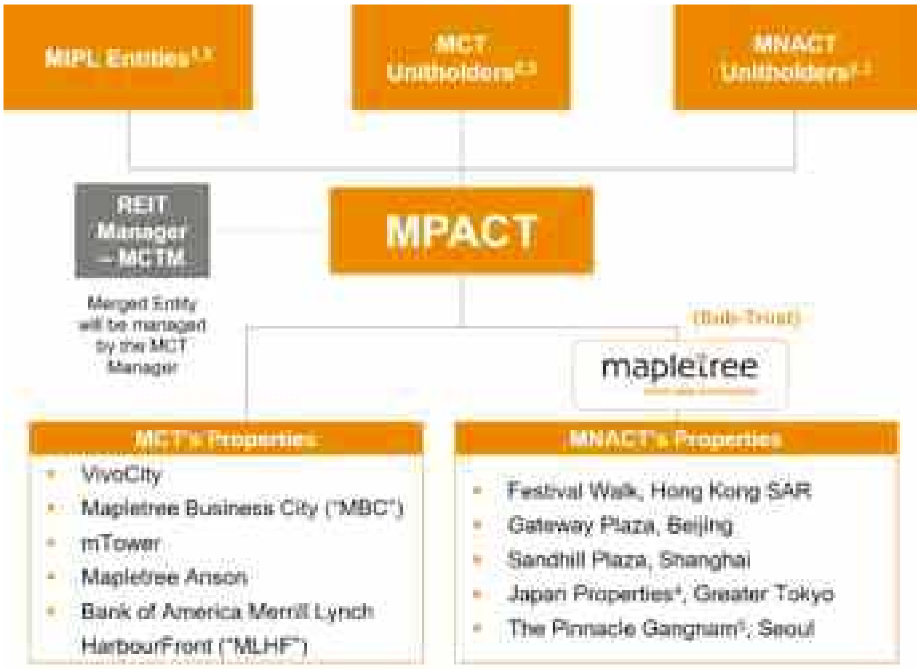
(3) 57.18% immediately after the Preferential Offering (assuming Excess Commitment) and the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration).

1.5.3 Structure of the Merged Entity

It is currently envisaged that the indicative structure of the Merged Entity immediately upon completion of the Merger will be as follows:

[11] Assumes that the Record Date and the Preferential Offering Record Date fall on or prior to 31 July 2022.

[12] Further assuming that the MCT Units to be issued as payment of management fees for the quarter ending 30 June 2022 are issued to the MCT Manager subsequent to the completion of the Trust Scheme and, if undertaken, the Preferential Offering.



Notes: Simplified group structure for illustration only. Assuming completion of the Merger and the Trust Scheme.

(1) Before the Merger, as at the Latest Practicable Date, MIPL Entities held 32.61% interest (including indirect interest) in MCT, and 38.14% interest (including indirect interest) in MNACT.

(2) Before the Merger, as at the Latest Practicable Date, unitholders (excluding the MIPL Entities) held 67.39% interest in MCT, and 61.86% interest in MNACT.

(3) The interests of the respective unitholders (including the MIPL Entities) in MCT are calculated based on a total of 3,323,513,585 MCT Units in issue as at the Latest Practicable Date. The interests of the respective unitholders (including the MIPL Entities) in MNACT are calculated based on a total of 3,527,974,156 MNACT Units in issue at the Latest Practicable Date.

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

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

Further information on the Merged Entity may be found in **Schedule 1 of the Circular**.

1.6 Appointment of the Independent Financial Adviser ("IFA")

The MCT Manager and the MCT Trustee have appointed Australia and New Zealand Banking Group Limited, Singapore Branch as the Independent Financial Adviser (the "**MCT IFA**") to advise:

(i) the audit and risk committee of the MCT Manager, comprising Mr. Premod P. Thomas, Mr. Koh Cheng Chua, Mr. Wu Long Peng and Mr. Mak Keat Meng (the "**Audit and Risk Committee**");

(ii) the independent directors of the MCT Manager, being Ms. Kwa Kim Li, Mr. Premod P. Thomas, Mr. Kan Shik Lum, Mr. Koh Cheng Chua, Mr. Wu Long Peng, Mr. Mak Keat Meng and Mr. Alvin Tay Tuan Hearn (the "**Independent Directors**"); and

(iii) the MCT Trustee,

as to whether the Merger (including the proposed issuance of Consideration Units) and the MCT Trust Deed Amendments, each of which is an interested person transaction under the Listing Manual, are on normal commercial terms and not prejudicial to the interests of MCT and its minority unitholders, as well as, in compliance with the provisions of the Code, whether the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable.

2. TERMS OF REFERENCE

ANZ has been appointed as the IFA, pursuant to Chapter 9 of the Listing Manual and as required under Rule 921(4)(a) of the Listing Manual, as well as to advise the Independent Directors and the Audit and Risk Committee of the MCT Manager and the MCT Trustee as to whether the Merger (including the proposed issuance of Consideration Units) and the MCT Trust Deed Amendments are on normal commercial terms and not prejudicial to the interests of MCT and its minority unitholders, as well as, in compliance with the provisions of the Code, whether the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable.

Our terms of reference do not require us to evaluate or comment on the strategic or commercial merits and/or risks of the Merger or on the future prospects of the Merged Entity and any of its related or associated companies. Such evaluation or comment, if any, remains the sole responsibility of the Directors and the management of the MCT Manager, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us and provided that such has been disclosed to us) in arriving at our view as set out in this Letter. We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Merger. We are therefore not addressing the relative merits of the Merger as compared to any alternative transaction (if any) previously considered by the MCT Manager or that otherwise may be available to MCT, or as compared to any alternative transaction that might otherwise be available in the future. We are not and were not involved in any aspect of the negotiations entered into by MCT or in the deliberations leading up to the decision of the Directors to undertake, inter alia, the Merger.

We have held discussions with the management of the MCT Manager and have examined information provided by the management of the MCT Manager and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or implied, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised our judgement on the reasonable use and assessment of such information and have found no reason to doubt the reliability of the information.

We have been furnished with the independent property valuation reports with regards to the valuation of MNACT properties as at 31st October 2021 and as at 31 March 2022 issued by Knight Frank Petty Limited (**Knight Frank**), (JLL Morii Valuation and Advisory K.K., ("**JLL**"), and CBRE Korea Co., Ltd, ("**CBRE**") respectively for the Property valuations of MNACT in Greater China, Japan and Korea, which were commissioned by MNACT Manager in connection with the merger which we have considered in our analysis. With respect to such property valuation reports, we are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on these property valuation reports for such asset appraisal and have not made any independent verification of the contents thereof in respect of the assets held by MNACT and MCT, respectively, nor have we evaluated the solvency of MNACT and MCT under any applicable laws relating to bankruptcy, insolvency or similar matters. We have not made an independent evaluation or appraisal of the assets and liabilities of MNACT and MCT, respectively, and we have not been furnished with any such evaluation or appraisal, except for the property valuation reports as stated above.

We have relied upon the assurances of the Directors that the Directors collectively and individually accept responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts provided are fair and accurate in all material respects and there are no material facts the omission of which would make any statement in this Letter misleading in any material respect.

Our opinion, as set out in this Letter, is based upon the market, economic, industry, monetary, regulatory and other prevailing conditions on, and the information made available to us, as at the Latest Practicable Date. As conditions may change significantly over a short period of time, accordingly, we assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may in any way affect our opinion, factors or assumptions contained herein. MCT Unitholders should take note of any announcement relevant to their consideration of the Merger which may be released by or on behalf of the MCT Manager and other relevant sources after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any MCT Unitholder. **As each MCT Unitholder would have different investment objectives and profiles, we would advise that any individual MCT Unitholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser**.

This Letter and our opinion are in compliance with Rule 921(4)(a) of the Listing Manual as well as addressed to and for the use and benefit of the Independent Directors and the Audit and Risk Committee of the MCT Manager and the MCT Trustee in connection with and for the purpose of their consideration of the Merger, and the recommendation made by the Independent Directors to the MCT Unitholders shall remain their responsibility.

A copy of this Letter will be reproduced in the Circular. However, neither the MCT Manager nor the MCT Trustee, Audit and Risk Committee and Independent Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than the intended purpose in relation to the Merger, at any time or in any manner without the prior written consent of ANZ.

The MCT Manager has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this Letter).

Our opinion in relation to the Merger, the Amendment to the Deed of Trust and the Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.

3. SUMMARY OF APPROVALS SOUGHT

The MCT Manager is seeking the approval of MCT Unitholders at an EGM for the following matters:

No.	Approval Sought	Approval Threshold	Abstentions
1.	Subject to Resolution 2 (as defined below) and Resolution 3 (as defined below) having been approved, the approval of the MCT Unitholders for the proposed Merger by way of the MCT Acquisition at the EGM ("**Resolution 1**")(1)	Ordinary Resolution(2)	The MCT Manager and its associates (being Temasek Holdings (Private) Limited ("**Temasek**"), Fullerton Management Pte Ltd ("**Fullerton**"), HFPL, HF Place, HF Eight and Sienna)
2.	Subject to Resolution 1 and Resolution 3 having been approved, the approval of the MCT Unitholders for the proposed allotment and issuance of the Consideration Units (the "**Proposed Issuance of Consideration Units**") at the EGM ("**Resolution 2**")(3)	Ordinary Resolution(2)	The MCT Manager and its associates (being Temasek, Fullerton, HFPL, HF Place, HF Eight and Sienna)
3.	The approval of the MCT Unitholders who are considered independent for the purposes of the Whitewash Resolution ("**Independent MCT Unitholders (Whitewash)**") for the proposed Whitewash Resolution (as defined in **Paragraph 8.3** of the Circular) at the EGM ("**Resolution 3**")(4)	Ordinary Resolution(2)	MIPL and their concert parties and parties not independent of them (being the MCT Manager, HFPL, HF Place, HF Eight, Sienna and the Other Concert Parties [13] who hold MCT Units).
4.	Subject to Resolution 1, Resolution 2 and Resolution 3 having been approved, the approval of the MCT Unitholders to amend the MCT Trust Deed to reflect the revised management fee structure as set out in **Schedule 2** of the Circular ("**Management Fee Supplement**" and the proposed amendments to the MCT Trust Deed, the "**MCT Trust Deed Amendments**") at the EGM ("**Resolution 4**")(5)	Extraordinary Resolution(6)	The MCT Manager and its associates (being Temasek, Fullerton, HFPL, HF Place, HF Eight and Sienna)

[13] The details of the Other Concert Parties (as defined in **Paragraph 8.2.2**) are set out in **Schedule 5** to the Circular.

Notes:

(1) Please refer to **Paragraph 5 of the Circular** for further details.

(2) "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of MCT Unitholders.

(3) Please refer to **Paragraph 6 of the Circular** for further details.

(4) Please refer to **Paragraph 8 of the Circular** for further details.

(5) Please refer to **Paragraph 9 of the Circuclar** for further details.

(6) "**Extraordinary Resolution**" means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of MCT Unitholders.

MCT Unitholders should note that Resolution 1, Resolution 2 and Resolution 4 are contingent on the following other resolutions being passed, and will lapse if the following matters do not take place. **In the event that Resolution 3 is not passed at the EGM, the MCT Manager will not proceed with Resolution 1, Resolution 2 or Resolution 4. In the event that Resolution 1, Resolution 2 or Resolution 3 is not passed, the MCT Manager will not proceed with the Merger.**

Resolution	Contingent upon the following resolutions being passed
Resolution 1 (Proposed Merger)	Contingent upon Resolution 2 and Resolution 3 being passed
Resolution 2 (Proposed Issuance of Consideration Units)	Contingent upon Resolution 1 and Resolution 3 being passed
Resolution 3 (Whitewash Resolution)	Nil
Resolution 4 (MCT Trust Deed Amendments)	Contingent upon Resolution 1, Resolution 2 and Resolution 3 being passed

For the avoidance of doubt, the approvals relating to the Merger (being Resolution 1, Resolution 2 and Resolution 3) are not conditional on the approval of Resolution 4. In the event that the approvals relating to the Merger are obtained but Resolution 4 is not approved, MCT's existing fee structure will continue to apply to the Merged Entity. In the event that the approvals relating to the Merger are not obtained, the MCT Manager will not proceed with Resolution 4 and accordingly, there will be no change to MCT's existing fee structure.

4. THE MERGER AND THE SCHEME

4.1 The Implementation Agreement and the Trust Scheme

In connection with the Merger, the MCT Trustee, the MCT Manager, the MNACT Trustee and the MNACT Manager (each a "**Party**", and collectively the "**Parties**") had, on 31 December 2021 entered into an implementation agreement, as amended by the supplemental implementation agreement dated 28 January 2022 and as further amended pursuant to an amendment and restatement agreement dated 21 March 2022, setting out the terms and conditions on which the Trust Scheme will be implemented (collectively, and as may be further amended, modified or supplemented from time to time, the "**Implementation Agreement**").

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

(i) fully paid;

(ii) free from all encumbrances; and

(iii) together with all rights, benefits and entitlements attaching on and from the date of the Implementation Agreement, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the MNACT Manager on or after the date of the Implementation Agreement, except for the MNACT Permitted Distributions (as defined in **Paragraph 5.6.2** of the Circular),

(such transfer previously defined in **Paragraph 1.1** of the Circular as the "**MCT Acquisition**").

The MCT Acquisition requires the approval of the MCT Unitholders under Rules 906(1)(a)[14] and 1014(2)[15] of the Listing Manual and Paragraph 5.2(b)[16] of Appendix 6 of the Code on Collective Investment Schemes issued by the MAS (the "**Property Funds Appendix**"), in each case, with each of Temasek, Fullerton, MIPL and their associates (including HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstaining from voting on such resolutions, as required under Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

4.2 Conditions to Completion

4.2.1 The Merger is subject to the satisfaction or waiver of the Conditions set out in **Schedule 3, Part 1** of the Circular.

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

(i) **Paragraph (1), (2), (3), (8) or (9) of Schedule 3, Part 1** of the Circular has not been satisfied (or, where applicable, has not been waived in accordance with the Implementation Agreement) by 11.59 p.m. on 31 August 2022 (or such other date as the Parties may agree in writing) (the "**Long-Stop Date**") and the non-satisfaction of such Condition is material in the context of the Merger; or

(ii) **Paragraph (4), (5), (6) or (7) of Schedule 3, Part 1** of the Circular is not satisfied (or, where applicable, has not been waived in accordance with the Implementation Agreement) on the date falling on the Business Day immediately preceding the Effective Date (the "**Relevant Date**") and the non-satisfaction of such Condition is material in the context of the Merger,

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

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

(i) if there has been a decree, determination, injunction, judgment or other order (which is final and non-appealable) issued by any court of competent jurisdiction or by any

[14] Under Rule 906(1)(a) of the Listing Manual, where MCT proposes to enter into a transaction with an interested person and the value of the transaction is equal to or exceeds 5.0% of the MCT Group's latest audited NTA, the approval of the MCT Unitholders is required in respect of the transaction. Please refer to **Paragraph 11.1.1 of the Circular** for details on the requirement for MCT Unitholders' approval.

[15] Under Rule 1014(2) of the Listing Manual, a major transaction must be made conditional upon approval by the MCT Unitholders in general meeting. Please refer to **Paragraph 11.2.2 of the Circular** for details on the requirement for MCT Unitholders' approval.

[16] Under Paragraph 5.2(b) of the Property Funds Appendix, MCT Unitholders' approval is required for an interested party transaction by MCT whose value is equal to or exceeds 5.0% of the MCT Group's NAV (which, for the purposes of this footnote, includes distributable income). Please refer to **Paragraph 11.1.1 of the Circular** for details on the requirement for MCT Unitholders' approval.

governmental authority which has the effect of permanently enjoining, restraining or otherwise prohibiting the Merger or the Trust Scheme or any part thereof;

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

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

(iv) if there has been an occurrence of a MCT Material Adverse Effect (as defined in **Paragraph 7(a)** of **Schedule 3, Part** 1 of the Circular); or

(v) if there has been an occurrence of an MNACT Material Adverse Effect (as defined in **Paragraph 7(b)** of **Schedule 3, Part 1** of the Circular),

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

4.3 Implementation

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

4.4 Effective Date

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

(i) on a date to be mutually agreed in writing between the MCT Manager and the MNACT Manager, being a date within 30 Business Days from the date that the last of the Conditions set out in **Paragraphs (1)**, **(2)**, **(3)**, **(8)** and **(9)** of **Schedule 3, Part 1 of the Circular** is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement, or such longer period as the MCT Manager and the MNACT Manager may agree in writing; and

(ii) provided that the Conditions set out in **Paragraphs (4)**, **(5)**, **(6)** and **(7)** of **Schedule 3, Part 1 of the Circular** are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Implementation Agreement,

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

4.5 Conduct of Business

Each Party has agreed that it shall not, and shall procure that each MCT Group Entity[17] or MNACT Group Entity[18] (as the case may be) shall not, during the period from the date of the Implementation Agreement to the Effective Date, without the prior written consent of the other Parties (as relevant) (such consent not to be unreasonably withheld or delayed), take or refrain from taking any action which is reasonably within its power or control that would or is reasonably likely to result in any of the events or matters set out in **Schedule 3, Part 2 of the Circular** ("**MCT Prescribed Occurrences**") or, as the case may be, any of the events or matters set out in **Schedule 3, Part 3 of the Circular** ("**MCT Prescribed Occurrences**"), save to the extent:

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

(ii) required to give effect to and comply with the Implementation Agreement.

4.6 MCT Permitted Distributions and MNACT Permitted Distributions

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

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

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

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

4.7 Switch Option

The Parties have agreed that if:

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[17] For the purposes of **Paragraph 5 of the Circular** only, "**MCT Group**" means, collectively, MCT and its subsidiaries, and any trusts and limited liability partnerships in which MCT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), and "**MCT Group Entity**" shall be construed accordingly.

[18] For the purposes of **Paragraph 5 of the Circular** only, "**MNACT Group**" means, collectively, MNACT and its subsidiaries, and any trusts and limited liability partnerships in which MNACT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), and "**MNACT Group Entity**" shall be construed accordingly.

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

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

(ii) a general offer for the MNACT Units;

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

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

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

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

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

in each case, without the prior written consent of the MCT Trustee and the MCT Manager in respect of such MNACT Switch Option Competing Offer, the MCT Trustee shall have the right at its discretion to elect at any time, subject to prior consultation with the Securities Industry Council (the "**SIC**"), to proceed with the Merger by way of a voluntary conditional offer to acquire all the MNACT Units (an "**Offer**") in lieu of proceeding with the Merger by way of the Trust Scheme, such Offer to be on the same or better terms as those which apply to the Trust Scheme or the MNACT Switch Option Competing Offer (whichever is the higher), including the same or a higher consideration than the Scheme Consideration for each MNACT Unit (being the implied dollar value of the Consideration Units, based on the fixed number of Consideration Units issued for each MNACT Unit assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration and the issue price per Consideration Unit), and conditional upon a level of acceptances set at only more than 50% of the MNACT Units to which the Offer relates and not conditional on a higher level of acceptances (such right of the MCT Trustee to proceed with the Merger by way of an Offer, the "**Switch Option**").

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

4.8 Exclusivity

The MNACT Trustee and the MNACT Manager have agreed to grant the MCT Trustee and the MCT Manager exclusivity for a period commencing on the date of the Implementation Agreement and ending on the earliest of the date on which the Implementation Agreement is terminated, the Scheme Settlement Date and the Long-Stop Date, during which the MNACT Trustee and the MNACT Manager shall not, and shall procure that none of their affiliates or their respective representatives or advisers shall:

(i) directly or indirectly solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do the foregoing, with a view to obtaining, or to the extent reasonably likely to result in or lead to, any MNACT Competing Offer (as defined in **Schedule 3, Part 4 of the Circular**); or

(ii) subject to the MNACT Directors being able to discharge their fiduciary, regulatory or statutory obligations (including those under applicable laws or the Code), negotiate or enter into, or participate in negotiations or discussions with any person in relation to, any MNACT Competing Offer or any agreement, understanding or arrangement which was not directly or indirectly solicited, invited, encouraged or initiated by the MNACT Trustee, the MNACT Manager, or their affiliates or their respective representatives or advisers (the "**Unsolicited Offer**"). For the avoidance of doubt, this provision does not restrict the MNACT Trustee or the MNACT Manager from taking or refusing to take any action with respect to any Unsolicited Offer which would or is reasonably likely to constitute a breach of the MNACT Directors' fiduciary, regulatory or statutory obligations (including those under applicable laws or the Code).

4.9 Termination

Notwithstanding any other provision in the Implementation Agreement, the Implementation Agreement may be terminated at any time on or prior to the Relevant Date pursuant to such terms of the Implementation Agreement as set out in **Paragraph 5.2.2** and **Paragraph 5.2.3** of the Circular, provided that (i) the Party seeking to terminate the Implementation Agreement, including in the event of non-satisfaction of any Condition, shall only terminate the Implementation Agreement with the prior consultation of the SIC and subject to the SIC giving its approval for, and stating that it has no objections to, such termination and (ii) the Party seeking to terminate the Implementation Agreement shall provide written notice to all the other Parties to terminate the Implementation Agreement (other than certain surviving provisions) promptly upon the SIC stating that it has no objection to such termination.

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

4.10 Scheme Consideration

In consideration of the transfer of the MNACT Units under the MCT Acquisition, each of the MCT Trustee and the MCT Manager has agreed, subject to the Trust Scheme becoming effective in accordance with its terms, that each MNACT Unitholder will be entitled to receive for each MNACT Unit held by it as at 5.00 p.m. on the Record Date, the following Scheme Consideration, at its election:

(i) **Scrip-Only Consideration**: 0.5963 Consideration Units at the Scheme Issue Price of S$2.0039; **or**

(ii) **Cash-and-Scrip Consideration**: S$0.1912 in cash and 0.5009 Consideration Units at the Scheme Issue Price of S$2.0039; **or**

(iii) **Cash-Only Consideration**: S$1.1949 in cash,

in accordance with the terms and conditions of the Implementation Agreement. For the avoidance of doubt, each MNACT Unitholder is entitled to elect to receive only one form of the Scheme Consideration, being the Scrip-Only Consideration **OR** the Cash-and-Scrip Consideration **OR** the Cash-Only Consideration, in respect of its entire holdings of MNACT Units held as at 5.00 p.m. on the Record Date. No combination of different forms of the Scheme Consideration is permitted.

The Cash-Only Consideration will be the default form of the Scheme Consideration. MNACT Unitholders who do not make any election or fail to make a valid election for the Scrip-Only Consideration, Cash-and-Scrip Consideration or Cash-Only Consideration shall be deemed to have elected to receive the Cash-Only Consideration if the Trust Scheme becomes effective in accordance with its terms.

MIPL, the Sponsor of both MCT and MNACT, intends to elect to receive the Scrip-Only Consideration in respect of all its MNACT Units and has provided an undertaking to the MCT Manager to this effect.

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

(i) the short- to medium-term uncertainties of the respective property portfolios and the resulting potential benefits to be derived from the Merger of MCT and MNACT;

(ii) prevailing and historical relative market prices (including pre-COVID-19), distribution yields, price-to-NAV per MCT Unit and price-to-NAV per MNACT Unit;

(iii) relevant precedent trust scheme mergers in Singapore;

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

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

(vi) the amount of MCT Permitted Distributions and the amount of MNACT Permitted Distributions to be made by the MCT Manager and the MNACT Manager respectively; and

(vii) the latest available independent market valuations of the respective property portfolios of MCT and MNACT prior to the Joint Announcement[19].

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

As MNACT Unitholders may receive odd lots of MCT Units as part of the consideration for their MNACT Units pursuant to the Trust Scheme, the MNACT Manager will put in place arrangements to facilitate the trading of odd lots so that MNACT Unitholders who wish to round up or down their unitholding to the nearest board lot size of MCT Units (i.e. in multiples of 100 MCT Units) can do so. Please refer to **Paragraph 19** of the the Letter to MNACT Unitholders in the Scheme Document for further details of the arrangements to be put in place by the MNACT Manager for the trading of odd lots of MCT Units.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, an MNACT Unitholder holding 1,000 MNACT Units as at the Record Date will receive:

- 596 Consideration Units; **or**

- 500 Consideration Units and S$191.20 in cash; **or**

- S$1,194.90 in cash.

The Scheme Issue Price of S$2.0039 per Consideration Unit may not be equivalent to the market price of, nor reflective of the fair value of, the Consideration Units as at the Effective Date and/or the Scheme Settlement Date.

Each Consideration Unit may, depending on market conditions and sentiments, trade above or below the Scheme Issue Price of each Consideration Unit of S$2.0039.

The MCT Manager has reserved the right to adjust the Scheme Consideration by reducing the Cash-Only Consideration, the cash component of the Cash-and-Scrip Consideration, the unit component of the Cash-and-Scrip Consideration, the Scrip-Only Consideration or by any combination of the foregoing, if and to the extent any distribution in excess of the MNACT Permitted Distributions is declared, made or paid by the MNACT Manager on or after the Joint Announcement Date.

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[19] The latest available independent market valuations of MCT's property portfolio prior to the Joint Announcement were as at 30 September 2021. The latest available independent market valuations of MNACT's property portfolio prior to the Joint Announcement were as at 31 October 2021.

4.11 Total Transaction Outlay

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

Assuming that all MNACT Unitholders elect to receive the Scrip-Only Consideration, the total cost of the Merger ("**Total Transaction Outlay**") is currently estimated to be approximately S$4,247.6 million[20], comprising:

(i) the aggregate Scheme Consideration of S$4,229.6 million[20], comprising 2,110.6 million Consideration Units[21]; and

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

4.11.2 Total Transaction Outlay assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration

Assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, the Total Transaction Outlay is estimated to be approximately S$4,250.2 million, comprising:

(i) the aggregate Scheme Consideration of S$4,229.6 million[20], comprising S$417.3 million as the cash component of the Scheme Consideration and 1,902.5 million Consideration Units[21]; and

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

4.11.3 Total Transaction Outlay assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration

Assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, the Total Transaction Outlay is estimated to be approximately S$4,250.2 million[20], comprising:

(i) the aggregate Scheme Consideration of S$4,229.6 million[20], comprising S$2,607.6 million as the cash component of the Scheme Consideration and 809.3 million Consideration Units; and

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

The aggregate Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of MCT, in compliance with its accounting policies. The fair value of a Consideration Unit will be based on the closing price of an MCT Unit as at the Effective Date and not at the Scheme Issue Price of S$2.0039 per Consideration Unit which was the 1-day VWAP of an MCT Unit on the SGX-ST on the Last Trading Day.

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[20] This amount is an estimate and may differ from the actual Total Transaction Outlay.

[21] Based on an issue price of S$2.0039 for each new MCT Unit and calculated based on a total of 3,539,565,884 MNACT Units in issue at the Effective Date which includes 3,527,974,156 MNACT Units as at the Latest Practicable Date and assumes up to 11,591,728 MNACT Fee Units are issued to the MNACT Manager and MNAPML (in its capacity as property manager of the MNACT Properties) between the Latest Practicable Date and up to an assumed Effective Date of 31 August 2022.

4.12 Cash Confirmation

DBS Bank Ltd., the Financial Adviser and the Sole Global Co-Ordinator, confirms that sufficient financial resources are available to MCT to satisfy in full the aggregate cash requirements of the Scheme Consideration pursuant to the Trust Scheme, including in the event that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or the Cash-Only Consideration, or a mixture of both the Cash-and-Scrip Consideration and the Cash-Only Consideration.

4.13 Method of Financing

The MCT Manager will raise up to S$437.9 million to fund the Transaction Costs and partially satisfy the Scheme Consideration through the issuance of perpetual securities and/or debt funding. The payment of such amount of the cash component of the Scheme Consideration which exceeds S$417.3 million will be funded through the Preferential Offering. For the avoidance of doubt, the MCT Manager has put in place sufficient debt facilities to fund the S$437.9 million.

5. PROPOSED ISSUANCE OF CONSIDERATION UNITS

Based on an aggregate of 3,527,974,156 MNACT Units in issue as at the Latest Practicable Date:

(i) assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, approximately 2,103.7 million Consideration Units are estimated to be issued to the MNACT Unitholders as full payment of the Scheme Consideration;

(ii) assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, approximately 1,895.5 million Consideration Units are estimated to be issued to the MNACT Unitholders as partial payment of the Scheme Consideration; and

(iii) assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, approximately 802.4 million Consideration Units are estimated to be issued to the MIPL Entities holding MNACT Units as payment of the Scheme Consideration[22].

The Consideration Units issued will not be entitled to the MCT Permitted Distributions and will, upon issue, rank *pari passu* in all respects with the existing MCT Units, as at the date of their issue.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is issued pursuant to a general mandate obtained from unitholders of the issuer. Such approval is being sought pursuant to Resolution 2.

As announced by the MCT Manager on 25 April 2022, the SGX-ST has granted its approval in-principle for the listing and quotation of up to 2,114 million Consideration Units and up to 1,094

[22] Up to 1,094 million Preferential Offering Units will be issued. Please refer to **Paragraph 7** of the Circular for further information.

million Preferential Offering Units on the Main Board of the SGX-ST, subject to the following conditions:

(a) compliance with the SGX-ST's listing requirements;

(b) the approval of the independent MCT Unitholders for all the resolutions necessary to effect the Merger (including the independent MCT Unitholders' approvals for the issuance of the Consideration Units and the proposed Revised Whitewash Resolution); and

(c) the approval of the Court for the implementation of the Trust Scheme.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Merger, the Consideration Units, the Preferential Offering, the Preferential Offering Units, MCT and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

6. PREFERENTIAL OFFERING

6.1 Preferential Offering

The introduction of the alternative Cash-Only Consideration option has led to an increase in the maximum cash requirement on the part of MCT to fund the Scheme Consideration from approximately S$417.3 million[23] to approximately S$2.6 billion[24].

To fund the above-mentioned increase in cash requirement arising from the introduction of the Cash-Only Consideration, the MCT Manager will, as announced on 21 March 2022, undertake a pro-rata non-renounceable Preferential Offering of up to 1,094 million Preferential Offering Units to MCT Unitholders at an issue price of S$2.0039 per Preferential Offering Unit, which is the same as the Scheme Issue Price of each Consideration Unit, to raise gross proceeds of up to S$2.2 billion.

Whether the Preferential Offering will be undertaken, as well as the size of the Preferential Offering, will be determined based on the results of the election by MNACT Unitholders for the different forms of the Scheme Consideration pursuant to the Trust Scheme. To fund the cash component of the Scheme Consideration, MCT proposes to raise (a) up to S$417.3 million[25] through the issuance of perpetual securities and/or debt funding and (b) up to S$2.2 billion through the Preferential Offering. For illustrative purposes only:

(i) the Preferential Offering will <u>**not**</u> be undertaken if (A) all MNACT Unitholders elect to receive the Scrip-Only Consideration pursuant to the Trust Scheme or (B) all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration pursuant to the Trust Scheme. The cash amount required by MCT to satisfy the Scheme Consideration in the foregoing scenarios will not exceed the maximum cash amount of S$417.3 million required by MCT to satisfy the cash component of the Cash-and-Scrip Consideration (assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip

23 Being the aggregate cash component of the Scheme Consideration payable assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

24 Being the aggregate cash component of the Scheme Consideration payable assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration.

25 The maximum cash amount required by MCT to satisfy the cash component of the Cash-and-Scrip Consideration is approximately S$417.3 million, assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. Please refer to **Paragraph 5.11** of the Circular for details.

Consideration), which will be funded through the issuance of perpetual securities and/or debt funding;

(ii) the Preferential Offering will be undertaken if the elections for the Scheme Consideration made by the MNACT Unitholders in relation to the Trust Scheme results in the cash component payable by MCT for the Scheme Consideration exceeding S$417.3 million in aggregate. In such instance, MCT proposes to fund the cash amount required by raising (A) up to S$417.3 million through the issuance of perpetual securities and/or debt funding and (B) the remaining through the Preferential Offering; and

(iii) the Preferential Offering will be undertaken if all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration pursuant to the Trust Scheme. The cash amount required by MCT to satisfy the Scheme Consideration will be approximately S$2.6 billion, of which approximately S$417.3 million will be funded through the issuance of perpetual securities and/or debt funding, and the remaining S$2.2 billion will be funded through the Preferential Offering.

DBS Bank Ltd. has been appointed the Sole Global Co-ordinator in relation to the Preferential Offering.

6.2 Rationale for the Preferential Offering

The MCT Manager believes that the Preferential Offering is an efficient and overall beneficial method of raising funds to finance the increase in the cash requirement arising from the introduction of the Cash-Only Consideration. Further, the MCT Manager believes that the Preferential Offering provides existing MCT Unitholders with the opportunity to participate in the growth of the Merged Entity through subscription of their pro-rata Preferential Offering Units entitlements and/or the application for additional Preferential Offering Units in excess of their provisional allotments under the Preferential Offering ("**Excess Preferential Offering Units**").

6.3 Issue Price under the Preferential Offering

The issue price of S$2.0039 per Preferential Offering Unit (the "**Preferential Offering Price**") is equivalent to the Scheme Issue Price per Consideration Unit. The Preferential Offering Price represents a 6.3% premium to the volume weighted average price of S$1.8843 per MCT Unit for all trades in the MCT Units on the SGX-ST on 18 March 2022, being the preceding Market Day up to the time of announcement of the Preferential Offering.

6.4 MIPL Undertaking

In support of the Merger, MIPL had, on 21 March 2022, executed an irrevocable undertaking (the "**MIPL Undertaking**") in favour of the MCT Trustee, the MCT Manager and DBS Bank Ltd. (in its capacity as the Financial Adviser), that subject to and conditional upon the MCT Unitholders' approval of the Whitewash Resolution, and subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), MIPL will procure and ensure that one or more of the relevant MIPL Entities will accept and subscribe for the Maximum Preferential Offering Units, and pay in full the consideration payable for the Maximum Preferential Offering Units in accordance with the terms and conditions of the Preferential Offering. The Preferential Offering will not be underwritten, given that MIPL is providing the MIPL Undertaking.

7. PROPOSED MCT TRUST DEED AMENDMENTS

7.1 The MCT Trust Deed Amendments

In connection with the Merger, it is intended that the MCT Trust Deed be amended to adopt the revised management fee structure for the Merged Entity as set out in the Proposed Management Fee Supplement in **Schedule 2 of the Circular**. The MCT Trust Deed Amendments are subject to the approval of the MCT Unitholders which is being sought pursuant to Resolution 4 (MCT Trust Deed Amendments), and are subject to the Trust Scheme becoming effective in accordance with its terms and will take effect from the Effective Date. Please refer to **Paragraph 4.1.2 of the Circular** for further details on the MCT Trust Deed Amendments.

7.2 MCT Unitholders' Approval

The MCT Trust Deed Amendments are subject to the approval of the MCT Unitholders by way of an Extraordinary Resolution, which is a majority consisting of 75.0% or more of the total number of votes cast for and against the resolution approving the MCT Trust Deed Amendments at the EGM.

As the MCT Trust Deed Amendments involve changes to the structure of the management fees payable to the MCT Manager, the MCT Manager and its associates (including Temasek, Fullerton, HFPL, HF Place, HF Eight and Sienna), will abstain from voting on Resolution 4 (MCT Trust Deed Amendments). Further information on the abstentions from voting may be found in **Paragraph 19** of the Circular.

The MCT Manager is considered an "interested person" of MCT for the purposes of Chapter 9 of the Listing Manual. Accordingly, the MCT Trust Deed Amendments will constitute an interested person transaction under the Chapter 9 of the Listing Manual. In compliance with these requirements and the MCT Trust Deed, the MCT Manager is seeking the approval of the MCT Unitholders for Resolution 4 in respect of the MCT Trust Deed Amendments.

8. PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP

8.1 Rule 14 of the Code

Under Rule 14 of the Code and Section 139 of the SFA, except with SIC's consent, where:

(i) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or

(ii) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in a period of six months additional shares carrying more than 1.0% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

In the context of a REIT, references to company, shares and shareholders would, as appropriate, refer to the real estate investment trust, units and unitholders respectively.

8.2 General Offer Requirement

8.2.1 Current Holdings of MIPL Entities and Concert Party Group

As at the Latest Practicable Date:

(i) the MIPL Entities hold an aggregate of 1,083,953,400 MCT Units representing approximately 32.61% of the total MCT Units in issue;

(ii) the Other Concert Parties, the list of which is set out in **Schedule 5** of the Circular, hold an aggregate of 36,655,619 MCT Units in issue representing 1.10% of the total MCT Units in issue; and

(iii) MIPL and parties acting in concert with it (the "**Concert Parties**", and together, the "**Concert Party Group**"), being MIPL Entities and the Other Concert Parties, hold an aggregate of 1,120,609,019 MCT Units in issue representing 33.72% of the total MCT Units in issue.

8.2.2 Resultant Holdings of MIPL Entities as a result of the Trust Scheme and, if undertaken, the Preferential Offering

(i) **Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration:** No cash will be required by MCT to satisfy the Scheme Consideration and accordingly, no Preferential Offering will be undertaken. In such instance, as a result of the Merger and the Trust Scheme, the MIPL Entities will be allotted and issued up to 802.4 million Consideration Units, representing approximately 14.79% of the Merged Entity's units upon completion of the Merger.[26] The aggregate unitholding interest of the MIPL Entities will increase from the current approximate 32.61% in MCT to an approximate 34.76% in the Merged Entity following the Merger via the Trust Scheme.[27]

(ii) **Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration:** The aggregate cash amount required by MCT to satisfy the Scheme Consideration will not exceed S$417.3 million and accordingly, no Preferential Offering will be undertaken. In such instance, as a result of the Merger and the Trust Scheme, the MIPL Entities will be allotted and issued up to 802.4 million Consideration Units, representing approximately 15.37**%** of the Merged Entity's units upon completion of the Merger.[28] The aggregate unitholding interest of the MIPL Entities will increase from the current approximate 32.61% in MCT to an approximate 36.14% in the Merged Entity following the Merger via the Trust Scheme.[29]

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[26] These figures do not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

[27] The aggregate unitholding interest of the Concert Party Group (inclusive of the Other Concert Parties) will increase from the current approximate 33.72% in MCT to an approximate 35.97% in the Merged Entity following the Merger via the Trust Scheme. Please refer to **Paragraph 8.4** of the Circular for further details.

[28] These figures do not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

[29] The aggregate unitholding interest of the Concert Party Group (inclusive of the Other Concert Parties) will increase from the current approximate 33.72% in MCT to an approximate 37.32% in the Merged Entity following the Merger via the Trust Scheme. Please refer to **Paragraph 8.4** of the Circular for further details.

(iii) **Assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration:** The aggregate cash amount required by MCT to satisfy the Scheme Consideration will exceed S$417.3 million and accordingly the Preferential Offering will be undertaken. Assuming that the Preferential Offering is not taken up by any other MCT Unitholder and the MIPL Entities would be required to subscribe for the Maximum Preferential Offering Units for an aggregate subscription consideration of S$2.2 billion (which is equivalent to the maximum size of the Preferential Offering announced by the MCT Manager), the MIPL Entities will be allotted and issued up to 802.4 million Consideration Units and 1,093.1 million Preferential Offering Units, representing in aggregate approximately 36.3% of the Merged Entity's units upon completion of the Merger. The MIPL Entities would in aggregate hold approximately 57.09%[30] of the total MCT Units in issue immediately after the completion of the Trust Scheme and the Preferential Offering.[31]

(iv) Accordingly, the resultant unitholding of the MIPL Entities in the Merged Entity immediately after the completion of the Trust Scheme and, if undertaken, the Preferential Offering, would range from a minimum of 34.76% to a maximum of 57.09% and the final resultant unitholding would be dependent on (I) the proportion of MNACT Unitholders who elect to receive the Cash-Only Consideration; and (II) where the Preferential Offering is required to be undertaken, the proportion of MCT Unitholders (excluding the MIPL Entities) who elect to subscribe for the Preferential Offering Units.

(v) In addition to the Consideration Units, pursuant to the MCT Trust Deed, the MCT Manager (being an MIPL Entity):

(a) has received, in its personal capacity, 1,085,779 new MCT Units on 10 November 2021 as payment of its base fee pursuant to the MCT Trust Deed (the "**2021 MCT Fee Units**");

(b) has received, in its personal capacity 1,160,023 new MCT Units on 10 February 2022, as payment of its base fee for 3Q FY21/22; and

(c) may, as we have assumed in this Circular, receive the 4Q FY21/22 MCT Fee Units,

((b) and (c) together, the "**2022 MCT Fee Units**"). The figures for the 4Q FY21/22 MCT Fee Units which have yet to be issued are for illustrative purposes only and the actual number of the 4Q FY21/22 MCT Fee Units to be issued depends on the fees payable and the actual issue prices as determined in accordance with the MCT Trust Deed.

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30 These figures do not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date or the Preferential Offering Record Date (as the case may be).

31 The aggregate unitholding interest of the Concert Party Group (inclusive of the Other Concert Parties) will increase from the current approximate 33.72% in MCT to an approximate 57.79% in the Merged Entity following the Merger via the Trust Scheme and the Preferential Offering. Please refer to **Paragraph 8.4** of the Circular for further details.

In addition, the MNACT Manager and MNAPML (each of whom are MIPL Entities) may, prior to the Effective Date, receive MNACT Units as payment for fees pursuant to the MNACT Trust Deed and the Master Property Management Agreement, and these MNACT Fee Units will, on completion of the Trust Scheme, be transferred to MCT in exchange for Consideration Units. The actual number of MNACT Fee Units to be issued to the MNACT Manager and MNAPML will depend on the fees payable and the actual issue prices as determined in accordance with the MNACT Trust Deed and the MNACT Master Property Management Agreement.

Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Effective Date, the aggregate unitholding interest of the MIPL Entities will increase from the current approximate 32.61% in MCT to approximately:

(1) 34.89% in the Merged Entity following the Merger via the Trust Scheme (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration);

(2) 36.28% in the Merged Entity following the Merger via the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration); and

(3) 57.18% in the Merged Entity immediately after the Preferential Offering (assuming Excess Commitment) and the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration) [32].

8.2.3 General Offer Obligation

Accordingly, the acquisition of the Consideration Units and the Preferential Offering Units by the Concert Party Group may give rise to a possible mandatory general offer under Rule 14 of the Code for the remaining MCT Units not already owned, controlled or agreed to be acquired by the Concert Party Group upon completion of the Merger and the Trust Scheme (unless otherwise waived).

8.2.4 Whitewash Waiver and Whitewash Resolution

Under the Implementation Agreement, it is a condition that the SIC confirms that the Concert Party Group is exempted from the requirements to make a mandatory general offer for MCT as a result of the increase in its unitholding in MCT pursuant to the Trust Scheme and the Preferential Offering, and that the Independent MCT Unitholders (Whitewash) approve the waiver of their rights to receive a mandatory general offer from the Concert Party Group in connection with the allotment and issue of the Preferential Offering Units pursuant to the Preferential Offering and the allotment and issue of the Consideration Units pursuant to the Merger.

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[32] Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Effective Date, the aggregate unitholding interest of the Concert Party Group (inclusive of the Other Concert Parties) will increase from the current approximate 33.72% in MCT to approximately: (i) 36.11% in the Merged Entity following the Merger via the Trust Scheme (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration); (ii) 37.46% in the Merged Entity following the Merger via the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration); and (iii) 57.88% in the Merged Entity immediately after the Preferential Offering (assuming Excess Commitment) and the Trust Scheme (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration).

8.3 Application for Waiver from Rule 14 of the Code

An application was made to the SIC on 10 January 2022 for the waiver of the obligation of the Concert Party Group to make a mandatory general offer under Rule 14 of the Code should the obligation to do so arise as a result of the allotment and issue of Consideration Units to the Concert Party Group resulting in the Concert Party Group acquiring MCT Units which carry more than 1.0% of the voting rights in MCT based on MCT's enlarged number of MCT Units following the Merger via the Trust Scheme (the "**Initial Whitewash Waiver**"). The SIC granted the Initial Whitewash Waiver on 26 January 2022.

A supplemental application was made to the SIC on 10 March 2022 to extend the Initial Whitewash Waiver to include the waiver of the mandatory offer obligation which would arise from the MIPL Entities' acquisition of the Preferential Offering Units (the "**Whitewash Waiver**"). The SIC granted the Whitewash Waiver on 18 March 2022, subject, *inter alia*, to the satisfaction of the following conditions:

(i) a majority of holders of voting rights of MCT approve at a general meeting, before the issue of the Preferential Offering Units and the Consideration Units, a resolution (the "**Whitewash Resolution**") by way of a poll to waive their rights to receive a general offer from MIPL;

(ii) the Whitewash Resolution is separate from other resolutions;

(iii) MIPL and their concert parties and parties not independent of them abstain from voting on the Whitewash Resolution;

(iv) MIPL and their concert parties did not acquire or are not to acquire any MCT Units or instruments convertible into and options in respect of MCT Units (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new MCT Units which have been disclosed in this Circular):

  (a) during the period between the date of the Joint Announcement and the date on which MCT Unitholders' approval is obtained for the Whitewash Resolution; and

  (b) in the six months prior to the date of the Joint Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the MCT Manager in relation to the Merger;

(v) MCT appoints an independent financial adviser to advise the independent MCT Unitholders on the Whitewash Resolution;

(vi) MCT sets out clearly in its circular to MCT Unitholders:

  (a) details of the proposed issue of the Consideration Units to MIPL and the proposed issue of the MCT Units pursuant to the Preferential Offering;

  (b) the dilution effect to the voting rights of existing MCT Unitholders upon the issue of the Preferential Offering Units and the Consideration Units to MIPL Entities;

  (c) the number and percentage of voting rights in MCT as well as the number of instruments convertible into, rights to subscribe for and options in respect of

MCT Units held by MIPL and their concert parties at the Latest Practicable Date;

(d) the number and percentage of voting rights to be acquired by MIPL and their concert parties upon the issue of the Consideration Units and the Preferential Offering Units to MIPL Entities;

(e) specific and prominent reference to the fact that MCT Unitholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from MIPL at the highest price paid by MIPL and their concert parties for the MCT Units in the (1) past six months preceding the commencement of the offer and (2) past six months preceding the announcement of the Preferential Offering; and

(f) specific and prominent reference of the possibility that the issue of the Consideration Units and the Preferential Offering Units to MIPL Entities may result in MIPL and its concert parties carrying over 49.0% of the voting rights of MCT and that MIPL and its Concert Parties will be free to acquire further MCT Units without incurring any obligation under Rule 14 of the Code to make a general offer.

(vii) the circular by MCT to the MCT Unitholders states that the waiver granted by the SIC to MIPL from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at **Paragraphs 8.3(i) to 8.3(vi)** of the Circular;

(viii) MCT obtains the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and

(ix) to rely on the Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within three months of 18 March 2022 (being the date the SIC's approval is obtained in respect of the Whitewash Waiver) and the acquisition of the Preferential Offering Units and the Consideration Units must be completed within three months of the date of the approval of the Whitewash Resolution.

In connection with the Whitewash Waiver, the SIC has also confirmed that the conditions to the Whitewash Waiver will not be breached and that the Whitewash Waiver will not be rendered invalid by reason of the Concert Party Group acquiring the 2021 MCT Fee Units and the 2022 MCT Fee Units (collectively, the "**MCT Fee Units**"), subject to the receipt of the MCT Fee Units being disclosed in the circular to MCT Unitholders in respect of the Whitewash Resolution.

8.4 Interests of the Concert Party Group

The following table sets out the respective unitholding percentages of the Concert Party Group in each of MCT and MNACT (i) as at the Latest Practicable Date, and (ii) for illustrative purposes only, immediately upon completion of the Trust Scheme and, if undertaken, the Preferential Offering, in the Merged Entity, and is prepared based on the following assumptions:

(i) the size of the Preferential Offering will be determined based on (1) the results of the election of the form of the Scheme Consideration to be received by the MNACT Unitholders pursuant to the Trust Scheme, and (2) the proportion of MCT Unitholders (excluding the MIPL Entities) who elect to subscribe for the Preferential Offering Units;

(ii) to fund the cash component of the Scheme Consideration, MCT proposes to raise (1) up to S$417.3 million[33] through the issuance of perpetual securities and/or debt funding and (2) up to S$2.2 billion through the Preferential Offering;

(iii) the Preferential Offering is not subscribed for by any other MCT Unitholder, and any one or more of the relevant MIPL Entities is or are (as the case may be) required to subscribe for the Maximum Preferential Offering Units; and

(iv) the resultant unitholdings of MIPL Entities in the Merged Entity set out in the following table do not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date or the Preferential Offering Record Date (as the case may be).

[33] The maximum cash amount required by MCT to satisfy the cash component of the Cash-and-Scrip Consideration is approximately S$417.3 million assuming that all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

	MCT Unitholdings As at Latest Practicable Date		MNACT Unitholdings As at Latest Practicable Date		Merged Entity Unitholdings After the Trust Scheme[34]				Merged Entity Unitholding After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)	
					Merged Entity Unitholdings Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration		Merged Entity Unitholdings Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration	
Concert Party Group	**No. of units**	**%(1)**	**No. of units**	**%(2)**	**No. of units**	**%(3)**	**No. of units**	**%(4)**	**No. of units**	**%(5)**
The HarbourFront Pte Ltd, HarbourFront Place Pte. Ltd., HarbourFront Eight Pte Ltd, Sienna Pte. Ltd. and Mapletree Commercial Trust Management Ltd.	1,083,953,400	32.61	-	-	1,083,953,400	19.97	1,083,953,400	20.77	2,177,014,511	41.71
Kent Assets Pte Ltd, Suffolk Assets Pte Ltd, Mapletree North Asia Property Management Limited and Mapletree North Asia Commercial Trust Management Ltd.	-	-	1,345,663,544	38.14	802,419,171	14.79	802,419,171	15.37	802,419,171	15.37
Sub-Total of MIPL Entities	1,083,953,400	32.61	1,345,663,544	38.14	1,886,372,571	34.76	1,886,372,571	36.14	2,979,433,683	57.09
Other Concert Parties(6)	36,655,619	1.10	49,335,790	1.40	66,074,551	1.22	61,367,916	1.18	36,655,619	0.70
Total	**1,120,609,019**	**33.72**	**1,394,999,334**	**39.54**	**1,952,447,122**	**35.97(7)**	**1,947,740,487**	**37.32(7)**	**3,016,089,302**	**57.79(7)**

Notes: The percentages are rounded to the nearest two decimal places.

(1) Based on a total of 3,323,513,585 MCT Units as at the Latest Practicable Date.

(2) Based on a total of 3,527,974,156 MNACT Units as at the Latest Practicable Date.

(3) Based on an aggregate of 5,427,244,574 units in the Merged Entity assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

34 No Preferential Offering will be required if all MNACT Unitholders elect to receive the Scrip-Only Consideration or if all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration.

(4) Based on an aggregate of 5,219,052,142 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

(5) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment in full. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

(6) This sets out the unitholdings of the Other Concert Parties on an aggregated basis. Please refer to **Schedule 5** of the Circular for further details, including the names of the Other Concert Parties and their respective unitholdings.

(7) Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Effective Date, the Concert Party Group's unitholding in the Merged Entity will be: (i) 36.11% (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration); (ii) 37.46% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration); and (iii) 57.88% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and the MIPL Entities fulfil their Excess Commitment in full pursuant to the Preferential Offering.

The Concert Party Group does not hold any instruments convertible into, rights to subscribe for and options in respect of MCT Units.

8.5 Whitewash Resolution

The Independent MCT Unitholders (Whitewash) are requested to vote, by way of a poll, on the Whitewash Resolution as set out as Resolution 3 (Ordinary Resolution) in the Notice of EGM, waiving their right to receive a mandatory general offer from MIPL and parties acting in concert with it for the remaining MCT Units not already owned, controlled or agreed to be acquired by the Concert Party Group upon completion of the Merger and the Trust Scheme

8.6 Potential Dilution Effect of the Trust Scheme and the Preferential Offering

8.6.1 Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration: No cash will be required by MCT to satisfy the Scheme Consideration and accordingly, no Preferential Offering will be undertaken. The Consideration Units will represent approximately 63.30%[35] of the total number of MCT Units issued and outstanding as at the Latest Practicable Date and will represent, upon completion of the Merger and the Trust Scheme, 38.76%[36] of the enlarged number of MCT Units following the Merger and the Trust Scheme.

8.6.2 Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration: The aggregate cash amount required by MCT to satisfy the Scheme Consideration will not exceed S$417.3 million and accordingly, no Preferential Offering will be undertaken. The Consideration Units will represent approximately 57.03%[37] of the total number of MCT Units issued and outstanding as at the Latest Practicable Date and will represent, upon completion of the Merger and the Trust Scheme, 36.32%[38] of all the enlarged number of MCT Units following the Merger and the Trust Scheme.

8.6.3 Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration: The aggregate cash amount required by MCT to satisfy the Scheme Consideration will exceed S$417.3 million and accordingly, the Preferential Offering will be undertaken. Assuming that the Preferential Offering is not taken up by any other MCT Unitholder and the MIPL Entities would be required to subscribe for the Maximum Preferential Offering Units for an aggregate subscription consideration of S$2.2 billion (which is equivalent to the maximum size of the Preferential Offering announced by the MCT Manager):

(i) the Consideration Units will represent approximately 24.14%[39] of the total number of MCT Units issued and outstanding as at the Latest Practicable Date and will represent, upon completion of the Merger, the Trust Scheme and the Preferential Offering, 15.37%[40] of all the enlarged number of MCT Units following the Merger and the Trust Scheme; and

(ii) the Preferential Offering Units will represent approximately 32.89%[41] of the total number of MCT Units issued and outstanding as at the Latest Practicable Date and will represent, upon completion of the Merger, the Trust Scheme and the Preferential

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35 Calculated based on a total of 3,323,513,585 MCT Units.

36 Based on an aggregate of 5,427,244,574 units in the Merged Entity assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

37 Calculated based on a total of 3,323,513,585 MCT Units.

38 Based on an aggregate of 5,219,052,142 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Record Date.

39 Calculated based on a total of 3,323,513,585 MCT Units.

40 Based on an aggregate of 5,218,993,868 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Effective Date.

41 Calculated based on a total of 3,323,513,585 MCT Units.

Offering, 20.94%[42] of all the enlarged number of MCT Units following the Merger, the Trust Scheme and the Preferential Offering.

The dilution effect to the unitholdings of the existing MCT Unitholders upon completion of the Merger and the Trust Scheme and, if undertaken, the Preferential Offering, are set out in the table below:

	Current Unitholding		**After the Trust Scheme**				**After the Trust Scheme and the Preferential Offering (assuming Excess Commitment)**	
			Merged Entity Unitholding post-Merger assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration		**Merged Entity Unitholding post-Merger assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration**		**Merged Entity Unitholding post-Merger assuming all MNACT Unitholders (excluding the MIPL Entities elect to receive the Cash-Only Consideration)**	
	No. of Units	**%(1)**	**No. of Units**	**%(2)**	**No. of Units**	**%(3)**	**No. of Units**	**%(4)**
Concert Party Group	**1,120,609,019**	**33.72**	**1,952,447,122**	**35.97(5)**	**1,947,740,487**	**37.32(5)**	**3,016,089,302**	**57.79(5)**
Other existing MCT Unitholders	2,202,904,566	66.28	2,202,904,566	40.59	2,202,904,566	42.21	2,202,904,566	42.21
Other MNACT Unitholders who will become unitholders of the Merged Entity upon completion of the Trust Scheme	-	-	1,271,892,886	23.44	1,068,407,088	20.47	-	-
Total	**3,323,513,585**	**100.00**	**5,427,244,574**	**100.00**	**5,219,052,142**	**100.00**	**5,218,993,868**	**100.00**

Notes:

(1) Same as footnote 59 of the Circular.

(2) Same as footnote 60 of the Circular.

(3) Same as footnote 62 of the Circular.

(4) Based on an aggregate of 5,218,993,868 units in the Merged Entity, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment in full. This figure does not take into consideration any fees that may be payable in MCT Units or MNACT Units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Preferential Offering Record Date.

(5) Assuming the issuance of up to 4,533,905 4Q FY21/22 MCT Fee Units and up to 11,591,728 MNACT Fee Units prior to the Effective Date, the Concert Party Group's unitholding in the Merged Entity will be: (i) 36.11% (assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration); (ii) 37.46% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration) and (iii) 57.88% (assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration and MIPL Entities fulfil their Excess Commitment in full pursuant to the Preferential Offering).

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[42] Based on an aggregate of 5,218,993,868 units in the Merged Entity assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration. This figure does not take into consideration any fees that may be payable in units to the MCT Manager, the MNACT Manager or MNAPML (in its capacity as property manager of the MNACT Properties) prior to the Effective Date.

8.7 Note to Independent MCT Unitholders (Whitewash)

Independent MCT Unitholders (Whitewash) should note that:

(i) **by voting in favour of the Whitewash Resolution, they will be waiving their rights to receive a mandatory general offer for their MCT Units from the Concert Party Group at the highest price paid by the Concert Party Group for MCT Units in the (a) six months preceding the commencement of the offer and (b) six months preceding the date of the MCT Preferential Offering Announcement which the Concert Party Group would have otherwise been obliged to make for the MCT Units in accordance with Rule 14 of the Code;**

(ii) **the completion of the issuance of the Consideration Units and the Preferential Offering Units to MIPL Entities may result in MIPL and its Concert Parties carrying over 49.0% of the voting rights of MCT, and MIPL and its Concert Parties will be free to acquire further MCT Units without incurring any obligation under Rule 14 of the Code to make a general offer for MCT; and**

(iii) **approval of the Whitewash Resolution is a condition precedent to the completion of the Merger and the Trust Scheme and in the event that the Whitewash Resolution is not passed by the Independent MCT Unitholders (Whitewash), the Merger will not take place and the Trust Scheme will not become effective.**

9. THE PROPOSED MERGER AS AN INTERESTED PERSON TRANSACTION AND A MAJOR TRANSACTION

9.1 Interested Person Transactions and Interested Party Transactions

9.1.1 Interested Party Transactions

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

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for unitholders' approval for an interested party transaction by MCT whose value is equal to or exceeds 5.0% of the MCT Group's latest audited NAV (which, for the purposes of this section, includes distributable income).

Based on the latest audited financial statements of MCT prior to the announcement of the Merger and the entry into the Implementation Agreement on the Joint Announcement Date, being the MCT FY20/21 Audited Financial Statements, as disclosed in the annual report of MCT for the financial year ended 31 March 2021, the latest audited NAV and NTA of the MCT Group as at 31 March 2021 was S$5,709.0 million. Accordingly, if the value of a transaction which is proposed to be entered into by MCT during the current financial year 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 greater than S$285.4 million, such a transaction would be subject to the approval of MCT Unitholders under Rule 906(1)(a) the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

9.1.2 Requirement for the Approval of MCT Unitholders

As at the Latest Practicable Date, MIPL holds, in aggregate through HFPL, HF Place, HF Eight, Sienna and the MCT Manager, approximately 32.61% of the total number of MCT Units in issue. MIPL also holds, in aggregate through Kent, Suffolk, MNAPML and the MNACT Manager, approximately 38.14% of the total number of MNACT Units in issue.

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

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

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

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

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

The consideration payable by MCT to Kent, Suffolk, MNAPML and the MNACT Manager for their MNACT Units will be based on their *pro rata* share of the aggregate Scheme Consideration.

The value at risk to MCT is the aggregate Scheme Consideration of approximately S$4,229.6 million, based on the Scheme Consideration of S$1.1949 for each MNACT Unit and the expected total of 3,539,565,884 MNACT Units in issue at the Effective Date. Pursuant to the Merger, Kent, Suffolk, MNAPML and the MNACT Manager will be entitled to receive from MCT approximately S$1,621.8 million to be satisfied fully in the form of Consideration Units[43], as consideration for the acquisition of the MNACT Units held by Kent, Suffolk, MNAPML and the MNACT Manager. The aggregate Scheme Consideration represents approximately 74.1% of the audited NTA and NAV of the MCT Group of S$5,709.0 million as at 31 March 2021. Of this 74.1%, the Scheme Consideration payable by MCT to Kent, Suffolk, MNAPML and the MNACT Manager represents approximately 28.4% of the audited NTA and NAV of the MCT Group of S$5,709.0 million as at 31 March 2021.

Accordingly:

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

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43 As stated in **Paragraph 3.7.2**, the Sponsor has provided an undertaking to receive 100.0% Scrip-Only Consideration as payment of the Scheme Consideration in respect of all its MNACT Units. Accordingly, the MIPL Entities which hold MNACT Units, being Kent, Suffolk, MNAPML and the MNACT Manager, will be electing to receive 100.0% Scrip-Only Consideration as payment of the Scheme Consideration in respect of all their MNACT Units.

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

For the information of MCT Unitholders, as at the Latest Practicable Date, save for the Interested MNACT Units Acquisition, the value of all "interested persons transactions" entered into between MCT and MIPL and its associates during the course of the current financial year that are subject to disclosure under Chapter 9 of the Listing Manual is approximately S$84.4 million (the "Existing Interested Person Transactions"), which is approximately 1.5% of the audited NTA of the MCT Group as at 31 March 2021. For the avoidance of doubt, the approval of the MCT Unitholders is not being sought in respect of the Existing Interested Person Transactions.

Further information on the Existing Interested Person Transactions may be found in of **Schedule 4** the Circular.

Save as described in the foregoing, there were no interested person transactions entered into between the MCT Group and MIPL, its subsidiaries and associates during the course of the current financial year.

9.2 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by MCT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A proposed transaction by MCT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the net asset value of the assets to be disposed of, compared with the MCT Group's net asset value pursuant to Rule 1006(a) of the Listing Manual;

(ii) the net profits attributable to the assets to be acquired or disposed of, compared with the MCT Group's net profits pursuant to Rule 1006(b) of the Listing Manual;

(iii) the aggregate value of the consideration given or received, compared with MCT's market capitalisation based on the total number of issued MCT Units (excluding treasury units) pursuant to Rule 1006(c) of the Listing Manual; and

(iv) the number of equity securities issued by MCT as consideration for an acquisition, compared with the number of equity securities previously in issue pursuant to Rule 1006(d) of the Listing Manual.

Rule 1006(a) of the Listing Manual is not applicable to the Merger as MCT will not be disposing any assets under the Merger.

9.2.1 Requirement for the Approval of MCT Unitholders

The relative figures computed on the bases set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual in respect of the Merger as at the Joint Announcement Date are as follows:

	MNACT Group or Merger, as the case may be (million)	MCT Group (million)	Percentage (%)
Rule 1006(b) NPI attributable to the MNACT Group compared with the NPI of the MCT Group, in each case, for the six-month period from 1 April to 30 September 2021[(1),(2)]	S$166.2	S$189.9	87.5
Rule 1006(c) The aggregate value of the consideration given[(3)] compared with MCT's market capitalisation[(4)] as at the Last Trading Day	S$4,215.6	S$6,657.8	63.3
Rule 1006(d) Number of MCT Units[(5)] to be issued as consideration pursuant to the Merger compared with number of MCT Units in issue as at the Joint Announcement Date	2,103.7	3,322.4	63.3

Notes:

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

(2) Based on the NPI as disclosed in the unaudited consolidated financial statements of the MCT Group for the financial half-year ended 30 September 2021 (the "**MCT 1H FY21/22 Unaudited Financial Statements**") and the unaudited consolidated financial statements of the MNACT Group for the financial half-year ended 30 September 2021 (the "**MNACT 1H FY21/22 Unaudited Financial Statements**"). The NPI attributable to MNACT has been adjusted to include MNACT's 50.0% share of the NPI from TPG located in South Korea, based on information as disclosed in MNACT's presentation slides published in conjunction with the MNACT 1H FY21/22 Unaudited Financial Statements.

(3) Based on the Scheme Consideration of S$1.1949 for each MNACT Unit as well as 3,527,974,156 MNACT Units in issue as at the Last Trading Day.

(4) For the purposes of this table only, the market capitalisation of MCT is determined by multiplying the number of MCT Units in issue by the weighted average price of such MCT Units transacted on the Last Trading Day, being the market day preceding the date of the Implementation Agreement, as prescribed under Rule 1002(5) of the Listing Manual. For the avoidance of doubt, the market capitalisation of MCT indicated in this table may differ from the market capitalisation disclosed in other sections of this Circular due to a difference in computation.

(5) Based on an illustrative issue price of S$2.0039 per Consideration Unit, which was the 1-day VWAP of a MCT Unit on the SGX-ST on the Last Trading Day, and the total number of MNACT Units issued as at the Last Trading Day. Based on the foregoing and on the assumption that all MNACT Unitholders will elect to receive the Scrip-Only Consideration. For avoidance of doubt, the option to elect to receive the Cash-and-Scrip Consideration remains available for all MNACT Unitholders (save for the MIPL Entities).

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

10. FUTURE INTENTIONS FOR THE MERGED ENTITY

10.1 Intentions for the Merged Entity

Subject to the Trust Scheme becoming effective on the Effective Date, it is intended that the following matters be undertaken:

10.1.1 Expansion of Investment Mandate

As stated in **Paragraph 1.7.1 of the Circular**, it is intended that upon the Trust Scheme becoming effective in accordance with its terms, the existing investment mandate of MCT will be expanded to the Expanded Investment Mandate.

10.1.2 Appointment of the MCT Manager as manager of MNACT and Fee Structure of the Merged Entity

On or about the completion of the Merger, it is intended that the MNACT Manager will retire as the manager of MNACT and the MCT Manager will be appointed as the manager of the delisted MNACT, in each case, in accordance with the terms of the MNACT Trust Deed. Accordingly, it is currently intended that the management fees which would otherwise have been payable to the MNACT Manager (including base management fees, performance management fees, acquisition fees and divestment fees) pursuant to the MNACT Trust Deed will, instead, be payable to the MCT Manager.

It is also intended that, subject to the approval by MCT Unitholders of Resolution 4 (MCT Trust Deed Amendments), a revised management fee structure will be adopted such that the management fees payable to the MCT Manager will constitute:

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

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

For the avoidance of doubt:

(a) the revised management fee structure is subject to the approval of the MCT Unitholders which is being sought pursuant to Resolution 4 (MCT Trust Deed Amendments), and is subject to the Trust Scheme becoming effective in accordance with its terms and will take effect from the Effective Date;

(b) the Merger will **not** be conditional on the approval of Resolution 4 (MCT Trust Deed Amendments) by the MCT Unitholders. In the event that Resolution 1 (Proposed Merger), Resolution 2 (Proposed Issuance of Consideration Units) and Resolution 3 (Whitewash Resolution) are approved but Resolution 4 (MCT Trust Deed Amendments) is not approved, the Merger will proceed on satisfaction and/or waiver of all Conditions and MCT's existing fee structure will continue to apply to the Merged Entity; and

(c) the MCT Trust Deed Amendments will **remain** conditional on Resolution 1 (Proposed Merger), Resolution 2 (Proposed Issuance of Consideration Units) and Resolution 3

(Whitewash Resolution) being approved by the MCT Unitholders. In the event that any of the above-mentioned resolutions are not passed, the MCT Trust Deed Amendments will not be adopted and MCT's existing fee structure will continue to apply to MCT.

Under the revised management fee structure, assuming Resoultion 4 (MCT Trust Deed Amendments) is approved by the MCT Unitholders, the performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding financial year[44]. In determining the performance fee, the first year for which DPU growth is based on is the financial year ended 31 March 2022. Further, in determining the performance fee for the financial year ending 31 March 2023, the difference in DPU will be based on the DPU of the Merged Entity for the financial year ending 31 March 2023 and the DPU of MCT for the financial year ended 31 March 2022.

For the purpose of the computation of the performance fee only, the DPU shall be calculated based on all income of the Merged Entity arising from the operations of the Merged Entity, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the authorised investments of the Merged Entity but shall exclude any one-off income of the Merged Entity such as any income arising from any sale or disposal of (i) any real estate (whether directly or indirectly through one or more special purpose vehicles) or any part thereof, and (ii) any investments forming part of the assets of the Merged Entity or any part thereof. The rationale for computing the DPU in the manner described above is to ensure that the measure of the performance of the Merged Entity's manager is based on the recurring income of the Merged Entity arising from the operations as opposed to one-off income such as a sale or disposal of assets which may skew the DPU in a relevant financial year.

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

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

Assuming Resolution 4 (MCT Trust Deed Amendments) is approved by the MCT Unitholders, following completion of the Merger, the fees payable to the MCT Manager and MCT Trustee are as follows[45]:

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

45 For a comparison table of the current management fee structure of MCT, the current management fee structure of MNACT and the revised management fee structure of the Merged Entity, please refer to **Schedule 1, Part 3**. For more information on other fees relating to the MCT Properties and MNACT Properties which will continue to apply post-Merger, please refer to **Schedule 1, Part 4 and Schedule 1, Part 5 of the Circular**.

Management Fees[(1)]	
Base Fee	10.0% of the distributable income of the Merged Entity (calculated before accounting for the base fee and performance fee).
Performance Fee	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 that financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.
Acquisition Fee[(2)]	Not more than 1.0% of each of the following as is applicable (subject to there being no double-counting): (a) the acquisition price of any real estate purchased, whether directly or indirectly through one or more special purpose vehicles, by the trustee of the Merged Entity on behalf of the Merged Entity (plus any other payments in addition to the acquisition price made by the trustee of the Merged Entity on behalf of the Merged Entity or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of the Merged Entity's interest); (b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased, whether directly or indirectly through one or more special purpose vehicles, by the trustee of the Merged Entity on behalf of the Merged Entity (plus any additional payments made by the trustee of the Merged Entity on behalf of the Merged Entity or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of the Merged Entity's interest); or (c) the acquisition price of any investment purchased by the trustee of the Merged Entity on behalf of the Merged Entity, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
Divestment Fee[(2)]	Not more than 0.5% of each of the following as is applicable (subject to there being no double-counting):

Management Fees[1]	
	(a) the sale price of real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the trustee of the Merged Entity acting on behalf of the Merged Entity (plus any other payments in addition to the sale price received by the trustee of the Merged Entity on behalf of the Merged Entity or its special purpose vehicles from the purchaser in connection with the sale or divestment of the property) (pro-rated, if applicable, to the proportion of the Merged Entity's interest); (b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the trustee of the Merged Entity on behalf of the Merged Entity (plus any additional payments received by the trustee of the Merged Entity on behalf of the Merged Entity or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of the Merged Entity's interest); or (c) the sale price of any investment sold or divested by the trustee of the Merged Entity acting on behalf of the Merged Entity, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
Trustee's Fee[1], [2]	
Not more than 0.1% per annum of the Value of the Deposited Property (each as defined in the MCT Trust Deed), subject to a minimum of S$12,000 per month excluding all reasonable out-of-pocket expenses and all applicable goods and services tax.	

Notes:

(1) This summary should be read in conjunction with, and in the context of, the MCT Trust Deed.

(2) This is the same rate as presently adopted by MCT.

The proposed new fee structure for the Merged Entity is pegged to distributable income and DPU growth, and is expected to promote closer alignment of interests with the Merged Entity's unitholders by directly incentivising long-term sustainable distributable income and DPU

growth. The Merger therefore provides a timely opportunity for the MCT Manager to propose this change in fee structure.
The new fee structure will also result in lower fees for the Merged Entity as a percentage of total assets.

FY21/22		**Merged Entity Pro forma basis**	
Management fee estimates	**MCT (based on MCT's current fee structure)**	**Assuming the Merged Entity continues to apply MCT's current fee structure**	**Based on the proposed new fee structure**
Manager's base fee (S$'m)	22.2	43.6	56.8(1) – 57.4(2)
Manager's performance fee (S$'m)	15.5	28.6	2.8(2) – 6.4(1)
Total (S$'m)	**37.8**	**72.2**	**60.3(2) – 63.2(1)**
Total assets (S$'m)	8,984.5	17,440.6	17,440.6
Total management fee as a % of total assets	**0.42%**	**0.41%**	**0.35%(2) – 0.36%(1)**

Notes: Percentage values may not add up due to rounding differences.
(1) Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration or Cash-Only Consideration.
(2) Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration.

For illustration, assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration and Cash-Only Consideration, the total management fees for the Merged Entity based on the new fee structure (and based on the historical pro forma financial information for FY21/22) is between S$60.3 million and S$63.2 million (between 0.35% and 0.36% of the Merged Entity's total asset base), which is lower than the S$72.2 million (0.41% of the Merged Entity's total asset base) if the Merged Entity were to continue with MCT's existing fee structure. This is in spite of the Merger that is expected to deliver between 4.3% to 6.8% of accretion to DPU (depending on the final consideration mix as a result of the Merger). The DPU in the following year will have to be higher for the performance fee to be paid to the manager of the Merged Entity.

Overall, the Merged Entity will be better positioned for long-term sustainable growth with a fee structure that is based on DPU growth and an optimal mix of management fees that are paid in units and cash which aligns with unitholders' interests whilst minimising the dilutive impact of an issuance of units.

10.1.3 Board and Management of the Merged Entity

The existing board of directors of the MCT Manager will be reviewing the composition of the board of directors and management of the MCT Manager. The MCT Manager expects that post-review, the board of directors of the manager of the Merged Entity will comprise such number of independent directors to be in line with the corporate governance requirements applicable to REIT managers, including the Code of Corporate Governance 2018. The appointment of any new directors or key management staff of the Merged Entity will be subject to the relevant corporate approvals and the approval the MAS (if applicable).

As at the Latest Practicable Date, it is intended that Ms. Lim Hwee Li Sharon who currently holds the positions of Chief Executive Officer and Executive Director in the MCT Manager, will retain these positions in the manager of the Merged Entity following completion of the Merger.

10.1.4 Renaming of the Merged Entity

Following the Merger, the Merged Entity will be renamed as "Mapletree Pan Asia Commercial Trust".

10.2 MCT Manager's Strategy for the Merged Entity

Details on MCT Manager's Strategy for the Merged Entity are set out in **Paragraph 4.2** of the Circular and MCT Unitholders are advised to read the information carefully.

10.3 Rationale for the Merger

Details on the rationale and for the Merger are set out in **Paragraph 3** of the Circular and the MCT Unitholders are advised to read the information carefully.

We have considered the rationale that the MCT Manager believes the Merger will bring to the MCT Unitholders, which we view as reasonable. A summary of the rationale for the Merger is extracted from the Circular and set out below:

(i) Proxy to Key Gateway Markets of Asia

(ii) Enhanced Diversification Anchored by High Quality Portfolio

(iii) Leapfrogs to Top 10 Largest REIT in Asia

(iv) Enlarged Platform Better Positioned to Unlock Upside Potential

(v) DPU and NAV Accretive to MCT Unitholders on a Historical *Pro Forma* Basis

(vi) Reinforced Commitment to Sustainability

(vii) Continued Support and Strong Commitment from Sponsor

10.4 Other Intentions

Save as set out in Paragraph 4 of the Circular, there is presently no intention to (i) introduce any major changes to the business of MNACT, (ii) re-deploy the fixed assets of MNACT or (iii) discontinue the employment of the employees of the MNACT Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Merged Entity which may be implemented after the Merger. However, the MCT Board retains and reserves the right and flexibility at any time and from time to time to consider any options in relation to the Merged Entity which may present themselves and which they may regard to be in the interests of the Merged Entity.

There may be interested person transactions (as defined in the Listing Manual) entered into in the ordinary course of business of the Merged Entity upon completion of the Merger. The Merged Entity will comply with the Listing Manual and make the relevant disclosures under Rule 905 of the Listing Manual if the aggregate value of such interested person transactions entered into in the same financial year (excluding the interested person transactions which have been approved by unitholders) is 3.0% or more of the latest audited net tangible assets ("**NTA**") of the Merged Entity.

11. ABSTENTIONS FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

As at the date hereof, Fullerton, through its interest in MIPL, has a deemed interest in 1,083,953,400 MCT Units, which comprises 32.61% of the total number of MCT Units in issue. Temasek, through its interests in Fullerton and its other subsidiaries and associated companies, has a deemed interest in 1,113,792,065 MCT Units, which comprises 33.51% of the total number of MCT Units in issue.

11.1 Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of the Consideration Units

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of Temasek, Fullerton and MIPL is an "interested person" (for the purposes of the Listing Manual) and an "interested party" (for the purposes of the Property Funds Appendix) and will, pursuant to Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, abstain, and procure that their associates (being HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstain, from voting on Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of Consideration Units). In addition, for the purposes of good corporate governance, Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon, will abstain from voting on Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of Consideration Units).

The MCT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

11.2 Resolution 3 (Whitewash Resolution)

Pursuant to the SIC waiver (the "**SIC Waiver**") granted in relation to Resolution 3 (Whitewash Resolution), MIPL, and their concert parties and parties not independent of them will abstain from voting on Resolution 3 (Whitewash Resolution).

The MCT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule, the Code or a court order.

11.3 Resolution 4 (MCT Trust Deed Amendments)

For the purposes of Chapter 9 of the Listing Manual, each of Temasek, Fullerton and MIPL are "interested persons" and will, pursuant to Rule 919 of the Listing Manual, abstain, and procure that their associates (being HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstain, from voting on Resolution 4 (MCT Trust Deed Amendments).

Further, Rule 748(5) of the Listing Manual prohibits the MCT Manager or any of its connected persons and any MCT Director from voting their MCT Units at, or being part of a quorum for, any meeting to approve any matter in which they have a material interest. A "connected person", in relation to a company, means "in a director, chief executive officer or substantial shareholder or controlling shareholder of the company or any of its subsidiaries or an associate of any of them". Given that the MCT Trust Deed Amendments directly affect the form of payment receivable by the MCT Manager in respect of its fees, the MCT Manager, Temasek, Fullerton and MIPL and their respective associates (being HFPL, HF Place, HF Eight and Sienna) are prohibited pursuant to Rule 748(5) of the Listing Manual from voting on the resolutions relating to the MCT Trust Deed Amendments.

As such, each of the MCT Manager, Temasek, Fullerton, MIPL and their associates will abstain from voting on Resolution 4 (MCT Trust Deed Amendments). In addition, for the purposes of good corporate governance, Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon, will abstain from voting on Resolution 4 (MCT Trust Deed Amendments).

The MCT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

12. FINANCIAL EVALUATION OF THE TERMS OF THE MERGER

As part of our evaluation as to whether the Merger (including the proposed issuance of Consideration Units) is on normal commercial terms and not prejudicial to the interests of MCT and its minority unitholders, and whether the financial terms of the Merger (that is the subject of the Whitewash Resolution) are fair and reasonable, we have evaluated whether the MNACT Units and the Consideration Units are fairly valued based on the Scheme Consideration and the Consideration Unit Price, respectively. In this Letter we have considered the following factors:

Section	Item
A	**Whether the MNACT Units as implied by the Scheme Consideration are fairly valued**
1.	Liquidity analysis of the MNACT Units and companies that make up the top 20 constituents of the Straits Times Index ("**STI**") traded on the SGX-ST based on market capitalisation (the "**Top 20 STI Companies**")
2.	Historical market performance and trading activity of the MNACT Units
3.	Trailing Latest P/NAV multiples of the MNACT Units relative to the Latest P/NAV multiples implied by the Scheme Consideration
4.	Trailing Distribution Yields of the MNACT Units relative to the Distribution Yields implied by the Scheme Consideration
5.	Valuation multiples of selected North Asia listed REITs (the "**Comparable North Asian REITs**") relative to those implied by the Scheme Consideration
6.	I. Premium/discount to the prevailing VWAPs and prevailing P/NAV implied by selected precedent mergers and takeovers of SGX-ST listed business trusts and/or real estate investment trusts involving scrip or cash as the primary transaction consideration (the "**Precedent S-REITs Mergers**" and the "**Precedent S-REITs Cash Acquisitions**") relative to those implied by the Scheme Consideration; and II. Premium/discount to the prevailing VWAPs implied by selected precedent privatisation and delisting of SGX-ST listed companies with transaction value greater than S$100m and involving involving cash as consideration or cash and scrip alternative as consideration (the "**Precedent Privatisations**")
7.	Broker target prices of the MNACT Units
8.	Independent valuation of MNACT Properties
B	**Whether the MCT Units as implied by the Consideration Unit Price are fairly valued**
1.	Liquidity analysis of the MCT Units and the Top 20 STI Companies
2.	Historical market performance and trading activity of the MCT Units
3.	Trailing Latest P/NAV multiples of the MCT Units relative to the Latest P/NAV multiples implied by the Consideration Unit Price
4.	Trailing Distribution Yields of the MCT Units relative to the Distribution Yields implied by the Consideration Unit Price
5.	Valuation multiples of selected SGX-listed commercial REITs (the "**Comparable Commercial S-REITs**") relative to those implied by the Consideration Unit Price
6.	Broker target prices of the MCT Units
7.	Independent valuation of MCT Properties

C	Other factors
1.	Exchange ratios implied by the historical VWAPs over various periods up to the Last Trading Date of the MNACT Units and the MCT Units
2	Cash component under the Cash-and-Scrip Consideration
3	Management fee structures of selected comparable S-REIT ("**Comparable S-REITs Management Fees**") relative to those proposed to be adopted by the Merged Entity as part of the MCT Trust Deed Amendments
4.	The *pro forma* consolidated financial effects of the Merger for the full year ended 31 March 2021 using audited financial statements and the full year ended 31 March 2022 using unaudited financial statements
5.	Other relevant considerations which have a significant bearing on our assessment - In relation to the Merger being an interested party transaction - The Whitewash Resolution

General Bases And Assumptions

The figures and underlying financial data used in our analyses in this Letter, including unit prices, trading volumes, and broker research, have been extracted from, *inter alia*, SGX-ST, Bloomberg, Capital IQ, Mergermarket, and other public filings and documents. ANZ has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised our judgement on the reasonable use and assessment of such information and have found no reason to doubt the accuracy or reliability of the information.

12.1 Comparable Companies

12.1.1 Comparable North Asian REITs

The summary description of the Comparable North Asian REITs we have reviewed for our evaluation of the Scheme Consideration is set out in the following table:

Company	Company Description[1]	Market Cap (S$M)[2]
Nippon Building Fund Incorporation ("**NBF**")	▪ NBF is a Japan-based office REIT. The fund aims at steady asset growth and stable earnings from mid- to long-term perspectives. It mainly invests in office buildings and its building sites are located in the central Tokyo area, other areas in Tokyo and other regional cities in Japan. ▪ The fund has 70 properties with a total rentable area of 1,211,708 m^2.	▪ 12,208
Japan Real Estate Investment Corporation ("**JRE**")	▪ JRE is a Japan-based office REIT. JRE aims to achieve stable earnings from mid- to long-term perspectives through investment in office buildings and other assets mainly located in the Tokyo metropolitan area and other major cities. ▪ JRE has 74 buildings with total leasable space of 866,577 m^2.	▪ 9,117
Daiwa Office Investment Corporation ("**DOI**")	▪ DOI is a Japan-based office REIT. It aims to achieve stable earnings and sustainable growth of its investment assets to maximize investment value from mid- to long-term perspectives. DOI mainly invests in office buildings in the Tokyo five major districts including Chiyoda, Chuo, Minato, Shinjuku and Shibuya, the Tokyo metropolitan area, as well as other major cities. ▪ DOI has 59 properties and total leasable floor area of 356,123 m^2.	▪ 3,778

Company	Company Description[1]	Market Cap (S$M)[2]
Kenedix Office Investment Corporation ("**KOI**")	▪ KOI is a Japan-based office REIT. It focuses primarily on mid-sized office buildings in the Tokyo Metropolitan Area where economic activites are densely integrated with abundant tenant demand and stocks of properties. ▪ KOI has 96 properties and total leasable floor area of 482,247 m^2.	▪ 3,212
Japan Excellent, Inc. ("**JE**")	▪ JE is a Japan-based office REIT. It aims to achieve sustainable growth in asset and stable earnings from mid- to long-term perspectives. It primarily invests in office buildings located in Tokyo's six central wards, central Osaka and Nagoya, Tokyo's surrounding areas, including Kanagawa, Saitama and Chiba Prefectures, as well as other government-designated cities. ▪ JE has 36 properties and total leasable floor area of 341,067 m^2.	▪ 1,873
Ichigo Office REIT Investment Corporation ("**IO**")	▪ IO is a Japan-based office REIT that focuses on mid-size offices, an asset class that offers both return stability and upside potential. IO seeks to maximize shareholder value by managing its portfolio with a long-term focus to drive significant earnings growth. IO mainly invests in office buildings in central Tokyo, other metropolitan areas and other major cities nationwide. ▪ IO has 86 properties and a total leasable floor area of 264,701 m^2.	▪ 1,381
Global One Real Estate Investment Corp. ("**GOR**")	▪ GOR is a Japan-based office REIT. It aims to achieve sustainable growth in asset and stable earnings from mid- to long-term perspectives. GOR mainly invests in office buildings in Tokyo central area, Tokyo suburban area and Osaka central area. ▪ GOR has 11 properties and a total leasable area of 131,844 m^2.	▪ 1,140
Link Real Estate Investment Trust ("**LINK**")	▪ LINK is a Hong Kong-based and retail-focused REIT. It invests and manages a diversified portfolio comprising retail facilities, car parks and offices. With its home in Hong Kong, LINK's properties are located in Hong Kong, Beijing, Shanghai, Guangzhou, Shenzhen, London and Sydney. ▪ LINK has 129 investments in Hong Kong comprising shopping malls, fresh markets, car parks and offices. LINK has 2 shopping malls in Beijing, 2 office / shopping malls in Shanghai, 2 shopping malls in Guangzhou, 1 shopping mall in Shenzhen, 4 office / shopping mall in Sydney and 1 office / shopping mall in London.	▪ 25,024
Champion Real Estate Investment Trust ("**Champion**")	▪ Champion is a Hong Kong-based REIT that owns income-producing office and retail properties. Champion's focus is on Grade A commercial properties in prime locations. ▪ It currently offers investors direct exposure to nearly 3 million sq. ft. of prime office and retail floor area. These include two Hong Kong landmark properties including Three Garden Road (Grade-A commercial complex with two office buildings located in Central) and Langham Place (Grade-A office building and shopping mall located in Mongkok), as well as joint venture stake in 66 Shoe Lane in Central London (Grade-A commercial complex).	▪ 3,637
Fortune Real Estate Investment Trust ("**Fortune**")	▪ Fortune is a Hong Kong-based REIT ith a focus on non-discretionary retail shopping malls. It holds a portfolio of 16 private housing estate retail properties in Hong Kong, comprising 3.0 million square feet of retail space and 2,713 car parking spaces. ▪ Fortune intends to deliver stable distributions and achieve long-term growth in NAV by owning a portfolio of quality shopping malls with balanced exposure to any particular sub-sector, building or tenant.	▪ 2,392

Company	Company Description[(1)]	Market Cap (S$M)[(2)]
Sunlight Real Estate Investment Trust (“**Sunlight**”)	▪ Sunlight is a Hong Kong-based REIT that offers investors the opportunity to invest in a diversified portfolio of 11 office and five retail properties in Hong Kong with a total gross rentable area of over 1.2 million sq. ft.. ▪ The office properties are primarily located in core business areas, including Wan Chai and Sheung Wan/Central, as well as in decentralized business areas such as Mong Kok and North Point. The retail properties are situated in regional transportation hubs and new towns including Sheung Shui, Tseung Kwan O and Yuen Long, as well as in urban areas with high population density.	▪ 1,127
Yuexiu Real Estate Investment Trust (“**Yuexiu**”)	▪ Yuexiu is a Hong Kong-listed REIT investing in properties in the People’s Republic of China. Yuexiu focuses on office, retail and other commercial purposes, strives for properties which can bring considerable cash flows and returns and identifies business opportunities for achieving higher revenue growth through the optimization of its operations. ▪ The current property portfolio comprises eight high quality properties comprising five in Guangzhou, one in Shanghai, one in Wuhan and one in Hangzhou, with a total ownership area of approximately 973,001 square metres. All properties are located in the central business district.	▪ 2,601
CapitaLand China Trust (“**CLCT**”)	▪ CLCT is Singapore's largest China-focused REIT. CLCT's portfolio constitutes 11 shopping malls, five business park properties and four logistics properties. The geographically diversified portfolio has a total gross floor area of approximately 2.0 million square metre, located across 12 leading Chinese cities. ▪ CLCT’s objective is to invest on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).	▪ 1,989
Hui Xian Real Estate Investment Trust (“**Hui Xian**”)	▪ Hui Xian is the first RMB-denominated REIT listed in Hong Kong. Its portfolio spans across retail, office, serviced apartment and hotel businesses. ▪ Hui Xian has commercial properties located in Beijing, Chongqing, Shenyang and Chengdu.	▪ 1,362

Source: Capital IQ, company websites.

Notes:

(1) Net and gross lettable area are stated on a 100% basis.

(2) Market capitalisation based on closing prices as at the Latest Practicable Date.

12.1.2 Comparable Commercial S-REITs

The summary description of the Comparable Commercial S-REITs we have reviewed for our evaluation of the Consideration Unit Price is also set out in the following table:

Company	Company Description	Market Cap (S$M)[(1)]
CapitaLand Integrated Commercial Trust (“**CICT**”)	▪ CICT owns and invests in quality income-producing assets primarily used for commercial (including retail and/or office) purpose, located predominantly in Singapore. CICT’s portfolio comprises 21 properties in Singapore and two in Frankfurt, Germany. ▪ CICT was formed in November 2020 following the combination of CapitaLand Mall Trust and CapitaLand Commercial Trust.	▪ 14,973

Company	Company Description	Market Cap (S$M)(1)
Suntec Real Estate Investment Trust ("**Suntec REIT**")	▪ Suntec REIT owns income-producing real estate that is primarily used for office and/or retail purposes. Its portfolio comprises office towers and retail malls in Singapore, Australia and United Kingdom. ▪ Suntec REIT was listed on the SGX-ST on 9 December 2004.	▪ 5,190
Keppel REIT	▪ Keppel REIT owns a portfolio of Grade A commercial assets in key business districts pan-Asia. ▪ The REIT has four office buildings in Singapore, six office buildings in key Australian cities of Sydney, Melbourne and Perth, as well as one office building in Seoul, South Korea ▪ Keppel REIT was listed on the SGX-ST on 28 April 2006.	▪ 4,419
Frasers Centrepoint Trust ("**FCT**")	▪ FCT owns suburban retail malls in Singapore. Its Singapore retail portfolio comprises nine retail malls. FCT also owns an office building Central Plaza (integrated with Tiong Bahru Plaza as part of the mixed development) in Singapore and holds a 31.15% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad. ▪ FCT was listed on SGX-ST since 5 July 2006.	▪ 4,083
SPH REIT	▪ SPH REIT is a Singapore-based REIT established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia-Pacific, as well as real estate-related assets. ▪ SPH REIT's portfolio comprises five quality and well-located commercial properties in Singapore and Australia. The three shopping malls in Singapore total up to 962,955 sq ft Net Lettable Area, whereas the two shopping malls in Australia have an aggregate Gross Lettable Area of 1,721,801 sq ft. ▪ SPH REIT was listed on SGX-ST on 24 July 2013.	▪ 2,690
OUE Commercial REIT ("**OUE-C REIT**")	▪ OUE-C REIT is a commercial REIT investing in income-producing real estate used primarily for office, retail and hospitality purposes with seven properties across the commercial and hospitality segments in Singapore and Shanghai. ▪ OUE C-REIT's property portfolio comprises more than 2.0 million square feet of prime office and retail space, and 1,640 upper upscale hotel rooms. ▪ In September 2019, OUE C-REIT completed the merger with OUE Hospitality Trust. Its property portfolio comprises seven properties with more than 2.0 million square feet of prime office and retail space and 1,640 upscale hotel rooms. ▪ OUE-C REIT was listed on the SGX-ST on 27 January 2014.	▪ 2,234

Source: Capital IQ and company websites.

Notes:

(1) Market capitalisation based on closing prices as at the Latest Practicable Date.

12.1.3 Comparable S-REITs – Management Fees

The summary description of the Comparable REITs we have reviewed for our evaluation of the revised management fee structures as part of the MCT Trust Deed Amendments is also set out in the following table:

Company	Company Description	Sector	Market Cap[1] (S$M)
Daiwa House Logistics Trust	▪ *Listing date on the SGX-ST: 19 November 2021.* ▪ Daiwa House Logistics Trust was established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing logistics and industrial real estate assets located across Asia. ▪ The initial portfolio comprises 14 logistics properties in Japan with an appraised value of approximately JPY 80,570 million (S$952.9 million) and an aggregate net lettable area of approximately 423,920 square metres.	Industrial	567
United Hampshire US REIT	▪ *Listing date on the SGX-ST: 12 March 2020.* ▪ United Hampshire US REIT is Asia's First United States Grocery-Anchored Shopping Center and Self-Storage REIT. ▪ It was established with the principal investment strategy of investing in a diversified portfolio of stabilised income-producing grocery-anchored and necessity-based retail properties and modern, climate-controlled self-storage facilities located in the United States. ▪ It has a portfolio of 24 high-quality properties located along the east coast of the U.S., consisting of 20 grocery-anchored and necessity-based retail properties, and 4 modern, climate-controlled self-storage properties. ▪ The total property value is USD663.2m as at 30 September 2021 and the net lettable area of the properties is 3.6million sq ft.	Retail	477
Elite Commercial REIT	▪ *Listing date on the SGX-ST: 6 February 2020.* ▪ Elite Commercial REIT primarily invests in commercial assets and real estate-related assets in the United Kingdom. ▪ Elite's portfolio comprises 155 predominantly freehold quality commercial buildings located across the UK valued at an aggregate of £515.3 million, with a total net internal area of approximately 3.9 million square feet. ▪ The portfolio is primarily occupied by the Department for Work and Pensions, the UK's largest public service department.	Commercial	562
Prime US REIT	▪ *Listing date on the SGX-ST: 19 July 2019.* ▪ Prime US REIT focuses on stabilised income-producing office assets in the United States. ▪ The portfolio comprises 14 Class A freehold office properties which are strategically-located in 13 key U.S. office markets. PRIME's portfolio has a total carrying value of US$1.67 billion as at 30 September 2021.	Office	1,220
ARA US Hospitality Trust	▪ *Listing date on the SGX-ST: 9 May 2019.* ▪ ARA US Hospitality Trust is a hospitality stapled group comprising ARA US Hospitality Property Trust and ARA US Hospitality Management Trust. ▪ It invests in income-producing real estate assets used primarily for hospitality purposes located in the United States. ▪ Its portfolio currently comprises 41 select-service hotels with a total of 5,340 rooms across 22 states in the United States. The 41 hotels include 38 Hyatt®-branded hotels and 3 Marriott®-branded hotels.	Hospitality	392

Company	Company Description	Sector	Market Cap(1) (S$M)
Sasseur REIT	▪ *Listing date on the SGX-ST: 28 March 2018.* ▪ Sasseur REIT is the first outlet mall REIT to be listed in Asia. ▪ It operates through four segments: Chongqing Outlets, Bishan Outlets, Hefei Outlets, and Kunming Outlets. ▪ Its property portfolio comprises four retail outlet malls covering a gross floor area of 377,737 square meters located in the People's Republic of China.	Retail	1,021
Keppel Pacific Oak US REIT	▪ *Listing date on the SGX-ST: 9 November 2017.* ▪ Keppel Pacific Oak US REIT is a distinctive office REIT with freehold office buildings and business campuses located across key growth markets driven by innovation and technology in the United States. ▪ It has 15 office properties located in the United States. The technology hubs of Seattle – Bellevue/Redmond, Austin and Denver contribute more than half of its net property income.	Office	1,055
EC World REIT	▪ *Listing date on the SGX-ST: 28 July 2016.* ▪ EC World REIT is the first Chinese specialised logistics and e-commerce logistics REIT listed on the SGX-ST. ▪ With its portfolio of eight quality properties located predominantly in one of the largest e-commerce clusters in the Yangtze River Delta, EC World REIT offers investors unique exposure to the logistics and e-commerce sectors in Hangzhou and Wuhan, China. ▪ EC World REIT's investment strategy is to invest principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for e-commerce, supply-chain management and logistics purposes, as well as real estate-related assets, with an initial geographical focus on China.	Logistics	530
BHG Retail REIT	▪ *Listing date on the SGX-ST: 11 December 2015.* ▪ BHG Retail REIT is the first retail REIT sponsored by an established Chinese homegrown retail property operator, Beijing Hualian Department Store Co., Ltd., to be listed on the SGX-ST. ▪ As at 30 June 2020, the REIT's portfolio comprises six retail properties, Beijing Wanliu (60%), Chengdu Konggang, Hefei Mengchenglu, Hefei Changjiangxilu, Xining Huayuan, Dalian Jinsanjiao located in Tier 1, Tier 2 and other cities of significant economic potential in China.	Retail	290
Manulife US REIT	▪ *Listing date on the SGX-ST: 20 May 2016.* ▪ Manulife US REIT is the first pure-play U.S. office REIT listed in Asia. ▪ It is a Singapore listed REIT established with the investment strategy principally to invest, directly or indirectly, in a portfolio of income-producing office real estate in key markets in the United States, as well as real estate-related assets. ▪ Manulife US REIT's portfolio comprises nine prime, freehold and Trophy or Class A quality office properties strategically located in California, Atlanta, New Jersey and Washington D.C. Metro Area. The properties have a combined net lettable area of 4.7million sq ft.	Office	1,544

Company	Company Description	Sector	Market Cap(1) (S$M)
IREIT Global	▪ *Listing date on the SGX-ST: 13 August 2014.* ▪ IREIT Global is the first S-REIT with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office, retail and industrial (including logistics) purposes, as well as real estate-related assets. ▪ Its portfolio comprises 5 freehold office properties in Germany, 5 freehold office properties in Spain and 27 freehold retail properties in France.	Office / Retail / Industrial	740
Nippon Building Fund Incorporation	▪ *Listing date on TSE: 10 September 2001.* ▪ Nippon Building Fund Incorporation is a Japan-based office REIT. The fund aims at steady asset growth and stable earnings from mid- to long-term perspectives. It mainly invests in office buildings and its building sites located in the central Tokyo area, other areas in Tokyo and other regional cities in Japan. ▪ The fund has 70 properties with a total rentable area of 1,211,708 m^2.	Office	12,208
Japan Real Estate Investment Corporation	▪ *Listing date on the TSE: 10 September 2001.* ▪ Japan Real Estate Investment Corporation is a Japan-based office REIT. The REIT aims to achieve stable earnings from mid- to long-term perspectives through investment in office buildings and other assets mainly located in the Tokyo metropolitan area and other major cities. ▪ Japan Real Estate Investment Corporation has 74 buildings with total leasable space of 866,577 m^2.	Office	9,117
OUE Commercial REIT	▪ *Listing date on the SGX-ST: 27 January 2014.* ▪ OUE Commercial REIT is a commercial REIT investing in income-producing real estate used primarily for office, retail and hospitality purposes with seven properties across the commercial and hospitality segments in Singapore and Shanghai. ▪ The property portfolio comprises more than 2.0 million square feet of prime office and retail space, and 1,640 upper upscale hotel rooms. ▪ In September 2019, OUE Commercial REIT completed the merger with OUE Hospitality Trust. Its property portfolio comprises seven properties with more than 2.0 million square feet of prime office and retail space and 1,640 upscale hotel rooms.	Commercial	2,234

Source: Capital IQ and company websites.

Notes:

(1) Market capitalisation is based on closing prices as at the Latest Practicable Date.

12.1.4 Precedent Mergers, Cash Acquisitions and Privatisations

For the purpose of evaluating the Scheme Consideration, we have reviewed the following selected precedent transactions involving:

(1) Selected successful or announced precedent transactions between 28 December 2016 and the Latest Practicable Date with respect to combinations of business trusts and/or real estate investment trusts listed on the SGX-ST involving scrip as the primary transaction consideration ("**Precedent S-REITs Mergers**");

(2) Selected successful or announced transactions between 28 December 2013 and the Latest Practicable Date with respect to takeovers of business trusts and/or real estate investment trusts listed on the SGX-ST involving cash as the primary transaction consideration ("**Precedent S-REITs Cash Acquisitions**"); and

(3) Selected successful precedent privatization and delisting transactions on the SGX-ST announced and completed between 28 December 2016 and the Latest Practicable Date of a transaction value greater than S$100 million and involving cash as consideration or cash and scrip alternative as consideration ("**Precedent Privatisation**").

Precedent S-REITs Mergers

A brief description of the Precedent S-REITs Mergers is set out below:

Announcement Date	Target	Acquiror	Description
15 October 2021	ARA LOGOS Logistics Trust ("**ALOG**")	ESR REIT	▪ ESR REIT invests in quality income-producing industrial properties and holds interest in a diversified portfolio of 58 properties located across Singapore, with a total gross floor area of approximately 15.6 million square feet. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial. ESR-REIT also holds a 10.0% interest in ESR Australia Logistics Partnership, a private fund comprising 37 predominantly freehold logistics properties all located in Australia. ▪ ALOG's portfolio comprises 29 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia as well as investment stakes in two funds. The portfolio has a total gross floor area of approximately 1.0 million square metres. ▪ On 15 October 2021, the respective managers of ALOG and ESR REIT jointly announced their merger. The scheme consideration comprises 90% newly issued ESR REIT scrip and 10% cash. The implied offer price is S$0.95 per ALOG unit. Based on the issue price of S$0.510 per ESR REIT unit, the aggregate scheme consideration is approximately S$1,379.6 million. ▪ On 22 January 2022, the scheme consideration was revised to S$0.97 per ALOG unit. ▪ On 21 March 2022, the unitholders of ESR REIT and ALOG approved the merger.
22 January 2020	CapitaLand Commercial Trust ("**CCT**")	CapitaLand Mall Trust ("**CMT**")	▪ Prior to the merger CCT was a commercial office REIT with the largest portfolio of Grade A assets in the Singapore CBD. CCT had eight properties located in Singapore and two properties located in Germany.

Announcement Date	Target	Acquiror	Description
			▪ CMT was Singapore's first and largest retail REIT with 15 properties and investment objective of investing in income-producing assets which are used for retail purposes primarily in Singapore. ▪ On 22 January 2020, the respective managers of CCT and CMT jointly announced their merger. ▪ In relation to the merger, the scheme consideration of S$2.1238 per CCT unit included a 12% cash consideration of S$0.259 per CCT unit and 88% unit consideration through the issuance of 0.720 new CMT Unit for CCT unit. ▪ The transaction was completed on 3 November 2020.
2 December 2019	Frasers Commercial Trust ("**FCOT**")	Frasers Logistics and Industrial Trust ("**FLT**")	▪ Prior to the merger, FCOT was a commercial REIT sponsored by Frasers Property Limited. ▪ FCOT invested primarily in quality income-producing commercial properties. Its portfolio included six quality commercial buildings located in Singapore, Australia and the United Kingdom. ▪ On 2 December 2019, the respective managers of FCOT and FLT jointly announced their merger. ▪ In conjunction with the merger, FLT announced the acquisition of the remaining 50% interest in Farnborough Business Park from its sponsor, Frasers Property Limited for an estimated consideration of GBP90.1 million (approximately S$157.7 million), subject to post-completion adjustments. ▪ In relation to the merger, the scheme consideration of S$1.680 per FCOT unit comprised of a 9% cash payment of S$0.151 per FCOT unit and a 91% stock payment via an issuance of 1.233 new FLT units at an issue price of S$1.240 for each FCOT unit. ▪ The merger was completed on 15 April 2020 and FCOT was delisted on 29 April 2020.
3 July 2019	Ascendas Hospitality Trust ("**A-HTRUST**")	Ascott Residence Trust ("**Ascott Reit**")	▪ Prior to the combination, A-HTRUST's portfolio comprised 14 quality hotels with more than 4,700 rooms geographically diversified across key cities in Australia, Japan, South Korea and Singapore. ▪ A-HTRUST's portfolio was valued at approximately S$1.8 billion as at 31 March 2019. ▪ On 3 July 2019, the respective boards of directors of the managers of Ascott Reit and A-HTRUST jointly announced their combination.

Announcement Date	Target	Acquiror	Description
			▪ The combination resulted in the combined entity becoming the largest hospitality trust in Asia Pacific. ▪ In relation to the combination, the scheme consideration of S$1.0868 for each A-HTRUST stapled unit comprised of a 5% cash payment of S$0.0543 per A-HTRUST staple unit and a 95% stock payment via an issuance of 0.7942 new Ascott Reit units at an issue price of S$1.30 for each A-HTRUST stapled unit. ▪ The combination was completed on 31 December 2019.
8 April 2019	OUE Hospitality Trust ("**OUE-H Trust**")	OUE-C REIT	▪ Prior to the merger, OUE-H Trust's total asset value was approximately S$2.3 billion as at 31 December 2018. ▪ On 8 April 2019, the respective managers of OUE-H Trust and OUE-C REIT jointly announced their merger. ▪ In relation to the merger, the scheme consideration comprised of a cash payment of S$0.04075 per OUE-H Trust Unit and a stock payment via an issuance of 1.3583 new OUE-C REIT units per OUE-H Trust Unit. ▪ The merger was completed on 4 September 2019.
29 January 2018	Viva Industrial Trust ("**VIT**")	ESR-REIT	▪ Prior to the merger, VIT was a Singapore-focused business park and industrial property trust. ▪ VIT's portfolio comprised nine properties located with an aggregate gross floor area of 3.9 million square feet. ▪ On 29 January 2018, ESR-REIT announced merger plans with VIT for a total scheme consideration of S$937 million. ▪ In relation to the merger, the scheme consideration of S$0.96 per VIT Unit comprised of a 10% cash payment of S$0.096 per VIT Unit and a 90% stock payment via an issuance of new ESR-REIT units at an issue price of S$0.54 for each VIT Unit. ▪ The merger was completed on 15 October 2018.

Source: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents.

Precedent S-REITs Cash Acquisitions

A brief description of the Precedent S-REITs Cash Acquisitions is set out below:

Announcement Date	Target	Acquiror	Description[1]
14 December 2020	Soilbuild Business Space REIT ("**Soilbuild**")	A consortium led by Lim Chap Huat and The Blackstone Group	▪ Soilbuild invests on a long-term basis, directly or indirectly, in a portfolio of income-producing real estate used primarily for business space purposes in Singapore and Australia, as well as real estate-related assets. ▪ On 4 September 2020, Soilbuild announced that certain unitholders have entered into a non-binding term sheet in relation to a possible transaction of their units which may or may not lead to an offer for Soilbuild. ▪ On 14 December 2020, a consortium led by Lim Chap Huat and The Blackstone Group has agreed to acquire all the units of Soilbuild at an offer price of S$0.55 per unit in cash and via a trust scheme of arrangement. ▪ The scheme was effective on 31 March 2021.
29 June 2020	Accordia Golf Trust ("**AGT**")	Accordia Golf Co., Ltd.	▪ Accordia Golf Trust was listed on the SGX-ST on 1 August 2014 and has the principal investing strategy, directly or indirectly, of owning a portfolio of stabilised, income-generating golf courses, driving ranges and golf course related assets worldwide. ▪ On 28 November 2019, AGT received a non-bind proposal to acquire its interests in all of its golf courses from Accordia Golf Co., Ltd. ▪ On 29 June 2020, AGT and Accordia Golf Co., Ltd entered into a conditional agreement pursuant to which Accordia Golf Co., will acquire AGT's interests in all of its 88 golf courses located in Japan. ▪ On 7 August 2020, Accordia Golf subsequently agreed to an increase in the purchase consideration to a fixed amount of JPY65,200 million (approximately S$848.4 million). ▪ The purchase consideration translates to an implied purchase consideration of S$0.772 per unit in AGT. ▪ On 14 September 2021, the transaction was completed.
28 June 2017	Croesus Retail Trust ("**CRT**")	The Blackstone Group	▪ CRT is an Asia-Pacific retail business trust focused on investing in a diversified portfolio of predominantly retail real estate assets located in Japan and the Asia-Pacific region ▪ On 26 April 2017, CRT announced that it has been approached in connection with a potential transaction which may or may not lead to an acquisition of all the issued units in CRT.

Announcement Date	Target	Acquiror	Description[1]
			▪ On 28 June 2017, CRT announced that The Blackstone Group has made an offer to acquire all the units in CRT via a trust scheme of arrangement at an offer price of S$1.17 per unit in cash. ▪ The scheme became effective on 16 October 2017.
23 October 2015	Saizen REIT	Lone Star	▪ Saizen REIT's portfolio comprises of 136 residential properties located in 14 Japanese cities. ▪ On 22 October 2015, the manager of Saizen REIT received an offer for the acquisition of its entire portfolio by Triangle TMK (a Japanese affiliate of Lone Star Funds) ▪ The purchase consideration payable by Triangle TMK to Saizen REIT in connection is JPY44,660.0 million (S$514.1 million) ▪ The purchase consideration was agreed after arm's length negotiations between the manager and Triangle TMK after taking into account the appraised value of the Properties of JPY43,181.1 million (S$497.1 million). ▪ The purchase consideration is estimated to translate into an Implied net offer price of S$1.162 per unit. ▪ Subject to unitholders' approval, the manager will distribute a special distribution of S$1.056 per unit, amounting to approximately S$303.1 million, to the unitholders out of the post-completion cash balance of Saizen REIT. ▪ Saizen REIT was delisted from SGX on 6 October 2017.
4 November 2014	Forterra Trust	Nan Fung International Holdings Ltd	▪ Forterra Trust is a business trust that owns, manages and develops retail and office space in Shanghai, Qingdao and Beijing. ▪ On 4 November 2014, Nan Fung Group announced its intentions to make a mandatory conditional cash offer to acquire all the units of Forterra, at a price of S$1.850 per unit. ▪ On 24 November 2014, the offeror announced the revision of the offer price to S$2.250 per unit. ▪ The acquisition was completed on 11 February 2015.

For the purpose of our evaluation of the financial terms of the Merger and for illustration, we have applied the following valuation metrics to the MCT Units and the MNACT Units in our analyses:

Valuation Metrics	Description
Latest P/NAV	"NAV" or "net asset value" is the book value of a company's shareholders' equity (excluding minority interest). The "**P/NAV**" or "price-to-NAV" ratio illustrates the ratio of the market price of a company's units relative to its historical book value per unit as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
12-month trailing Distribution Yield ("Trailing LTM DY")	The "12-month trailing Distribution Yield" is the aggregate dividend per unit amount that has been declared for distribution over the prior 12 months, divided by the current unit price.

In relation to the P/NAV multiple, we note that this type of asset-based valuation approach provides an estimate of the value of a trust assuming the hypothetical sale of all its assets over a reasonable period of time, repayment of its liabilities and obligations, and with the balance being available for distribution to its unitholders. While the asset base of a trust can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

As such, as part of our evaluation of the financial terms of the Merger, we have compared the P/NAV multiple and DY as implied by the Scheme Consideration and the Consideration Unit Price, as applicable, to the relevant mean and median values as well as to the relevant minimum and maximum ranges as set out in this Letter.

12.1.5 Relevant Benchmark Dates and the Scheme Consideration

For the purpose of our analyses, apart from the Latest Practicable Date, we have referred to 27 December 2021 being the last full market trading day prior to the Joint Announcement Date ("**Last Trading Date**" or "**LTD**").

Based on an issue price of S$2.0039 per Consideration Unit (the "**Consideration Unit Price**"), which is the 1-day VWAP of an MCT Unit on 27 December 2021 (being the last trading day immediately prior to the Joint Announcement Date), the Scheme Consideration is S$1.1949 per MNACT Unit and implies a gross exchange ratio of 0.5963x. The issue price of S$2.0039 of each Consideration Unit may not be equivalent to the market price, nor reflective of the fair value of, the Consideration Units as at the Effective Date and/or the date of settlement of the Scheme Consideration.

For the avoidance of doubt, MNACT unitholders can elect to receive either 0.5963 new units in MCT (the "**Scrip-Only Consideration**") or a combination of 0.5009 Consideration Units and S$0.1912 in cash (the "**Cash Consideration**", and together with the Consideration Units, the "**Cash-and-Scrip Consideration**") or S$1.1949 in cash (the "**Cash-Only Consideration**").

The Cash-Only Consideration will be the default form of the Scheme Consideration. For the Scrip-Only Consideration and the Cash-and-Scrip Consideration, each Consideration Unit may trade at a price which is above or below S$2.0039. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each MNACT Unit to reflect any such price differential.

12.1.6 Rounding of Scheme Consideration and Consideration Unit Price

For the purpose of our analyses performed in this Letter, the Scheme Consideration and the Consideration Unit Price have been rounded to four decimal places.

12.1.7 Independent Property Valuation

We note that properties typically represent the majority of the net asset value of a real estate investment trust and we have considered the following underlying independent valuations of the properties of MCT and MNACT, respectively, as well as related opinions:

(a) The independent valuation of the properties held by MNACT as at 31 March 2021, 31 October 2021 and 31 March 2022;

(b) The independent valuation of the properties held by MCT as at 31 March 2021, 30 September 2021 and 31 March 2022; and

(c) The MCT 805 Auditors' Opinion issued by Ernst & Young LLP dated 29 April 2022 on the carrying values of investment properties of MNACT and its subsidiaries and of its joint venture, IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6 ("IGIS REIT"), as at 31 March 2022, and related notes.

For the analyses in this Letter relating to the Latest P/NAV (as defined herein), we have applied the NAV per unit as at 30 September 2021 for MCT and the adjusted NAV per unit as at 31 October 2021 for MNACT[46], respectively, being the latest respective NAVs prior to the Joint Announcement Date.

12.2 Evaluation of the Scheme Consideration

12.2.1 Liquidity Analysis of the MNACT Units

In order to evaluate whether the historical market prices of the MNACT Units provide a meaningful reference point for comparison with the Scheme Consideration, we have considered the liquidity and free float of MNACT relative to the Top 20 STI Companies as at the Last Trading Date, as outlined below:

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

#	Liquidity analysis of the Top 20 STI Companies by market capitalisation[1]	Market capitalisation (S$m)	Free Float (%)[2]	Past 6 months ADTV ('000 shares)	Past 6 months ADTV (S$'000)	6M ADTV / Free Float Volume (%)[3]	6M ADTV / Market cap. Value (%)[4]
1	DBS Group Holdings Ltd	83,471	52.3%	3,509	107,972	0.3%	0.1%
2	Oversea-Chinese Banking Corporation Limited	50,846	85.2%	4,792	56,170	0.1%	0.1%
3	United Overseas Bank Limited	44,692	85.2%	2,244	59,062	0.2%	0.1%
4	Jardine Matheson Holdings Limited	40,175	33.4%	200	11,487	0.1%	0.0%
5	Singapore Telecommunications Limited	38,303	47.7%	26,114	62,855	0.3%	0.2%
6	Wilmar International Limited	25,621	29.1%	5,643	24,297	0.3%	0.1%
7	IHH Healthcare Bhd	18,825	12.5%	76	159	0.0%	0.0%
8	CapitaLand Investment Limited	17,274	47.6%	10,660	35,936	0.4%	0.2%
9	Thai Beverage Public Company Limited	16,704	23.4%	19,456	13,273	0.3%	0.1%
10	Singapore Airlines Limited	14,630	66.6%	7,172	36,520	0.4%	0.2%
11	CapitaLand Integrated Commercial Trust	13,217	76.6%	18,788	39,333	0.4%	0.3%
12	Ascendas Real Estate Investment Trust	12,257	42.9%	11,029	33,512	0.6%	0.3%
13	Hongkong Land Holdings Limited	12,066	49.5%	2,267	11,181	0.2%	0.1%
14	Singapore Technologies Engineering Ltd	11,583	49.0%	4,380	16,893	0.3%	0.1%
15	Singapore Exchange Limited	9,939	99.9%	3,008	30,556	0.3%	0.3%
16	Great Eastern Holdings Limited	9,523	12.1%	16	342	0.0%	0.0%
17	Keppel Corporation Limited	9,280	78.9%	2,966	15,766	0.2%	0.2%
18	Genting Singapore PLC	9,290	47.1%	26,040	20,518	0.5%	0.2%
19	Mapletree Logistics Trust	8,690	70.7%	11,542	23,186	0.3%	0.3%
20	Jardine Cycle & Carriage Limited	8,142	24.0%	278	5,834	0.3%	0.1%
	Min	8,142	12.1%	16	159	0.0%	0.0%
	Mean	22,726	51.7%	8,009	30,243	0.3%	0.2%
	Median	13,923	48.4%	4,586	23,741	0.3%	0.1%
	Max	83,471	99.9%	26,114	107,972	0.6%	0.3%
	MNACT	3,916	61.7%	7,014	7,115	0.3%	0.2%

Source: Bloomberg.

Notes:

(1) All figures as of the Last Trading Date.

(2) Free float percentages are based on Bloomberg.

(3) 180-day average daily trading volume leading up to the Last Trading Date, divided by free float number of units.

(4) 180-day average daily trading value leading up to the Last Trading Date, divided by market capitalisation.

With respect to the above table, we note that in the 6-month period leading up to the Last Trading Date:

(i) MNACT's average daily trading volume ("**ADTV**") represented 0.3% of its free float which is within the range of the Top 20 STI Companies of 0.0% to 0.6% and in line with the mean and median of 0.3%; and

(ii) MNACT's average daily trading value represented 0.2% of its market capitalisation which is within the range of the Top 20 STI Companies of 0.0% to 0.3% and in line with the mean of 0.2%.

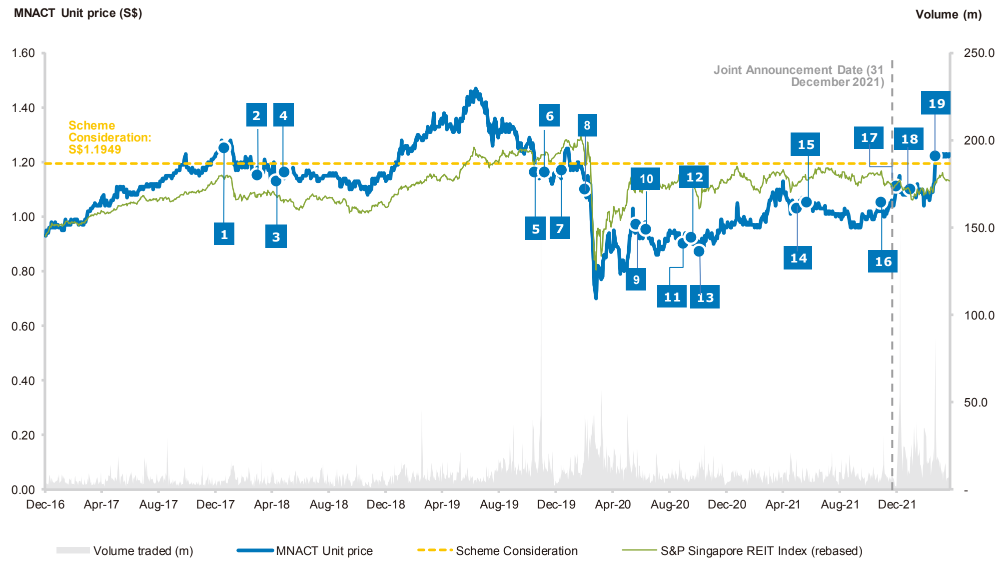
Based on our analysis of the ADTV relative to the Top 20 STI Companies, it appears that there is high liquidity in the MNACT Units in the 6-month period up to the Last Trading Date. This suggests that the market prices of the MNACT Units should generally reflect the fundamental, market-based value of the MNACT Units.

We wish to highlight that the above analysis of the historical trading liquidity of the MNACT Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the MNACT Units, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

12.2.2 Historical Market Performance and Trading Activity of the MNACT Units

We set out below a chart outlining the daily closing prices and trading volume of the MNACT Units for the 5-year prior to the Joint Announcement Date, between 28 December 2016 and up to the Joint Announcement Date, and from the Joint Announcement Date to the Latest Practicable Date.

MNACT Unit price performance for the period starting 28 December 2016 and up to the LPD



Source: Capital IQ, MNACT Managers' announcements.
Note: Share prices based on daily closing and unadjusted share prices.

A summary of the salient announcements during the period between 28 December 2016 and up to the Latest Practicable Date is set out below:

(1)	16 Jan 2018	Announced the investment mandate of MNACT will be expanded beyond Greater China to include Japan.
(2)	28 Mar 2018	Announced the acquisition of an effective interest of 98.47% in 6 freehold commercial properties located in Tokyo, Chiba and Yokohama, Japan from MJOF Pte. Ltd. The balance 1.53% effective interest will be held by Mapletree Investments Japan Kabushiki Kaisha ("MIJ"), an indirect wholly-owned subsidiary of Mapletree Investments Pte Ltd ("MIPL"). The agreed portfolio value is JPY63,304.0 million (approximately S$782.8 million). The properties are IXINAL Monzen-nakacho Building ("MON"), Higashi-nihonbashi 1-chome Building ("HNB"), TS Ikebukuro Building ("TSI"), ABAS Shin-Yokohama Building ("ASY"), SII Makuhari Building ("SMB") and Fujitsu Makuhari Building ("FJM").
(3)	8 May 2018	Closed the private placement of 311,602,000 new MNACT units at an issue price of S$1.06 per new MNACT unit which represented an approximate 7.1% discount to the VWAP of S$1.1406 per MNACT unit for the market day on 25 April 2018, being the date on which the placement agreement was signed.
(4)	25 May 2018	Completed the acquisition of 98.47% interest in the Japan portfolio and the entire gross proceeds of approximately S$330.3 million from the private placement has been fully utilised to partially fund the total acquisition cost. Changed of name from "Mapletree Greater China Commercial Trust" to "Mapletree North Asia Commercial Trust".
(5)	13 Nov 2019	Announced extensive damage to Festival Walk due to incidents stemming from the political instability in Hong Kong. The mall was closed since 2pm on 12 November 2019.

(6)	4 Dec 2019	Announced the acquisition of an effective interest of 98.47% in 2 freehold, multi-tenanted office properties located in Greater Tokyo, Japan from Mapletree Investments Pte Ltd. The balance 1.53% effective interest will be held by MIJ. The aggregate agreed portfolio value is JPY38,110.0 million (approximately S$485.1 million). The properties are mBay Point Makuhari Building ("MBP") and Omori Prime Building ("OPB"). Announced the Festival Walk office tower in Hong Kong has re-opened on 26 November 2019 and rental collection from the office tenants has resumed. Rental was not collected from the office tenants from 13 to 25 November 2019. The loss of retail and office revenue during Festival Walk's closure as well as property damage sustained are covered under the insurance policies.
(7)	10 Jan 2020	Announced the Festival Walk mall to be re-opened on 16 January 2020.
(8)	28 Feb 2020	Completed the acquisition of 98.47% interest in MBP and OPB. Issued 123,708,135 transaction units at an issue price of S$1.1703 per transaction unit which represented the VWAP per unit for the period of 10 business days preceding 28 February 2020. The entire gross proceeds of approximately S$144.8 million has been fully utilised to partially fund the total acquisition cost.
(9)	17 Jun 2020	Announced the insurers have made a without prejudice interim payment of HK$45 million (approximately S$8 million) as partial payment on account of the estimated claims relating to property damage at Festival Walk.
(10)	9 Jul 2020	Announced the insurers have made an additional without prejudice interim payment of HK$100 million (approximately S$18 million) as partial payment on account of the estimated insurance claims for property damage and revenue loss due to business interruption at Festival Walk.
(11)	25 Sep 2020	Announced the investment mandate of MNACT will be expanded to include South Korea. Announced the acquisition of 50.0% interest in a freehold office building known as "The Pinnacle Gangnam" located in Seoul, Korea through MNACT's direct wholly-owned subsidiary, Pinnacle KR Asset Pte. Ltd., from PICANTO Pte. Ltd. and Project Hudson Ltd. The remaining 50.0% interest will be acquired by Gangnam Asset Pte. Ltd., an indirect wholly-owned subsidiary of MIPL, which will hold a 49.95% interest, and an unrelated third party investor, which will hold a 0.05% interest. The agreed property value is KRW452.0 billion (approximately S$528.4 million).
(12)	14 Oct 2020	Announced the insurers have made additional interim payments of HK$118 million (approximately S$21 million) as partial payments on account of the estimated insurance claims for property damage and revenue loss due to business interruption at Festival Walk. To date, interim payments of HK$263 million (approximately S$46 million) on account of the estimated insurance claims has been received.
(13)	30 Oct 2020	Completed the acquisition of 50.0% interest in "The Pinnacle Gangnam".

(14)	28 May 2021	Announced the acquisition of an effective interest of 98.47% in a freehold single-tenanted office building located at 2-1, Ojima 2-chome, Koto-ku, Tokyo, Japan known as “Hewlett-Packard Japan Headquarters” from Hulic Co.,Ltd. The balance 1.53% effective interest will be held by MIJ. The agreed property value is JPY38.8 billion (approximately S$474.7 million).
(15)	18 Jun 2021	Completed the acquisition of 98.47% interest in “Hewlett-Packard Japan Headquarters”. Announced issuance of S$250,000,000 in principal amount of 3.50% fixed rate perpetual securities (“Series 009 Perpetual Securities”) on 1 June 2021 and the entire gross proceeds of S$250 million received has been used to partially fund the total acquisition cost.
(16)	24 Nov 2021	Announced MNACT has entered into a settlement agreement with the insurers on the claims for property damage and revenue loss due to business interruption. The total settlement amount agreed in the sum of HK$334.3 million (approximately S$58.3 million), comprises HK$84.3 million (approximately S$14.7 million) for property damage and HK$250.0 million (approximately S$43.6 million) for revenue loss due to business interruption. Interim payments of HK$263 million have been received from the insurers to date.
(17)	31 Dec 2021	MCT and MNACT jointly announced the Proposed Merger to create a flagship commercial REIT to be named "Mapletree Pan Asia Commercial Trust".
(18)	25 Jan 2022	Monetary Authority of Singapore has announced that it was tightening its monetary policy settings amid a further upward shift in Singapore's inflation outlook. The adjustment falls outside of MAS' normal cycle of twice-yearly monetary policy reviews, typically in April and October.
(19)	21 Mar 2022	Announced the revision of Trust Scheme to include an option for MNACT Unitholders to receive the Cash-Only Consideration

Source: MNACT Manager announcements, press.

12.2.3 Historical VWAPs of the MNACT Units

We set out in the table below the historical volume weighted average prices (“**VWAPs**”) of the MNACT Units for various reference periods up to and including the Last Trading Date and the Latest Practicable Date.

Reference period	Price Basis	Evaluation of the Scheme Consideration (S$1.1949 per MNACT Unit) Historical MNACT VWAPs (S$)(1)	Premium / (discount) to historical MNACT VWAPs	ADTV ('000 shares)(2)	ADTV / free float (%)(3)	ADTV (S$'000)(4)	ADTV / market cap (%)
(A) Periods up to the Last Trading Date (27 December 2021):							
Last Trading Date	Closing Price	1.110	7.6%	26,417	1.2%	28,995	0.7%
1-month *(28 November 2021 - 27 December 2021)*	VWAP(1)	1.045	14.4%	9,422	0.4%	9,846	0.3%
3-month *(28 September 2021 - 27 December 2021)*	VWAP(1)	1.017	17.5%	8,207	0.4%	8,349	0.2%
6-month *(28 June 2021 - 27 December 2021)*	VWAP(1)	1.014	17.8%	7,047	0.3%	7,147	0.2%
12-month *(28 December 2020 - 27 December 2021)*	VWAP(1)	1.018	17.3%	7,000	0.3%	7,129	0.2%
Pre Covid *(28 December 2016 - 31 December 2019)*	VWAP(1)	1.197	(0.2%)	6,766	0.3%	8,099	0.2%
5 Year *(28 December 2016 - 27 December 2021)*	VWAP(1)	1.108	7.8%	7,284	0.3%	8,074	0.2%
(B) Period from the Joint Announcement Date up to the Latest Practicable Date (31 December 2021 to 20 April 2022):							
From the Joint Announcement Date up to the Latest Practicable Date	VWAP(1)	1.139	4.9%	16,938	0.8%	19,298	0.5%
As at the Latest Practicable Date	Closing Price	1.230	(2.9%)	2,548	0.1%	3,119	0.1%

Source: Bloomberg.

Notes:

(1) The VWAP is weighted based on the volume of the MNACT Units traded and transacted prices of the MNACT Units for the calendar days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustment to unit price has been made for dividends, bonus issues or other corporate transactions in each respective reference period.

(2) The average daily trading volume of the MNACT Units is calculated based on the total volume of MNACT Units traded divided by the number of calendar days when the market is open during the relevant periods.

(3) Free float is based on Bloomberg and refers to the number of MNACT Units that are available to the public. This figure is calculated by subtracting the MNACT Units held by insiders and those deemed to be stagnant shareholders from the MNACT Units outstanding. Stagnant holders include employee stock ownership plans, employee share ownership trusts, qualifying employee share ownership trusts, employee benefit trusts, corporations not actively managing money, venture capital companies and MNACT Units held by governments.

(4) The average daily traded value of the MNACT Units is calculated based on the total value of MNACT Units traded divided by the number of calendar days when the market is open during the relevant periods.

Based on the above table, we note that:

A. <u>Periods up to the Last Trading Date (27 December 2021):</u>

(i) The Scheme Consideration of S$1.1949 represents a premium of 7.6% to the closing price of the MNACT Units on the Last Trading Date;

(ii) The Scheme Consideration of S$1.1949 represents a premium / (discount) of 14.4%, 17.5%, 17.8%, 17.3%, (0.2%) and 7.8% to the 1-month, 3-month, 6-month, 12-month, Pre-Covid and 5 Year VWAPs of the MNACT Units, respectively;

(iii) The average daily trading volume of the MNACT Units as a percentage of the free float ranged between 0.3% and 0.4%, in the 1-month, 3-month, 6-month and 12-month, Pre-Covid and 5 Year periods up to the Last Trading Date; and

(iv) The average daily trading value of the MNACT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 1-month, 3-month, 6-month and 12-month, Pre-Covid and 5 Year periods up to the Last Trading Date.

B. <u>Period from the Joint Announcement Date up to the Latest Practicable Date (31 December 2021 to 20 April 2022):</u>

(i) The Scheme Consideration of S$1.1949 represents a discount of 2.9% to the closing price of the MNACT Units on the Latest Practicable Date;

(ii) The Scheme Consideration of S$1.1949 represents a premium of 4.9% to the VWAPs of the MNACT Units in the period between the Joint Announcement Date up to the Latest Practicable Date;

(iii) The average daily trading volume of the MNACT Units as a percentage of the free float was 0.8% in the period between the Joint Announcement Date up to the Latest Practicable Date; and

(iv) The average daily trading value of the MNACT Units as a percentage of the market capitalisation was 0.5% in the period between the Joint Announcement Date up to the Latest Practicable Date.

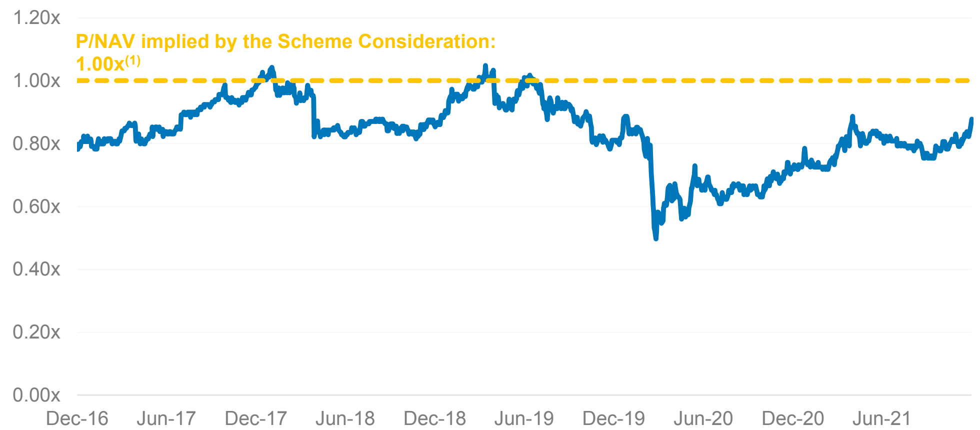
We wish to highlight that our analysis of the past price performance of the MNACT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Merged Entity, prevailing economic conditions, economic outlook, market conditions and sentiments.

12.2.4 Trailing Latest P/NAV Multiples of the MNACT Units Relative to the Latest P/NAV Multiple Implied by the Scheme Consideration

For the purpose of evaluating the financial terms of the Merger, we have made reference to the trailing latest ("**Latest**") P/NAV multiples (based on the latest reported net asset values) of the MNACT Units to evaluate how the Latest P/NAV multiple implied by the Scheme Consideration compares to them.

In the chart below, we have compared the Latest P/NAV multiple implied by the Scheme Consideration to the trailing Latest P/NAV multiples of the MNACT Units for the period between 28 December 2016 up to and including the Last Trading Date.

Trailing Latest P/NAV of the MNACT Units for the period between 28 December 2016 and up to the LTD



Scheme Consideration: Latest P/NAV[1]	1.00x		
Period up to the LTD	12-month *28 Dec 2020 - 27 Dec 2021*	Pre-COVID *28 Dec 2016 - 31 Dec 2019*	5-year *28 Dec 2016 - 27 Dec 2021*
Min	0.72x	0.78x	0.50x
Mean	0.79x	0.89x	0.83x
Median	0.79x	0.88x	0.84x
Max	0.89x	1.05x	1.05x
Mean - Median	Above	Above	Above
Min - Max	Above	Within	Within

Source: Capital IQ.

Note:

(1) Based on the Scheme Consideration of S$1.1949 and NAV per MNACT Unit as at 30 September 2021 and applying the following adjustments: (i) excludes MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents paid on 24 December 2021; and (ii) assumes valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021.

Based on the above, we note that:

(i) The Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is above the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.72x to 0.89x and above the mean and median of 0.79x, over the 12-month period up to and including the Last Trading Date;

(ii) The Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.78x to 1.05x but above the mean and median of 0.89x and 0.88x, respectively, over the pre-COVID period from 28 December 2016 to 31 December 2019; and

(iii) The Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.50x to 1.05x but above the mean and median of 0.83x and 0.84x, respectively, over the 5-year period from 28 December 2016 up to and including the Last Trading Date.

We wish to highlight that the historical trading patterns or performance of the MNACT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.2.5 Trailing LTM DYs of the MNACT Units Relative to the DY Implied by the Scheme Consideration

For the purpose of evaluating the financial terms of the Merger, we have referred to the trailing LTM DYs of the MNACT Units to evaluate how the LTM DY implied by the Scheme Consideration compares to them.

In the chart below, we have compared the LTM DY implied by the Scheme Consideration to the trailing LTM DYs of the MNACT Units for the period between 28 December 2016 up to and including the Last Trading Date.

Trailing LTM DYs of the MNACT Units for the period between 28 December 2016 and up to the LTD[(1)]

Scheme Consideration: LTM DY	5.63%		
Period up to the LTD	**12-month** *28 Dec 2020 - 27 Dec 2021*	**Pre-COVID** *28 Dec 2016 - 31 Dec 2019*	**5-year** *28 Dec 2016 - 27 Dec 2021*
Min	5.46%	4.71%	4.71%
Mean	6.15%	6.40%	6.56%
Median	6.11%	6.50%	6.47%
Max	6.79%	7.94%	10.73%
Mean - Median Range	**Below**	**Below**	**Below**
Min - Max Range	**Within**	**Within**	**Within**

Source: Capital IQ.

Note:

(1) The trailing LTM DY values are based on trailing 12-month DPU.

(2) Based on the Scheme Consideration of S$1.1949 and reported LTM DPU per MNACT Unit of 6.725 Singapore cents as of 30 September 2021.

Based on the above, we note that:

(i) The LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 5.46% to 6.79% but below the mean and median of 6.15% and 6.11%, respectively, over the 12-month period up to and including the Last Trading Date;

(ii) The LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 4.71% to 7.94% but below the mean and median of 6.40% and 6.50%, respectively, over the pre-COVID period from 28 December 2016 to 31 December 2019; and

(iii) The LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 4.71% to 10.73% but below the mean and median of 6.56% and 6.47%, respectively, over the 5-year period from 28 December 2016 up to and including the Last Trading Date.

We wish to highlight that the historical trading patterns or performance of the MNACT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.2.6 Valuation Multiples of Selected Comparable North Asian REITs

For the purpose of evaluating the Scheme Consideration, references were made to listed REITs which invest primarily in commercial real estate properties in North Asia and are considered to be broadly comparable to MNACT to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date.

The statistics for the Comparable North Asian REITs are based on their closing prices as at the Latest Practicable Date, which is after the announcement by Monetary Authority of Singapore that it was tightening its monetary policy settings, and their latest publicly available financial results.

We have conducted our analysis based on the Latest P/NAV and LTM DY as key parameters for the comparison of the implied valuation metrics for the Comparable North Asian REITs along with certain other financial parameters as set out below:

Valuation Multiples of Comparable North Asian REITs[1]

Name	Market Capitalisation (S$ Million)	Latest P/NAV[2]	LTM DY[3]
Japan Office [5]			
Nippon Building Fund Incorporation	12,208	1.15x	3.5%
Japan Real Estate Investment Corporation	9,117	1.06x	3.7%
Daiwa Office Investment Corporation	3,778	0.96x	3.8%
Kenedix Office Investment Corporation	3,212	0.95x	4.2%
Japan Excellent, Inc.	1,873	0.79x	4.4%
Ichigo Office REIT Investment Corporation	1,381	0.92x	5.0%
Global One Real Estate Investment Corp.	1,140	0.83x	4.3%
Hong Kong Commercial			
Link Real Estate Investment Trust	25,024	0.87x	4.5%
Champion Real Estate Investment Trust	3,637	0.42x	6.5%
Fortune Real Estate Investment Trust	2,392	0.47x	6.5%
Sunlight Real Estate Investment Trust	1,127	0.45x	6.6%
China Commercial			
Yuexiu Real Estate Investment Trust	2,601	0.61x	7.7%
CapitaLand China Trust	1,989	0.76x	7.3%
Hui Xian Real Estate Investment Trust	1,362	0.26x	9.0%
		0.26x	**3.5%**
		0.75x	**5.5%**
		0.81x	**4.8%**
		1.15x	**9.0%**
Scheme Consideration[4]		**1.00x**	**5.6%**
Mean - Median Range		Above	Above
Min - Max Range		Within	Within

Source: Capital IQ, published financial statements of the respective Comparable North Asian REITs.

Notes:

(1) All figures relating to the Comparable North Asian REITs as of the Latest Practicable Date.

(2) Calculated using the historical book value per unit as disclosed in the latest reported financial statements of the respective REITs.

(3) Calculated using the aggregate dividend per unit amount that has been declared for distribution by the respective REITs.

(4) P/NAV is based on NAV per MNACT Unit as at 30 September 2021 and applying the following adjustments: (i) excludes MNACT's reported 1H FY21/22 DPU of 3.426 Singapore cents paid on 24 December 2021; and (ii) assumes valuation of MNACT's Investment Properties and Joint Venture held as of 30 September 2021 is based on valuation as of 31 October 2021 as announced on 31 December 2021. LTM DY implied by the Scheme Consideration is based on trailing 12-month DPU of 6.725 Singapore cents as of 30 September 2021.

(5) The NAVs of Japanese REITs have been adjusted for unrealised gain on appraisal value at period end.

Based on the above, we note that:

(i) The Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the P/NAV multiples of the Comparable North Asian REITs of 0.26x to 1.15x but above the mean and median of 0.75x and 0.81x, respectively; and

(ii) The LTM DY implied by the Scheme Consideration of 5.6% is within the range of the LTM DY of the Comparable North Asian REITs of 3.5% to 9.0% and above the mean and median of 5.5% and 4.8%, respectively.

We recognise, however, that the list of the Comparable North Asian REITs is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to MNACT in terms of business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Comparable North Asian REITs and MNACT may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Comparable North Asian REITs is therefore intended to serve as an illustrative guide only.

12.2.7 Premium / (Discount) Compared to Selected S-REITs Mergers and Cash Acquisitions as well as Privatisation of SGX-listed Companies

We have considered precedent S-REITs transactions with respect to mergers and takeovers of business trusts and/or real estate investment trusts listed on the SGX-ST involving scrip and/or cash as the primary transaction consideration.

We have conducted our analysis based on premium to the closing price as at their respective last undisturbed trading dates and premium over the 1-month VWAP, 6-month VWAP and 12-month VWAP prior to their respective last undisturbed trading dates as the key parameters for comparison. We have also considered the P/NAV multiples of the Target implied by the Transaction.

Premium/ (Discount) to VWAPs of the Precedent S-REITs Mergers

Premium / (discount) to VWAPs of the Precedent S-REITs Mergers

Notes	Announcement Date	Target	Acquirer	Last Closing Price	1-month VWAP	6-month VWAP	12-month VWAP	Implied P/NAV of Target by the offer
				Period prior to the Announcement				
(1)	15-Oct-21	ARA LOGOS Logistics Trust	ESR REIT	3.7%	4.5%	10.7%	24.4%	1.43x
(2)	22-Jan-20	CapitaLand Commercial Trust	CapitaLand Mall Trust	(0.3%)	2.7%	3.2%	5.1%	1.16x
(3)	2-Dec-19	Frasers Commercial Trust	Frasers Logistics & Industrial Trust	0.6%	3.6%	3.5%	8.0%	1.03x
(4)	3-Jul-19	Ascendas Hospitality Trust	Ascott Residence Trust	11.5%	13.8%	21.2%	27.1%	1.07x
(5)	8-Apr-19	OUE Hospitality Trust	OUE Commercial REIT	1.6%	3.1%	6.7%	0.6%	1.00x
(6)	17-May-18	Viva Industrial Trust	ESR-REIT	2.1%	2.1%	1.5%	8.4%	1.27x
			Min	**(0.3%)**	**2.1%**	**1.5%**	**0.6%**	**1.00x**
			Mean	**3.2%**	**5.0%**	**7.8%**	**12.3%**	**1.16x**
			Median	**1.9%**	**3.4%**	**5.1%**	**8.2%**	**1.12x**
			Max	**11.5%**	**13.8%**	**21.2%**	**27.1%**	**1.43x**
Scheme Consideration[7]				**7.6%**	**14.4%**	**17.8%**	**17.3%**	**1.00x**
Mean-Median Range				Above	Above	Above	Above	Below
Min-Max Range				Within	Above	Within	Within	Within

Source: Bloomberg; Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents. VWAPs information is with reference to the relevant periods up to and including the last full trading date prior to relevant announcements as reported in the respective filings.

Notes:

(1) Based on the historical VWAPs of the ARA LOGOS Logistics Trust with reference to the relevant period up to the full market trading date on 14 October 2021 prior to the joint announcement date.

(2) Based on the historical VWAPs of the CapitaLand Commercial Trust with reference to the relevant period up to the full market trading date on 21 January 2020 prior to the joint announcement date.

(3) Based on the historical VWAPs of the Frasers Commercial Trust with reference to the relevant period up to and including 27 November 2019 (last trading date), except for the 30-day VWAP. The 30-day VWAP is with reference to the period from 25 October 2019 to 27 November 2019 taking into consideration the public holiday falling on 28 October 2019 (Monday).

(4) Based on the historical VWAPs of the Ascendas Hospitality Trust with reference to the relevant periods up to the full market trading date on 2 July 2019 prior to the joint announcement date.

(5) Based on the historical VWAPs of the OUE Hospitality Trust with reference to the relevant periods up to the last full market trading date on 5 April 2019 prior to the joint announcement date.

(6) Based on the historical VWAPs of the VIT stapled securities with reference to the relevant periods up to the full market trading date on 25 January 2018 (last undisturbed trading date) prior to the article published by Bloomberg on 26 January 2018 titled "Warburg-Backed ESR-REIT is said to plan Viva Industrial Merger".

(7) Based on the Scheme Consideration of S$1.9149 and historical VWAPs of the MNACT Units based on the calendar days with reference to the relevant reference periods up to the full market trading date on 27 December 2021.

Based on the above, we note that:

(i) The premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is within the range of the premia implied by the Precedent S-REITs Mergers of (0.3%) to 11.5% but above the mean and median of 3.2% and 1.9%, respectively;

(ii) The premium of 14.4% implied by the Scheme Consideration over the 1-month VWAP as at the Last Trading Date is above the range of the premia implied by the Precedent S-REITs Mergers of 2.1% to 13.8%;

(iii) The premium of 17.8% implied by the Scheme Consideration over the 6-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent S-REITs Mergers of 1.5% to 21.2% but above the mean and median of 7.8% and 5.1%, respectively;

(iv) The premium of 17.3% implied by the Scheme Consideration over the 12-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent S-REITs Mergers of 0.6% to 27.1% but above the mean and median of 12.3% and 8.2%, respectively; and

(v) The P/NAV implied by the Scheme Consideration as at the Last Trading Date is within the range of P/NAV implied by the Precedent S-REITs Mergers of 1.00x to 1.43x and below the mean and median of 1.16x and 1.12x, respectively.

Premium/ (Discount) to VWAPs of the Precedent S-REITs Cash Acquisitions

Premium / (discount) to VWAPs of the Precedent S-REITs Cash Acquisitions

				Period prior to the Announcement				
Notes	Announcement Date	Target	Acquirer	Last Closing Price	1-month VWAP	6-month VWAP	12-month VWAP	Implied P/NAV of Target by
(1)	14-Dec-20	Soilbuild Business Space REIT	A consortium led by Lim Chap Huat and The Blackstone Group	27.9%	34.5%	53.3%	29.0%	1.00x
(2)	29-Jun-20	Accordia Golf Trust	Accordia Golf Co., Ltd	28.7%	28.5%	38.9%	47.3%	1.07x
(3)	28-Jun-17	Croesus Retail Trust	The Blackstone Group	24.5%	26.2%	34.6%	37.9%	1.23x
(4)	23-Oct-15	Saizen REIT	Lone Star	35.9%	39.4%	36.7%	34.4%	1.00x
(5)	4-Nov-14	Forterra Trust	Nan Fung International Holdings	32.4%	51.1%	40.7%	25.6%	0.58x
			Min	**24.5%**	**26.2%**	**34.6%**	**25.6%**	**0.58x**
			Mean	**29.9%**	**36.0%**	**40.8%**	**34.8%**	**0.98x**
			Median	**28.7%**	**34.5%**	**38.9%**	**34.4%**	**1.00x**
			Max	**35.9%**	**51.1%**	**53.3%**	**47.3%**	**1.23x**
Scheme Consideration[(6)]				**7.6%**	**14.4%**	**17.8%**	**17.3%**	**1.00x**
Mean-Median Range				Below	Below	Below	Below	Within
Min-Max Range				Below	Below	Below	Below	Within

Source: Bloomberg; Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents. VWAPs information is with reference to the relevant periods up to and including the last full trading date prior to relevant announcements as reported in the respective filings.

Notes:

(1) Based on the historical VWAPs of Soilbuild Business Space REIT with reference to the relevant period up to the full market trading date on 31 August 2020 prior to the announcement of a possible transaction.

(2) Based on the historical VWAPs of Accordia Golf Trust with reference to the relevant period up to the full market trading date on 27 November 2019 prior to the announcement of a non-binding proposal on 28 November 2019. Premium calculated based on an implied offer price of S$0.772.

(3) Based on the historical VWAPs of Croesus Retail Trust with reference to the relevant period up to the full market trading date on 25 April 2017 prior to the announcement of a possible transaction.

(4) Based on the historical VWAPs of Saizen REIT with reference to the relevant period up to the full market trading date on 22 October 2015 prior to the announcement of the offer on 23 October 2015. Premium calculated based on implied net offer price of S$1.162.

(5) Based on the historical VWAPs of Forterra Trust with reference to the relevant period up to the full market trading date on 3 November 2014 prior to the announcement of the offer on 4 November 2014.

(6) Based on the Scheme Consideration of S$1.9149 and historical VWAPs of the MNACT Units based on the calendar days with reference to the relevant reference periods up to the full market trading date on 27 December 2021.

Based on the above, we note that:

(i) The premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is below the range of the premia implied by the Precedent S-REITs Cash Acquisitions of 24.5% to 35.9%;

(ii) The premium of 14.4% implied by the Scheme Consideration over the 1-month VWAP as at the Last Trading Date is below the range of the premia implied by the Precedent S-REITs Cash Acquisitions of 26.2% to 51.1%;

(iii) The premium of 17.8% implied by the Scheme Consideration over the 6-month VWAP as at the Last Trading Date is below the range of the premia implied by the Precedent S-REITs Cash Acquisitions of 34.6% to 53.3%;

(iv) The premium of 17.3% implied by the Scheme Consideration over the 12-month VWAP as at the Last Trading Date is below the range of the premia implied by the Precedent S-REITs Cash Acquisitions of 25.6% to 47.3%; and

(v) The P/NAV implied by the Scheme Consideration as at the Last Trading Date is within the range of P/NAV implied by the Precedent S-REITs Cash Acquisitions of 0.58x to 1.23x and within the mean and median of 0.98x and 1.00x.

<u>Premium/ (Discount) to VWAPs of the Precedent Privatisations</u>

We have also considered successful precedent privatisation and delisting transactions with respect to takeovers of companies listed on the SGX-ST with a transaction value greater than S$100 million and involving cash as consideration or cash and scrip alternative as consideration.

Premium / (discount) to VWAPs of the Precedent Privatisations

			Period prior to the Announcement			
Notes	**Announcement Date**	**Target**	**Last Closing Price**	**1-month VWAP**	**6-month VWAP**	**12-month VWAP**
(1)	9-Nov-21	SingHaiyi Group Ltd.	8.3%	7.1%	23.6%	24.5%
(2)	20-Sep-21	Roxy-Pacific Holdings Limited	19.8%	21.0%	30.3%	37.2%
(3)	9-Jul-21	Fragrance Group Limited	16.9%	18.9%	20.0%	21.2%
(4)	19-Mar-21	Singapore Reinsurance Corporation Ltd	19.8%	20.6%	21.8%	27.7%
(5)	15-Jan-21	GL Limited	42.9%	46.6%	46.3%	25.2%
(6)	11-Jan-21	CEI Limited *	16.2%	18.2%	23.7%	26.1%
(7)	18-Dec-20	Hi-P International Limited	13.6%	23.2%	50.7%	62.4%
(8)	9-Nov-20	Sunningdale Tech Ltd *	34.1%	39.8%	58.7%	42.8%
(9)	12-Jun-20	Perennial Holdings Private Limited	88.1%	105.2%	112.7%	95.2%
(10)	24-Feb-20	BreadTalk Group Limited	19.4%	30.5%	26.6%	21.8%
(11)	6-Nov-19	CITIC Envirotech Ltd.	48.6%	60.7%	66.3%	39.6%
(12)	25-Oct-19	United Engineers Limited	3.8%	5.7%	5.5%	6.7%
(13)	5-Jul-19	Health Management International Ltd *	14.1%	23.7%	30.1%	28.2%
(14)	28-Jun-19	Hupsteel Limited	51.9%	58.3%	58.6%	54.3%
(15)	18-Jan-19	Courts Asia Limited	34.9%	36.3%	23.7%	n/m
(16)	7-Jan-19	DeClout Limited	27.5%	33.6%	50.2%	50.0%
(17)	4-Jan-19	PCI Private Limited	27.9%	44.0%	50.9%	60.2%
(18)	29-Oct-18	Cityneon Holdings Limited	3.2%	6.9%	15.7%	19.0%
(19)	27-Sep-18	Keppel Telecommunications & Transportation Ltd	40.4%	40.0%	27.9%	24.8%
(20)	27-Sep-18	M1 Limited	26.4%	29.9%	21.8%	18.1%
(21)	19-Jul-18	Wheelock Properties (Singapore) Ltd	20.7%	29.0%	17.8%	13.3%
(22)	21-Feb-18	Lee Metal Group Pte. Ltd.	9.1%	14.0%	26.3%	33.1%
(23)	9-Feb-18	LTC Corporation Limited	43.4%	46.2%	44.2%	49.3%
(24)	10-Nov-17	Tat Hong Holdings Ltd	42.9%	47.5%	40.5%	44.2%
(25)	3-Nov-17	Cogent Holdings Limited	5.2%	6.2%	20.3%	31.1%
(26)	2-Oct-17	Rotary Engineering Pte. Ltd.	21.1%	21.9%	19.3%	19.7%
(27)	27-Jul-17	Fischer Tech Ltd	23.3%	27.7%	56.9%	76.4%
(28)	14-Jul-17	GLP Pte. Ltd.	64.1%	67.3%	76.4%	80.5%
(29)	9-Apr-17	CWT Pte. Limited	4.0%	8.0%	27.6%	31.2%
(30)	23-Feb-17	Global Premium Hotels Limited	14.1%	18.6%	23.4%	22.7%

Min	**3.2%**	**5.7%**	**5.5%**	**6.7%**
Mean	**26.9%**	**31.9%**	**37.3%**	**37.5%**
Median	**20.9%**	**28.3%**	**27.7%**	**31.1%**
Max	**88.1%**	**105.2%**	**112.7%**	**95.2%**
Scheme Consideration(31)	**7.6%**	**14.4%**	**17.8%**	**17.3%**
Mean-Median Range	**Below**	**Below**	**Below**	**Below**
Min-Max Range	**Within**	**Within**	**Within**	**Within**

- *Denotes where the target shareholders can elect to receive a scrip alternative as a form of consideration. Premium is calculated using the value of the cash consideration.*

Source: Bloomberg; Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents. VWAPs information is with reference to the relevant periods up to and including the last full trading date prior to relevant announcements as reported in the respective filings.

Notes:

(1) Date reference in calculating the premia is 8 November 2021, being the last full trading day of the Singhaiyi Group Ltd shares prior to the trading halt and announcement on 9 November 2021 in relation to a voluntary conditional cash offer at S$0.117 per share.

(2) Date reference in calculating the premia is 14 September 2021, being the last full trading day of the Roxy Pacific Holdings Ltd shares prior to the trading halt on 15 September 2021 in relation to a voluntary conditional cash offer at S$0.485 per share.

(3) Date reference in calculating the premia is 8 July 2021, being the last full trading day of the Fragrance Group Ltd shares prior to the trading halt on 9 July 2021 in relation to a voluntary conditional cash offer at S$0.138 per share.

(4) Date reference in calculating the premia is 18 March 2021, being the last full trading day of the Singapore Reinsurance Corporation Ltd shares prior to the announcment on 19 March 2021 in relation to a voluntary conditional cash offer at S$0.3535 per share.

(5) Date reference in calculating the premia is 14 January 2021, being the last full trading day of the GL Ltd shares prior to the trading halt and announcement on 15 January 2021 in relation to a voluntary conditional cash offer at S$0.80 per share.

(6) Date reference in calculating the premia is 10 January 2021, being the last full trading day of the CEI Ltd shares prior to the announcement on 11 January 2021 in relation to a voluntary conditional cash offer at S$1.15 per share.

(7) Date reference in calculating the premia is 14 December 2020, being the last full trading day of the Hi-P International Ltd shares prior to the trading halt on 15 December 2020 in relation to the scheme of arragement at S$2.00 per share.

(8) Date reference in calculating the premia is 8 September 2020, being the last full trading day of the Sunningdale Tech Ltd shares prior to the holding announcement on 9 September 2020 in relation to a scheme of arrangement at S$1.65 per share.

(9) Date reference in calculating the premia is 15 May 2020, being the last full trading day of the Perennial Real Estate Holdings Ltd shares prior to the voluntary announcement on 18 May 2020 in relation to a potential offer at S$0.95 per share.

(10) Date reference in calculating the premia is 23 February 2020, being the last full trading day of the Breadtalk Group Ltd shares prior to the trading halt and announcement on 24 February 2020 in relation to a voluntary conditional cash offer at S$0.77 per share.

(11) Date reference in calculating the premia is 3 Novemeber 2019, being the last full trading day of the Citic Envirotech Ltd shares prior to the trading halt and announcement on 4 November 2019 in relation to the exit offer for the voluntary delisting of its shares at S$0.55 per share.

(12) Date reference in calculating the premia is 21 October 2019, being the last full trading day of the United Engineers Ltd shares prior to the trading halt on 22 October 2019 in relation to the mandatory general offer at S$2.70 per share.

(13) Date reference in calculating the premia is 16 June 2019, being the last full trading day of the Health Management International Ltd shares prior to the holding announcement on 17 June 2019 in relation to the scheme of arrangement at S$0.73 per share.

(14) Date reference in calculating the premia is 27 June 2019, being the last full trading day of the Hupsteel Ltd shares prior to the trading halt and announcement on 28 June 2019 in relation to the voluntary conditional cash offer at S$1.20 per share.

(15) Date reference in calculating the premia is 17 January 2019, being the last full trading day of the Courts Asia Ltd shares prior to the trading halt and announcement on 18 January 2019 in relation to the voluntary conditional cash offer at S$0.205 per share.

(16) Date reference in calculating the premia is 2 January 2019, being the last full trading day of the DeClout Ltd shares prior to the trading halt on 3 January 2019 in relation to the voluntary conditional cash offer at S$0.13 per share.

(17) Date reference in calculating the premia is 17 September 2018, being the last full trading day of the PCI Ltd shares prior to the holding announcement on 18 September 2018 in relation to the scheme of arrangement at S$1.33 per share.

(18) Date reference in calculating the premia is 24 October 2018, being the last full trading day of the Cityneon Holdings Ltd shares prior to the trading halt announcement on 25 October 2018 in relation to the mandatory unconditional cash offer at S$1.30 per share.

(19) Date reference in calculating the premia is 21 September 2018, being the last full trading day of the Keppel Telecommunications and Transportation Ltd shares prior to the trading halt announcement on 24 September 2018 in relation to the scheme of arrangement at S$1.91 per share.

(20) Date reference in calculating the premia is 21 September 2018, being the last full trading day of the M1 Ltd shares prior to the trading halt announcement on 24 September 2018 in relation to the pre-conditional voluntary general offer at S$2.06 per share.

(21) Date reference in calculating the premia is 13 July 2018, being the last full trading day of the Wheelock Properties (Singapore) Ltd shares prior to the trading halt announcement on 16 July 2018 in relation to the voluntary unconditional general offer at S$2.10 per share.

(22) Date reference in calculating the premia is 10 November 2017, being the last full trading day of the Lee Metal Group Ltd shares prior to the unsolicited approach announcement on 11 November 2017 in relation to the pre-conditional voluntary general offer at S$0.42 per share.

(23) Date reference in calculating the premia is 7 February 2018, being the last full trading day of the LTC Corporation Ltd shares prior to the trading halt announcement on 8 February 2018 in relation to the voluntary conditional general offer at S$0.925 per share.

(24) Date reference in calculating the premia is 20 September 2017, being the last full trading day of the Tat Hong Holdings Ltd shares prior to the trading halt announcement on 21 September 2017 in relation to a potential transaction by a third party and the pre-conditional voluntary general offer at S$0.55 per share.

(25) Date reference in calculating the premia is 2 November 2017, being the last full trading day of the Cogent Holdings Ltd shares prior to the trading halt announcement on 3 November 2017 in relation to the voluntary general offer at S$1.02 per share.

(26) Date reference in calculating the premia is 28 September 2017, being the last full trading day of the Rotary Engineering Ltd shares prior to the trading halt announcement on 29 September 2017 in relation to the proposed voluntary delisting offer at S$0.46 per share.

(27) Date reference in calculating the premia is 3 May 2017, being the last full trading day of the Fischer Tech Ltd shares prior to the announcement on 4 May 2017 in relation to receiving a non-binding expression of interest and the scheme of arrangement at S$3.02 per share.

(28) Date reference in calculating the premia is 30 November 2016, being the last full trading day of the GLP Ltd shares prior to the announcement on 1 December 2017 in relation to a strategic review and a scheme of arrangement at S$3.38 per share.

(29) Date reference in calculating the premia is 31 July 2015, being the last full trading day of the CWT Ltd shares prior to the announcement on 3 August 2015 in relation to a strategic review and a general offer at S$2.33 per share.

(30) Date reference in calculating the premia is 20 February 2017, being the last full trading day of the Global Premium Hotels Ltd shares prior to the trading halt announcement on 21 February 2017 in relation to the voluntary conditional general offer at S$0.365 per share.

(31) Based on the Scheme Consideration of S$1.9149 and historical VWAPs of the MNACT Units based on the calendar days with reference to the relevant reference periods up to the full market trading date on 27 December 2021.

Based on the above, we note that:

(i) The premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 3.2% to 88.1% and below the mean and median of 26.9% and 20.9%, respectively;

(ii) The premium of 14.4% implied by the Scheme Consideration over the 1-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 5.7% to 105.2% and below the mean and median of 31.9% and 28.3%, respectively;

(iii) The premium of 17.8% implied by the Scheme Consideration over the 6-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 5.5% to 112.7% and below the mean and median of 37.3% and 27.7%, respectively; and

(iv) The premium of 17.3% implied by the Scheme Consideration over the 12-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisation of 6.7% to 95.2% and below the mean and median of 37.5% and 31.1%, respectively.

We wish to highlight that the list of target companies set out under the Precedent S-REITs Mergers, Precedent S-REITs Cash Acquisitions and Precedent Privatisations are not directly comparable with MNACT in terms of business activities, market capitalisation, size of operations, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors, inter alia, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the Scheme Consideration with the precedent transactions set out above is for illustrative purposes only.

12.2.8 Broker Target Prices of the MNACT Units

As part of our evaluation of the Scheme Consideration, we have reviewed the price targets for the MNACT Units issued by brokerage and research entities in the period from MNACT's 1H FY21/22 financial results announcement date (28 October 2021) up to the Last Trading Date ("**Period up to the LTD**"), as well as the period from the Joint Announcement Date up to the Latest Practicable Date ("**Period up to the Latest Practicable Date**"), which are set out below.

Broker Target Prices of the MNACT Units (Period up to the LTD)

MNACT Units broker target prices		
Brokers	**Date**	**Price Target (S$)**
DBS Bank	1-Dec-21	1.30
CIMB	24-Nov-21	1.13
HSBC	29-Oct-21	1.08
Citi	29-Oct-21	1.14
Goldman Sachs	29-Oct-21	1.18
Daiwa Securities	29-Oct-21	1.12

Broker target price (S$ per MNACT Unit)	Premium/(discount) implied by the Scheme Consideration	
Min	9.6%	1.0800
Mean	3.1%	1.1583
Median	5.0%	1.1350
Max	(8.8%)	1.3000
Scheme Consideration		1.1949
Mean - Median Range		Above
Min - Max Range		Within

Source: Bloomberg, CapitalIQ, Broker notes.

Based on the above, we note that the Scheme Consideration of S$1.1949 is within the range of the target prices of S$1.0800 and S$1.3000 issued by brokerage and research entities in the Period up to the LTD but above the mean and median of S$1.1583 and S$1.1350 respectively.

Broker Target Prices of the MNACT Units (Period up to the Latest Practicable Date)

MNACT Broker Target Prices (Period up to LPD)		
Brokers	**Date**	**Price Target (S$)**
Goldman Sachs	20-Apr-22	1.18
Daiwa Securities	20-Apr-22	1.19
Citi	28-Jan-22	1.14
CIMB	28-Jan-22	1.13

Broker target price (S$ per MNACT Unit)	Premium/(discount) implied by the Scheme Consideration	
Min	5.4%	1.1300
Mean	3.5%	1.1533
Median	4.6%	1.1400
Max	0.4%	1.1900
Scheme Consideration		1.1949
Mean - Median Range		Above
Min - Max Range		Above

Source: Bloomberg, CapitalIQ, Broker notes.

Based on the above, we note that the Scheme Consideration of S$1.1949 is above the range of the target prices of S$1.1300 to S$1.1900 issued by brokerage and research entities in the Period up to the Latest Practicable Date.

We wish to highlight that the above broker research report universe may not be exhaustive and price targets for the MNACT Units and other statements and opinions

contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the MNACT Units) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, MNACT's market development and the emergence of new information relevant to MNACT. As such, the above price targets may not be an accurate prediction of future market prices of the MNACT Units.

12.2.9 Independent Valuation of MNACT Properties

We set out below a summary of the carrying value of the MNACT Properties on the following basis:

(i) the independent valuations of the MNACT Properties as at 31 March 2021, commissioned by MNACT (the "**MNACT Valuation as at 31 March 2021**) extracted from MNACT FY2021 Annual Report;

(ii) the independent valuations of the MNACT Properties as at 31 October 2021, commissioned by MNACT (the "**MNACT Valuation as at 31 October 2021**); and

(iii) the independent valuations of the MNACT Properties as at 31 March 2022, commissioned by MNACT (the "**MNACT Valuation as at 31 March 2022**).

The carrying value of the MNACT Properties is S$8,443 million based on the MNACT Valuation as at 31 March 2021 and S$8,320 million based on the MNACT Valuation as at 31 October 2021, and S$8,267 million based on MNACT Valuation as at 31 March 2022.

Carrying Value of the MNACT properties					
Name	Valuer	Effective MNACT Shareholding	Valuation (S$ Million) (as at 31 March 2022)(1)	Valuation (S$ Million) (as at 31 October 2021)(1)	Valuation (S$ Million) (as at 31 March 2021)(2)(3)
Greater China					
Gateway Plaza	Knight Frank Petty Limited	100.0%	1,360	1,336	1,334
Sandhill Plaza	Knight Frank Petty Limited	100.0%	520	510	501
Total			**1,880**	**1,846**	**1,835**
Festival Walk	Knight Frank Petty Limited	100.0%	4,455	4,452.7	4,520
Total			**4,455**	**4,453**	**4,520**
Japan					
ABAS Shin-Yokohama Building	JLL Morii Valuation & Advisory K.K.	98.5%	35	36	35
Fujitsu Makuhari Building	JLL Morii Valuation & Advisory K.K.	98.5%	225	237	238
Hewlett-Packard Japan Headquarters	JLL Morii Valuation & Advisory K.K.	98.5%	471	494	497
Higashi-nihonbashi 1-chome Building	JLL Morii Valuation & Advisory K.K.	98.5%	30	32	29
IXINAL Monzen-nakacho Building	JLL Morii Valuation & Advisory K.K.	98.5%	100	105	101
mBAY POINT Makuhari	JLL Morii Valuation & Advisory K.K.	98.5%	410	431	411
Omori Prime Building	JLL Morii Valuation & Advisory K.K.	98.5%	89	93	88
SII Makuhari Building	JLL Morii Valuation & Advisory K.K.	98.5%	237	249	350
TS Ikebukuro Building	JLL Morii Valuation & Advisory K.K.	98.5%	65	68	66
Total			**1,661**	**1,743**	**1,816**
South Korea					
The Pinnacle Gangnam	CBRE Korea Co. Ltd.	50.0%	271	278	272
Total			**271**	**278**	**272**
Grand Total			**8,267**	**8,320**	**8,443**
% differential (31 March 2022 vs respective periods)				***-0.6%***	***-2.1%***

Source: The valuations for the respective properties as at 31 March 2021, 31 October 2021 and 31 March 2022.

Notes:

(1) Valuation as of 31 October 2021 based on exchange rates of S$1 = HK$5.7415, S$1 = RMB 4.7553, S$1 = JPY 82.4375 and S$1 = KRW 881.1349. Valuation as of 31 March 2022 based on exchange rate of S$1 = HK$5.7382, S$1 = RMB 4.6631, S$1 = JPY 86.4970, and S$1 = KRW 910.2494

(2) Includes the valuation of Hewlett-Packard Japan Headquarters valued as of 31 May 2021 at JPY 40,600 million and based on exchange rate of S$1 = JPY 81.7230.

(3) Valuation as of 31 March 2021 based on exchange rates of S$1 = HK$5.7897, S$1 = RMB 4.8410, S$1 = JPY 80.9448 and S$1 = KRW 844.6659.

Based on the above, we note that the MNACT Valuation as at 31 March 2022 is 0.6% lower than the MNACT Valuation as at 31 October 2021 and 2.1% lower than the MNACT Valuation as at 31 March 2021.

The above analysis serves as one factor considered by us in our evaluation and may not on its own be meaningful. Consequently, the Audit and Risk Committee, the MCT Independent Directors and the MCT Trustee should note that the above comparison serves as a general guide only.

12.3 Evaluation of the Consideration Unit Price

12.3.1 Liquidity Analysis of the MCT Units

In order to evaluate whether the historical market prices of the MCT Units provide a meaningful reference point for comparison with the Consideration Unit Price, we have considered the liquidity and free float of MCT relative to the Top 20 STI Companies as at the Last Trading Date, as outlined below:

#	Liquidity analysis of the Top 20 STI Companies by market capitalisation[1]	Market capitalisation (S$m)	Free Float (%)[2]	Past 6 months ADTV ('000 shares)	Past 6 months ADTV (S$'000)	6M ADTV / Free Float Volume (%)[3]	6M ADTV / Market cap. Value (%)[4]
1	DBS Group Holdings Ltd	83,471	52.3%	3,509	107,972	0.3%	0.1%
2	Oversea-Chinese Banking Corporation Limited	50,846	85.2%	4,792	56,170	0.1%	0.1%
3	United Overseas Bank Limited	44,692	85.2%	2,244	59,062	0.2%	0.1%
4	Jardine Matheson Holdings Limited	40,175	33.4%	200	11,487	0.1%	0.0%
5	Singapore Telecommunications Limited	38,303	47.7%	26,114	62,855	0.3%	0.2%
6	Wilmar International Limited	25,621	29.1%	5,643	24,297	0.3%	0.1%
7	IHH Healthcare Bhd	18,825	12.5%	76	159	0.0%	0.0%
8	CapitaLand Investment Limited	17,274	47.6%	10,660	35,936	0.4%	0.2%
9	Thai Beverage Public Company Limited	16,704	23.4%	19,456	13,273	0.3%	0.1%
10	Singapore Airlines Limited	14,630	66.6%	7,172	36,520	0.4%	0.2%
11	CapitaLand Integrated Commercial Trust	13,217	76.6%	18,788	39,333	0.4%	0.3%
12	Ascendas Real Estate Investment Trust	12,257	42.9%	11,029	33,512	0.6%	0.3%
13	Hongkong Land Holdings Limited	12,066	49.5%	2,267	11,181	0.2%	0.1%
14	Singapore Technologies Engineering Ltd	11,583	49.0%	4,380	16,893	0.3%	0.1%
15	Singapore Exchange Limited	9,939	99.9%	3,008	30,556	0.3%	0.3%
16	Great Eastern Holdings Limited	9,523	12.1%	16	342	0.0%	0.0%
17	Keppel Corporation Limited	9,280	78.9%	2,966	15,766	0.2%	0.2%
18	Genting Singapore PLC	9,290	47.1%	26,040	20,518	0.5%	0.2%
19	Mapletree Logistics Trust	8,690	70.7%	11,542	23,186	0.3%	0.3%
20	Jardine Cycle & Carriage Limited	8,142	24.0%	278	5,834	0.3%	0.1%
	Min	**8,142**	**12.1%**	**16**	**159**	**0.0%**	**0.0%**
	Mean	**22,726**	**51.7%**	**8,009**	**30,243**	**0.3%**	**0.2%**
	Median	**13,923**	**48.4%**	**4,586**	**23,741**	**0.3%**	**0.1%**
	Max	**83,471**	**99.9%**	**26,114**	**107,972**	**0.6%**	**0.3%**
	MCT	**6,645**	**60.7%**	**7,847**	**16,510**	**0.4%**	**0.2%**

Source: Bloomberg.

Notes:

(1) All figures as of Last Trading Date.

(2) Free float percentages are based on Bloomberg.

(3) 6-month average daily trading volume leading up to the Last Trading Date, divided by free float number of units.

(4) 6-month average daily trading value leading up to the Last Trading Date, divided by market capitalisation.

With respect to the above table, we note that in the 6-month period leading up to the Last Trading Date:

(i) MCT's average daily trading volume represented 0.4% of its free float which is within the range of the Top 20 STI Companies of 0.0% to 0.6% and above the mean and median of 0.3%; and

(ii) MCT's average daily trading value represented 0.2% of its market capitalisation, which is within the range of the Top 20 STI Companies of 0.0% to 0.3% and above the mean of 0.2% and median of 0.1%.

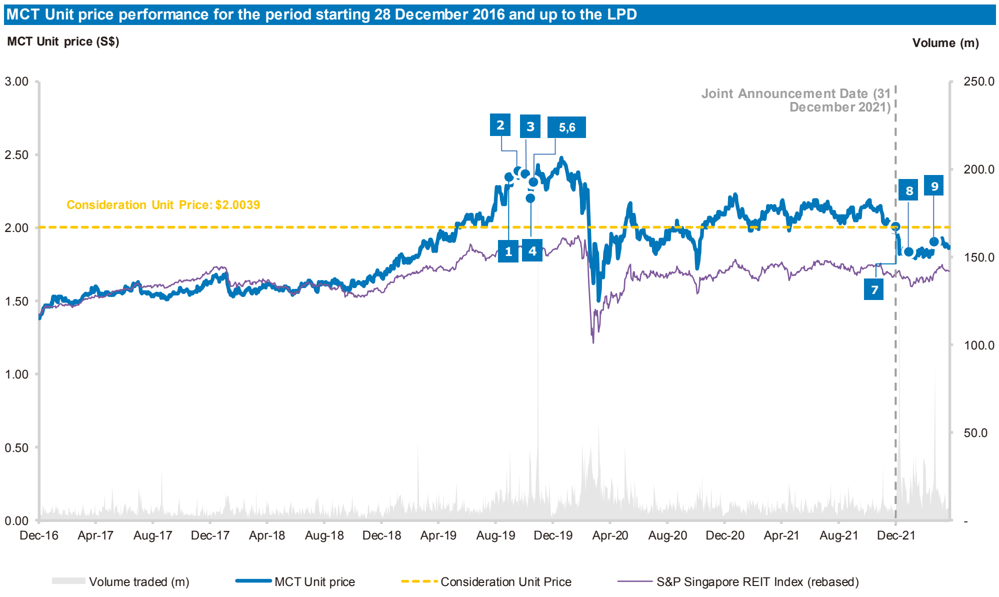
Based on our analysis of the ADTV relative to the Top 20 STI Companies, we note that there is high liquidity in the MCT Units in the 6-month period up to the Last Trading Date. This suggests that the market prices of the MCT Units should generally reflect the fundamental, market-based value of the MCT Units.

We wish to highlight that the above analysis of the historical trading liquidity of the MCT Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the MCT Units, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

12.3.2 Historical Market Performance and Trading Activity of the MCT Units

Pursuant to the Implementation Agreement and subject to the Merger becoming effective in accordance with its terms, the Scheme Consideration shall be satisfied by the allotment and issue by MCT of new Consideration Units.

Accordingly, we have considered the current and historical trading performance of the MCT Units for the 5-year prior to the Joint Announcement Date, between 28 December 2016 and up to the Joint Announcement Date, and from the Joint Announcement Date to the Latest Practicable Date.



Source: Capital IQ, MCT Manager announcements.

A summary of the salient events and announcements during the period between 28 December 2016 and up to the Latest Practicable Date is set out below:

(1)	27 Sep 2019	Announced the acquisition of property (comprising Mapletree Business City (phase 2) and the common premises) of approximately S$1,575.8 million.
(2)	17 Oct 2019	Closed the private placement of 200,893,000 new MCT units at an issue price of S$2.28 per new MCT unit and announced a preferential offering of 205,589,840 new MCT units on the basis of 71 new units for every 1,000 existing units in MCT at an issue price of S$2.24 per new MCT unit. The private placement issue price of S$2.28 per new MCT unit and the preferential offering issue price of S$2.24 per new MCT unit represented an approximate 2.9% and 4.6% discount respectively to the VWAP of S$2.3484 per MCT unit for the preceding market day on 15 October 2019, up to the time the underwriting agreement was signed on 16 October 2019. Total gross proceeds of the equity fund raising will be approximately S$918.5 million comprising approximately S$458.0 million from the private placement and approximately S$460.5 million from the preferential offering.
(3)	1 Nov 2019	Completed the acquisition of property (comprising Mapletree Business City (phase 2) and the common premises). 99.0% of the gross proceeds from the private placement of approximately S$453.6 million has been used to partially fund the total consideration. The remaining 1% of the gross proceeds from the private placement of approximately S$4.4 million has been used to pay the estimated stamp duty, professional and other fees and expenses incurred by

		MCT in connection with the acquisition, the equity fund raising and the new loan facilities.
(4)	11 Nov 2019	Announced the results of the preferential offering which closed on 7 November 2019.
(5)	15 Nov 2019	Announced 34.3% of the gross proceeds from the preferential offering of approximately S$157.8 million has been used to pay off a bridging loan which had been drawn down to partially fund the total consideration.
(6)	18 Nov 2019	Announced 63.0% of the gross proceeds from the preferential offering of approximately S$290.2 million has been used to pay off a bridging loan which had been drawn down to partially fund the total consideration and to pay the estimated stamp duty, professional and other fees and expenses incurred by MCT in connection with the acquisition, the equity fund raising and the new loan facilities. 2.7% of the gross proceeds from the preferential offering of approximately S$12.5 million has been earmarked to pay the estimated stamp duty, professional and other fees and expenses incurred by MCT in connection with the acquisition, the equity fund raising and the new loan facilities. Following this, the proceeds from the equity fund raising will have been fully utilised.
(7)	31 Dec 2021	MCT and MNACT jointly announced the Proposed Merger to create a flagship commercial REIT to be named "Mapletree Pan Asia Commercial Trust".
(8)	25 Jan 2022	Monetary Authority of Singapore has announced that it was tightening its monetary policy settings amid a further upward shift in Singapore's inflation outlook. The adjustment falls outside of MAS' normal cycle of twice-yearly monetary policy reviews, typically in April and October.
(9)	21 Mar 2022	Announced the revision of Trust Scheme to include an option for MNACT Unitholders to receive the Cash-Only Consideration

Source: MCT Manager announcements, press.

12.3.3 Historical VWAPs of the MCT Units

We set out in the table below the historical VWAPs of the MCT Units for various reference periods up to the Last Trading Date and the Latest Practicable Date, respectively.

		Evaluation of the Consideration Unit Price (S$2.0039 per MCT Unit)					
Reference period	Price Basis	Historical MCT VWAPs (S$)(1)	Premium / (discount) to historical MCT VWAPs	ADTV ('000 shares)(2)	ADTV / free float (%)(3)	ADTV (S$'000)(4)	ADTV / market cap (%)
(A) Periods up to the Last Trading Date (27 December 2021):							
Last Trading Date	Closing Price	2.000	0.2%	1,593	0.1%	3,193	0.0%
1-month *(28 November 2021 - 27 December 2021)*	VWAP(1)	2.036	(1.6%)	7,878	0.4%	16,038	0.2%
3-month *(28 September 2021 - 27 December 2021)*	VWAP(1)	2.092	(4.2%)	7,273	0.4%	15,213	0.2%
6-month *(28 June 2021 - 27 December 2021)*	VWAP(1)	2.103	(4.7%)	8,074	0.4%	16,983	0.3%
12-month *(28 December 2020 - 27 December 2021)*	VWAP(1)	2.100	(4.6%)	7,831	0.4%	16,447	0.2%
Pre Covid *(28 December 2016 - 31 December 2019)*	VWAP(1)	1.850	8.3%	7,223	0.4%	13,363	0.2%
5 Year *(28 December 2016 - 27 December 2021)*	VWAP(1)	1.940	3.3%	8,395	0.4%	16,284	0.2%
(B) Period from the Joint Announcement Date up to the Latest Practicable Date (31 December 2021 to 20 April 2022):							
From the Joint Announcement Date up to the Latest Practicable Date	VWAP(1)	1.850	8.3%	21,343	1.1%	39,478	0.6%
As at the Latest Practicable Date	Closing Price	1.870	7.2%	8,722	0.4%	16,358	0.2%

Source: Bloomberg.

Notes:

(1) The VWAP is weighted based on the volume of the MCT Units traded and transacted prices of the MCT Units for the calendar days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustment to unit price has been made for dividends, bonus issues or other corporate transactions in each respective reference period.

(2) The average daily trading volume of the MCT Units is calculated based on the total volume of MCT Units traded divided by the number of calendar days when the market is open during the relevant periods.

(3) Free float is based on Bloomberg and refers to the number of MCT Units that are available to the public. This figure is calculated by subtracting the MCT Units held by insiders and those deemed to be stagnant shareholders from the MCT Units outstanding. Stagnant holders include employee stock ownership plans, employee share ownership trusts, qualifying employee share ownership trusts, employee benefit trusts, corporations not actively managing money, venture capital companies and MCT Units held by governments.

(4) The average daily traded value of the MCT Units is calculated based on the total value of MCT Units traded divided by the number of calendar days when the market is open during the relevant periods.

Based on the above table, we note that:

A. <u>Periods up to the Last Trading Date (27 December 2021):</u>

(i) The Consideration Unit Price of S$2.0039 represents a premium of 0.2% to the closing price of the MCT Units on the Last Trading Date;

(ii) The Consideration Unit Price of S$2.0039 represents a premium / (discount) of (1.6%), (4.2%), (4.7%), (4.6%), 8.3% and 3.3% to the 1-month, 3-month, 6-month, 12-month, Pre-Covid and 5 Year VWAPs of the MCT Units, respectively;

(iii) The average daily trading volume of the MCT Units as a percentage of the free float was 0.4% in the 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Date; and

(iv) The average daily trading value of the MCT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Date.

B. <u>Period from the Joint Announcement Date up to the Latest Practicable Date (31 December 2021 to 20 April 2022):</u>

(i) The Scheme Consideration of S$2.0039 represents a premium of 7.2% to the closing price of the MCT Units on the Latest Practicable Date;

(ii) The Scheme Consideration of S$2.0039 represents a premium of 8.3% to the VWAPs of the MCT Units in the period between the Joint Announcement Date up to the Latest Practicable Date;

(iii) The average daily trading volume of the MCT Units as a percentage of the free float was 1.1% in the period between the Joint Announcement Date up to the Latest Practicable Date; and

(iv) The average daily trading value of the MCT Units as a percentage of the market capitalisation was 0.6% in the period between the Joint Announcement Date up to the Latest Practicable Date.

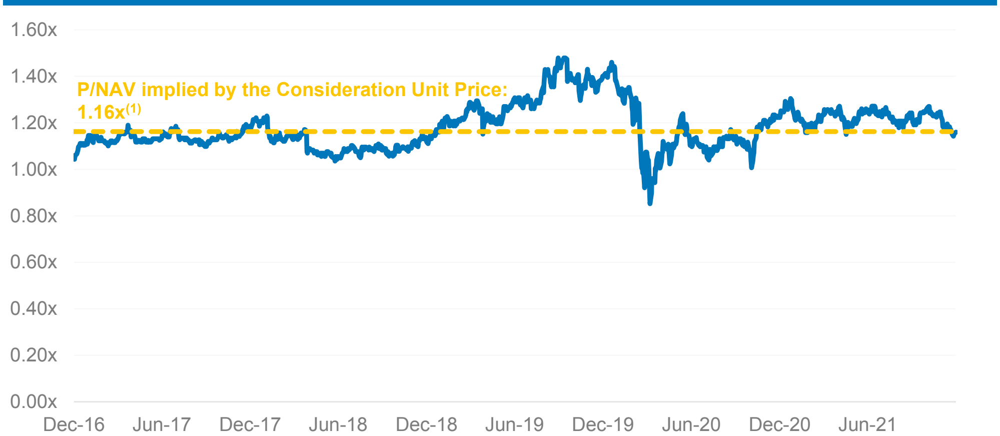
We wish to highlight that our analysis of the past price performance of the MCT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook, market conditions and sentiments. There is no guarantee that MCT's unit price will revert to the trading levels prior to the announcement of the Merger.

12.3.4 Trailing Latest P/NAV Multiples of the MCT Units Relative to the Latest P/NAV Multiple Implied by the Consideration Unit Price

For the purpose of evaluating the financial terms of the Merger, we have made reference to the trailing Latest P/NAV multiples (based on the latest reported net asset values) of the MCT Units to evaluate how the Latest P/NAV multiple implied by the Consideration Unit Price compares to them.

In the chart below, we have compared the Latest P/NAV multiple implied by the Consideration Unit Price to the trailing Latest P/NAV multiples of the MCT Units for the period between 28 December 2016 up to and including the Last Trading Date.

Trailing Latest P/NAV of the MCT units for the period between 28 December 2016 and up to the LTD



Consideration Unit Price: Latest P/NAV	1.16x		
Period up to the LTD	**12-month** *28 Dec 2020 - 27 Dec 2021*	**Pre-COVID** *28 Dec 2016 - 31 Dec 2019*	**5-year** *28 Dec 2016 - 27 Dec 2021*
Min	1.14x	1.04x	0.85x
Mean	1.22x	1.18x	1.18x
Median	1.23x	1.14x	1.16x
Max	1.30x	1.48x	1.48x
Mean - Median	**Below**	**Within**	**WIthin**
Min - Max	**WIthin**	**WIthin**	**Within**

Source: Capital IQ.
Note:
(1) Based on the Consideration Unit Price of S$2.0039 and NAV per MCT Unit of S$1.72 as at 30 September 2021.

Based on the above, we note that:

(i) The Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 1.14x to 1.30x over the 12-month period up to and including the Last Trading Date but below the mean and median of 1.22x and 1.23x, respectively;

(ii) The Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 1.04x to 1.48x over the pre-COVID period from 28 December 2016 to 31 December 2019 and within the mean and median of 1.18x and 1.14x, respectively; and

(iii) The Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 0.85x to 1.48x over the 5-year period from 28 December 2016 up to and including the Last Trading Date and within the mean and median of 1.18x and 1.16x, respectively.

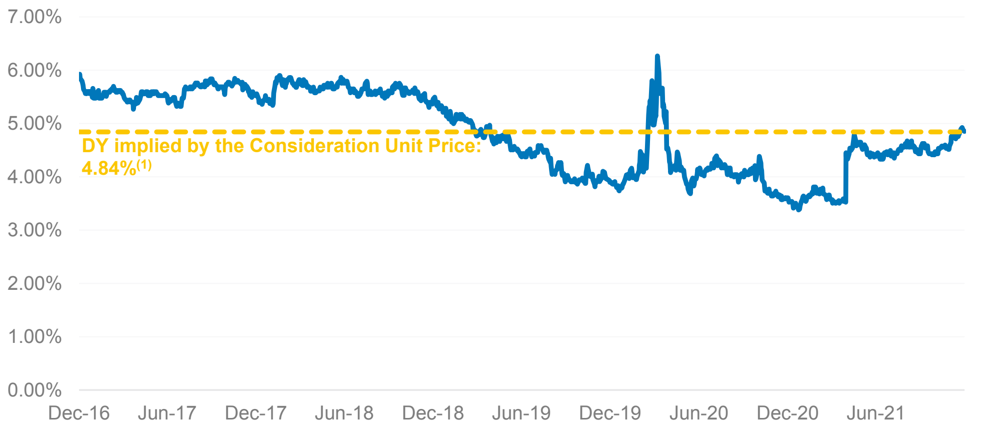
We wish to highlight that the historical trading patterns or performance of the MCT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.3.5 Trailing LTM DYs of the MCT Units Relative to the LTM DY Implied by the Consideration Unit Price

For the purpose of evaluating the financial terms of the Merger, we have referred to the trailing LTM DYs of the MCT Units to evaluate how the LTM DY implied by the Consideration Unit Price compares to them.

In the chart below, we have compared the LTM DY implied by the Consideration Unit Price to the trailing DYs of the MCT Units for the period between 28 December 2016 up to and including the Last Trading Date.

Trailing LTM DYs of the MCT Units for the period between 28 Dec 2016 and up to the LTD



Consideration Unit Price: LTM DY		**4.84%**	
Period up to the LTD	**12-month** *28 Dec 2020 - 27 Dec 2021*	**Pre-COVID** *28 Dec 2016 - 31 Dec 2019*	**5-year** *28 Dec 2016 - 27 Dec 2021*
Min	3.38%	3.82%	3.38%
Mean	4.23%	5.25%	4.83%
Median	4.43%	5.53%	4.76%
Max	4.93%	5.93%	6.27%
Mean - Median Range	**Above**	**Below**	**Broadly in line**
Min - Max Range	**Within**	**Within**	**Within**

Source: Capital IQ.

Note:

(1) Based on Consideration Unit Price of S$2.0039 and reported LTM DPU per MCT Unit of 9.71 Singapore cents as of 30 September 2021.

Based on the above, we note that:

(i) The LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.38% to 4.93% over the 12-month period up to and including the Last Trading Date but above the mean and median of 4.23% and 4.43%, respectively;

(ii) The LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.82% to 5.93% over the pre-COVID period from 28 December 2016 to 31 December 2019 and below the mean and median of 5.25% and 5.53%, respectively; and

(iii) The LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.38% to 6.27% over the 5-year period from 28 December 2016 up to and including the Last Trading Date and broadly in line with the mean and median of 4.83% and 4.76%, respectively.

We wish to highlight that the historical trading patterns or performance of the MCT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.

12.3.6 Valuation Multiples of Selected Comparable Commercial S-REITs

For the purpose of evaluating the Consideration Unit Price, references were made to SGX-ST listed REITs which invest primarily in commercial real estate properties and are considered to be broadly comparable to MCT to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date.

The statistics for the Comparable Commercial S-REITs are based on their closing prices as at the Latest Practicable Date, which is after the announcement by Monetary Authority of Singapore that it was tightening its monetary policy settings, and their latest publicly available financial results.

We have conducted our analysis based on the Latest P/NAV and LTM DY as key parameters for the comparison of the implied valuation metrics for the Comparable Commercial S-REITs along with certain other financial parameters as set out below:

Valuation Multiples of Comparable Commercial S-REITs(1)

Name	Market Capitalisation (S$ Million)	Latest P/NAV(2)	LTM DY(3)
Retail (pure play) S-REITs			
Frasers Centrepoint Trust	4,083	1.04x	5.0%
SPH REIT	2,690	1.04x	5.9%
Office (pure play) S-REITs			
Keppel REIT	4,419	0.90x	4.9%
Retail / office S-REITs			
CapitaLand Integrated Commercial Trust	14,973	1.10x	4.4%
Suntec Real Estate Investment Trust	5,190	0.86x	4.8%
OUE Commercial Real Estate Investment Trust	2,234	0.72x	6.3%
		0.72x	**4.4%**
		0.94x	**5.2%**
		0.97x	**5.0%**
		1.10x	**6.3%**
Consideration Unit Price(4)		**1.16x**	**4.8%**
Mean - Median Range		**Above**	**Below**
Min - Max Range		**Above**	**Within**

Source: Capital IQ, published financial statements of the respective Comparable Commercial S-REITs.

Notes:

(1) All figures as of the Latest Practicable Date.

(2) Calculated using the historical book value per unit as disclosed in the latest reported financial statements of the respective REITs.

(3) Calculated using the aggregate dividend per unit amount that has been declared for distribution by the respective REITs.

(4) Based on NAV per MCT Unit of S$1.72 as of 30 September 2021. DY implied by the Consideration Unit Price based on LTM DPU of 9.71 Singapore cents as of 30 September 2021.

Based on the above, we note that:

(i) The Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is above the range of the P/NAV multiples of the Comparable Commercial S-REITs of 0.72x to 1.10x; and

(ii) The LTM DY implied by the Consideration Unit Price of 4.8% is within the range of the LTM DY of the Comparable Commercial S-REITs of 4.4% to 6.3%.

We recognise, however, that the list of the Comparable Commercial S-REITs is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to MCT in terms of business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Comparable Commercial S-REITs and MCT may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Comparable Commercial S-REITs is therefore intended to serve as an illustrative guide only.

12.3.7 Broker Target Prices of the MCT Units

As part of our evaluation of the Consideration Unit Price, we have reviewed the price targets for the MCT Units issued by brokerage and research entities in the period from MCT's 1H FY21/22 financial results announcement date (27 October 2021) up to the Last Trading Date ("**Period up to the LTD**"), as well as the Period up to the Latest Practicable Date, which are set out below:

Broker Target Prices of the MCT Units (Period up to the LTD)

MCT Broker Target Prices (Period up to LTD)

Brokers	Date	Price Target (S$)
DBS Bank	13-Dec-21	2.45
UOB Kay Hian	2-Dec-21	2.48
Morgan Stanley	11-Nov-21	2.15
Goldman Sachs	10-Nov-21	2.04
CLSA	29-Oct-21	2.28
Jeffries	29-Oct-21	2.40
Bank of America	28-Oct-21	2.35
CIMB	28-Oct-21	2.32
Credit Suisse	28-Oct-21	2.24
Daiwa Capital	28-Oct-21	2.30
HSBC	28-Oct-21	2.20
J.P. Morgan	28-Oct-21	2.35
Maybank Kim Eng	28-Oct-21	2.35
OCBC	28-Oct-21	2.20
Citi	27-Oct-21	2.25
Macquarie	27-Oct-21	1.95

Broker target price (S$ per MCT Unit)	Premium/(discount) implied by the Consideration Unit Price	
Min	2.7%	1.9500
Mean	(13.2%)	2.2694
Median	(14.3%)	2.2900
Max	(23.8%)	2.4800
Consideration Unit Price		2.0039
Mean - Median Range		Below
Min - Max Range		Within

Source: Bloomberg, CapitalIQ, Broker notes.

Based on the above, we note that the Consideration Unit Price of S$2.0039 is within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$1.9500 to S$2.4800 but below the mean and median of S$2.2694 and S$2.2900, respectively.

Broker Target Prices of the MCT Units (Period up to the Latest Practicable Date)

MCT Broker Target Prices (Period up to LPD)		
Brokers	**Date**	**Price Target (S$)**
Daiwa Securities	20-Apr-22	2.09
Morgan Stanley	20-Apr-22	2.15
Macquarie	5-Apr-22	2.00
UOB	5-Apr-22	2.48
Maybank Kim Eng	31-Mar-22	2.35
CIMB	21-Mar-22	2.18
J.P Morgan	21-Mar-22	1.95
Citi	21-Mar-22	1.90
Credit Suisse	21-Mar-22	1.93
Goldman Sachs	15-Feb-22	1.86
Jefferies	30-Jan-22	2.40

(S$ per MCT Unit)	Consideration Unit Price	
Min	**7.2%**	**1.8600**
Mean	**(5.7%)**	**2.1173**
Median	**(4.3%)**	**2.0900**
Max	**(23.8%)**	**2.4800**
Consideration Unit Price		**2.0039**
Mean - Median Range		**Below**
Min - Max Range		**Within**

Source: Bloomberg, CapitalIQ, Broker notes.

Based on the above, we note that the Consideration Unit Price of S$2.0039 is within the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.8600 to S$2.4800 and below the mean and median of S$2.1173 and S$2.0900, respectively.

We wish to highlight that the above broker research report universe may not be exhaustive and price targets for the MCT Units and other statements and opinions contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the MCT Units) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, MCT's market development and the emergence of new information relevant to MCT. As such, the above price targets may not be an accurate prediction of future market prices of the MCT Units.

12.3.8 Independent Valuation of MCT Properties

We set out below a summary of the carrying value of the MCT Properties on the following basis:

(i) the independent valuations of the MCT Properties as at 31 March 2021, commissioned by MCT and extracted from MCT Announcement to the SGX (the "**MCT Valuation as at 31 March 2021**");

(ii) the independent valuations of the MCT Properties as at 30 September 2021, commissioned by MCT and extracted from MCT Announcement to the SGX (the "**MCT Valuation as at 30 September 2021**"); and

(iii) the independent valuations of the MCT Properties as at 31 March 2022, commissioned by MCT and extracted from MCT Announcement to the SGX (the "**MCT Valuation as at 31 March 2022**").

The carrying value of the MCT Properties is S$8,737.0 million based on the MCT Valuation as at 31 March 2021, S$8,784.0 million based on the MCT Valuation as at 30 September 2021 and S$8,821.0 million as at 31 March 2022.

Carrying value of the MCT Properties					
Name	**Valuer**	**Effective MCT Shareholding**	**Valuation (S$ Million) (as of 31 March 2022)**	**Valuation (S$ Million) (as of 30 September 2021)**	**Valuation (S$ Million) (as of 31 March 2021)**
Singapore					
VivoCity	CBRE Pte. Ltd.	100.0%	3,182.0	3,146.0	3,148.0
Mapletree Business City I	Jones Lang LaSalle Property Consultants Pte Ltd	100.0%	2,249.0	2,249.0	2,226.0
Mapletree Business City II	Jones Lang LaSalle Property Consultants Pte Ltd	100.0%	1,551.0	1,551.0	1,535.0
mTower	Jones Lang LaSalle Property Consultants Pte Ltd	100.0%	747.0	748.0	742.0
Mapletree Anson	Jones Lang LaSalle Property Consultants Pte Ltd	100.0%	752.0	750.0	747.0
Bank of America Merill Lynch HarbourFront	Jones Lang LaSalle Property Consultants Pte Ltd	100.0%	340.0	340.0	339.0
Total			**8,821.0**	**8,784.0**	**8,737.0**
% differential (31 March 2022 vs respective periods)				***0.4%***	***1.0%***

Source: The valuations for the respective properties as at 31 March 2021, 30 September 2021 and 31 March 2022.

Based on the above, we note that the MCT Valuation as at 31 March 2022 is 0.4% higher than the MCT Valuation as at 30 September 2021 and 1.0% higher than the MCT Valuation as at 31 March 2021 .

The above analysis serves as one factor considered by us in our evaluation and may not on its own be meaningful. Consequently, the Audit and Risk Committee, the MCT Independent Directors and the MCT Trustee should note that the above comparison serves as a general guide only.

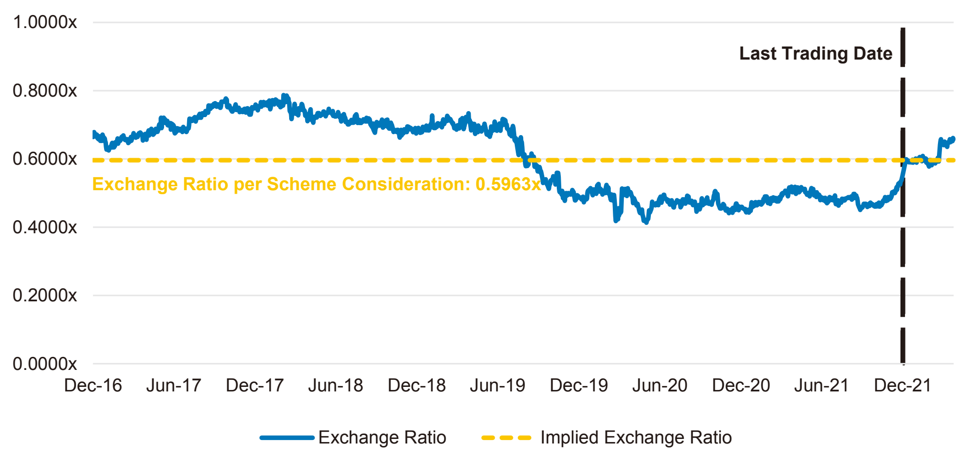
12.4 Other Evaluation Relating to the Merger

12.4.1 Implied Exchange Ratio Analysis

As part of our evaluation of the financial terms of the Merger, we have considered the exchange ratios implied by the historical VWAPs of the MNACT Units and the MCT Units.

We set out below the trailing implied exchange ratios between the MNACT Units and the MCT Units implied by their daily last close prices for the 5-year period up to the Last Trading Date as well as from the Last Trading Date up to the Latest Practicable Date.

Trailing implied exchange ratio between the MNACT Units and the MCT Units [1]



Source: CapitalIQ.
Note:
1. Calculated as daily closing prices of the MNACT Units, divided by the daily closing prices of MCT Units.

The table below shows the exchange ratios implied by the historical closing prices and VWAPs of the MNACT Units and MCT Units for various periods up to the Latest Practicable Date.

Exchange Ratios Implied By The VWAPs of the MNACT Units and the MCT Units Across Various Historical Periods

Metric	MCT Unit (S$)	MNACT Unit (S$)	Implied Exchange Ratio[1]	Comments
Various Periods from Joint Announcement Date to Latest Practicable Date				
Closing Price (Latest Practicable Date)	1.870	1.230	0.6578x	Below
VWAP (Joint Announcement Date to Latest Practicable Date)	1.850	1.139	0.6159x	Broadly in line
Various Periods up to Last Trading Date (27 December 2021)				
Closing Price (LTD)	2.000	1.110	0.5550x	Above
1-month VWAP (28 November 2021 - 27 December 2021)	2.036	1.045	0.5133x	Above
3-month VWAP (28 September 2021 - 27 December 2021)	2.092	1.017	0.4863x	Above
6-month VWAP (28 June 2021 - 27 December 2021)	2.103	1.014	0.4822x	Above
12-month VWAP (28 December 2020 - 27 December 2021)	2.100	1.018	0.4849x	Above
Pre-COVID VWAP (28 December 2016 - 31 December 2019)	1.850	1.197	0.6469x	Below
5-year VWAP (28 December 2016 - 27 December 2021)	1.940	1.108	0.5714x	Broadly in line
Scheme Consideration	**2.004**	**1.195**	**0.5963x**	

Source: Bloomberg.
Note:
1. For the purpose of this calculation, the implied Exchange Ratio includes the Cash Consideration of S$0.1912 per MNACT Unit. VWAPs are not adjusted retrospectively for dividends, bonus issues or other corporate transactions.

Based on the table above, we observe that the Exchange Ratio as per the Scheme Consideration of 0.5963x is:

(i) Below the exchange ratio of 0.6578 implied by the last closing prices of the MCT Units and the MNACT Units as at the Latest Practicable Date;

(ii) Broadly in line with the exchange ratio of 0.6159 implied by the VWAPs of the MCT Units and the MNACT Units for the period from the Joint Announcement Date to Latest Practicable Date;

(iii) Above the exchange ratios of 0.5550x, 0.5133x, 0.4863x, 0.4822x and 0.4849x implied by the last closing prices, 1-month, 3-month, 6-month and 12-month VWAPs of the MCT Units and the MNACT Units as at the Last Trading Date, respectively;

(iv) Below the exchange ratio of 0.6469x implied by the Pre-COVID VWAPs of the MCT Units and the MNACT Units from 28 December 2016 up to and including 31 December 2019; and

(v) Broadly in line with the exchange ratio of 0.5714x implied by the 5-year VWAPs of the MCT Units and the MNACT Units from 28 December 2016 up to and including the Last Trading Date.

We wish to highlight that our analysis of the past price performances of the MNACT Units and the MCT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the trusts, prevailing economic conditions, economic outlook, market conditions and sentiments.

12.4.2 Cash Component of the Cash-And-Scrip Consideration

Transaction Consideration of Precedent SREITs Mergers				
Scenario	**Target**	**Acquirer**	**% Cash**	**% Scrip**
	ARA LOGOS Logistics Trust	ESR REIT	10%	90%
	CapitaLand Commercial Trust	CapitaLand Mall Trust	12%	88%
	Frasers Commercial Trust	Frasers Logistics & Industrial Trust	9%	91%
	Ascendas Hospitality Trust	Ascott Residence Trust	5%	95%
	OUE Hospitality Trust	OUE Commercial REIT	5%	95%
	Viva Industrial Trust	ESR-REIT	10%	90%
(1)	MNACT	MCT	0%	100%
(2)	MNACT	MCT	10%(3)	90%

Note:
(1) Assuming all MNACT Unitholders electing the Scrip-Only Consideration
(2) Assuming all MNACT Unitholders except MIPL elect the Cash and Scrip Consideration
(3) Mapletree Investments Pte Ltd ("MIPL" or the "Sponsor"), as Sponsor of MCT and MNACT, has provided an undertaking to elect to receive Scrip-Only Consideration in respect of all its MNACT Units. As such the Cash Consideration for the Merger will be 16.0%

The Scheme Consideration comprises either (a) 0.5963 new Consideration Units under the Scrip-Only Consideration, or (b) a combination of 0.5009 Consideration Units and S$0.1912 in cash under the Cash-and-Scrip Consideration, (c) S$1.1949 in cash, at the election of each MNACT Unitholder. Based on an issue price of S$2.0039 per MCT Unit[47], the Scheme Consideration is S$1.1949 and implies a gross exchange ratio of 0.5963x.

Under option (b), the percentage of total cash consideration is approximately 10%. The 10% total cash consideration is in line with precedent S-REITs merger transactions.

Under option (c) the MNACT Unitholder can elect a third option which is the Cash-Only Consideration. This 100% cash alternative provides an additional option for MNACT Unitholders and achieves the same pro forma financial effects as the Cash-and-Scrip Consideration from MCT Uniholders' perspective.

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

The Cash-Only Consideration is also in line with Precedent Privatizations from a financial point of view (please refer to section 12.2.7 Premium/ (Discount) to VWAPs of the Precedent Privatisations).

12.4.3 Management Fee Structure of the Merged Entity

As part of our evaluation as to whether the revised management fee and trustee's fee structures of the Merged Entity are on normal commercial terms and not prejudicial to MCT and its minority unitholders, references were made to REITs which went public on the SGX since 2012 as well as the Comparable Commercial S-REITs as summarized in **section 12.1.2** and Comparable North Asia S-REITs as summarized in **section 12.1.1** which are considered broadly comparable to the Merged Entity from the perspective of the management fee structures currently adopted by these S-REIT i.e. based on distributable income and DPU growth. This is to provide an indication as to whether the revised management fee structures of the Merged Entity are in line with market practice.

The table below comprises a summary of the management fee and trustee fee structures of selected REITs:

Comparable REITs – Management Fees

REIT Name	Base Fee	Performance Fee	Acquisition Fee – Related Parties	Acquisition Fee – Third Parties	Divestment Fee	Trustee Fee
Daiwa House Logistics	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	1.0%	1.0%	0.5%	0.1% per annum of the value of the Deposited Property, subject to a minimum amount of S$12,000 per month.
United Hampshire US REIT	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	0.75%	1.0%	0.5%	0.015% per annum of the value of Deposited Property, subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST.
Elite Commercial REIT	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	1.0%	1.0%	0.5%	0.015% per annum of the value of the Deposited Property subject to a minimum amount of S$15,000 per month, excluding out-of-pocket expenses and GST.
Prime US REIT	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	1.0%	1.0%	0.5%	0.1% per annum of the value of all Deposited Property, subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST.
ARA US Hospitality Trust	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	1.0%	1.0%	0.5%	0.02% per annum of the ARA H-BT Trust Property excluding intergroup balance (as defined in the ARA H-BT Trust Deed), subject to a minimum fee of US$10,000 per month.
Sasseur REIT	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	0.75%	1.0%	0.5%	0.1% per annum of the value of the Deposited Properties, subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST.
Keppel Pacific Oak US REIT	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	1.0%	1.0%	0.5%	0.015% per annum of the value of all the Deposited Property, subject to a minimum of S$14,000 per month, excluding out-of-pocket expenses and GST.

EC World REIT	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	0.75%	1.0%	0.5%	0.1% per annum of the value of all the assets of the Group ("Deposited Property") (subject to a minimum of S$12,000 per month), excluding out-of-pocket expenses and GST.
BHG Retail REIT	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	0.75%	1.0%	0.5%	0.1% per annum of the value of deposited property, subject to a minimum of S$10,000 per month, excluding out-of-pocket expenses and GST.
Manulife US REIT	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	0.75%	1.0%	0.5%	0.1% per annum of the value of the deposited property, subject to a minimum of S$10,000 per month, excluding out-of-pocket expenses and GST.
IREIT Global	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	0.75%	1.0%	0.5%	0.1% per annum of the value of all the assets of IREIT Group ("Deposited Property"), subject to a minimum of S$10,000 per month, excluding out-of-pocket expenses and GST.
Nippon Building Fund Incorporation	2.5% of Leasing Revenues	3.0% of net income before taxes	Up to 0.5%	Up to 0.5%	Up to 0.5%	n/a
Japan Real Estate Investment Corporation	4.0% of Net Operating Income	(i) 2.5% of net income before taxes multipled by DPU in current period divided by average DPU during the most recent six fiscal periods[(3)]; and (ii) 12.5% of net gains/losses on sale of real estate	0.5%	0.5%	0.5%	n/a
OUE Commercial REIT	0.3% of value of Deposited Property	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	0.75%	1.0%	0.5%	0.1% per annum of the value of the Deposited Property. The Trustee's fee is presently charged at a scaled basis of up to 0.02% per annum (subject to a minimum of $15,000 per month). The same rates also apply to the sub-trust, however subject to a minimum of $20,000 per month.
Merged Entity	10% of Annual Distributable Income[1]	25% of the difference in DPU with the DPU in the preceding financial year multiplied by the weighted average number of units in issue[2]	1.0%	1.0%	0.5%	0.1% per annum of the Deposited Property, subject to a minimum of S$12,000 per month excluding all reasonable out-of-pocket expenses and all applicable GST.

Note:
(1) Calculated before accounting for the base fee and performance fee, if any.
(2) Calculated before accounting for the performance fee but after accounting for the base fee in the financial year.
(3) After deducting gains and losses on sale of real estate

Based on the table above, we observe that the revised management fee structure of the Merged Entity, as summarised in **Secton 10.1.2**, is in line with market practice of selected comparable S-REITs.

We recognise, however, that the list of the Comparable REITs – Management Fees is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to the Merged Entity in terms of business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. As such, any comparison made with respect to the Comparable REITs – Management Fees is therefore intended to serve as an illustrative guide only.

12.4.4 Pro Forma Financial Effects of the Merger

The full text of the financial effects of the Merger is set out in **Paragraph 10** of the Circular and has been reproduced below. MCT Unitholders should note that the financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the Merged Entity after the Merger. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined.

(A) Pro Forma DPU

(i) For the financial year ended 31 March 2022 (FY21/22)

	Effects of Merger			
	Before Merger	**Post-Merger(1),(2)**		
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration**	**Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration**
Amount available for distribution to MCT Unitholders (S$ million)	317.0	538.3(3),(5)	530.0(6),(7)	530.0(6),(7)
Number of MCT Units in issue (million)	3,323.5	5,415.4(4),(5)	5,207.1(7),(8)	5,207.1 (7),(9)
DPU (Singapore cents)	9.53	9.94(4),(5)	10.18(7),(8)	10.18(7),(9)
Accretion (%)	-	4.3	6.8	6.8

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the unaudited consolidated financial statements of the MCT Group for the financial year ended 31 March 2022 (the "**MCT FY21/22 Unaudited Financial Statements**") and the unaudited consolidated financial statements of the MNACT Group for the financial year ended 31 March 2022 (the "**MNACT FY21/22 Unaudited Financial Statements**").

(1) Assumes the Merger was completed on 1 April 2021, and that MCT held and operated the properties of MNACT for the financial year ended 31 March 2022.

(2) Includes full year contribution from HPB, which is based on unaudited financial information for the period from 18 June 2021 to 31 March 2022, pro-rated as if the acquisition was completed on 1 April 2021 and adjusted for the implied incremental funding costs, management fees, trustee expense and income tax expense.

<u>**Scrip-Only Consideration**</u>

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

(4) Assumes 2,086.6 million Consideration Units are issued, based on the total number of MNACT Units in issue as at 31 March 2022, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039 per Consideration Unit, being the Scheme Issue Price.

(5) Assumes 5.3 million additional MCT Units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

Cash-and-Scrip Consideration and Cash-Only Consideration

(6) Assumes that an additional S$237.9 million of acquisition debt was drawn down at an all-in cost of 2.7% per annum and S$200.0 million of perpetual securities were issued at a coupon rate of 3.7% per annum on 1 April 2021 to fund up to S$417.3 million of the cash component of the Scheme Consideration and the Transaction Costs of the Merger.

(7) Assumes 5.2 million additional MCT Units are issued as payment to the MCT Manager as base fee assuming 40.0% of the Merged Entity's management fees are paid in units, at an illustrative issue price of S$2.0039 per MCT Unit, being the Scheme Issue Price.

Cash-and-Scrip Consideration

(8) Assumes 1,878.4 million Consideration Units are issued, based on the total number of MNACT Units in issue as at 31 March 2022, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039 per Consideration Unit, being the Scheme Issue Price.

Cash-Only Consideration

(9) Assumes 1,878.4 million MCT Units are issued comprising (i) 785.3 million Consideration Units in satisfaction of the scrip component to MIPL, who has elected to receive the Scrip-Only Consideration in respect of all its MNACT Units and (ii) 1,093.1 million Preferential Offering Units in satisfaction of the additional cash requirement for the Cash-Only Consideration, based on the total number of MNACT Units issued as at 31 March 2022, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(ii) For the financial year ended 31 March 2021 (FY20/21)

	Effects of Merger			
	Before Merger	Post-Merger[(1),(2)]		
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration
Amount available for distribution to MCT Unitholders (S$ million)	314.7	503.4[(3),(5)]	490.6[(6),(7)]	490.6[(6),(7)]
Number of MCT Units in issue (million)	3,316.2	5,361.2[(4),(5)]	5,155.7[(7),(8)]	5,155.7[(7),(9)]
DPU (Singapore cents)	9.49	9.39[(4),(5)]	9.51[(7),(8)]	9.51[(7),(9)]
Accretion (%)	-	(1.1)	0.2	0.2

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the audited consolidated financial statements of the MCT Group for the financial year ended 31 March 2021 (the "**MCT FY20/21 Audited Financial Statements**") and the audited consolidated financial statements of the MNACT Group for the financial year ended 31 March 2021 (the "**MNACT FY20/21 Audited Financial Statements**", and together with the MCT FY20/21 Audited Financial Statements, the "**FY20/21 Audited Financial Statements**").

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

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

<u>**Scrip-Only Consideration**</u>

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

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

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

<u>**Cash-and-Scrip Consideration and Cash-Only Consideration**</u>

(6) Assumes that an additional S$231.9 million of acquisition debt was drawn down at an all-in cost of 2.7% per annum and S$200.0 million of perpetual securities were issued at a coupon rate of 3.7% per annum on 1 April 2020 to fund up to S$411.3 million of the cash component of the Scheme Consideration and the Transaction Costs of the Merger.

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

Cash-and-Scrip Consideration

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

Cash-Only Consideration

(9) Assumes 1,835.0 million MCT Units are issued comprising (i) 757.4 million Consideration Units in satisfaction of the scrip component to MIPL, who has elected to receive the Scrip-Only Consideration in respect of all its MNACT Units and (ii) 1,077.6 million Preferential Offering Units in satisfaction of the additional cash requirement for the Cash-Only Consideration, based on the total number of MNACT Units issued as at 31 March 2021, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(B) Pro Forma NAV

(d) As at 31 March 2022 (FY21/22)

	Effects of Merger			
	Before Merger	Post-Merger(1),(2)		
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration
NAV (S$ million)	5,793.5	10,119.5(4),(5)	9,702.2 (6),(7)	9,702.2 (6),(8)
Number of MCT Units in issue (million)	3,323.5	5,427.2 (4),(5)	5,219.0(6),(7)	5,219.0 (6),(8)
NAV for each MCT Unit (S$)	1.74	1.86(4),(5)	1.86(6),(7)	1.86(6),(8)
NAV for each MCT Unit (ex-distribution) (S$)	1.69(3)	1.81	1.81	1.81

Notes: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the MCT FY21/22 Unaudited Financial Statements and the MNACT FY21/22 Unaudited Financial Statements.

(1) Assumes the Merger was completed on 31 March 2022.

(2) Assumes the Transaction Costs and the difference between the Scheme Consideration and the acquired NAV of MNACT as at 31 March 2022 are initially capitalised to the cost of the properties and subsequently recognised at fair value at the period end.

(3) Excludes MCT's reported 2H FY21/22 DPU of 5.14 Singapore cents.

Scrip-Only Consideration

(4) Assumes that an additional S$18.1 million of acquisition debt was drawn down on 31 March 2022 to fund the Transaction Costs of the Merger.

(5) Assumes 2,103.7 million Consideration Units are issued, based on the total number of MNACT Units issued as at 31 March 2022, in satisfaction of the Scrip-Only Consideration, at an illustrative issue price of S$2.0039 per Consideration Unit, being the Scheme Issue Price.

Cash-and-Scrip Consideration and Cash-Only Consideration

(6) Assumes an additional S$237.9 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued on 31 March 2022 to fund up to S$417.3 million of the cash component of the Scheme Consideration and the Transaction Costs of the Merger.

Cash-and-Scrip Consideration

(7) Assumes 1,895.5 million Consideration Units are issued, based on the total number of MNACT Units in issue as at 31 March 2022, in satisfaction of the scrip component of the Scheme Consideration, at an illustrative issue price of S$2.0039 per Consideration Unit, being the Scheme Issue Price.

Cash-Only Consideration

(8) Assumes 1,895.5 million MCT Units are issued comprising (i) 802.4 million Consideration Units in satisfaction of the scrip component to MIPL, who has elected to receive the Scrip-Only Consideration in respect of all its MNACT Units and (ii) 1,093.1 million Preferential Offering Units, in satisfaction of the additional cash requirement for the Cash-Only Consideration, based on the total number of MNACT Units issued as at 31 March 2022, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(iii) As at 31 March 2021 (FY20/21)

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

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

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

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

(3) Includes an additional S$486.5 million in investment property value and an additional S$7.2 million in non-controlling interest, attributable to HPB. Assumes that an additional S$231.5 million of debt (net of financing cost) was drawn down, and an additional S$247.8 million in perpetual securities (net of issue cost) were issued, on 31 March 2021, to fund the total cost of the HPB acquisition, based on unaudited financial information as of 31 March 2022.

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

<u>**Scrip-Only Consideration**</u>

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

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

<u>**Cash-and-Scrip Consideration and Cash-Only Consideration**</u>

(7) Assumes that an additional S$231.9 million of acquisition debt was drawn down and S$200.0 million of perpetual securities were issued on 31 March 2021 to fund up to S$411.3 million of the cash component of the Scheme Consideration and the Transaction Costs of the Merger.

<u>**Cash-and-Scrip Consideration**</u>

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

Cash-Only Consideration

(9) Assumes 1,842.6 million MCT Units are issued, comprising (i) 765.0 million Consideration Units in satisfaction of the scrip component to MIPL, who has elected to receive the Scrip-Only Consideration in respect of all its MNACT Units and (ii) 1,077.6 million Preferential Offering Units in satisfaction of the additional cash requirement for the Cash-Only Consideration, based on the total number of MNACT Units issued as at 31 March 2021, at an illustrative issue price of S$2.0039, being the Scheme Issue Price.

(C) Pro forma Aggregate Leverage

(i) As at 31 March 2022 (FY21/22)

	Effects of Merger			
	Before Merger	Post-Merger(1)		
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration
Aggregate leverage (based on gross borrowings)	33.5%	37.5%	38.8%	38.8%

Note: The pro forma financial effects of the Merger on MCT and the Merged Entity have been prepared based on the MCT FY21/22 Unaudited Financial Statements and the MNACT FY21/22 Unaudited Financial Statements.

(1) Assumptions are the same as those set out in **Paragraph 10.2.1 of the Circular**.

(ii) As of 31 March 2021 (FY20/21)

	Effects of Merger			
	Before Merger	Post-Merger[(1)]		
		Assuming all MNACT Unitholders elect to receive Scrip-Only Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-and-Scrip Consideration	Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration
Aggregate leverage (based on gross borrowings)	33.9%	38.0%	39.2%	39.2%

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

(1) Assumptions are the same as those set out in **Paragraph 10.2.2** of the Ciruclar.

Based on the pro forma financial effects of the Merger presented above:

(a) Based on the full year ended 31 March 2022 Pro forma Financials, the Merger is accretive to MCT Unitholders on a DPU basis under the Scrip-Only Consideration, Cash-and-Scrip Consideration and Cash-Only Consideration;

(b) Based on the full year ended 31 March 2021 Pro forma Financials, the Merger is marginally dilutive to MCT Unitholders on a DPU basis under the Scrip-Only Consideration and marginally accretive under the Cash-Scrip Consideration and Cash-Only Consideration;

(c) Based on the 31 March 2022 Pro forma Financials, the Merger is accretive to MCT Unitholders on a NAV per MCT Unit basis under the Scrip-Only Consideration, Cash-and-Scrip Consideration and Cash-Only Consideration

(d) Based on the 31 March 2021 Pro forma Financials, the Merger is accretive to MCT Unitholders on a NAV per MCT Unit basis under the Scrip-Only Consideration, Cash-and-Scrip Consideration and Cash-Only Consideration;

(e) In addition, we note that the aforementioned pro forma aggregate leverage is below the aggregate leverage limit of 45% as stipulated in Appendix 6 of the Property Funds Appendix issued by the Monetary Authority of Singapore (the aggregate leverage of a property fund may exceed 45% of the fund's deposited property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings).

12.4.5 Other Relevant Considerations which Have a Bearing on Our Assessment

We wish to further highlight the following additional considerations that we consider relevant for the attention of the Audit Committee, the MCT Independent Directors and the MCT Trustee, in relation to the Merger.

(A) Rationale of the Merger

Details on the rationale and key benefits for the Merger are set out in **Paragraph 3** of the Circular and the MCT Unitholders are advised to read the information carefully.

We have considered the rationale and key benefits that the MCT Manager believes the Merger will bring to the MCT Unitholders, which we view as reasonable. A summary of the rationale and key benefits for the Merger is extracted from the Circular and set out below:

(i) Proxy to Key Gateway Markets of Asia

(ii) Enhanced Diversification Anchored by High Quality Portfolio

(iii) Leapfrogs to Top 10 Largest REIT in Asia

(iv) Enlarged Platform Better Positioned to Unlock Upside Potential

(v) DPU and NAV Accretive to MCT Unitholders on a historical pro forma basis

(vi) Reinforced Commitment to Sustainability

(vii) Continued Support and Strong Commitment from Sponsor

(B) Management Fee Structure of the Merged Entity

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

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

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

The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding financial year. In determining the performance fee, the first year for which DPU growth is based on is the financial year ended 31 March 2022.

For the purpose of the computation of the performance fee only, the DPU shall be calculated based on all income of the Merged Entity arising from the operations of the Merged Entity, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the authorised investments of the Merged Entity but shall exclude any one-off income of the Merged Entity such as any income arising from any sale or disposal of (i) any real estate (whether directly or indirectly through one or more special purpose vehicles) or any part thereof, and (ii) any investments forming part of the assets of the Merged Entity or any part thereof[48]. In accordance with MCT's current fee structure, there will be no change to the MCT Manager's ability to elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine). For the avoidance of doubt, the acquisition fee and the divestment fee structure of the MCT Manager will remain unchanged and will be applicable to the Merged Entity.

The table below summarizes the fees payable to the MCT Manager and MCT Trustee following the completion of the Merger, compared to the structure presently adopted by MCT:

Management Fees(1)		
Fee	**Merged Entity**	**MCT before the Merger**
Base Fee	10.0% of the distributable income of the Merged Entity (calculated before accounting for the base fee and performance fee)	Not exceeding 0.25% per annum of the value of the Group's Deposited Property or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders
Performance Fee	25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after accounting for the base fee in each financial year), multiplied by the weighted average number of the Merged Entity's units in issue for such financial year.	Not exceeding 4.0% per annum of the Group's net property income ("NPI") or such higher percentage as may be approved by an Extraordinary Resolution of a meeting of Unitholders
Acquisition Fee (2)	Not more than 1.0% of each of the following as is applicable (subject to there being no double-counting): (a) the acquisition price of any real estate purchased, whether directly or indirectly through one or morespecial purpose vehicles, by the MCT Trustee on behalf of MCT (plus any other payments in addition to the acquisition price made by the MCT Trustee on behalf of MCT or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of MCT's interest); (b) the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased, whether directly or indirectly through one or more special purpose vehicles, by the MCT Trustee on behalf of MCT (plus any additional payments made by the MCT Trustee on behalf of MCT or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of MCT's interest); or	Same as adopted by Merged Entity

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

	(c) the acquisition price of any investment purchased by the MCT Trustee on behalf of MCT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate(2)	
Divestment Fee (2)	Not more than 0.5% of each of the following as is applicable (subject to there being no double-counting): (a) the sale price of real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by the MCT Trustee acting on behalf of MCT (plus any other payments in addition to the sale price received by the MCT Trustee on behalf of MCT or MCT's special purpose vehicles from the purchaser in connection with the sale or divestment of the property) (pro-rated, if applicable, to the proportion of MCT's interest); (b) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly through one or more special purpose vehicles, by the MCT Trustee on behalf of MCT (plus any additional payments received by MCT or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of MCT's interest); or (c) the sale price of any investment sold or divested by the MCT Trustee acting on behalf of MCT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.(2)	Same as adopted by Merged Entity
Trustee's Fee(1)		
Trustee's Fee(2)	Not more than 0.1% per annum of the Value of the Deposited Property (each as defined in the MCT Trust Deed), subject to a minimum of S$12,000 per month excluding all reasonable out-of-pocket expenses and all applicable goods and services tax.	Same as adopted by Merged Entity

Notes:

(1) This summary should be read in conjunction with, and in the context of, the MCT Trust Deed.

(2) This is the same rate as presently adopted by MCT.

We note that the revised base fee and performance fee structures differ from the existing fee structures of MCT; They track the DPU and DPU growth performance of the Merged Entity compared to the value of the deposited property and Net Property Income respectively in a given year. As disclosed in the Circular the revised fee structure enables closer alignment of interests with unitholders of the Merged Entity by incentivizing sustainable distributable income and DPU growth.

We further note that the management fee structures in relation to the base fee and performance fee are in line with structures adopted by other REITs listed in Singapore as indicated in **section 12.4.3** of this Letter**.**

Please refer to **Paragraph 4.1.2** of the Circular for further details with respect to the fee structure of the Merged Entity.

In connection with the Merger we further note that each of Temasek, Fullerton and MIPL are "**interested persons**" and will, pursuant to Rule 919 of the Listing Manual, abstain, and procure that their associates (including HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstain, from voting on Resolution 4 (MCT Trust Deed Amendments). Given that the MCT Trust Deed Amendments directly affect the form of payment receivable by the MCT Manager in respect of its fees, the MCT Manager, Temasek, Fullerton and MIPL and their respective associates (including HFPL, HF Place, HF Eight and Sienna) are prohibited pursuant to Rule 748(5) of the Listing Manual from voting on the resolutions relating to the MCT Trust Deed Amendments.

(C) Switch Option

Paragraph 5.7 of the Circular sets out certain information relating to the Switch Option.

We note that in the event of a MNACT Switch Option Competing Offer, the MCT Trustee has the right at its discretion to elect at any time, subject to prior consultation with the SIC, to proceed with a Merger by way of a voluntary conditional offer to acquire all the MNACT Units (an "**Offer**") in lieu of proceeding with the Merger by way of the Trust Scheme.

Such Offer to be on the same or better terms as those which apply to the Trust Scheme or the MNACT Switch Option Competing Offer (whichever is higher) and conditional upon a level of acceptances set at only more than 50% of the units to which the Offer relates and not conditional on a higher level of acceptances.

(D) Exclusivity

The MNACT Trustee and the MNACT Manager have agreed to grant the MCT Trustee and the MCT Manager exclusivity for a period commencing on the date of the Implementation Agreement and ending on the earliest of the date on which the Implementation Agreement is terminated, the Scheme Settlement Date and the Long-Stop Date, during which the MNACT Trustee and the MNACT Manager shall not solicit, invite, encourage or initiate any enquiries, negotiations or discussions, negotiate or enter into any MNACT competing offer which would lead to any MNACT competing offer.

(E) Conditions to Complete the Merger

We note that the completion of the Merger is conditional upon certain condition precedents being satisfied. We wish to highlight to the MCT Unitholders that should any of these conditions not be met (or where applicable, waived), the Trust Scheme might not proceed notwithstanding that the Merger has been approved by MCT Unitholders at the MCT EGM. Please refer to Schedule 3, Part 1 of the Circular for the full list of conditions precedent to the Merger.

(F) Permitted Distributions

Paragraph 5.6 of the Circular sets out certain information relating to Permitted Distributions.

We note that the MCT Manager reserves the right to adjust the Scheme Consideration by reducing the Cash Consideration, the number of Consideration Units issued or by any combination of such cash and unit components, if and to the extent any distribution in excess of the MNACT Permitted Distributions is declared, made or paid by the MNACT Manager on or after the Joint Announcement Date.

(G) Waiver of 100.0% of the Acquisition Fees and Election to Receive the Scrip-Only Consideration

We note that to demonstrate its commitment and support for the Merger and growth of the Merged Entity, the MCT Manager (with the support of MIPL, which owns 100.0% of the MCT Manager and is the Sponsor of both MCT and MNACT) has waived its acquisition fee entitlement under the trust deed constituting MCT. The waived acquisition fee could have amounted to S$42.4 million, equivalent to 1.0% of the aggregate Scheme Consideration. In addition, the Sponsor has provided an undertaking to receive 100.0% Scrip-Only Consideration.

Further details with respect to the fees payable to the MCT Manager are set out in **Schedule 2** of the Circular.

(H) Abstention from Voting on Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of the Consideration Units)

We note that for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of Temasek, Fullerton and MIPL are "**interested persons**" and will, pursuant to Rule 919 of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix, abstain, and procure that their associates (including HFPL, HF Place, HF Eight, Sienna and the MCT Manager) abstain, from voting on Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of Consideration Units). Additionally, each of Temasek, Fullerton, MIPL and their associates shall decline to accept appointments as proxies in respect of Resolution 1, Resolution 2 (Proposed Merger) and Resolution 2 (Proposed Issuance of Consideration Units), unless specific instructions as to voting are given. In addition, for the purposes of good corporate governance, Mr. Tsang Yam Pui, Mr. Hiew Yoon Khong, Ms. Wendy Koh Mui Ai, Ms. Amy Ng Lee Hoon and Ms. Lim Hwee Li Sharon, will abstain from voting on Resolution 1 (Proposed Merger) and Resolution 2 (Proposed Issuance of Consideration Units).

The MCT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

(I) MCT 805 Auditors' Opinion

The MCT Manager has appointed Ernst & Young LLP (the "**MCT 805 Auditors**") to perform an audit, in accordance with the Singapore Standard on Auditing on the carrying values of investment properties of MNACT and its subsidiaries (collectively, the "**MNACT Group**"), and of its joint venture, IGIS Qualified Investment Type Private Placement Real Estate Investment Trust No. 6 ("**IGIS REIT**"), as at 31 March 2022, and related notes (the "**Statement**") as shown on pages B-4 to B-7 of the MCT 805 Auditors' Opinion.

The MCT 805 Auditors have among other things, reviewed the valuation reports as at 31 March 2022 commissioned by the MNACT Manager in respect of the MNACT Properties, tested the reasonableness of assumptions or inputs, held discussions with the MNACT Manager and the MNACT Independent Valuers.

Pursuant to such audit, the MCT 805 Auditors have delivered an audit opinion dated 29 April 2022 setting out its opinion that the MNACT Relevant Line Items were prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the Statement.

The intention in carrying out such audit is to give additional comfort to the MCT Unitholders that the carrying values of the investment properties of the MNACT Group and of its joint venture, IGIS REIT, as at 31 March 2022 were stated, in all material respects at fair values.

We have held discussions with the MCT 805 Auditors and have considered their opinion. We further note that the MCT 805 Auditors have rendered an unqualified opinion.

Please refer to **Appendix B** of the Circular for the MCT 805 Auditors Opinion.

(J) COVID-19

The outbreak of the COVID-19 since early 2020 has negatively impacted the commercial leasing sector in Singapore, China, Hong Kong, Japan and Korea with real estates having experienced lower levels of transactional activity and liquidity due to the measures to fight Covid-19 which include travel restrictions, working from home arrangements and lockdowns. Whilst the measures to fight COVID-19 have now been eased to varying degrees in Singapore, China, Hong Kong, Japan and Korea, we note that the COVID-19 outbreak has resulted in heightened uncertainty and volatility in the market valuations of the S-REITs as well as the Comparable North Asian REITs in general compared to pre-COVID normal market conditions. As such, we have adopted a long term and through-the-cycle view in our analysis.

We further note that as mentioned under Note 4 *Valuation Process* of the MCT 805 Auditors' Opinion, there is 'material valuation uncertainty' for the MNACT properties in Hong Kong SAR and China. As such, a higher degree of caution should be attached than would normally be the case, and as uncertainties arising from the Russia-Ukraine conflict and rising energy prices add to the ongoing COVID-19 impacts. However, the declaration does not mean that the valuation cannot be relied upon. Rather, it is to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared.

(K) WHITEWASH RESOLUTION

Rationale for the Whitewash Resolution

The Whitewash Resolution is for the Independent MCT Unitholders to waive the requirement for MIPL and parties acting in concert with it (the "**Concert Party Group**") to make a mandatory general offer for their rights to receive a mandatory general offer for the remaining MCT Units not already owned, controlled or agreed to be acquired by the Concert Party Group and its concert parties upon completion of the Merger and the Trust Scheme. As set out in **section 8** of this Letter we note that the resolution relating to the Merger is subject to, and contingent upon, the passing of the Whitewash Resolution. In the event that the Independent MCT Unitholders do not vote in favour of the Whitewash Resolution, the Merger will not take place.

Potential Dilution Effect of the Trust Scheme and the Preferential Offering

As at the Latest Practicable Date, the Concert Party Group holds an aggregate indirect interest of approximately 33.72% in MCT.

- Assuming all MNACT Unitholders elect to receive the Scrip-Only Consideration, The Consideration Units will represent approximately, 38.76% of the enlarged number of MCT Units, and the Concert Party Group will hold approximately 35.97% following the Merger and the Trust Scheme.

- Assuming all MNACT Unitholder (excluding the MIPL Entities) elect to receive the Cash-and-Scrip Consideration, the Consideration Units will represent approximately 36.32% of all the enlarged number of MCT Units, and the Concert Party Group will hold approximately 37.32% following the Merger and the Trust Scheme.
- Assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive the Cash-Only Consideration, the aggregate cash amount required by MCT to satisfy the Scheme Consideration will exceed S$417.3 million and accordingly, the Preferential Offering will be undertaken. Assuming that the Preferential Offering is not taken up by any other MCT Unitholder, the MIPL Entities would be required to subscribe for the Maximum Preferential Offering Units for an aggregate subscription consideration of S$2.2 billion. In this case, the Consideration Units will represent approximately 32.89% of the enlarged number of MCT Units, and the Concert Party Group will hold approximately 57.79% following the Merger and the Trust Scheme.

A summary of the dilution effect to the unitholdings of the existing MCT Unitholders upon completion of the Merger and the Trust Scheme and, if undertaken, the Preferential Offering, are set out in the table below:

	Current Unitholding	After the Trust Scheme		After the Trust Scheme and the Preferential Offering
		All MNACT Unitholders elect Scrip-Only Consideration	All MNACT Unitholders elect Cash-and-Scrip Consideration	All MNACT Unitholders elect Cash-Only Consideration and no MCT Unitholder subscribe to the Preferential Offering
Concert Party Group	33.72%	35.97%	37.32%	57.79%
Other MCT Unitholders and Unitholders of the Merger Entity	66.28%	64.03%	62.68%	42.21%
Total	100.00%	100.00%	100.00%	100.00%

Other Relevant Considerations in Relation to the Whitewash

As discussed in **Paragraph 1.2** of the Circular the MCT Manager and the MNACT Manager have agreed to provide the alternative Cash-Only Consideration option. Both the MCT Manager (having considered the MNACT Manager's request) and the MNACT Manager believe that the introduction of the alternative Cash-Only Consideration option gives higher certainty to MNACT Unitholders amidst prevailing market conditions and provides greater flexibility for MNACT Unitholders to elect the form of the Scheme Consideration that is most suited to their investment needs, without prejudice to the interests of the MCT Unitholders.

In the event that the Cash-Only consideration is elected by all MNACT unitholders, a Preferential Offering will be undertaken to raise the additional cash requirement. Conditional upon the approval of the Whitewash Resolution, MIPL and the concert parties will undertake to subscribe to the Maximum Preferential Units to satisfy the additional cash requirements should MCT unitholders elect to not take up their pro-rata share of the Preferential Offering thereby enhancing the chances of a successful Preferential Offering and Merger.

As discussed in **Paragraph 1.4** of the Circular, we further note that the inclusion of the alternative Cash-Only Consideration option achieves the same pro forma financial effects as the existing Cash-and-Scrip Consideration option and would have no impact on the aggregate leverage of MCT and the Merged Entity above that which would result under the Trust Scheme prior to the introduction of the Cash-Only Consideration.

We note that the size of the Preferential Offering will be determined by:

(a) the result of the election of the form of Scheme Consideration to be received by the MNACT Unitholders pursuant to the Trust Scheme; and

(b) the proportion of MCT Unitholders (excluding the MIPL Entities) who elect to subsribe for the Preferential Offering Units

The inclusion of the alternative Cash-Only Consideration option achieves the same pro forma financial effects as the Cash-and-Scrip Consideration and has no impact on the pro forma aggregate leverage. It remains distribution per Unit and NAV accretive to MCT Unitholders on a pro forma basis. The strategic benefits and the pro forma financial effects of the Merger on MCT and the Merged Entity remain intact under these alternatives from MCT Unitholders' perspectives.

Grant of the Whitewash Waiver by the SIC

The SIC granted the Initial Whitewash Waiver on 26 January 2022 and the Whitewash Waiver on 18 March 2022, subject, inter alia, to the satisfaction of the following conditions as defined in section 8 of this Letter.

Satisfaction of the SIC Conditions

As at the Latest Practicable Date, save for Paragraph 8.3 (i) and (ix) of the Circular , all the SIC Conditions have been satisfied.

Abstention from Voting on Resolution 3 (Whitewash Resolution)

Pursuant to the SIC Waiver granted in relation to Resolution 3, (Whitewash Resolution), MIPL, parties acting in concert with it (which includes MIPL and its subsidiaries) and parties not independent of MIPL will abstain from voting on Resolution 3, (Whitewash Resolution), and shall decline to accept appointments as proxies in respect of Resolution 3 (Whitewash Resolution) unless specific instructions as to voting are given.

Implications of the Whitewash Resolution

The Independent MCT Unitholders should note that by voting in favour of the Whitewash Resolution, they will be waiving their rights to receive a general offer for all of their Units from MIPL.

13. RECOMMENDATION

In arriving at our opinion whether the Merger is on normal commercial terms and not prejudicial to the interests of MCT and its minority unitholders, we have evaluated, *inter alia*, whether the MNACT Units and the Consideration Units are fairly valued based on the Scheme Consideration and the Consideration Unit Price, respectively, and have considered, *inter alia*, the following factors below which should be read in conjunction with, and interpreted, in the full context of this Letter:

(a) Based on the full year ended 31 March 2022 pro forma unaudited financials, the Merger is accretive to MCT Unitholders on a DPU basis and NAV per MCT Unit basis under the Scrip-Only Consideration, Cash-and-Scrip Consideration and Cash-Only Consideration;

(b) Based on the full year ended 31 March 2021 pro forma audited financials, the Merger is accretive to MCT Unitholders on a NAV per MCT Unit basis under the Scrip-Only Consideration, Cash-and-Scrip Consideration and Cash-Only Consideration;

(c) Based on the full year ended 31 March 2021 pro forma audited financials, the Merger is marginally dilutive on a DPU basis under the Scrip-Only Consideration but accretive under the Cash-and-Scrip Consideration and Cash-Only Consideration;

(d) Based on the full year ended 31 March 2021 pro forma audited financials, the pro forma aggregate leverage ratio assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration is 39.2%;

(e) Based on the full year ended 31 March 2022 pro forma unaudited financials, the pro forma aggregate leverage ratio assuming all MNACT Unitholders (excluding the MIPL Entities) elect to receive Cash-Only Consideration is 38.8%;

(f) As disclosed in the Circular, the completion of the Merger will result in the creation of a flagship commercial S-REIT in Asia listed on the SGX-ST with AUM increasing to approximately S$17.1 billion from approximately S$8.8 billion prior to the Merger and an enlarged geographical investment mandate;

(g) As a result of an increase in market capitalisation, the Merged Entity may experience an increase in trading liquidity, investor coverage and inclusion in indices; and

(h) The Merger may also potentially provide MCT Unitholders with asset class geographical diversification benefits supporting the future growth of the Merged Entity as compared to MCT on a standalone basis.

<u>The Exchange Ratio of 0.5963x is:</u>

(i) below the exchange ratio of 0.6578 implied by the last closing prices of the MCT Units and the MNACT Units as at the Latest Practicable Date;

(ii) broadly in line with the exchange ratio of 0.6159 implied by the VWAPs of the MCT Units and the MNACT Units for the period from the Joint Announcement Date to Latest Practicable Date;

(iii) above the exchange ratios of 0.5550x, 0.5133x, 0.4863x, 0.4822x and 0.4849x implied by the last closing prices, 1-month, 3-month, 6-month and 12-month VWAPs of the MCT Units and the MNACT Units as at the Last Trading Date, respectively;

(iv) below the exchange ratio of 0.6469x implied by the Pre-COVID VWAPs of the MCT Units and the MNACT Units from 28 December 2016 up to and including 31 December 2019; and

(v) broadly in line with the exchange ratio of 0.5714x implied by the 5-year VWAPs of the MCT Units and the MNACT Units from 28 December 2016 up to and including the Last Trading Date.

<u>In the evaluation of the Scheme Consideration:</u>

1. The liquidity analysis of the MNACT Units and the Top 20 STI Companies indicates that there is high liquidity in the MNACT Units and that the market prices of the MNACT Units should generally reflect the fundamental, market-based value of the MNACT Units;

2. The historical market performance and trading activity of the MNACT Units indicate that:

   - the Scheme Consideration of S$1.1949 represents a premium of 7.6% to the closing price of the MNACT Units on the Last Trading Date;

   - the Scheme Consideration of S$1.1949 represents a premium / (discount) of 14.4%, 17.5%, 17.8%, 17.3%, (0.2%) and 7.8% to the 1-month, 3-month, 6-month, 12-month, Pre-Covid and 5 Year VWAPs of the MNACT Units, respectively;

   - the average daily trading volume of the MNACT Units as a percentage of the free float ranged between 0.3% and 0.4%, in the 1-month, 3-month, 6-month and 12-month, Pre-Covid and 5 Year periods up to the Last Trading Date;

   - the average daily trading value of the MNACT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 1-month, 3-month, 6-month and 12-month, Pre-Covid and 5 Year periods up to the Last Trading Date;

   - the Scheme Consideration of S$1.1949 represents a discount of 2.9% to the closing price of the MNACT Units on the Latest Practicable Date;

   - the Scheme Consideration of S$1.1949 represents a premium of 4.9% to the VWAPs of the MNACT Units in the period between the Joint Announcement Date up to the Latest Practicable Date;

   - the average daily trading volume of the MNACT Units as a percentage of the free float was 0.8% in the period between the Joint Announcement Date up to the Latest Practicable Date; and

   - the average daily trading value of the MNACT Units as a percentage of the market capitalisation was 0.5% in the period between the Joint Announcement Date up to the Latest Practicable Date

3. The comparison of the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x to the trailing Latest P/NAV multiples of the MNACT Units indicates that:

   - the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is above the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.72x to 0.89x and above the mean and median of 0.79x, over the 12-month period up to and including the Last Trading Date;

   - the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.78x to 1.05x but above the mean and median of 0.89x and 0.88x, respectively, over the pre-COVID period from 28 December 2016 to 31 December 2019; and

   - the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the trailing Latest P/NAV multiples of the MNACT Units of 0.50x to 1.05x but above the mean and median of 0.83x and 0.84x, respectively, over the 5-year period from 28 December 2016 up to and including the Last Trading Date.

4. The comparison of the LTM DY of the MNACT Units implied by the Scheme Consideration of 5.63% to the trailing LTM DYs of the MNACT Units indicates that:

   - the LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 5.46% to 6.79% but below the mean and median of 6.15% and 6.11%, respectively, over the 12-month period up to and including the Last Trading Date;

   - the LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 4.71% to 7.94% but below the mean and median of 6.40% and 6.50%, respectively, over the pre-COVID period from 28 December 2016 to 31 December 2019; and

   - the LTM DY implied by the Scheme Consideration of 5.63% is within the range of the trailing LTM DYs of the MNACT Units of 4.71% to 10.73% but below the mean and median of 6.56% and 6.47%, respectively, over the 5-year period from 28 December 2016 up to and including the Last Trading Date.

5. The comparison of valuation multiples implied by the Scheme Consideration to those of the Comparable North Asian REITs indicates that:

   - the Latest P/NAV multiple implied by the Scheme Consideration of 1.00x is within the range of the P/NAV multiples of the Comparable North Asian REITs of 0.26x to 1.15x but above the mean and median of 0.75x and 0.81x, respectively; and

   - the LTM DY implied by the Scheme Consideration of 5.6% is within the range of the LTM DY of the Comparable North Asian REITs of 3.5% to 9.0% and above the mean and median of 5.5% and 4.8%, respectively.

6. The comparison of premium/discount to the prevailing VWAPs implied by the Scheme Consideration to those implied in the Precedent S-REITs Mergers indicates that:

   - the premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is within the range of the premia implied by the Precedent S-REITs Mergers of (0.3%) to 11.5% but above the mean and median of 3.2% and 1.9%, respectively;

- the premium implied by the Scheme Consideration over the 1-month, 6-month and 12-month period VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent S-REITs Mergers of 2.1% to 27.1%; and

- the P/NAV implied by the Scheme Consideration as at the Last Trading Date is within the range of P/NAV implied by the Precedent S-REITs Mergers of 1.00x to 1.43x and below the mean and median of 1.16x and 1.12x, respectively.

7. The comparison of premium/discount to the prevailing VWAPs and P/NAV implied by the Scheme Consideration to those implied in the Precedent S-REITs Cash Acquisitions indicates that:

   - the P/NAV implied by the Scheme Consideration as at the Last Trading Date is within the range of P/NAV implied by the Precedent S-REITs Cash Acquisitions of 0.58x to 1.23x and within the mean and median of 0.98x and 1.00x;

   - the premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is below the range of the premia implied by the Precedent S-REITs Cash Acquisitions of 24.5% to 35.9%; and

   - the premium implied by the Scheme Consideration over the 1-month, 6-month and 12-month period VWAP as at the Last Trading Date is below the range of the premia implied by the Precedent S-REITs Cash Acquisitions of 25.6% to 53.3%.

8. The comparison of premium/discount to the prevailing VWAPs implied by the Scheme Consideration to those implied in the Precedent Privatisations indicates that:

   - the premium of 7.6% implied by the Scheme Consideration over the last transacted market price of MNACT as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 3.2% to 88.1% and below the mean and median of 26.9% and 20.9%, respectively;

   - the premium of 14.4% implied by the Scheme Consideration over the 1-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 5.7% to 105.2% and below the mean and median of 31.9% and 28.3%, respectively;

   - the premium of 17.8% implied by the Scheme Consideration over the 6-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisations of 5.5% to 112.7% and below the mean and median of 37.3% and 27.7%, respectively; and

   - the premium of 17.3% implied by the Scheme Consideration over the 12-month VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Privatisation of 6.7% to 95.2% and below the mean and median of 37.5% and 31.1%, respectively.

9. The comparison of the Scheme Consideration to broker target prices of the MNACT Units indicates that the Scheme Consideration of S$1.1949 is:

- within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$1.0800 and S$1.3000 but above the mean and median of S$1.1583 and S$1.1350, respectively; and

- above the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.1300 to S$1.1900.

<u>In the evaluation of the Consideration Unit Price:</u>

1. The liquidity analysis of the MCT Units and the Top 20 STI Companies indicate that there is high liquidity in the MCT Units and that the market prices of the MCT Units should generally reflect the fundamental, market-based value of the MCT Units;

2. The historical market performance and trading activity of the MCT Units indicate that:

    - the Consideration Unit Price of S$2.0039 represents a premium of 0.2% to the closing price of the MCT Units on the Last Trading Date;

    - the Consideration Unit Price of S$2.0039 represents a premium / (discount) of (1.6%), (4.2%), (4.7%), (4.6%), 8.3% and 3.3% to the 1-month, 3-month, 6-month, 12-month, Pre-Covid and 5 Year VWAPs of the MCT Units, respectively;

    - the average daily trading volume of the MCT Units as a percentage of the free float was 0.4% in the 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Date;

    - the average daily trading value of the MCT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Date;

    - the Scheme Consideration of S$2.0039 represents a premium of 7.2% to the closing price of the MCT Units on the Latest Practicable Date;

    - the Scheme Consideration of S$2.0039 represents a premium of 8.3% to the VWAPs of the MCT Units in the period between the Joint Announcement Date up to the Latest Practicable Date;

    - the average daily trading volume of the MCT Units as a percentage of the free float was 1.1% in the period between the Joint Announcement Date up to the Latest Practicable Date; and

    - the average daily trading value of the MCT Units as a percentage of the market capitalisation was 0.6% in the period between the Joint Announcement Date up to the Latest Practicable Date.

3. The comparison of the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x to the trailing Latest P/NAV multiples of the MCT Units indicates that:

    - the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 1.14x to 1.30x over the 12-month period up to and including the Last Trading Date but below the mean and median of 1.22x and 1.23x, respectively;

- the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 1.04x to 1.48x over the pre-COVID period from 28 December 2016 to 31 December 2019 and within the mean and median of 1.18x and 1.14x, respectively; and

- the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is within the range of the trailing Latest P/NAV multiples of the MCT Units of 0.85x to 1.48x over the 5-year period from 28 December 2016 up to and including the Last Trading Date and within the mean and median of 1.18x and 1.16x, respectively.

4. The comparison of the LTM DY of the MCT Units implied by the Consideration Unit Price of 4.84% to the trailing LTM DYs of the MCT Units indicates that:

- the LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.38% to 4.93% over the 12-month period up to and including the Last Trading Date but above the mean and median of 4.23% and 4.43%, respectively;

- the LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.82% to 5.93% over the pre-COVID period from 28 December 2016 to 31 December 2019 and below the mean and median of 5.25% and 5.53%, respectively; and

- the LTM DY implied by the Consideration Unit Price of 4.84% is within the range of the trailing DYs of the MCT Units of 3.38% to 6.27% over the 5-year period from 28 December 2016 up to and including the Last Trading Date and broadly in line with the mean and median of 4.83% and 4.76%, respectively.

5. The comparison of valuation multiples implied by the Consideration Unit Price to those of the Comparable Commercial S-REITs indicates that:

- the Latest P/NAV multiple implied by the Consideration Unit Price of 1.16x is above the range of the P/NAV multiples of the Comparable Commercial S-REITs of 0.72x to 1.10x; and

- the LTM DY implied by the Consideration Unit Price of 4.8% is within the range of the LTM DY of the Comparable Commercial S-REITs of 4.4% to 6.3%.

6. The comparison of the Consideration Unit Price to broker target prices of the MCT Units indicates that the Consideration Unit Price of S$2.0039 is:

- within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$1.9500 to S$2.4800 but below the mean and median of S$2.2694 and S$2.2900, respectively; and

- within the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.8600 to S$2.4800 but below the mean and median of S$2.1173 and S$2.0900, respectively.

Other relevant considerations that have a significant bearing on our assessment in relation to the Merger:

(i) the Merger being an interested person transaction and interested party transaction;

(ii) the MCT Trust Deed Amendments; and

(iii) The Whitewash Resolution.

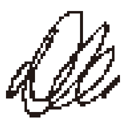
Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as at the Latest Practicable Date:

(a) the Scheme Consideration is fairly valued and the Merger (including the proposed issuance of Consideration Units) and the MCT Trust Deed Amendments are on normal commercial terms and not prejudicial to the interests of MCT and its minority unitholders. Accordingly, we advise the Audit and Risk Committee of the MCT Manager and the MCT Independent Directors to recommend that the independent MCT Unitholders **VOTE IN FAVOUR** of **Resolution 1 (Proposed Merger)** and **Resolution 4 (MCT Trust Deed Amendments)**;

(b) the financial terms of the Merger (that is the subject of the Whitewash Resolution) and the Whitewash Resolution are fair and reasonable. Accordingly, we advise the Audit and Risk Committee of the MCT Manager and the MCT Independent Directors to recommend that the independent MCT Unitholders **VOTE IN FAVOUR** of **Resolution 3 (Whitewash Resolution)**.

The Audit and Risk Committee, the MCT Independent Directors and the MCT Trustee should note that we have arrived at these conclusions based on information made available to us prior to and including the Latest Practicable Date. MCT Unitholders should also note that our opinion on the Merger cannot and does not take into account the future trading activity or patterns or price levels that may be established for the MCT Units and the MNACT Units as these are governed by factors beyond the scope of our review and would not fall within our terms of reference in connection with the Merger. MCT Unitholders should not rely on our opinion as the sole basis for deciding whether or not to vote in favour of the Merger.

Yours faithfully
For and on behalf of
Australia and New Zealand Banking Group Limited, Singapore Branch



Ilhem Dib
Head of Corporate Advisory, Asia

MAPLETREE COMMERCIAL TRUST

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** ("**EGM**") of the holders of units of Mapletree Commercial Trust ("**MCT**", units in MCT, "**Units**" and the holders of Units, "**Unitholders**") will be held by way of electronic means at 10.00 a.m. on Monday, 23 May 2022, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 29 April 2022 to Unitholders (the "**Circular**")):

(1) PROPOSED MERGER OF MAPLETREE COMMERCIAL TRUST AND MAPLETREE NORTH ASIA COMMERCIAL TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT (ORDINARY RESOLUTION)

That, subject to the passing of Resolution 2 and Resolution 3:

(i) approval be and is hereby given for the Merger (including the MCT Acquisition and the Interested MNACT Units Acquisition) on the terms and conditions set out in the Implementation Agreement;

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Merger and the MCT Acquisition; and

(iii) Mapletree Commercial Trust Management Ltd., as manager of MCT (the "**MCT Manager**"), any director of the MCT Manager, and DBS Trustee Limited, as trustee of MCT (the "**MCT Trustee**") be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the MCT Manager, such director of the MCT Manager or, as the case may be, the MCT Trustee may consider expedient or necessary or in the interests of MCT to give effect to the Merger and the MCT Acquisition.

(2) PROPOSED ALLOTMENT AND ISSUANCE OF UNITS OF MAPLETREE COMMERCIAL TRUST TO THE HOLDERS OF UNITS IN MAPLETREE NORTH ASIA COMMERCIAL TRUST AS FULL OR PART OF THE CONSIDERATION FOR THE MERGER (ORDINARY RESOLUTION)

That, subject to the passing of Resolution 1 and Resolution 3:

(i) approval be and is hereby given for the MCT Manager to issue, in the manner described in the Circular, new Units to the unitholders of Mapletree North Asia Commercial Trust as full or part of the consideration for the MCT Acquisition in connection with the Merger (such units issued, the "**Consideration Units**");

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the issue of Consideration Units; and

(iii) the MCT Manager, any director of the MCT Manager, and the MCT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the MCT Manager, such director of the MCT Manager or, as the case may be, the MCT Trustee may consider expedient or necessary or in the interests of MCT to give effect to the issue of the Consideration Units.

(3) PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE CONCERT PARTY GROUP (ORDINARY RESOLUTION)

That, Unitholders, other than Mapletree Investments Pte Ltd ("**MIPL**") and their concert parties (together, the "**Concert Party Group**") and parties not independent of them, hereby (on a poll taken) waive their rights to receive a general offer from MIPL and parties acting in concert with it for all the remaining issued Units not owned or controlled by MIPL and parties acting in concert with it, in the event that they incur a mandatory bid obligation pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers as a result of the allotment and issue of Consideration Units and Preferential Offering Units to the Concert Party Group.

(4) PROPOSED AMENDMENTS TO THE MCT TRUST DEED TO ADOPT THE MANAGEMENT FEE SUPPLEMENT (EXTRAORDINARY RESOLUTION)

That, subject to the passing of Resolution 1, Resolution 2 and Resolution 3:

(i) approval be and is hereby given to adopt the Management Fee Supplement to amend the deed of trust dated 25 August 2005 constituting MCT (as amended) (the "**MCT Trust Deed**"), subject to the Trust Scheme becoming effective in accordance with its terms and in the manner described and set out in the Circular; and

(ii) the MCT Manager, any director of the MCT Manager, and the MCT Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the MCT Manager, such director of the MCT Manager or, as the case may be, the MCT Trustee may consider expedient or necessary or in the interests of MCT to give effect to the proposed amendments to the MCT Trust Deed.

BY ORDER OF THE BOARD
Mapletree Commercial Trust Management Ltd.
(Company Registration No. 200708826C)
As Manager of Mapletree Commercial Trust

Wan Kwong Weng
Joint Company Secretary

Singapore
29 April 2022

Important Notice:

1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will be sent to Unitholders by electronic means via publication on MCT's website at **https://www.mapletreecommercialtrust.com**, and will also be made available on the SGX-ST's website at **https://www.sgx.com/securities/company-announcements ("SGXNET")**. Printed copies of this Notice and the Proxy Form will also be sent to Unitholders.

2. **The EGM will be held by way of electronic means as a precautionary measure due to the constantly evolving COVID-19 situation in Singapore and the unpredictable nature of COVID-19. Accordingly, Unitholders will not be able to attend the EGM in person.** Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast), submission of questions to the Chairman of the EGM in advance of the EGM or by submitting text-based questions during the EGM via the online chat box, addressing of substantial and relevant questions either before or at the EGM, and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Circular dated 29 April 2022. The Circular may be accessed at MCT's website at **https://www.mapletreecommercialtrust.com**, and will also be made available on the SGXNET. Any reference to a time of day is made by reference to Singapore time.

3. Appointment of Proxies

   A Unitholder will not be able to vote online on the resolutions to be tabled for approval at the EGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the EGM, as proxy, need not be a Unitholder.

   In appointing the Chairman of the EGM as proxy, a Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

   The Proxy Form must be submitted in the following manner:

   (i) if submitted by post, be lodged at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (ii) if submitted via electronic mail, attach and send a clear scanned PDF copy of the completed and signed Proxy Form to the Unit Registrar at **srs.teamd@boardroomlimited.com**,

   in each case, by no later than 10.00 a.m. on Friday, 20 May 2022, being 72 hours before the time fixed for the EGM.

   The Proxy Form can also be downloaded from SGXNET or MCT's website at **https://www.mapletreecommercialtrust.com**.

   A Unitholder who wishes to submit an instrument of proxy must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the constantly evolving COVID-19 situation, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email, rather than by post.

4. Pre-registration for the EGM

   Unitholders, CPF Investors and SRS Investors attending the EGM will be able to observe and/or listen to the EGM proceedings through the Live Webcast via their mobile phones, tablets or computers.

   All Unitholders, CPF Investors and SRS Investors who wish to attend the EGM are required to pre-register via the pre-registration website at **https://go.lumiengage.com/mctegm2022** for verification purposes by 10.00 a.m. on Friday, 20 May 2022.

Unitholders, CPF Investors and SRS Investors can scan the QR code to pre-register for the EGM	

   Following verification by the MCT Manager, authenticated Unitholders, CPF Investors and SRS Investors will be provided with the Confirmation Email via the e-mail address provided during pre-registration or as indicated in the Proxy Form to attend the EGM.

   Unitholders, CPF Investors and SRS Investors who have pre-registered by 10.00 a.m. on Friday, 20 May 2022 but have not received the Confirmation Email by 10.00 a.m. on Sunday, 22 May 2022 should immediately contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6230 9580/+65 6230 9586 (during office hours) or at **srs.teamd@boardroomlimited.com**.

5. Question and answer

   Unitholders, CPF Investors and SRS Investors will be able to ask questions at the EGM by submitting text-based questions during the Live Webcast via the online chat box through the live audio-visual webcast platform. Unitholders, CPF Investors and SRS Investors are also encouraged to submit questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, in advance of the EGM.

   Unitholders, CPF Investors and SRS Investors should submit questions in advance of the EGM in the following manner, and the questions should be received by the MCT Manager no later than 10.00 a.m. on Saturday, 14 May 2022:

   (i) by post to the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(ii) via the pre-registration website at **https://go.lumiengage.com/mctegm2022**; or

(iii) via email to the MCT Manager at **enquiries_mct@mapletree.com.sg**.

Unitholders, CPF Investors and SRS Investors who submit questions via email must provide the following information for authentication:

(a) the Unitholder's full name;

(b) the Unitholder's address; and

(c) the manner in which the Unitholder holds Units in MCT (e.g., via CDP, CPF or SRS).

The MCT Manager's Chairman, Mr. Tsang Yam Pui, the Lead Independent Director, Ms. Kwa Kim Li, the Chairman of the Audit and Risk Committee, Mr. Premod P. Thomas, together with the senior management of the MCT Manager, will conduct the proceedings of the EGM. The MCT Manager will endeavour to address all substantial and relevant questions submitted in advance of the EGM, prior to or during the EGM, and the MCT Manager will publish the responses to such questions received on or before 10.00 a.m. on Saturday, 14 May 2022, on MCT's website and on SGXNET by 10.00 a.m. on Tuesday, 17 May 2022, being at least 72 hours before the deadline for Unitholders to submit their Proxy Forms to vote at the EGM.

The MCT Manager will publish the minutes of the EGM on MCT's website and on SGXNET, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

6. Relevant intermediaries

Persons who hold Units through relevant intermediaries (as defined below), and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through the Live Webcast; (b) submitting questions in advance of the EGM; (c) submitting questions during the EGM; and/or (d) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

A "**relevant intermediary**" means:

(i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the SFA and who holds Units in that capacity; or

(iii) the CPF Board established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

In addition, CPF Investors and SRS Investors may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on Tuesday, 10 May 2022, being seven working days before the date of the EGM.

7. Other details

(i) The Chairman of the EGM, as proxy, need not be a Unitholder of MCT.

(ii) Printed copies of the Notice of EGM and Proxy Form will be sent to Unitholders.

(iii) The Circular may be accessed at MCT's website at **https://www.mapletreecommercialtrust.com** and on SGXNET.

(iv) Due to the constantly evolving COVID-19 situation in Singapore, the MCT Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check MCT's website at **https://www.mapletreecommercialtrust.com** for the latest updates on the status of the EGM.

Personal Data Privacy:

By (i) submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, (ii) completing the pre-registration for the EGM in accordance with this Notice, or (iii) submitting any question in advance of or at the EGM in accordance with this Notice, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the MCT Manager and the MCT Trustee (or their agents) for the following purposes:

(a) the processing and administration by the MCT Manager and the MCT Trustee (or their agents) of Proxy Forms appointing the Chairman of the EGM as a proxy for the EGM (including any adjournment thereof);

(b) the processing of the pre-registration for purposes of granting access to Unitholders (or their corporate representatives in the case of Unitholders which are legal entities) to the EGM and providing them with any technical assistance where necessary;

(c) addressing relevant and substantial questions from Unitholders, CPF Investors and SRS Investors received before or at the EGM and if necessary, following up with the relevant Unitholders, CPF Investors and SRS Investors in relation to such questions;

(d) the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof); and

(e) in order for the MCT Manager and the MCT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Glue all sides firmly. Stapling and spot sealing are disallowed.

MAPLETREE COMMERCIAL TRUST

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

PROXY FORM
Extraordinary General Meeting

IMPORTANT:

1. The Extraordinary General Meeting ("**EGM**") of Mapletree Commercial Trust ("**MCT**") will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. **The constantly evolving COVID-19 situation in Singapore and the related safe distancing measures have impacted the manner in which Mapletree Commercial Trust Management Ltd., in its capacity as manager of MCT (the "Manager") conducts its EGM. The well-being of Unitholders and its staff are the Manager's priority. As a precautionary measure to keep physical interactions and COVID-19 transmission risk to a minimum, the Manager is not providing for physical attendance by Unitholders at the EGM and the EGM will be conducted virtually.**
3. Alternative arrangements relating to attendance at the EGM (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM or by submitting text-based questions during the EGM via the online chat box, addressing of substantial and relevant questions either before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM.
4. **A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM.**
5. CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on Tuesday, 10 May 2022, being seven working days before the date of the EGM.
6. By submitting an instrument appointing the Chairman of the EGM as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 29 April 2022.
7. Unless otherwise defined herein, all capitalised terms used in this Proxy Form shall have the same meanings ascribed to them in the circular dated 29 April 2022 issued by the Manager to the Unitholders.
8. **Please read the notes overleaf which contain instructions on the appointment of the Chairman of the EGM as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

I/We ____

____________________ (Name(s) and NRIC/Passport/Company Registration Number(s))

of ____ (Address)

being a Unitholder/Unitholders of MCT, hereby appoint the Chairman of the EGM as my/our proxy to attend and vote for me/us on my/our behalf, at the EGM of MCT to be held by electronic means at 10.00 a.m. on Monday, 23 May 2022 and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes "for" or "against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "for" or "against" in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of Units that the Chairman of the EGM as your proxy is directed to abstain from voting in the "Abstain" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.)

No.	Resolutions	For	Against	Abstain
1.	Proposed Merger of Mapletree Commercial Trust and Mapletree North Asia Commercial Trust by way of a trust scheme of arrangement (Ordinary Resolution)			
2.	Proposed allotment and issuance of units of Mapletree Commercial Trust to the holders of units in Mapletree North Asia Commercial Trust as full or part of the consideration for the Merger (Ordinary Resolution)			
3.	Proposed Whitewash Resolution in relation to the Concert Party Group (Ordinary Resolution)			
4.	Proposed amendments to the MCT Trust Deed to adopt the Management Fee Supplement (Extraordinary Resolution)			

Dated this ________ day of ______________ 2022

Total Number of Units Held

____

Signature(s) of Unitholder(s)/
Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE

Glue all sides firmly. Stapling and spot sealing are disallowed.

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

NOTES TO PROXY FORM:

1. **The COVID-19 situation in Singapore and the related safe distancing measures have impacted the manner in which the Manager conducts the EGM. The well-being of Unitholders and its staff are the Manager's priority. As a precautionary measure to keep physical interactions and COVID-19 transmission risk to a minimum, the Manager is not providing for physical attendance by Unitholders at the EGM and the EGM will be conducted virtually.**
2. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM. This Proxy Form may be accessed at MCT's website at **https://www.mapletreecommercialtrust.com**, and will also be made available on the SGX-ST's website at **https://www.sgx.com/securities/company-announcements**. Where a Unitholder (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. CPF Investors and SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on Tuesday, 10 May 2022, being seven working days before the date of the EGM.
4. The Chairman of the EGM, as proxy, need not be a Unitholder of MCT.
5. The Proxy Form appointing the Chairman of the EGM as proxy must be submitted in the following manner:
   (i) if submitted by post, be lodged at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
   (ii) if submitted via electronic mail, attach and send a clear scanned PDF copy of the completed and signed Proxy Form to the Unit Registrar at **srs.teamd@boardroomlimited.com**,

   in each case, by no later than 10.00 a.m. on Friday, 20 May 2022, being 72 hours before the time fixed for the EGM.

   A Unitholder who wishes to submit an instrument of proxy must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the constantly evolving COVID-19 situation, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email, rather than by post.
6. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she/it should insert that number of Units. If the Unitholder has Units registered in his/her/its name in the Register of Unitholders of MCT, he/she/it should insert that number of Units. If the Unitholder has Units entered against his/her/its name in the said Depository Register and registered in his/her/its name in the Register of Unitholders, he/she/it should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
7. The Proxy Form must be executed under the hand of the appointor or his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Manager.
10. Any reference to a time of day is made by reference to Singapore time.

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mapletree commercial

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BUSINESS REPLY SERVICE
PERMIT NO. 08693

Mapletree Commercial Trust Management Ltd.
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Fold here

Mapletree Commercial Trust Management Ltd.

10 Pasir Panjang Road
#13-01 Mapletree Business City
Singapore 117438

www.mapletreecommercialtrust.com

DIRECTORS' RESPONSIBILITY STATEMENT

The MCT Directors (including those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Merger, the Proposed Issuance of Consideration Units, the Whitewash Resolution, the MCT Trust Deed Amendments, the Preferential Offering, MCT and the MCT Group, and the MCT Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including the Sponsor, MNACT, the MNACT Manager or their respective advisers), the sole responsibility of the MCT Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reflected or reproduced in this Circular in its proper form and context.

The MCT Directors do not accept any responsibility for any information relating to the Sponsor, MNACT and/or the MNACT Manager or any opinion expressed by the Sponsor, MNACT and/or the MNACT Manager.