

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

ANNOUNCEMENT

THE PROPOSED DIVESTMENT OF MAPLETREE ANSON

1. Introduction

1.1 Divestment of the Property

MPACT Management Ltd., in its capacity as manager of Mapletree Pan Asia Commercial Trust (“MPACT” and as manager of MPACT, the “Manager”), wishes to announce that DBS Trustee Limited, in its capacity as trustee of MPACT (the “Trustee”), has today entered into a put and call option agreement (the “PCOA”) with an unrelated third party (the “Purchaser”) in relation to the proposed divestment of the land lot¹ together with the building(s) and structure(s) erected thereon which collectively comprise the property known as “Mapletree Anson”, located at 60 Anson Road, Singapore 079914 and the plant and equipment included therein (the “Property” and the proposed divestment of the Property, the “Divestment”). A binding contract for the sale and purchase between the Trustee and the Purchaser of the Property (the “Purchase Agreement”) is deemed to be constituted on the date of exercise of either the Call Option (as defined herein) or the Put Option (as defined herein), as the case may be.

1.2 Information on the Property

The Property is a 19-storey office building located in the Tanjong Pagar micro-market of Singapore’s Central Business District. Completed in July 2009, it offers over 320,000 square feet (“sq ft”) of lettable area. The Property is situated within a two-minute walk from the Tanjong Pagar Mass Rapid Transit station and is connected to major arterial roads and expressways.

The valuation of the Property conducted by CBRE Pte. Ltd. (the “Independent Valuer”)² is S\$765.0 million as at 31 March 2024. The methods used by the Independent Valuer were the income capitalisation method and discounted cash flow analysis method.

The following table sets out a summary of selected information on the Property as at 31 March 2024:

Property	Mapletree Anson
Location	60 Anson Road, Singapore 079914
Asset Type	Office
Lettable Area (sq ft)	329,487
Carpark Lots	80

1 The whole of land lot TS3-758X.

2 The Independent Valuer has been commissioned by the Manager to value the Property for MPACT, in connection with the annual valuation of all the properties owned by MPACT and its subsidiaries (the “MPACT Group”).

Title	99-year leasehold from 22 October 2007
Date of Acquisition	4 February 2013
Original Purchase Price (million)	S\$680.0
Gross Revenue for the financial year ended 31 March 2024 (“FY23/24”) (million)	S\$37.2
Net Property Income (“NPI”) for FY23/24 (million)	S\$29.3
NPI Yield for FY23/24 based on the Divestment Consideration (as defined herein)	3.8%
Committed Occupancy Rate	100.0%
Weighted Average Lease Expiry by Gross Rental Income (years)	3.8
Number of Leases	23
Number of Tenants	17

2. Principal Terms of the Divestment

2.1 Principal Terms of the PCOA

In connection with the proposed Divestment, the Trustee has on 30 May 2024 entered into the PCOA with the Purchaser in respect of the Property. Pursuant to the PCOA, the Trustee has agreed to grant to the Purchaser a call option (the “**Call Option**”) and the Purchaser has agreed to grant to the Trustee a put option (the “**Put Option**”) relating to the sale and purchase of the Property, upon the terms and subject to the conditions contained in the PCOA.

To exercise the Call Option, the Purchaser must deliver to the Trustee the duly signed and dated Call Option exercise notice pursuant to the PCOA (the “**Call Option Exercise Notice**”) on 31 July 2024 (or such other date as may be mutually agreed in writing between the Trustee and the Purchaser) (the “**Call Option Exercise Date**”) in accordance with the terms of the PCOA. Upon the delivery to the Trustee of the duly signed and dated Call Option Exercise Notice, the Trustee and the Purchaser shall be deemed to have entered into the Purchase Agreement for the sale and purchase of the Property at the Divestment Consideration of S\$775.0 million.

To exercise the Put Option, the Trustee must deliver to the Purchaser the duly signed and dated Put Option exercise notice pursuant to the PCOA (the “**Put Option Exercise Notice**”) on the first business day following the Call Option Exercise Date (or such other date as may be mutually agreed in writing between the Trustee and the Purchaser) in accordance with the terms of the PCOA. Upon the delivery to the Purchaser of the duly signed and dated Put Option Exercise Notice, the Trustee and the Purchaser shall be deemed to have entered into the Purchase Agreement for the sale and purchase of the Property at the Divestment Consideration of S\$775.0 million.

Completion of the Divestment will take place simultaneously with the exercise of the Call Option or, as the case may be, the exercise of the Put Option and is targeted to take place in July 2024.

Under the PCOA, the sale and purchase of the Property is subject to the Property not being affected by unsatisfactory legal requisition replies and compulsory acquisition by the government or other competent authority.

2.2 Divestment Consideration and Valuation

The divestment price of the Property is S\$775.0 million (the “**Divestment Consideration**”) and represents a gain of S\$10.0 million, or 1.3%, over the book value of the Property and the independent valuation of the Property³ of S\$765.0 million as at 31 March 2024. Furthermore, the Divestment Consideration is S\$95.0 million, or 14.0%, higher than the original purchase price of S\$680.0 million paid for the Property.⁴

This Divestment Consideration results in an estimated gain on disposal of approximately S\$3.8 million.⁵ The Divestment Consideration was negotiated on a willing-buyer and willing-seller basis after taking into account the aforementioned independent valuation of the Property.

On or before the execution of the PCOA on 30 May 2024, the Purchaser shall pay to the Trustee’s solicitors a deposit amounting to S\$38,750,000 (being 5% of the Divestment Consideration) (the “**Deposit**”) and the Purchaser shall pay the balance of the Divestment Consideration less the Deposit to the Trustee (or such other party(ies) as the Trustee may direct) on completion of the Divestment. The Divestment Consideration will be paid by the Purchaser in cash.

3. Rationale for the Divestment

This Divestment of Mapletree Anson, a non-core asset, is part of MPACT’s ongoing strategy to rationalise and optimise the portfolio for the benefit of the unitholders of MPACT (“**Unitholders**”). The Manager believes that the Divestment will benefit Unitholders as it is a proactive and carefully calculated step to enhance MPACT’s capital structure and financial resilience, taking into account prevailing market conditions. This is a strategic manoeuvre to optimise financial returns for Unitholders while unlocking new avenues for value creation.

Strengthened Capital Structure and Enhanced Financial Flexibility

The Manager intends to use the net proceeds from the Divestment towards debt reduction. This is expected to strengthen MPACT’s capital structure and financial resilience by (i) lowering its aggregate leverage ratio from 40.5% as at 31 March 2024 to 37.6% on a pro forma basis, (ii) enhance its adjusted interest coverage ratio (“**ICR**”) from 2.9 times for FY23/24 to 3.3 times on a pro forma basis and (iii) expand its debt headroom from approximately S\$3.2 billion as at 31 March 2024 to approximately S\$3.9 billion on a pro forma basis.⁶ The strengthened capital

3 Conducted by the Independent Valuer in connection with the annual independent valuation of all the properties owned by the MPACT Group as at 31 March 2024.

4 The Property was acquired on 4 February 2013.

5 Based on the Divestment Consideration of S\$775.0 million and the sum of the book value of the Property of S\$765.0 million as at 31 March 2024 and the estimated transaction-related expenses of S\$6.2 million.

6 Based on an aggregate leverage limit of 50% as permitted under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

structure would position favourably MPACT to safeguard and potentially enhance Unitholders' value. It also provides MPACT with greater financial flexibility for future manoeuvres.

DPU Accretive to MPACT Unitholders

The Divestment is expected to deliver approximately 1.5% of accretion to distribution per unit in MPACT ("Unit") ("DPU") for FY23/24 on a pro forma basis.

Divestment Consideration Secures Gain over Book Value and Original Purchase Price

The Divestment Consideration of S\$775.0 million represents a S\$10.0 million premium to the independent valuation of the Property (conducted by the Independent Valuer) of S\$765.0 million as at 31 March 2024 and a S\$95.0 million premium to the original purchase price of the Property of S\$680.0 million.

Maintaining Singapore's Continued Significance in a Diversified Portfolio

Upon completion of the Divestment, MPACT's portfolio will comprise 17 quality commercial properties located across the five key gateway markets of Asia. Despite the marginal transitional pivot in MPACT's portfolio composition resulting from the Divestment, Singapore remains the cornerstone of MPACT's long-term investment objectives. Underpinned by core assets, VivoCity and Mapletree Business City, Singapore will continue to be a significant component of MPACT's portfolio, contributing approximately 58% and 53% to MPACT's NPI⁷ and assets under management ("AUM"),⁸ respectively. The Divestment is in line with the Manager's commitment to an agile and adaptive portfolio management approach that ensures sustainable value creation for Unitholders, strengthening MPACT's fundamentals to pursue an overarching strategy to optimise the portfolio mix, while maintaining its strong foothold in the Singapore market.

4. Use of Divestment Proceeds and Financial Effects

4.1 Use of Divestment Proceeds

The Manager intends to use the net proceeds from the Divestment towards debt reduction. After taking into account the total estimated transaction costs of approximately S\$6.2 million⁹ and the transfer of tenants' security deposits of approximately S\$6.4 million, the net proceeds from the Divestment would be approximately S\$762 million.

⁷ Based on FY23/24 NPI (including contribution from The Pinnacle Gangnam).

⁸ Based on the independent valuation of the properties as at 31 March 2024 (including MPACT's 50% effective interest in The Pinnacle Gangnam).

⁹ The total estimated transaction costs of approximately S\$6.2 million comprises the divestment fee payable to the Manager for the Divestment pursuant to the Trust Deed dated 25 August 2005 (as amended) constituting MPACT (the "Trust Deed") of approximately S\$3.9 million (being 0.5% of the Divestment Consideration) payable in cash and other divestment-related expenses of approximately S\$2.3 million.

4.2 Pro Forma Financial Effects

FOR ILLUSTRATIVE PURPOSES ONLY

The pro forma financial effects of the Divestment on the MPACT Group presented below were prepared based on the unaudited financial statements of the MPACT Group for FY23/24 (the “FY23/24 Unaudited Financial Statements”).

4.2.1 Pro forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Divestment on the MPACT Group’s DPU for FY23/24, as if the Divestment was completed on 1 April 2023, is as follows:

	Effects of the Divestment	
	Before the Divestment	After the Divestment
Amount available for distribution (S\$ million)	468.6	475.4 ⁽¹⁾
Number of Units in issue (million)	5,253.0	5,253.1
DPU (Singapore cents)	8.91	9.04
DPU Accretion	-	1.5%

Note:

(1) Assumes that approximately S\$762 million of net proceeds was used to repay loan.

4.2.2 Pro forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Divestment on the net asset value (“NAV”) per Unit as at 31 March 2024, as if the Divestment was completed on 31 March 2024, is as follows:

	Effects of the Divestment	
	Before the Divestment	After the Divestment
NAV (S\$ million)	9,209.2	9,213.0 ⁽¹⁾
Number of Units in issue (million)	5,253.0	5,253.0
NAV per Unit (S\$)	1.75	1.75

Note:

(1) Includes net gain on disposal of S\$3.8 million.

4.2.3 Pro forma adjusted ICR and aggregate leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Divestment on the MPACT Group's adjusted ICR for FY23/24 and aggregate leverage as at 31 March 2024 is as follows:

	Effects of the Divestment	
	Before the Divestment	After the Divestment
Adjusted ICR (times)	2.9	3.3 ^{(1),(2)}
Aggregate Leverage (%)	40.5	37.6 ^{(2),(3)}

Notes:

- (1) Assumes that the Divestment was completed on 1 April 2023.
- (2) Assumes that approximately S\$762 million of net proceeds were used to repay loan.
- (3) Assumes that the Divestment was completed on 31 March 2024.

5. Interests of Directors and Controlling Unitholders

As at the date of this Announcement and based on information available to the Manager as at the date of this Announcement, save for the Unitholding interests in MPACT held by certain directors of the Manager and the controlling Unitholders, none of the directors of the Manager or the controlling Unitholders has an interest, direct or indirect, in the Divestment.

6. Other Information

6.1 Directors' Service Contracts

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

6.2 Relative Figures Computed on the Bases Set Out in Rule 1006 of the Listing Manual

Chapter 10 of the listing manual of Singapore Exchange Securities Trading Limited (the "SGX-ST" and the listing manual of the SGX-ST, the "Listing Manual") governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by MPACT. 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 transaction by MPACT 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 under Rule 1006 of the Listing Manual:

- (a) the NAV of the assets to be disposed of, compared with MPACT's NAV pursuant to

Rule 1006(a) of the Listing Manual;

- (b) the net profits attributable to the assets disposed of, compared with MPACT's net profits pursuant to Rule 1006(b) of the Listing Manual; and
- (c) the aggregate value of the consideration received, compared with MPACT's market capitalisation based on the total number of issued Units pursuant to Rule 1006(c) of the Listing Manual.

The relative figures computed on the bases set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual in respect of the Divestment is as follows:

	Divestment (S\$ million)	MPACT (S\$ million)	Relative figure (%)
<u>Rule 1006(a)</u> NAV of the assets to be disposed of, compared with MPACT's NAV as at 31 March 2024	765.0 ⁽¹⁾	9,471.2 ⁽²⁾	8.1
<u>Rule 1006(b)</u> NPI attributable to the assets to be disposed of, compared with the NPI of MPACT for FY23/24 ⁽³⁾	29.3 ⁽²⁾	727.9 ⁽²⁾	4.0
<u>Rule 1006(c)</u> Aggregate value of the consideration received compared with MPACT's market capitalisation based on the total number of issued Units	775.0	6,413.1 ⁽⁴⁾	12.1

Notes:

- (1) Based on book value of the Property as at 31 March 2024.
- (2) Based on the FY23/24 Unaudited Financial Statements.
- (3) In the case of a real estate investment trust, the NPI is a close proxy to the net profits attributable to its assets.
- (4) Based on 5,257,046,281 Units in issue and the weighted average price of the Units transacted on the SGX-ST on 29 May 2024, being the market day preceding the date of signing of the PCOA, of S\$1.2199 per Unit.

Under Rule 1010 of the Listing Manual, where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the transaction is classified as a discloseable transaction.

Given that none of the relative figures computed on the bases set out above exceeds 50% based on the aggregate value of all disposals in the last 12 months as there were no other disposals by MPACT in the last 12 months, the Divestment is in the ordinary course of MPACT's business pursuant to Rule 1014(3) of the Listing Manual. As such, the Divestment is not subject to Unitholders' approval under Chapter 10 of the Listing Manual.

7. Documents Available for Inspection

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

- (i) the PCOA; and
- (ii) the valuation report of the Independent Valuer.

The Trust Deed will also be available for inspection by prior appointment only during normal business hours at the registered office of the Manager for so long as MPACT is in existence.

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

30 May 2024

Important Notice

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

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

This Announcement is for information only and does not have regard to your investors’ specific investment objectives, financial situation or particular needs. This Announcement does not constitute an offer or solicitation of an offer to sell, or invitation to subscribe for, acquire or purchase any Units. The past performance of MPACT and the Manager is not necessarily indicative of the future performance of MPACT or the Manager.

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