

# Extending Reach Enhancing Value

Mapletree North Asia  
Commercial Trust  
Annual Report  
2018/2019



# 6<sup>th</sup> Annual General Meeting

17 July 2019

# Important Notice

This presentation shall be read in conjunction with Mapletree North Asia Commercial Trust's ("MNACT") Annual Report 2018/2019 for the period from 1 April 2018 to 31 March 2019 in the SGXNET announcement dated 28 June 2019.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in MNACT ("Units"). The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of MNACT may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of MNACT is not necessarily indicative of its future performance.

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

# Notice of AGM

## Extending Reach Enhancing Value

Maple<sup>tree</sup> North Asia  
Commercial Trust  
Annual Report  
2018/2019



CHINA



HONG KONG SAR



JAPAN

maple<sup>tree</sup>  
north asia commercial

maple<sup>tree</sup>  
north asia commercial

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

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 6<sup>th</sup> Annual General Meeting of the holders of units of Maple<sup>tree</sup> North Asia Commercial Trust ("MNACT", and the holders of units of MNACT, "Unitholders") will be held on 17 July 2019 (Wednesday) at 2.30 p.m. at 20 Pasir Panjang Road, Maple<sup>tree</sup> Business City, Town Hall - Auditorium, Singapore 111939 to transact the following business:

#### (A) AS ORDINARY BUSINESS

- To receive and adopt the Report of DBS Trustee Limited, as trustee of MNACT (the "Trustee"), the Statement by Maple<sup>tree</sup> North Asia Commercial Trust Management Ltd, as manager of MNACT (the "Manager"), and the Audited Financial Statements of MNACT for the financial year ended 31 March 2019 and the Auditor's Report thereon, (Ordinary Resolution 1)
- To re-appoint PricewaterhouseCoopers LLP as the Auditor of MNACT to hold office until the conclusion of the next Annual General Meeting of MNACT, and to authorise the Manager to fix their remuneration, (Ordinary Resolution 2)

#### (B) AS SPECIAL BUSINESS

- To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:
  - That approval be and is hereby given to the Manager, to
    - issue units in MNACT ("Units") whether by way of rights, bonus or otherwise; and/or
    - make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units;

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- issue Units in pursuance of any Instruments made or granted by the Manager under this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued), provided that:

- the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);
- subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "SGX-ST") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units shall be based on the total number of issued Units at the time this Resolution is passed, after adjusting for:
  - any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed; and
  - any subsequent bonus issue, consolidation or subdivision of Units;

- in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting MNACT (as amended) (the "Trust Deed") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

- (unless revoked or varied by Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of MNACT; or (ii) the date by which the next Annual General Meeting of MNACT is required by applicable regulations to be held, whichever is earlier;

- where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

- the Manager and the 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 Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of MNACT to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note) (Ordinary Resolution 3)  
BY ORDER OF THE BOARD  
Maple<sup>tree</sup> North Asia Commercial Trust Management Ltd.  
(Company Registration No. 201228328R)  
As Manager of Maple<sup>tree</sup> North Asia Commercial Trust

Wan Kwong Weng  
Joint Company Secretary

Singapore

28 June 2019

#### Notes:

- A Unitholder who is not a Relevant Intermediary (as defined herein) entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
- A Unitholder who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

#### "Relevant Intermediary" means:

- a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, 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;
- a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 286 of Singapore, and who holds Units in that capacity; or
- the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

- The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the office of MNACT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #22-01 Singapore Land Tower, Singapore 048623 not later than 2.30 p.m. on 14 July 2019 being 72 hours before the time fixed for the Annual General Meeting.

#### Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents) of proxies and representative(s) appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof); and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

#### Explanatory Note:

##### Ordinary Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this Annual General Meeting until (i) the conclusion of the next Annual General Meeting of MNACT, (ii) the date by which the next Annual General Meeting of MNACT is required by the applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "Mandated Period"), to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding fifty per cent. (50%) of the total number of issued Units of which up to twenty per cent. (20%) of the total number of issued Units may be issued other than on a pro rata basis to Unitholders.

The Ordinary Resolution 3 above, if passed, will also empower the Manager to issue Units during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time the Ordinary Resolution 3 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Ordinary Resolution 3 is in line with Rule 806 of the Listing Manual of the SGX-ST. Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations, in such instances, the Manager will then obtain the approval of Unitholders accordingly.

## ORDINARY BUSINESS

### Resolution 1

To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of MNACT for the financial year ended 31 March 2019 and the Auditor's Report thereon.

### Resolution 2

To re-appoint PricewaterhouseCoopers LLP as the Auditor of MNACT and to authorise the Manager to fix the Auditor's remuneration.

## SPECIAL BUSINESS

### Resolution 3

To authorise the Manager to issue Units and to make or grant instruments convertible into Units.

## Agenda

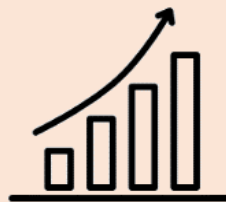
- Highlights of the Year
- Financial Highlights
- Portfolio Highlights
- Update on Sustainability
- Outlook for FY19/20



# Highlights of the Year

## Improved Performance in FY18/19

- Net Property Income (“NPI”)
  - S\$329.0 million**
  - ↑14.6% year-on-year
- Distribution per Unit (“DPU”)
  - 7.690 cents**
  - ↑2.8% year-on-year
- Net Asset Value (“NAV”) per Unit  
*(as of 31 March 2019)*
  - S\$1.445**
  - ↑5.0% year-on-year



## Prudent Capital Management

- Effective Interest Rate for FY18/19
  - 2.47% per annum**
  - compared to 2.72% per annum for FY17/18
- Average Term to Maturity for Debt  
*(as of 31 March 2019)*
  - 3.70 years**
  - compared to 3.43 years as of 31 March 2018
- Interest Cover Ratio for FY18/19
  - 4.2 times**
  - compared to 3.9 times for FY17/18



# Highlights of the Year

## Extending Reach into the Attractive Greater Tokyo Office Market

- Completed acquisition of the Japan Properties (“JP”) in May 2018 at a total acquisition cost of **S\$777.5 million**



## Resilient Portfolio

- High Portfolio Occupancy of **99.6%** as of end FY18/19
- Positive** Rental Reversions for FY18/19
- Increase in Weighted Average Lease Expiry (WALE) by GRI to **2.8 years** as of 31 March 2019 (from 2.6 years as of 31 March 2018)
- Portfolio valuation as of 31 March 2019 increased by **20.9%** year-on-year



For further information on the Japan Properties as mentioned in this presentation, please refer to page 1 and page 4 (footnote 1) of MNACT’s Annual Report 2018/2019.

# Financial Highlights



# FY18/19 Financial Highlights

	FY18/19	Change vs FY17/18
<b>Gross Revenue</b>	S\$408.7m	↑ 15.1%
<b>NPI</b>	S\$329.0m	↑ 14.6%
<b>NPI Margin</b>	80.5%	↓ 0.4ppts
<b>Distributable Income (“DI”)</b>	S\$240.7m	↑ 14.1%
<b>DPU</b>	7.690 cents	↑ 2.8%
<b>Distribution Yield</b>	5.8%	↓ 0.7ppts
<b>Closing Unit Price</b>	S\$1.320	↑ 14.8%

## Increase in DI and DPU<sup>1</sup> due to:

- + Contribution from **JP** from 25 May 2018;
- + Higher rental income from **FW, GW, SP**;
- Partially offset by lower average rate of HKD and RMB, and higher finance costs

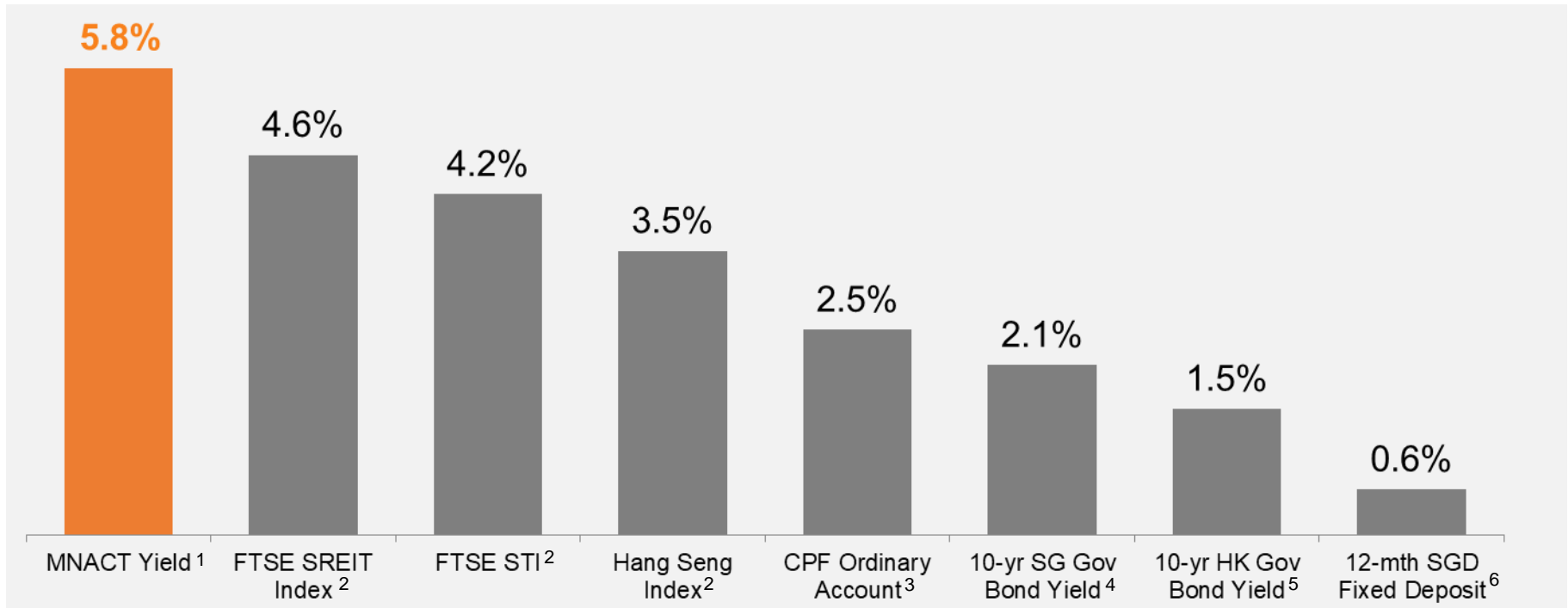
For the definitions on the following capitalised terms in this presentation, please refer to the following pages found in MNACT’s FY18/19 Annual Report: Gross Revenue (Page 6 Footnote 1), DPU (Page 2 Footnote 1), Distribution Yield (Page 3 Footnote 3)

1. After taking into consideration the enlarged number of Units in issue.

*FW: Festival Walk; GW: Gateway Plaza; SP: Sandhill Plaza; JP: Japan Properties*

# Higher Return vs other Comparable Instruments

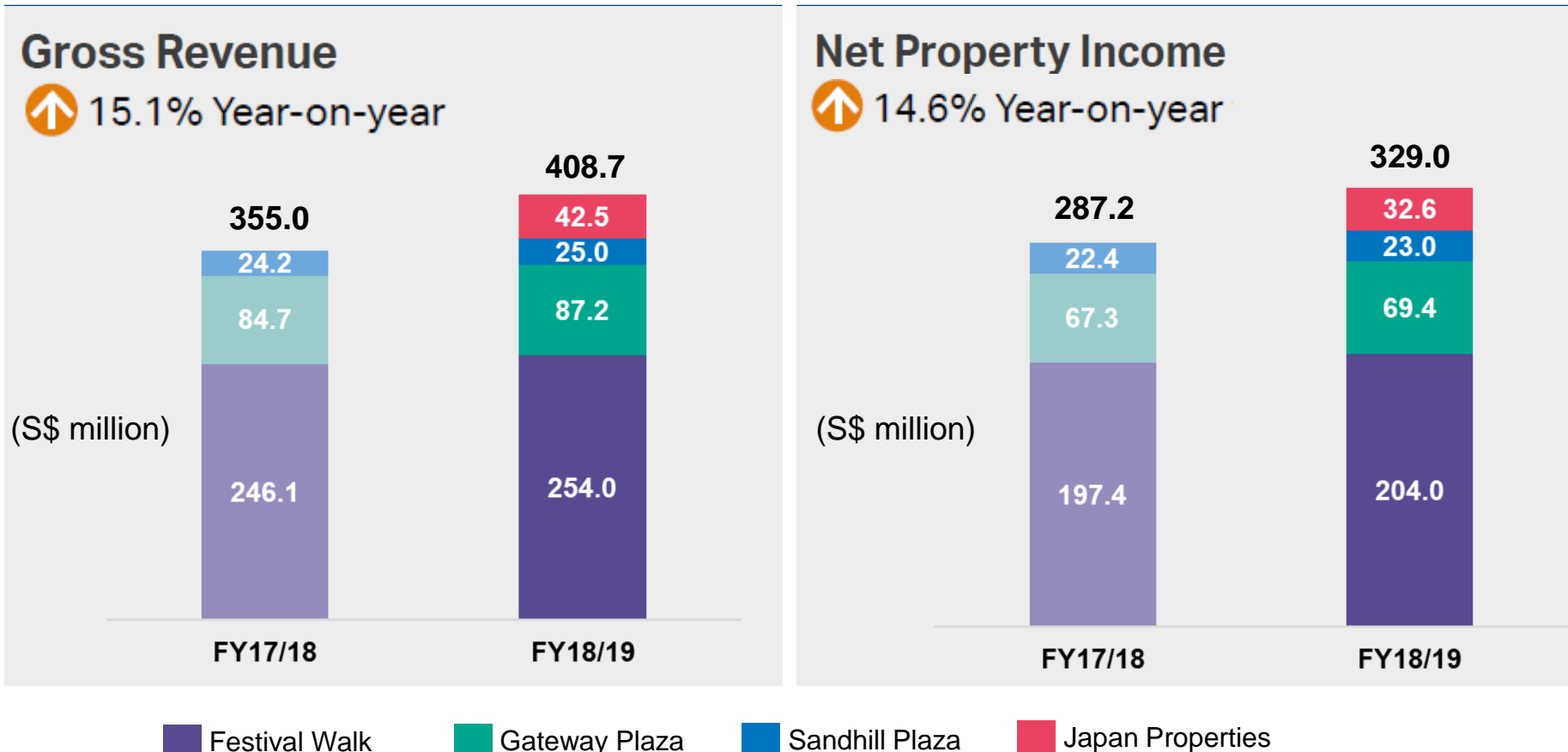
(As of 31 March 2019)



1. Based on available DPU to Unitholders of 7.690 cents for FY18/19 over closing unit price of S\$1.320 on 29 March 2019.
2. Trailing 12-month gross dividend yield of FTSE SREIT Index, FTSE STI and Hang Seng Index as of 29 March 2019, Bloomberg.
3. Prevailing interest rate on Central Provident Fund (“CPF”) Ordinary Account Savings from CPF Board, January to March 2019.
4. Singapore Government Bond Yield from Monetary Authority of Singapore as of 31 March 2019.
5. Hong Kong Government Bond Yield from Hong Kong Government Bond Programme website as of 31 March 2019.
6. 12-month SGD fixed deposit savings rate from Monetary Authority of Singapore as of 31 March 2019.

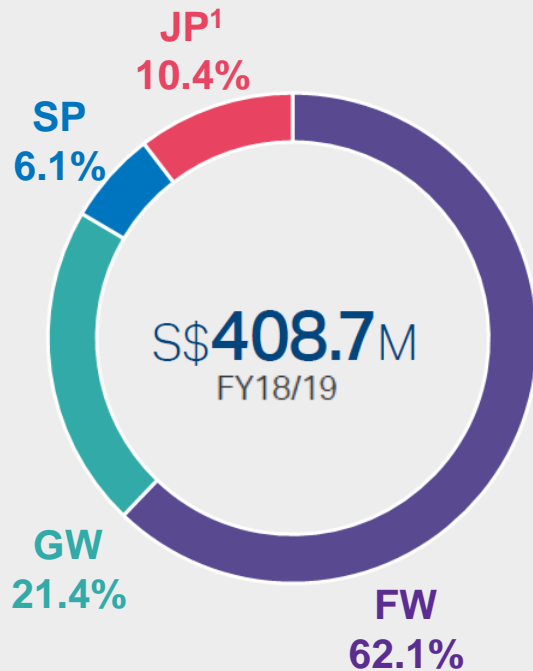
# FY18/19 Portfolio Gross Revenue and NPI by Asset

Higher NPI mainly due to higher average rental rates from **FW**, **GW** and **SP**, and new contribution from **JP** from 25 May 2018, partially offset by lower average rate of HKD and RMB.

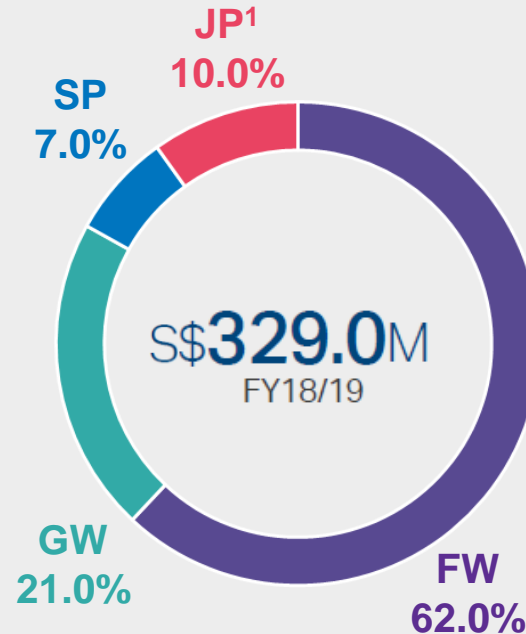


# FY18/19 Portfolio Composition

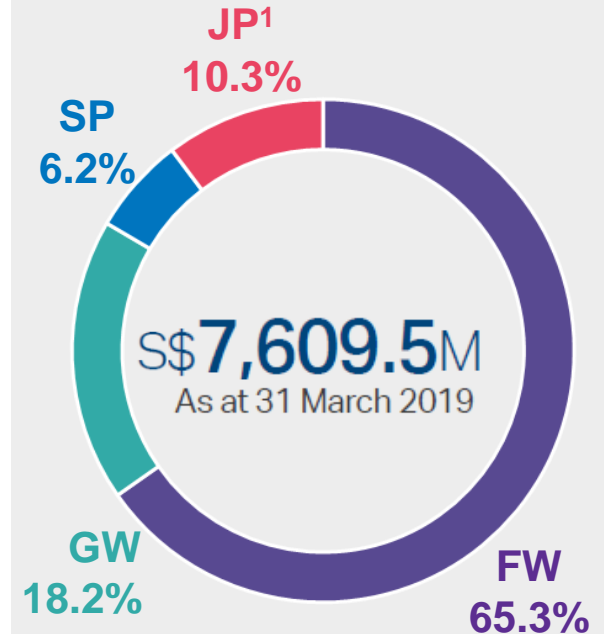
Portfolio Gross Revenue by Asset



Portfolio NPI by Asset



Portfolio Valuation by Asset



- Hong Kong SAR, China and Japan contributed 62% and 28% and 10% to NPI respectively.

1. Contribution from the Japan Properties was from 25 May 2018, following completion of the acquisition.

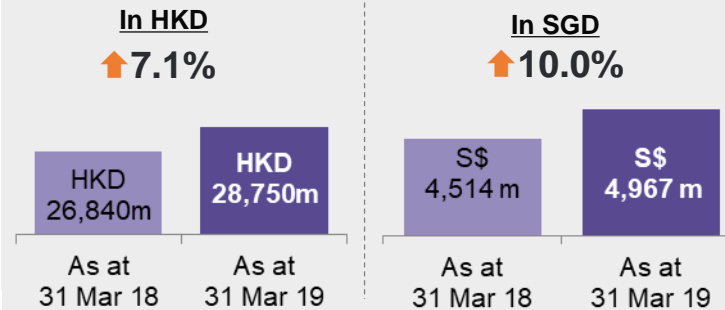
# Appreciation in Portfolio Valuation

**↑ 20.9%**  
year-on-year

- Mainly due to the acquisition of the Japan Properties
- Fair valuation gains for all the properties
- Net translation gains (against SGD) from the stronger HKD and JPY, partially offset by the weaker RMB

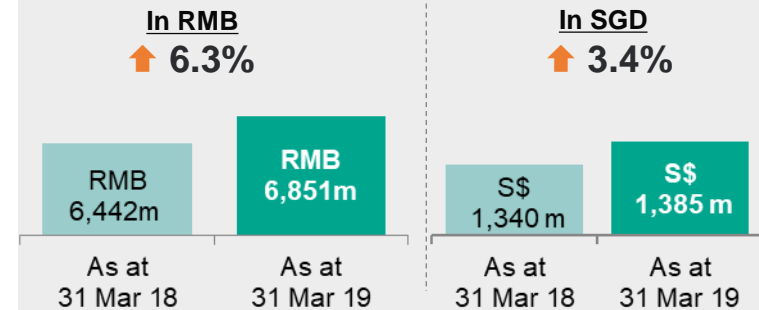
## Festival Walk

Cap Rate (Gross): 4.15%



## Gateway Plaza

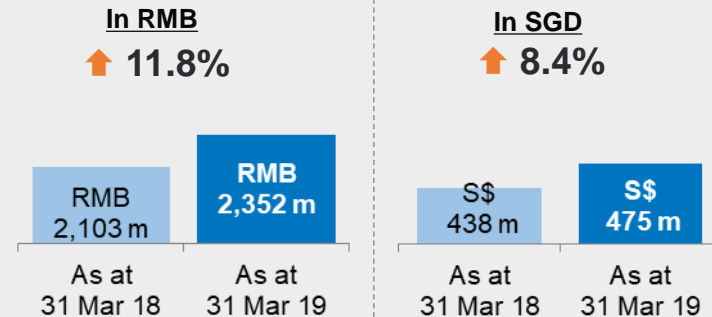
Cap Rate (Gross): 5.75%



Portfolio Valuation  
(as at 31 Mar 2018)  
**S\$6,292.0 m**

## Sandhill Plaza

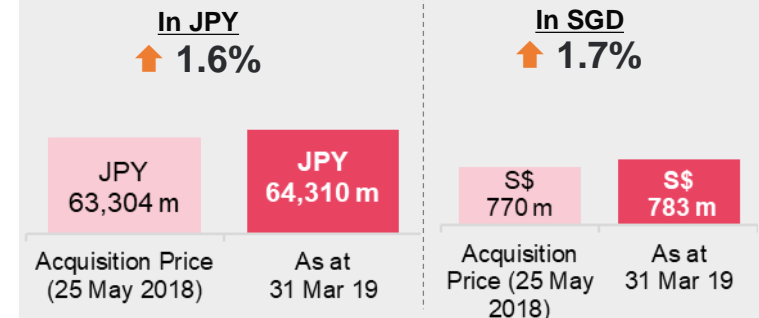
Cap Rate (Gross): 5.00%



Portfolio Valuation  
(as at 31 Mar 2019)  
**S\$7,609.5 m**

## Japan Properties

Cap Rate (Net): 4.10% – 4.80%



# Healthy Balance Sheet

(S\$'million)	As at 31 Mar 2019	As at 31 Mar 2018	Variance %
<b>Investment Properties</b>	<b>7,609.5</b>	6,292.0	↑ 20.9
<b>Total Assets</b>	<b>7,820.4</b>	6,522.7	↑ 19.9
<b>Borrowings</b>	<b>2,867.9</b>	2,361.1	↑ 21.5
<b>Total Liabilities</b>	<b>3,230.2</b>	2,634.0	↑ 22.6
<b>Net Assets Attributable to Unitholders</b>	<b>4,585.5</b>	3,888.8	↑ 17.9
<b>NAV per Unit (S\$)<sup>1</sup></b>	<b>1.445</b>	1.376	↑ 5.0

1. After taking into account distribution payments to Unitholders on 27 May 2019 and 25 May 2018, NAV per unit would have been S\$1.425 and S\$1.338 respectively.

# Prudent Capital Management

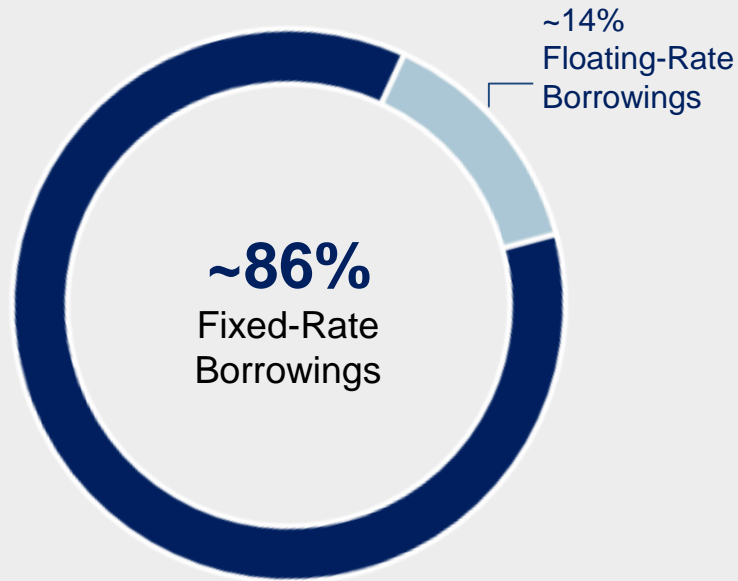
	As at 31 Mar 2019	As at 31 Mar 2018
Aggregate Leverage Ratio (%)	<b>36.6</b>	36.2
Average Term to Maturity for Debt (years)	<b>3.70</b>	3.43
Unencumbered Assets as % of Total Assets <sup>1</sup>	<b>90</b>	100
Interest Cover Ratio for the financial year (times)	<b>4.2</b>	3.9
Effective Interest Rate for the financial year (% p.a.)	<b>2.47</b>	2.72
MNACT's Corporate Rating by Moody's <sup>2</sup>	<b>Baa1 Stable</b>	Baa1 Stable

For the definitions on the following capitalised terms in this presentation, please refer to the following pages found in MNACT's FY18/19 Annual Report: Aggregate Leverage Ratio (Page 3 Footnote 4), Interest Cover Ratio (Page 22 Footnote 2).

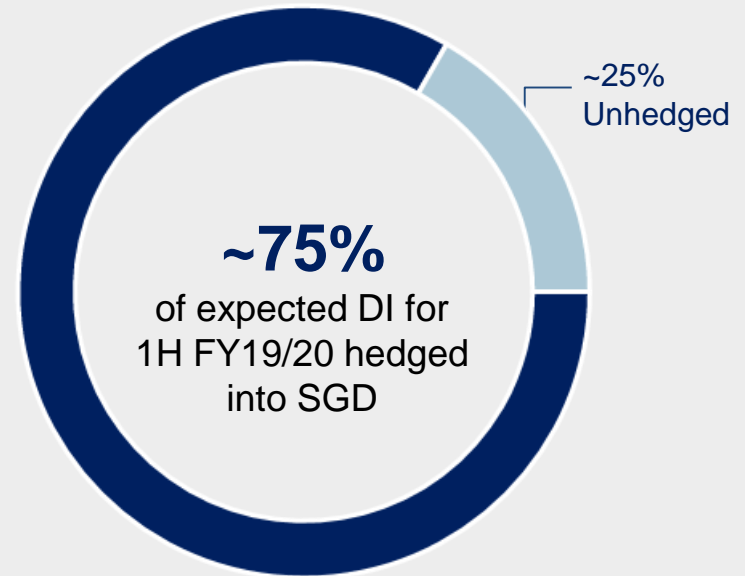
1. JPY onshore borrowings are secured against the Japan Properties.
2. Moody's Investors' Service ("Moody's") reaffirmed MNACT's Baa1 issuer rating with a Stable outlook on 12 April 2019.

# Interest Rate & Forex Risk Management

## Interest Rate Risk Management



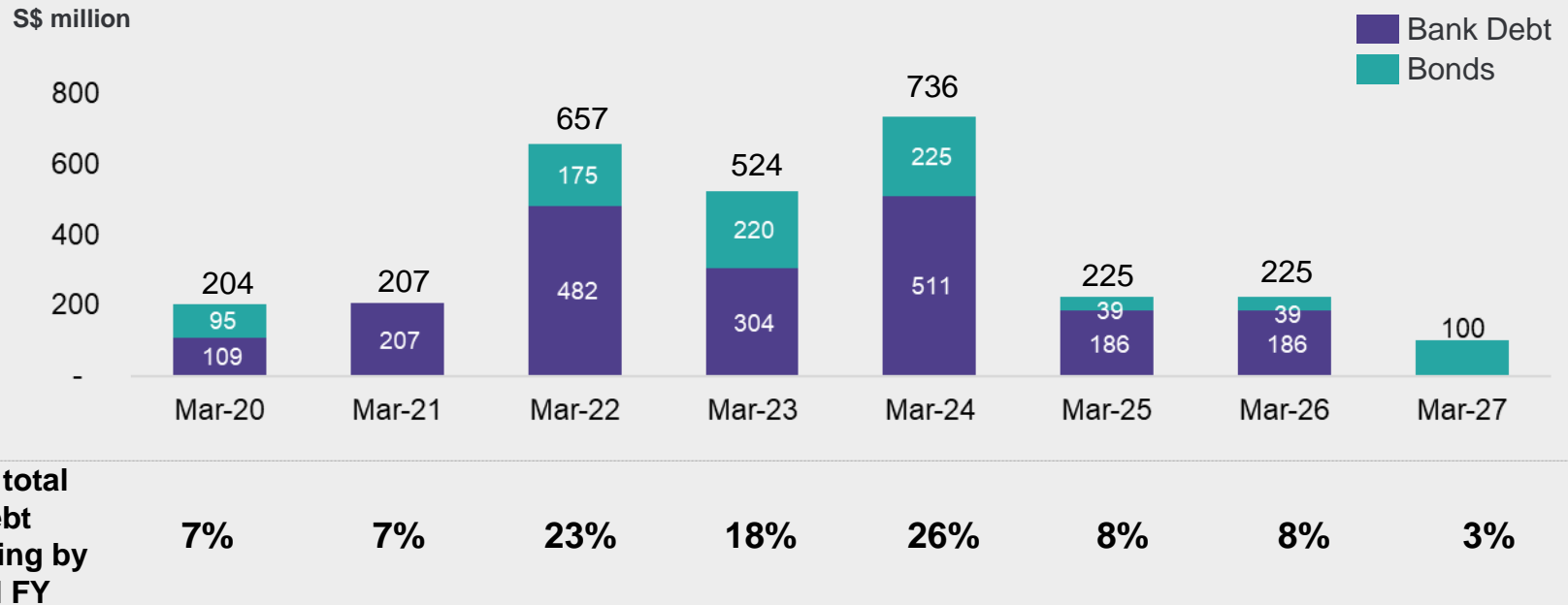
## Forex Risk Management



- For FY18/19, an increase in interest rate by 50 basis points is estimated to result in a reduction in DPU by about 0.059 cents.

# Well-Staggered Debt Maturity Profile

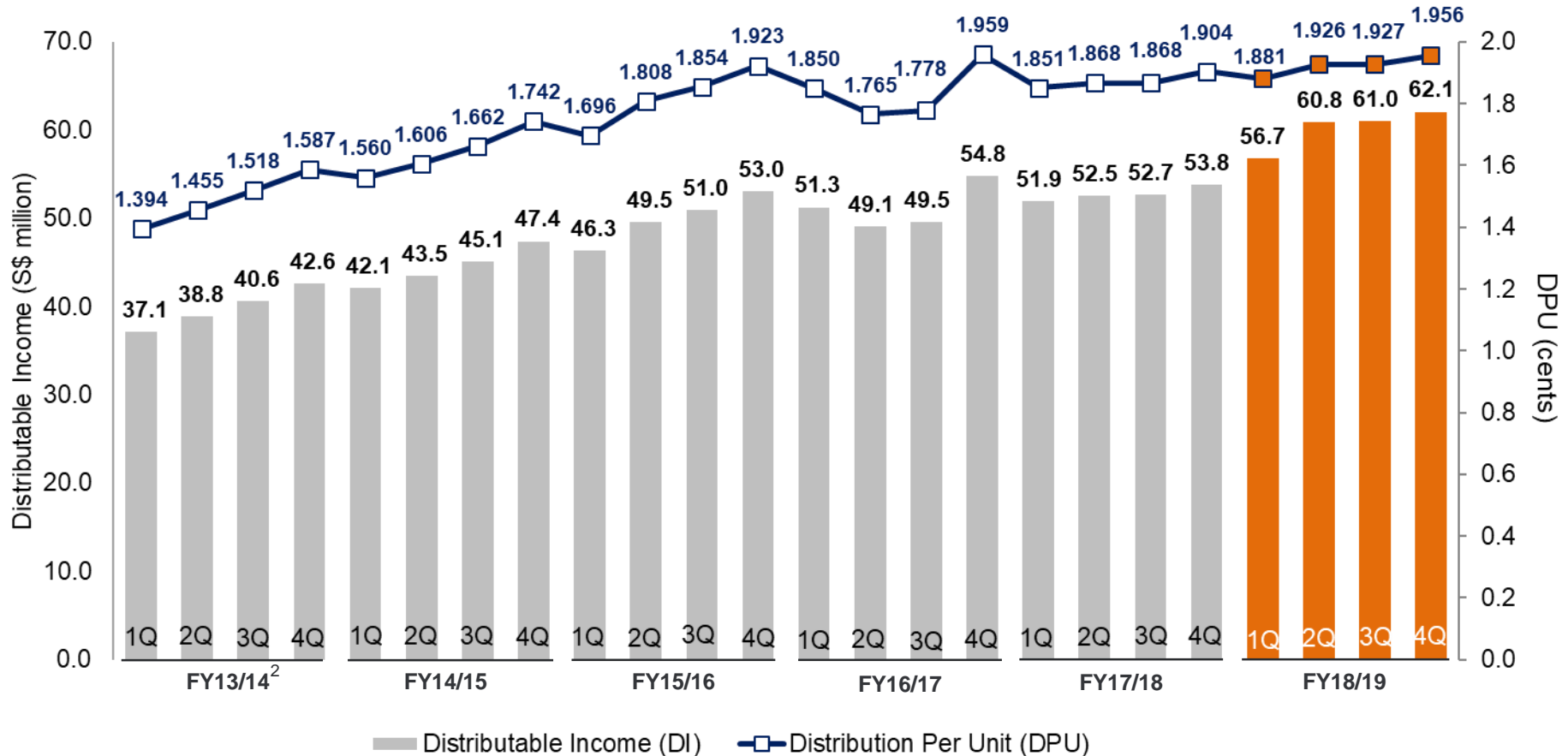
**Total Gross Debt<sup>1</sup>: S\$2,878 million**  
(~72% HKD, ~26% JPY, ~2% RMB)



1. As at 31 March 2019, cross currency interest rate swaps were entered into to swap SGD and HKD denominated medium-term notes to HKD and JPY, and USD and SGD denominated bank loans to HKD and JPY. RMB debt relates to onshore debt from acquisition of Sandhill Plaza in June 2015. JPY debt relates to debt from acquisition of Japan Properties in May 2018 and the HK\$580 million Fixed Rate Notes issued in March 2019 with the swap transaction entered into to swap the HKD fixed interest rate into JPY fixed interest rate.

Based on exchange rates of S\$1: HK\$5.7884, S\$1: RMB4.9483, and S\$1: JPY82.1477 as at 31 March 2019.

# Quarterly DI and DPU<sup>1</sup> since IPO



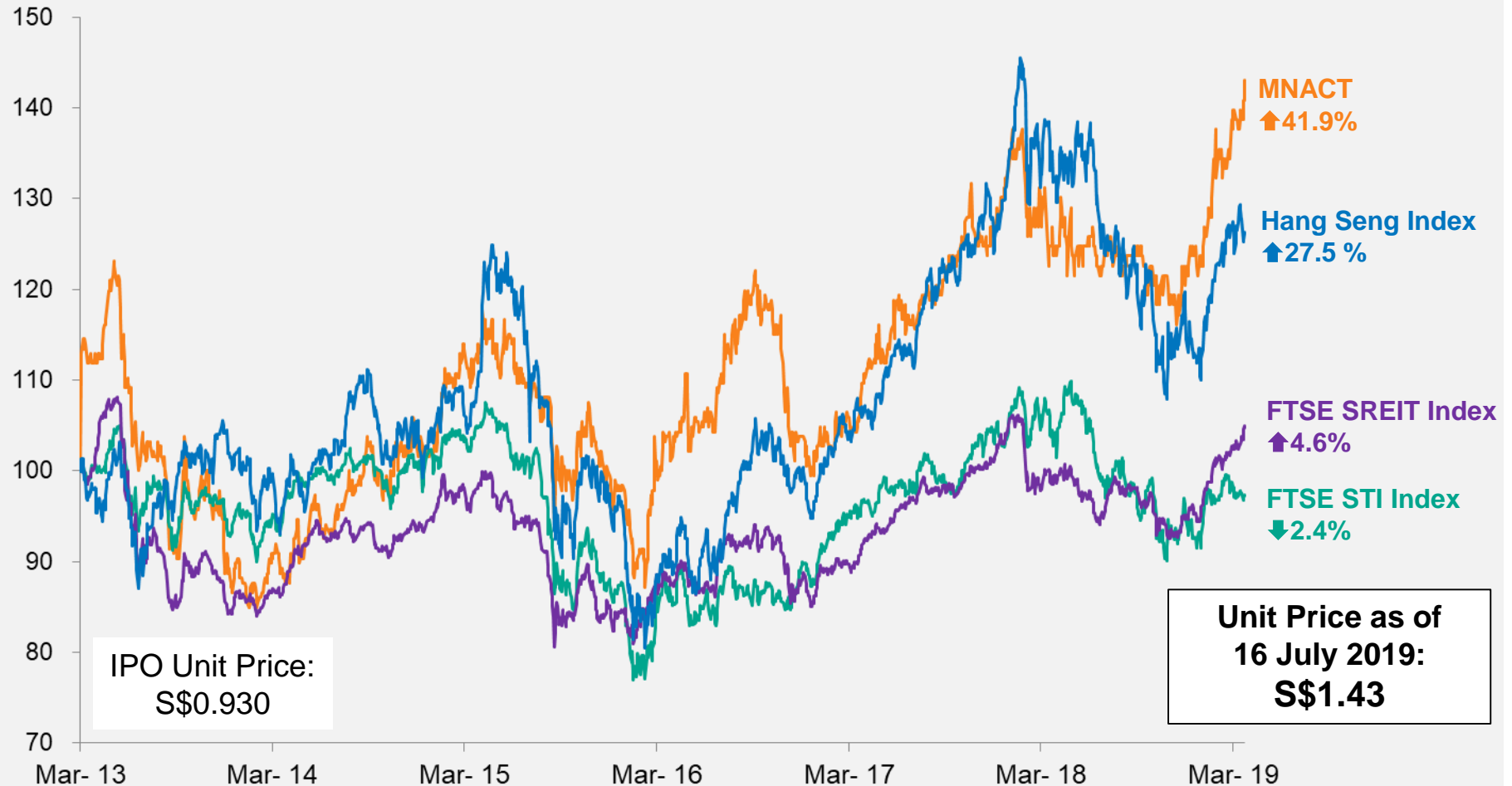
1. Please refer to footnote 1 on page 3 of MNACT's FY18/19 Annual Report.
2. 1Q FY13/14 excludes the stub period from 7 to 31 March 2013. For the period from 7 March 2013 to 30 June 2013, DI = S\$46.1m and DPU = 1.7337 cents.

# MNACT's Unit Price Performance since IPO

## Trading Performance since IPO

(Rebased opening prices on 7 March 2013 to 100)

Unit Price on 29 March 2019  
(last trading day):  
**S\$1.320**



# Delivered Healthy Returns to Unitholders

Unit Price Appreciation <sup>1</sup>	+	Total Distribution Yield <sup>2</sup>	=	Total Return <sup>3</sup>
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## 1-YEAR

From 1 April 2018

**14.8%**

+

**6.7%**

=

**21.5%**

## SINCE LISTING

From 7 March 2013

**41.9%**

+

**45.5%**

=

**87.4%**

1. Unit price appreciation is based on the opening unit price and the closing unit price during the period.
2. Total distribution yield is based on DPU for the period over the opening unit price. The distribution yield since listing on 7 March 2013 excludes the stub period from 7 to 31 March 2013.
3. Sum of unit price appreciation and total distribution yield for the period.

# Portfolio Highlights



# Portfolio Occupancy

High occupancy rate of 99.6% at portfolio level

Occupancy as of End Financial Year (%)	As at 31 Mar 19	As at 31 Mar 18	As at 31 Mar 17	As at 31 Mar 16	As at 31 Mar 15
<b>Festival Walk</b>	<b>100.0</b>	100.0	100.0	100.0	100.0
<b>Gateway Plaza</b>	<b>99.0</b>	96.5	96.9	96.8	98.0
<b>Sandhill Plaza</b>	<b>99.3</b>	100.0	100.0	100.0	n.a.
<b>Japan Properties<sup>1</sup></b>	<b>100.0</b>	n.a.	n.a.	n.a.	n.a.
<b>Portfolio</b>	<b>99.6</b>	<b>98.5</b>	98.6	98.6	98.8

1. The Japan Properties were acquired on 25 May 2018.

# Rental Reversions

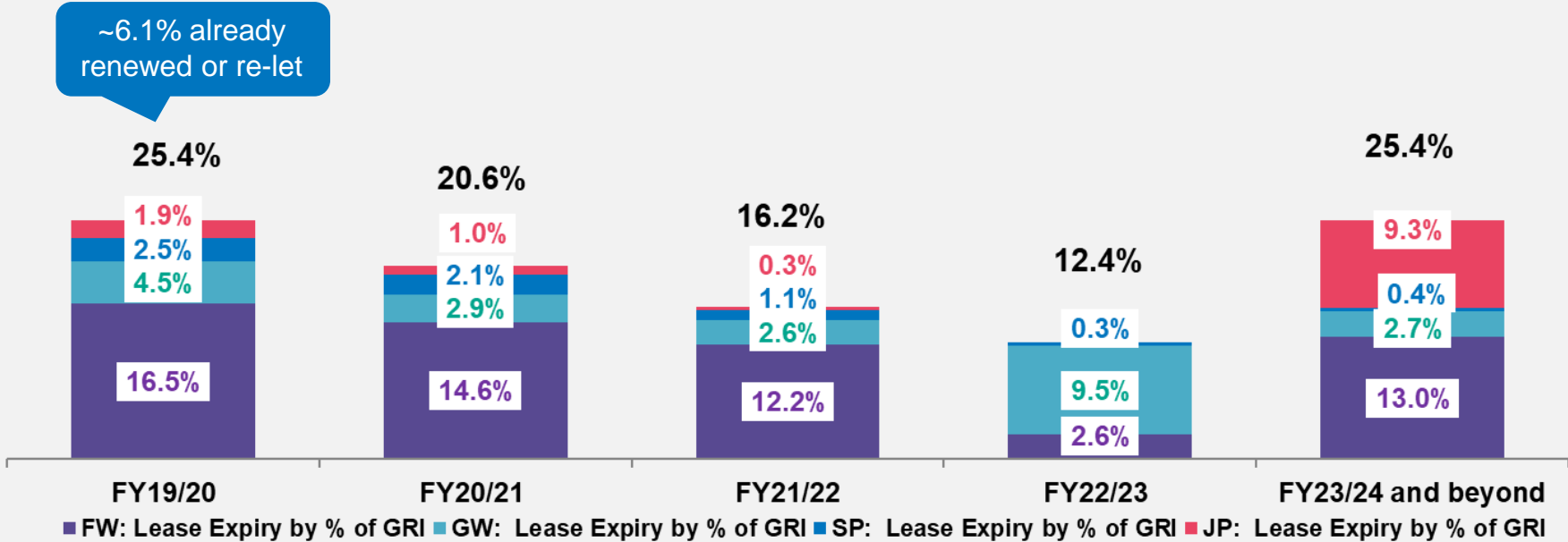
## Positive rental reversions across all the assets

Rental Reversion <sup>1</sup> (%)	FY18/19	FY17/18	FY16/17	FY15/16	FY14/15
<b>Festival Walk</b>					
- Retail	<b>28<sup>2</sup></b>	11	12	37	22
- Office	<b>15</b>	11	7	n.a.	12
<b>Gateway Plaza</b>	<b>2</b>	8	10	25	30
<b>Sandhill Plaza</b>	<b>15</b>	15	16	n.a.	n.a.
<b>Japan Properties<sup>3</sup></b>	<b>6</b>	n.a.	n.a.	n.a.	n.a.

1. Average rental reversion is calculated based on the change in the effective rental rates of the new leases compared to the previous leases. It takes into account rent-free periods and step-up rental rates over the lease term (if any).
2. The higher-than-average reversion was mainly contributed by the lease renewal of one of the anchor tenants at Festival Walk in FY18/19.
3. The Japan Properties were acquired on 25 May 2018. The operational performance of these properties is reported on a portfolio basis. The rental reversion for the Japan Properties was contributed by two leases that expired during FY18/19.

# Well-Staggered Lease Expiry Profile

Portfolio Lease Expiry Profile by Percentage of Monthly GRI (as of 31 March 2019)



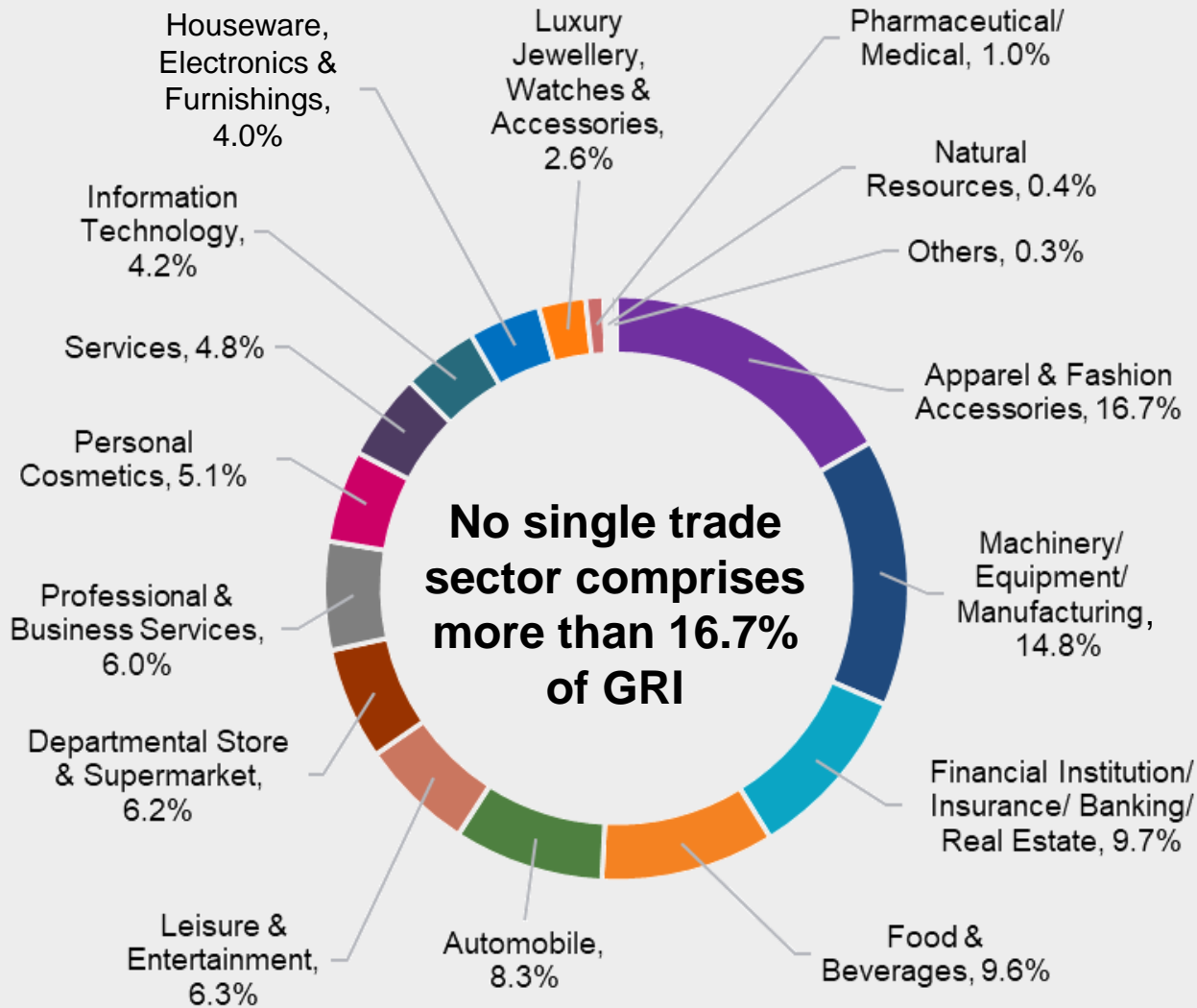
Note: Lease Expiry Profile: shows the remaining leases to be renewed or re-let as of end of the financial period.

Years (as at 31 Mar 2019)	FW	GW	SP	JP	Portfolio
<b>Weighted Average Lease Expiry (WALE) by GRI</b>	2.5	3.1	1.5	4.7	<b>2.8<sup>1</sup></b>

- The portfolio WALE of 2.8 years as of 31 March 2019 was based on committed leases (leases which have been renewed or re-let as of 31 March 2019), with lease commencement dates before and after 31 March 2019. Excluding committed leases commencing after 31 March 2019, the portfolio WALE would have been 2.6 years as of 31 March 2019.

## Trade Sector by Gross Rental Income ("GRI")

(As at 31 Mar 2019)



# Top 10 Tenants by Monthly GRI

<b>MNACT's Top 10 Tenants by Monthly GRI</b> (For the Month of March 2019)					
	<b>Building</b>	<b>Tenant</b>	<b>Sector</b>	<b>Trade Sector</b>	<b>% of Monthly GRI</b>
1	Gateway Plaza	BMW	Office	Automobile	8.3
2	SMB	Seiko Instruments Inc.	Office	Machinery / Equipment / Manufacturing	5.6
3	Festival Walk	Arup	Office	Professional & Business Services	3.7
4	Festival Walk	TaSTe	Retail	Departmental Store & Supermarket	3.6
5	FJM	Fujitsu	Office	Machinery / Equipment / Manufacturing	3.6
6	Gateway Plaza	CFLD	Office	Financial Institution / Insurance / Banking / Real Estate	3.1
7	Festival Walk	Festival Grand	Retail	Leisure & Entertainment	2.0
8	Festival Walk	Apple	Retail	Houseware, Electronics & Furnishings	1.8
9	Festival Walk	I.T	Retail	Apparel & Fashion Accessories	1.7
10	MON	Japan Information Processing Service	Office	Information Technology	1.6

- **MNACT's top 10 Tenants accounts for 35.0% of portfolio GRI**

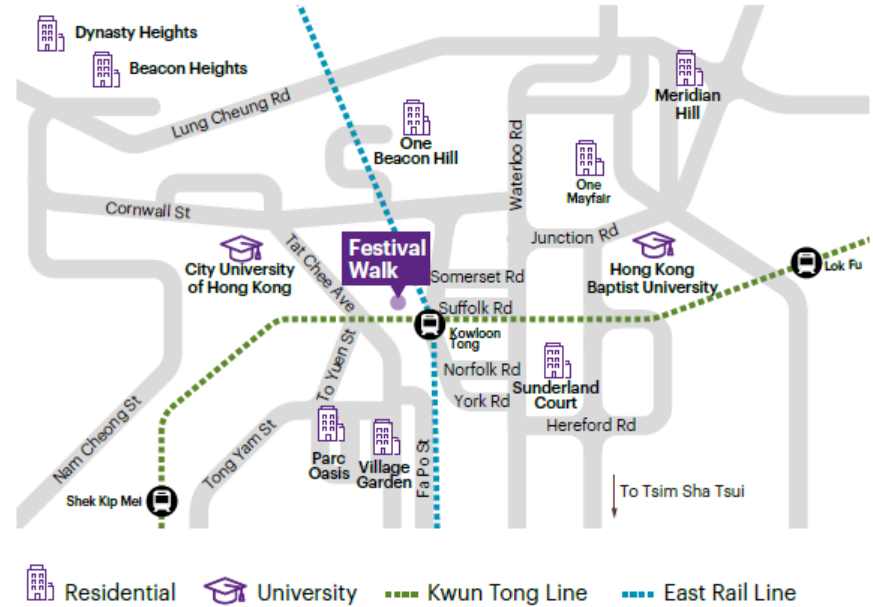
# FESTIVAL WALK (又一城)

Kowloon Tong, Hong Kong SAR

Comprises a four-storey office tower atop a seven-storey territorial retail mall and three underground car park levels



## Location



Over 200 brands and more than 50 F&B Outlets



Wide catchment area with excellent connectivity

- ✓ Above MTR Station
- ✓ Near two universities



Kowloon Tong MTR Station

Wide range of amenities including a large multiplex cinema & one of the largest ice rinks in Hong Kong SAR



Cinema

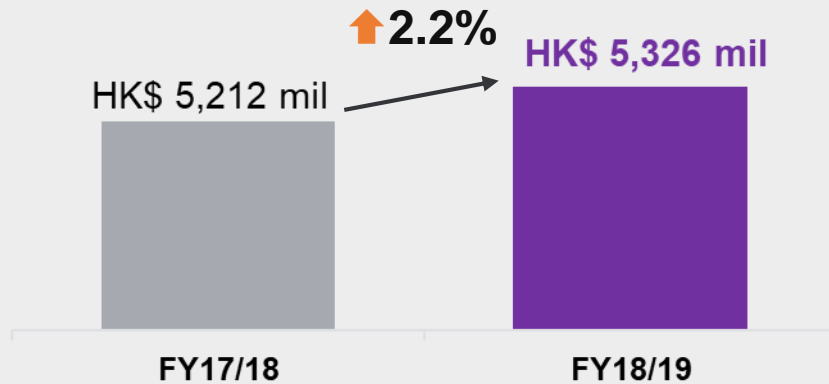


Ice Rink

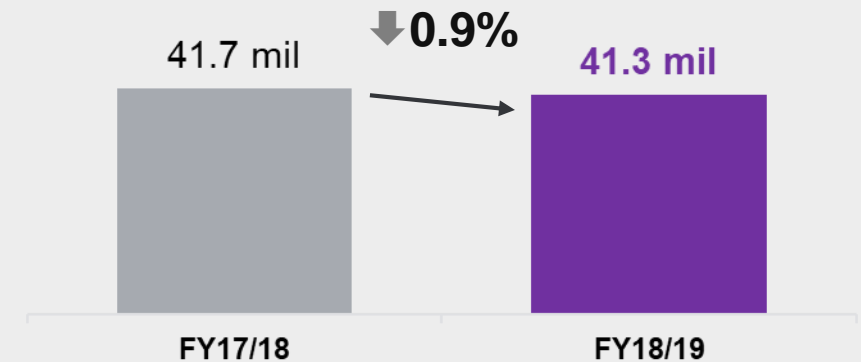
# FESTIVAL WALK

## Retail Sales and Footfall in FY18/19

Retail Sales<sup>1</sup> (HK\$ million)



Footfall (million)



- Amid a more cautious consumer retail sentiment in Hong Kong SAR, Festival Walk continued its track record of resilient retail sales.
- While footfall was lower by **0.9%** in FY18/19 compared to a year ago, retail sales at Festival Walk increased by **2.2%** over the same period.
- Over the same period (April 2018 to March 2019), Hong Kong SAR retail sales<sup>2</sup> increased by **4.6%** year-on-year.

1. Festival Walk's retail sales do not include figures from the Apple Store.

2. Source: Hong Kong Census and Statistics Department

# FESTIVAL WALK

A one-stop shopping, dining and lifestyle destination

## Strategies



✓ Continuously refresh trade mix to keep up with market trends



Disney Tsum Tsum Event

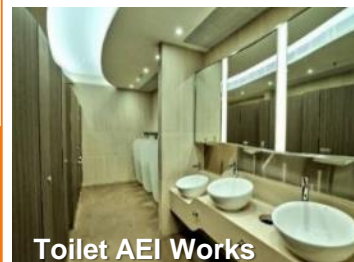


An indoor sports event

✓ Organise themed marketing and experiential events



✓ Optimise space and sales efficiency

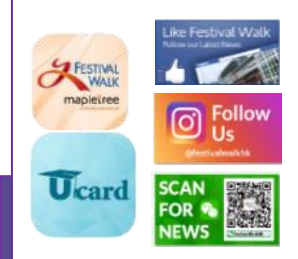


Toilet AEI Works



E-Directory

✓ Upkeep mall's competitiveness



✓ Actively engage shoppers

# FESTIVAL WALK

## New Concepts & Brands

Athleisure



Cosmetics



Apparel



# FESTIVAL WALK

## New Concepts & Brands



# FESTIVAL WALK

## New Concepts & Brands

### Children and Infants



### Kiosks



# FESTIVAL WALK

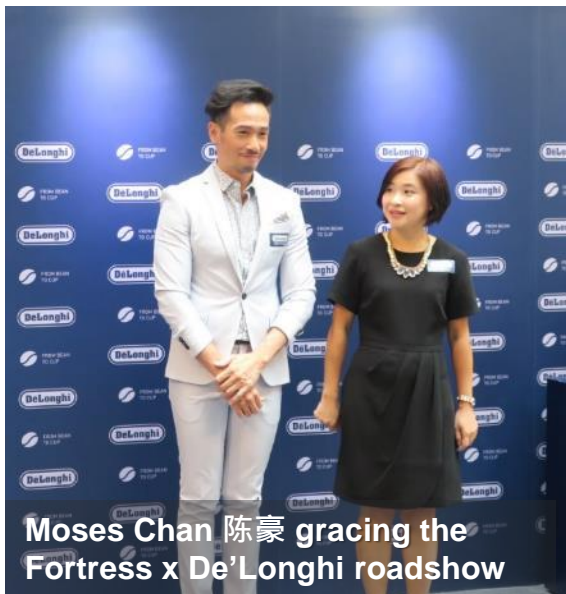
## Exciting Events and Promotions – Celebrity Appearances



Hong Kong SAR celebrities Kenneth Ma 马国明 and Ali Lee 李佳芯 at the mall's CNY celebrations



Samsonite EVOA Pop-up Store Press Event attended by Charlene Choi 蔡卓妍 and Jan Lamb 林海峰



Moses Chan 陈豪 gracing the Fortress x De'Longhi roadshow



Lokyi Lai 黎诺懿 and Mayanne Mak 麥美恩 at Alisports WESG Hong Kong Esports Festival 2018



Miriam Yeung 杨千嬅 at Swisse Health Product Roadshow

# FESTIVAL WALK

## Exciting Events and Promotions – Experiential Events



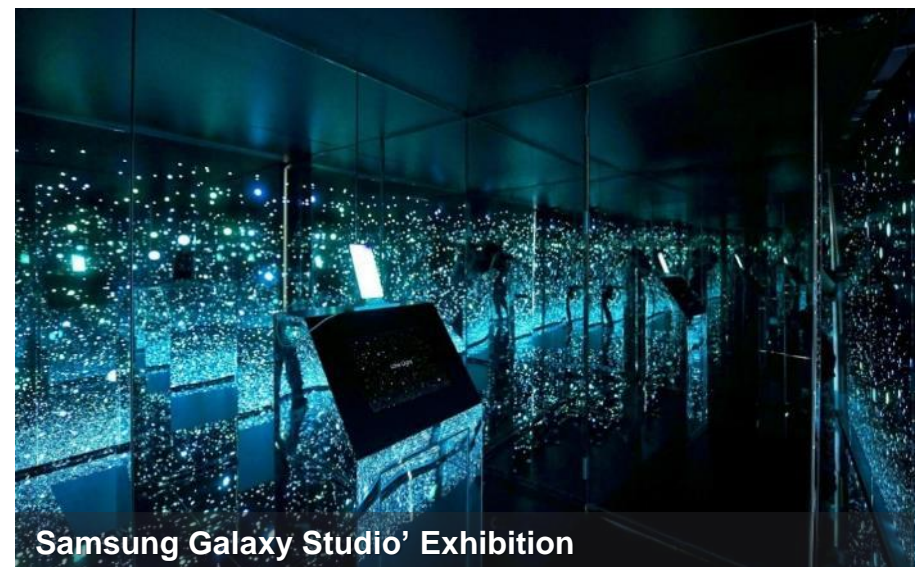
Alisports WESG Hong Kong Esports Festival 2018



“Allianz Junior Football Camp” press event



‘Audi Innovation Space’ featuring a VR Tour



Samsung Galaxy Studio’ Exhibition

# FESTIVAL WALK

## Movie Premieres, Car Shows, Tenants' Product Launches



'A Lifetime Treasure' Gala Premiere



Carshows



"Avengers: Infinity War" exhibition



'M·A·C BOOM BOOM BLOOM' pop-up store

# FESTIVAL WALK

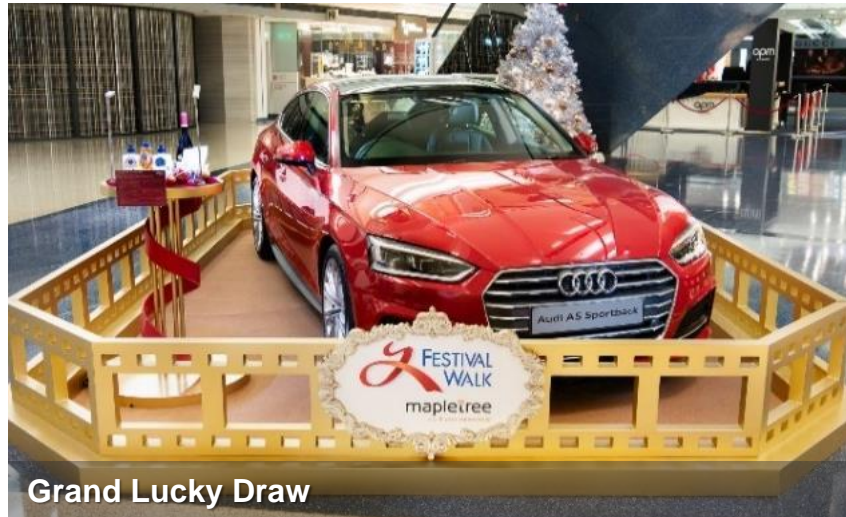
## 20<sup>th</sup> Anniversary for Festival Walk *cum* Xmas Celebrations



Opening Event of Festival Walk's 20<sup>th</sup> anniversary celebrations



Christmas Parades



Grand Lucky Draw



Stage Performances

# FESTIVAL WALK

## Award-winning mall in Hong Kong SAR



1.

Awards accorded in FY18/19 include:

1. 'Digital EX Marketing Awards 2018 – Top 10 Malls' Award from Metro Finance Radio



2.



3.

2. 'Mall's Cartoon Character Themed Events Award' at the Smart Parents' Choice- Brand Awards 2018

3. 'Top 10 My Favourite Mall' at the Apple Daily Best Mall Awards

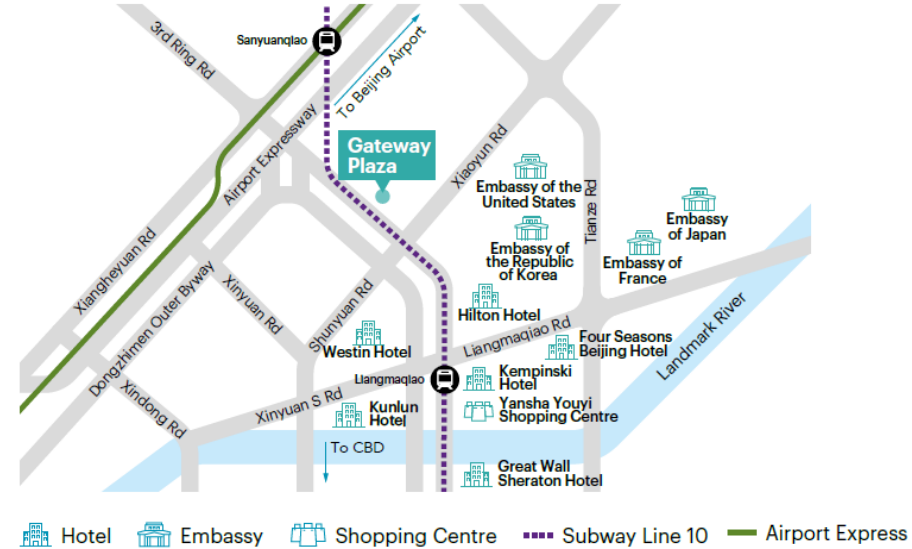
# GATEWAY PLAZA (佳程广场)

Lufthansa Area (Third Embassy Area), Beijing

A premier Grade-A office building, consisting of two 25-storey towers connected by a three-storey podium area and three underground floors



## Location



## Key Tenants



华夏幸福



NCB 南洋商業銀行



Strategic location with excellent connectivity between the CBD and airport



- ✓ Near Airport Expressway
- ✓ Near to embassies & hotels

Upgraded podium area with retail amenities



- ✓ Restaurants and Cafes



- ✓ Café (with gym facilities)

# SANDHILL PLAZA (展想广场)

Zhangjiang Hi-tech Park, Pudong New Area

A premium business park development comprising one 20-storey tower, seven blocks of 3-storey buildings<sup>1</sup> and two basement levels of car park



### Location



**Located in Shanghai's Zhangjiang Hi-tech Park, a Free Trade Zone**

- ✓ Close to Metro Station
- ✓ Within 30 mins' drive to Shanghai Pudong International Airport

**Established tenants including leading global companies Largely from IT, High Tech sectors**

Key Tenants:

**Premium Grade A Building Specifications**

**Range of amenities includes:**

1. There are eight blocks of low-rise (three-storey) buildings within the subject premises, of which one block is separately owned by a third party and does not form part of the acquisition.

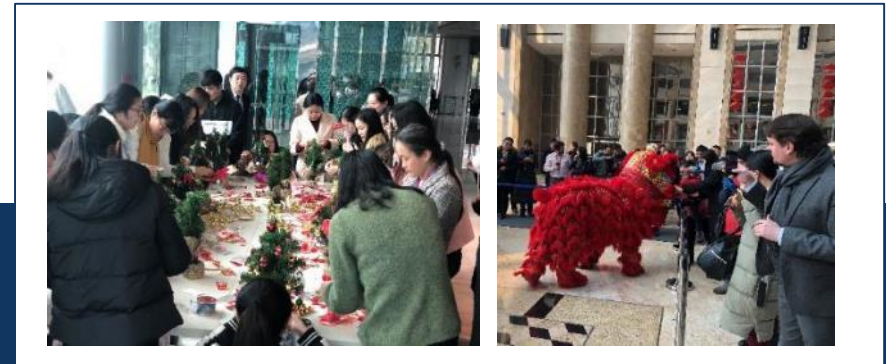
# Proactive Asset Management

## At Gateway Plaza and Sandhill Plaza

### Strategies



- ✓ Proactive leasing at both properties to achieve high occupancy levels



- ✓ Active tenant engagement activities throughout the year



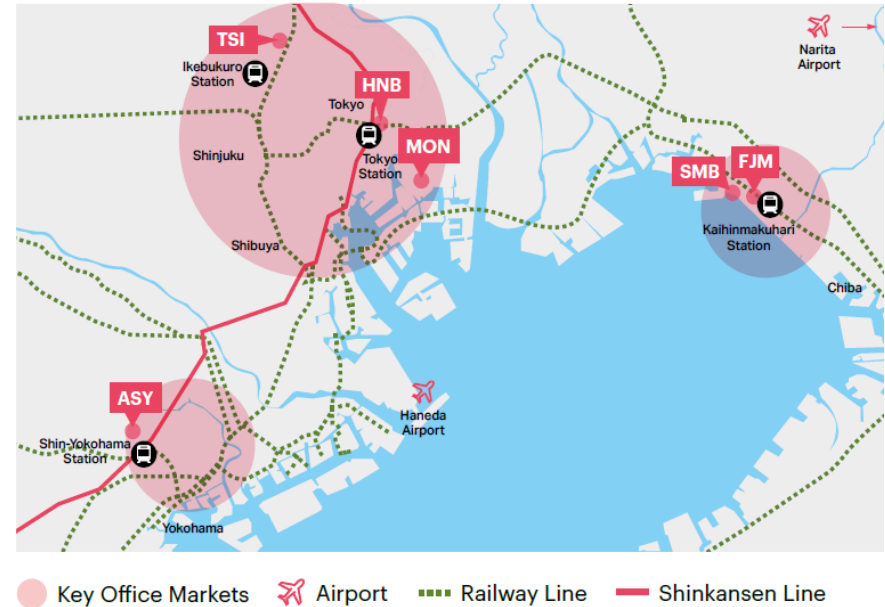
- ✓ Retain competitiveness of Grade-A building status through upgrading of amenities and providing quality property management services

# JAPAN PROPERTIES

## Six Freehold Office Properties in Tokyo, Chiba & Yokohama



### Location



Japan provides attractive commercial real estate acquisition opportunities with largely freehold land tenure and at relatively higher yield spread against local cost of funds.

- ✓ Strategic locations with excellent connectivity
- ✓ **Freehold portfolio with good specifications**
- ✓ Offers high yield spreads, not available in Hong Kong SAR/China
- ✓ **Stable and quality cashflows**
- ✓ DPU accretive
- ✓ **Enhances Geographical and Income Diversification**
- ✓ Experienced and Dedicated Management Team in Japan

### Key Tenants

- Seiko Instruments
- Fujitsu
- PERSOL

### All Freehold Assets

**NPI Yield: ~4.8%**  
(based on acquisition price)



# Update on Sustainability

# Committed to Sustainability

3rd sustainability report in accordance to Global Reporting Initiative's 2016 Standards

Theme	Material Factors
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Economic Performance</li> </ul>
<b>Environment</b> 	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Water</li> </ul>
<b>Social</b> 	<ul style="list-style-type: none"> <li>• Health and Safety</li> <li>• Employment and Talent Retention</li> <li>• Local Communities</li> </ul>
<b>Governance</b> 	<ul style="list-style-type: none"> <li>• Anti-Corruption</li> <li>• Compliance with Laws &amp; Regulations</li> </ul>

## Aligned to United Nations' Sustainable Development Goals (SDGs)



# Sustainability - Awards & Accolades



## Five awards from Hong Kong Green Shop Alliance

- *The Leading Partner Award - Developer/Strategic Partner (MNACT)*
- *The Power Partner Award - Developer/Strategic Partner (MNACT)*
- *New Alliance Member - Developer/Strategic Partner (MNACT)*
- *The Power Partner Award - Shopping Mall (Festival Walk)*
- *New Alliance Member - Shopping Mall (Festival Walk)*

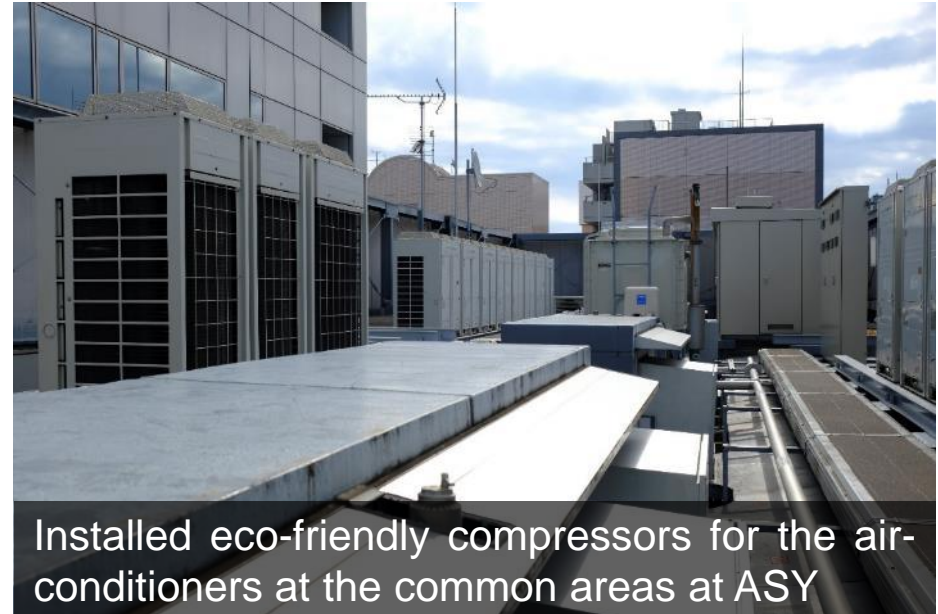
Awards by Hong Kong SAR's Environmental Protection Department for Festival Walk's ongoing efforts to maintain clean air:

- **'Good Class'** rating for the mall
- **'Excellent Class'** rating for the office building



**Green Building**  
Sandhill Plaza  
obtained the  
**Certificate of  
Green Building  
Label (2 star)** in  
July 2018

## Energy-saving Initiatives in FY18/19



### Average Electricity Intensity

(MWh/m<sup>2</sup>)



### TARGET FOR FY19/20

- Maintain or improve electricity intensity by up to 1% of FY18/19 baseline, assuming the same number of assets.



## Water-saving Initiatives in FY18/19



Commenced operation of the automatic water sprinkler system which taps mainly on collected rainwater, supplemented by freshwater, for landscape irrigation



Continued to conserve water by using bleed-off water from the cooling towers for toilet flushing.

### Average Water Intensity

(m<sup>3</sup>/m<sup>2</sup>)



Includes JP's consumption

### TARGET FOR FY19/20

- Maintain or improve water intensity by up to 1% of FY18/19 baseline, assuming the same number of assets.



The lifting equipment helps to alleviate the manual lifting of heavy flower pots at Festival Walk.



Hands-on training on the proper usage of fire extinguishers at Sandhill Plaza's annual fire drill.



Operations team at Festival Walk was recognised for their high security and safety standards at the Kowloon West Best Security Services Awards Presentation Ceremony.

During FY18/19, there was **zero** lost-time injuries and **zero** lost days incurred by the employees.

## TARGET FOR FY19/20

- Zero incidents resulting in employee permanent disability or fatality.

# Employment and Talent Retention



Presentation by Ms. Cindy Chow, CEO of the Manager, at the employee town hall session held at Festival Walk.

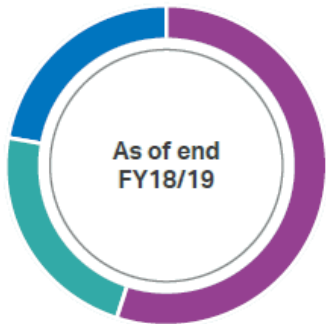


Festival Walk's employees enjoying a game event held during the Annual Spring Dinner in 2019.



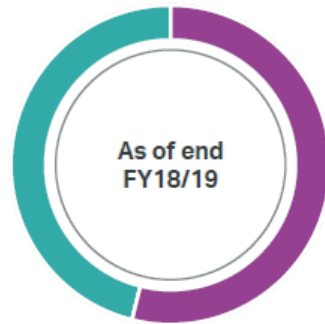
Employees from Shanghai participating in a workout session organised by the Sponsor.

## Age Diversity



30-50 years old	56%
>50 years old	24%
<30 years old	20%

## Gender Diversity



Male	55%
Female	45%

## TARGET FOR FY19/20

- Continue to commit to fair employment practices by ensuring that we adopt best practices in our hiring process and offer equal opportunity to all potential candidates.
- Maintain a diverse and relevant learning and professional development programme.

# Local Communities



## Staff Volunteerism Events during FY18/19



Packed and distributed food bundles to beneficiaries living in communities near the Manager's office in Singapore



Sprucing up the Children's Health Hospital's vegetable and fruit garden in Shanghai.



Beijing colleagues volunteered at the Shepherd's Field Children's Village in Tianjin and donated food items and other basic necessities



Raised funds for the needy at St. James' Settlement's 'Valentine's Rose Charity Sale' at Festival Walk, Hong Kong SAR

## TARGET FOR FY19/20

- Six CSR events participated by the Manager's staff from Singapore, Hong Kong SAR, Beijing and/or Shanghai.

# Anti-corruption and Compliance with Laws and Regulation



During FY18/19,

- **No significant breach** of relevant laws and/or regulations and
- **Zero** confirmed incidents of corruption.

## TARGET FOR FY19/20

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- **Anti-Corruption:** Maintain zero confirmed incidents of corruption.
- **Compliance with Laws and Regulations:** Maintain compliance with all significant or material relevant laws and/or regulations.



# Outlook for FY19/20

*Gateway Plaza, Beijing*

# Outlook (from Annual Report FY18/19)

- IMF is forecasting a softer economic growth<sup>1</sup> in 2019 compared to 2018 amid the ongoing trade tensions. The increased stimulus by the Chinese government and the cautious stance by the US Federal Reserve on interest rate hikes are expected to mitigate downside risks.

## Hong Kong SAR<sup>2</sup>

- Retail market fundamentals are expected to remain intact, supported by a low unemployment rate and inbound tourism.
- Ideally located above the Kowloon Tong MTR station and well-supported by local shoppers, FW is expected to deliver a stable performance.

## Beijing<sup>3</sup>

- General softening in leasing demand and weakening tenant affordability are expected to continue.
- A higher level of new office supply is also expected to enter the market in 2019.
- Going forward, the confluence of these factors could pose challenges to both rental and occupancy levels at GW.

## Shanghai<sup>4</sup>

- The government's multiple stimulus policies to support the private sector are expected to underpin demand for business park space in decentralised locations.
- SP is expected to deliver a steady performance.

## Japan<sup>5</sup>

- The overall outlook for the Tokyo office market in 2019 remains positive although global economic uncertainties may dampen growth.
- JP are expected to continue to provide a stable income stream on the back of long average lease expiry periods and high average occupancy rates.

### Source:

1. International Monetary Fund, "World Economic Outlook Update" (April 2019)
2. Hong Kong SAR's Census and Statistics Department, Press Release on "Provisional Statistics of Retail Sales for March 2019" (3 May 2019).
3. Savills, Beijing Office (April 2019).
4. Colliers International, Shanghai Business Parks (April 2019).
5. Savills, Tokyo Office (1Q 2019).

# Creating Sustainable Value

## Vision

To be a leading commercial REIT, by portfolio value and returns, comprising quality assets in North Asia.

## Mission

- To deliver regular and stable returns to Unitholders and to achieve long-term sustainable growth in DPU.
- To be the landlord of choice for our tenants and be committed to the delivery of quality products and services.
- To acquire high-quality assets that are yield accretive.

## Strategy

**Active Asset Management**



**Active Asset Enhancement**



**Value-Creating Acquisition Growth**



**Proactive & Prudent Capital and Risk Management**



# Extending Reach Enhancing Value

Mapletree North Asia  
Commercial Trust  
Annual Report  
2018/2019



## Q&A

# Extending Reach Enhancing Value

Mapletree North Asia  
Commercial Trust  
Annual Report  
2018/2019



# Thank You

Sandhill Plaza

# Appendix

Sandhill Plaza, Shanghai

# Portfolio Growth since IPO

## FY13/14



### 7 March IPO

- Mapletree Greater China Commercial Trust (MGCCT) was listed on SGX-ST with two assets **Festival Walk and Gateway Plaza**
- Investment mandate: to invest in a diversified portfolio of income-producing real estate in Greater China, used primarily for commercial purposes

**Portfolio Value (IPO)**  
**As at 7 Mar 2013**  
**S\$4.3 billion**

## FY15/16 Acquisition of Sandhill Plaza in Shanghai

- Completed on 17 June 2015



**Portfolio Value**  
**As at end Mar 2016**  
**S\$5.9 billion**

## FY17/18

- Announced expansion of investment mandate to include Japan

**Portfolio value**  
**As at end Mar 2018**  
**S\$6.3 billion**

## FY18/19



**Acquisition of 6 freehold office properties located in Greater Tokyo**

- Completed on 25 May 2018

**With effect from 25 May 2018, MGCCT was renamed Mapletree North Asia Commercial Trust.**

As at 31 March 2019,

**NO. OF ASSETS**

**9** (Hong Kong, Beijing, Shanghai, Greater Tokyo)

**TOTAL NLA**

**~4.2 million sq ft**

**PORTFOLIO VALUE**

**S\$7.6 billion**

## FY14/15

**Portfolio Value**  
**As at end Mar 2015**  
**S\$5.3 billion**

## FY16/17

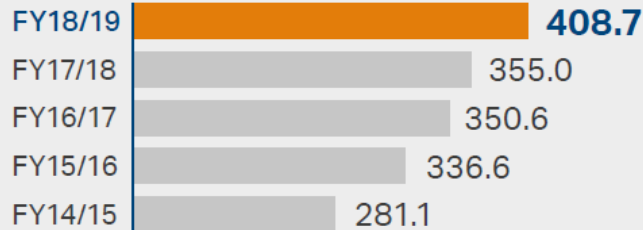
**Portfolio Value**  
**As at end Mar 2017**  
**S\$6.2 billion**

# Five-Year Review

## Gross Revenue (S\$M)

S\$408.7M

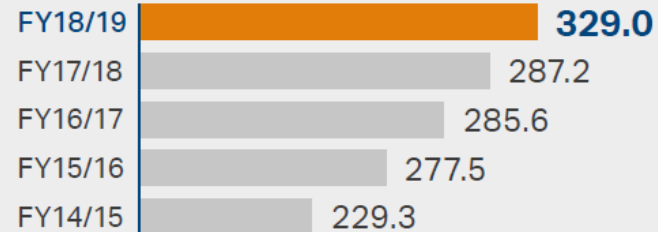
**5YR CAGR<sup>1</sup>**  
↑9.8%



## Net Property Income (S\$M)

S\$329.0M

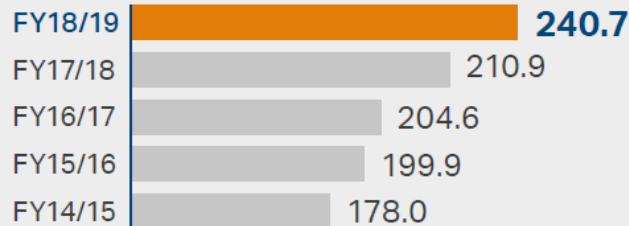
**5YR CAGR**  
↑9.4%



## Distributable Income ("DI") (S\$M)

S\$240.7M

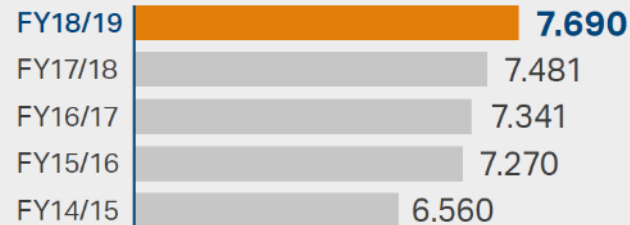
**5YR CAGR**  
↑7.8%



## Distribution per Unit ("DPU") (cents)

7.690cents

**5YR CAGR**  
↑4.1%



1. Compound Annual Growth Rate ("CAGR")