



Mapletree Greater China Commercial Trust

Financial Results for the Period
from 1 April 2015 to 30 September 2015

mapletree
greater china commercial



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This presentation shall be read in conjunction with Mapletree Greater China Commercial Trust’s financial results for the period from 1 April 2015 to 30 September 2015 in the SGXNET announcement dated 27 October 2015.

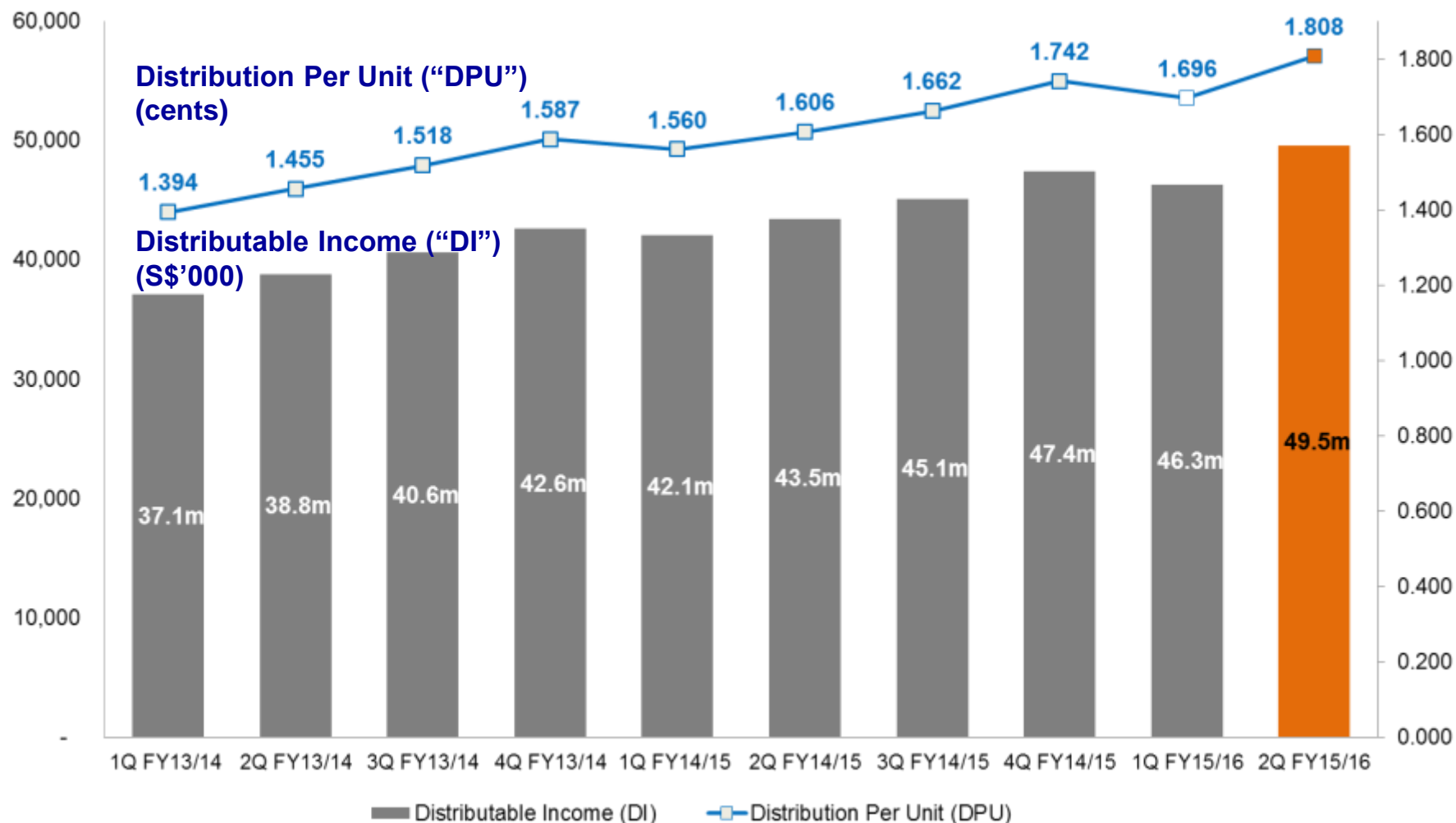
2Q FY15/16 – Organic & New Acquisition Growth

- 2Q FY15/16 Available DPU of **1.808 cents**¹ grew **12.6%** yoy
- 1st full quarter contribution from Sandhill Plaza
- Proactive Asset Management of Quality Assets
 - **81%** of expired/expiring leases² in FY15/16 committed
 - Steady rental uplifts of **20%** from Festival Walk and **25%** from Gateway Plaza
- FX volatility mitigated as **~81%** of amount distributable in FY15/16 hedged to date

1. Available DPU for the financial period is calculated based on the number of issued units as at the end of the period

2. By lettable area

Consistent Growth in DI and DPU Since IPO



- Variances in DPU and DI in 1Q FY15/16 and 1Q FY14/15 due to seasonality in retail sales
- 1Q FY13/14 excludes stub period 7 to 31 March 2013. Including stub period, 1Q FY13/14 DI = S\$46.1m and DPU = 1.7337 cents.
- DPU per quarter is calculated based on number of issued units as at end of quarter.

Financial Highlights



2Q FY15/16 DPU Up 12.6% vs. 2Q FY14/15

(S\$'000)	2Q15/16	2Q14/15	Variance %
Gross Revenue	84,626	67,482	25.4
Property Expenses	(15,131)	(12,336)	(22.7)
Net Property Income	69,495	55,146	26.0
<i>NPI Margin (%)</i>	<i>82%</i>	<i>82%</i>	
Management Fees	(6,085)	(5,144)	(18.3)
Finance Costs (Net)	(16,582)	(9,675)	(71.4)
Distributable Income	49,545	43,454	14.0
Available DPU (cents)	1.808	1.606	12.6
Annualised Distribution Yield (%)	7.7%	7.0%	

↑ Better rental reversions from FW & GW and new contribution from SP

↑ Higher staff costs, more M&P initiatives, higher maintenance costs, and higher property & lease management fees in line with revenue growth

NPI Margin maintained at 82%

↑ Higher interest cost of S\$2.1m from issuance of medium term notes, S\$3.2m from borrowings for acquisition of SP and S\$1.4m from higher fixed interest rates relating to interest rate swaps for hedging floating interest payments

Closing Unit Price on 30 Sep S\$0.930 S\$0.905

1H FY15/16 DPU Up 10.7% vs. 1H FY14/15

(S\$'000)	1H15/16	1H14/15	Variance %
Gross Revenue	160,570	131,273	22.3
Property Expenses	(28,632)	(23,537)	(21.6)
Net Property Income	131,938	107,736	22.5
<i>NPI Margin (%)</i>	<i>82%</i>	<i>82%</i>	
Management Fees	(11,086)	(9,853)	(12.5)
Finance Costs (Net)	(30,163)	(19,252)	(56.7)
Distributable Income	95,879	85,547	12.1
Available DPU (cents)	3.499	3.162	10.7
Annualised Distribution Yield (%)	7.5%	7.0%	

↑ Better rental reversions from FW & GW and new contribution from SP

↑ Higher staff costs, more M&P initiatives, higher maintenance costs, and higher property & lease management fees in line with revenue growth

NPI Margin maintained at 82%

↑ Higher interest cost of S\$4.3m from issuance of medium term notes, S\$3.6m from borrowings for SP acquisition and S\$3.1m from higher fixed interest rates relating to interest rate swaps for hedging floating interest payments

Closing Unit Price on 30 Sep S\$0.930 S\$0.905

Healthy Balance Sheet

S\$'000	As at 30 Sep 2015	As at 31 Mar 2015	Variance %
Investment Properties (IP)	5,822,311	5,349,298	8.8
Other Assets	168,016	138,763	21.1
Total Assets	5,990,327	5,488,061	9.2
Borrowings	2,457,909	1,983,963	(23.9)
Other Liabilities	267,154	243,914	(9.5)
Total Liabilities	2,725,063	2,227,877	(22.3)
Net Assets	3,265,264	3,260,184	0.2
Net Asset Value per Unit (S\$)	1.192	1.198	(0.5)

↑ Recent acquisition of Sandhill Plaza amounting to S\$407.4m and net translation gain of S\$60.2m for FW & GW

↑ Additional borrowings of S\$417.6m to fund acquisition of SP & translation loss of S\$50.9m

Capital Management



Proactive Capital Management

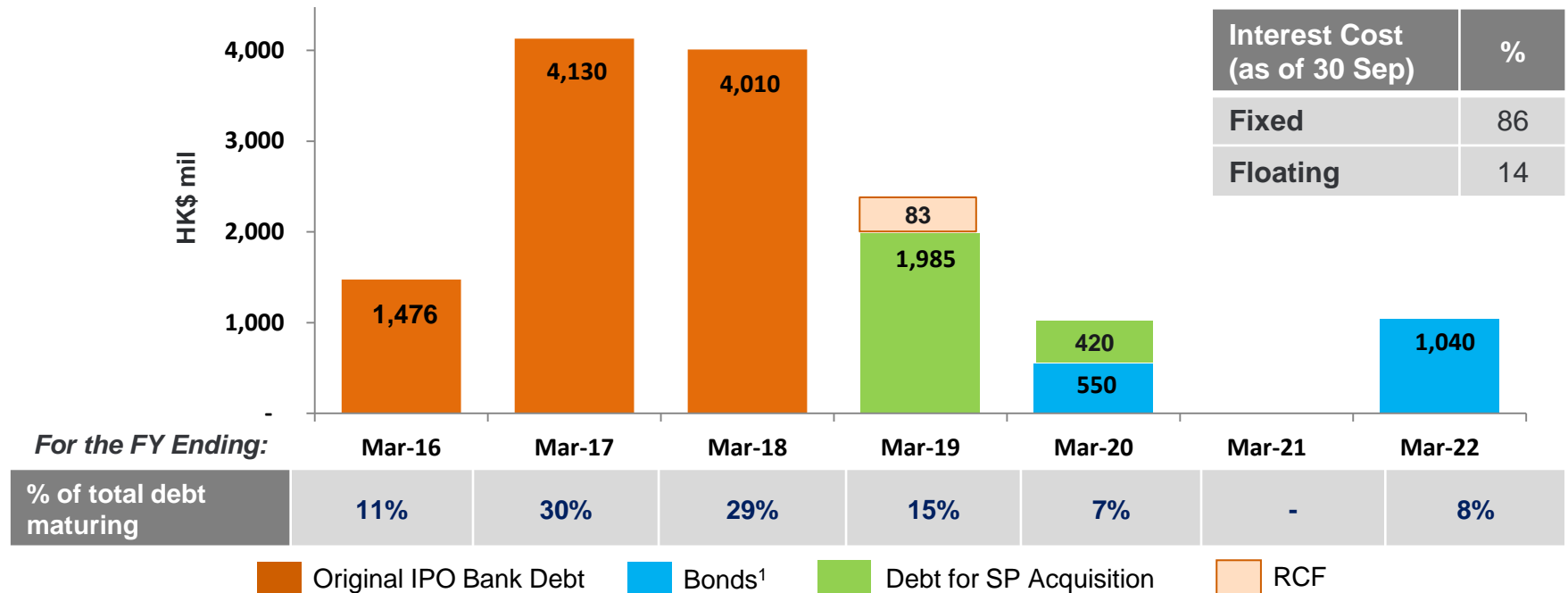
	As at 30 Sep 2015	As at 31 Mar 2015
Total Debt Outstanding	HK\$13,694 m	HK\$11,286 m
Gearing Ratio	41.0%	36.2%
Interest Cover Ratio	4.0 x	5.0 x
Average Term to Maturity for Debt	2.45 yrs	2.75 yrs
Average All-In Cost of Debt	2.64%	2.55%
MGCCT Corporate Rating by Moody's	Baa1 Stable	Baa1 Stable

- Gearing increased to **41.0%** mainly due to additional borrowings of HK\$2,405m (comprising debt of HK\$1,981m & RMB348m¹) to fund acquisition of Sandhill Plaza

¹ The encumbrance on the existing onshore borrowing relating to the acquisition of Sandhill Plaza had been released on 22 September 2015, subsequent to re-financing with another onshore bank. At 30 September 2015, all the borrowings of MGCCT Group are unsecured.

Well Staggered Debt Maturity Profile

Total Gross Debt : HK\$13,694 million¹



- To fund Sandhill Plaza acquisition, new loans of **HK\$2.4bn** were drawn from upsized existing and new bank debt facilities
- Interest cost on **86%** of debt has been fixed for FY15/16

¹ Three bond issuances in FY14/15: S\$75m 7-yr Fixed Rate Notes at 3.2% due 2021, HK\$550m 5-yr Notes at 2.8% due 2020 and S\$100m 7-yr Notes at 3.43% due 2022

81% of FY15/16 Amount Distributable locked-in

Portfolio Level (as of 30 Sep 2015)	FY15/16
% of Amount Distributable that has been hedged	~81%

- About **81%** of amount distributable in FY15/16 (comprising both HKD and RMB) has been hedged
- The Manager will continue to monitor the markets and enter into income hedges when appropriate to ensure stability of distributions to Unitholders

MGCCT 1H FY15/16 Distribution Details

Distribution Details

Distribution Period	1 April 2015 – 30 September 2015
Distribution Amount	3.499 cents per unit

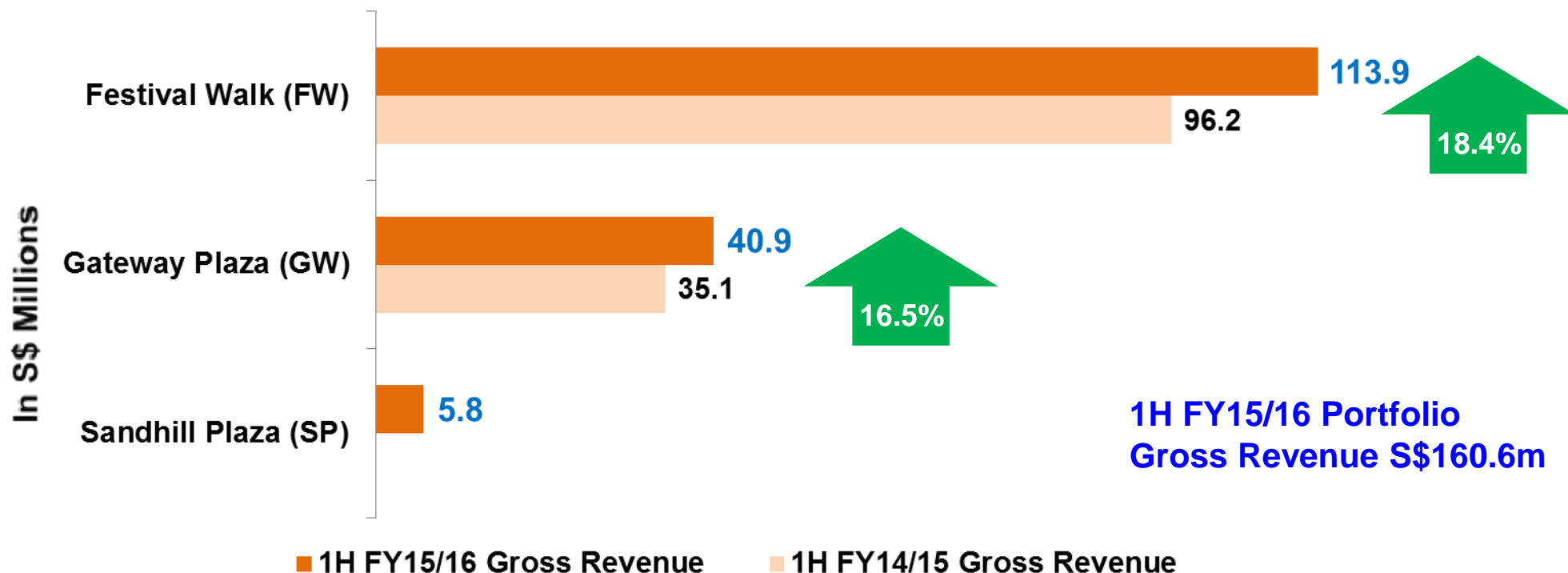
Distribution Timetable

Notice of Books Closure Date	Tuesday, 27 October 2015
Ex-Date	Monday, 2 November 2015
Books Closure Date	Wednesday, 4 November 2015, 5:00pm
Cash Distribution Payment Date	Thursday, 26 November 2015

Portfolio Highlights



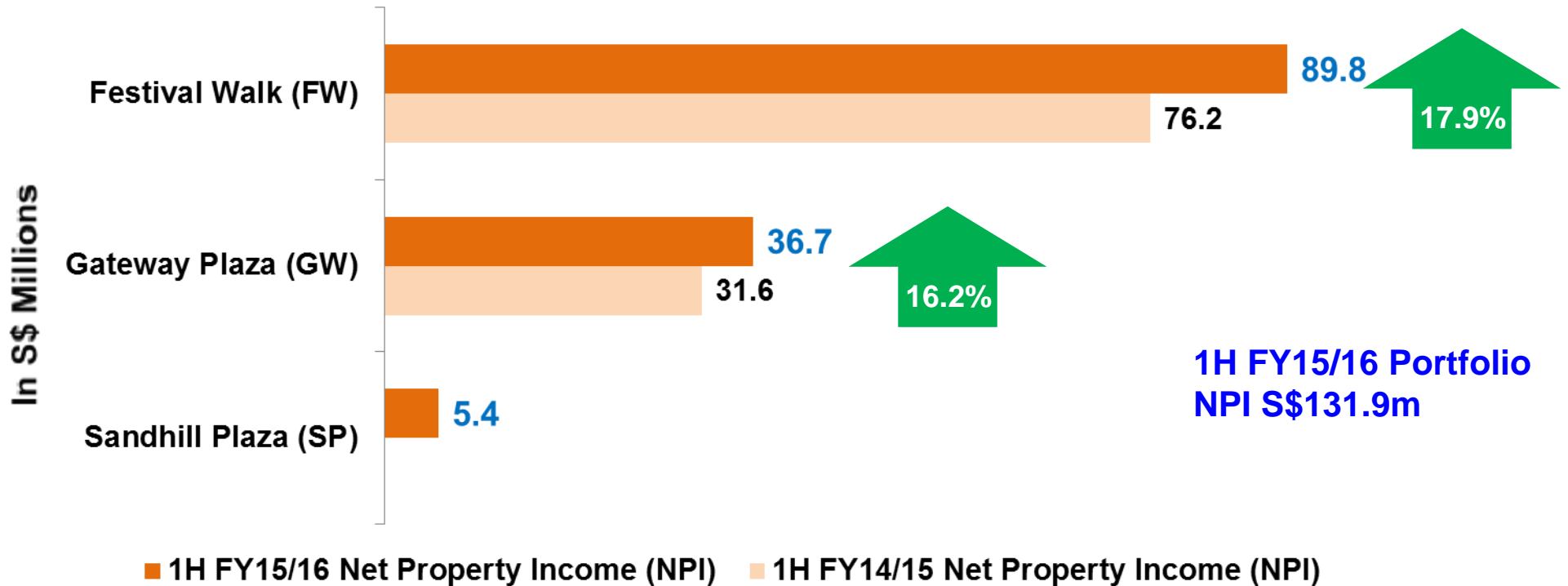
1H FY15/16 Gross Revenue Grew 22.3% YOY



- Increase in Gross Revenue for FW & GW due to better rental reversions
- Full revenue contribution from SP¹ for 2Q FY15/16




¹ Acquired on 17 Jun 2015

1H FY15/16 NPI Grew 22.5% YOY



- Increase in NPI for FW & GW due to higher gross revenue, partially offset by higher operating expenses
- Full revenue contribution from SP¹ for 2Q FY15/16

High Portfolio Occupancy of 98.4% as at 30 Sep 2015

Occupancy Rate By Qtr	As at 30 Sep 2014	As at 31 Dec 2014	As at 31 Mar 2015	As at 30 Jun 2015	As at 30 Sep 2015
Festival Walk 	100.0%	100.0%	100.0%	100.0%	100.0%
Gateway Plaza 	98.6%	99.0%	98.0%	98.6%	96.3%
Sandhill Plaza 	-	-	-	98.5% ¹	100.0%
Portfolio	99.2%	99.4%	98.8%	99.0%	98.4%

¹ Sandhill Plaza's committed occupancy rate of 96.2% as at 31 Mar 2015 was disclosed in the Acquisition announcement on 15 Jun 2015.

20% Uplift at Festival Walk & 25% Uplift at Gateway Plaza

YTD Rental Uplift By Qtr ¹	As at 30 Sep 2014	As at 31 Dec 2014	As at 31 Mar 2015	As at 30 Jun 2015	As at 30 Sep 2015
Festival Walk					
- Retail	21%	21%	22%	16%	20%
- Office	12%	12%	12%	n.a. ²	n.a. ²
Gateway Plaza³					
- Office	32%	32%	30%	29%	25%

- **81%**⁴ of expired/expiring leases at portfolio level in FY15/16 have been committed

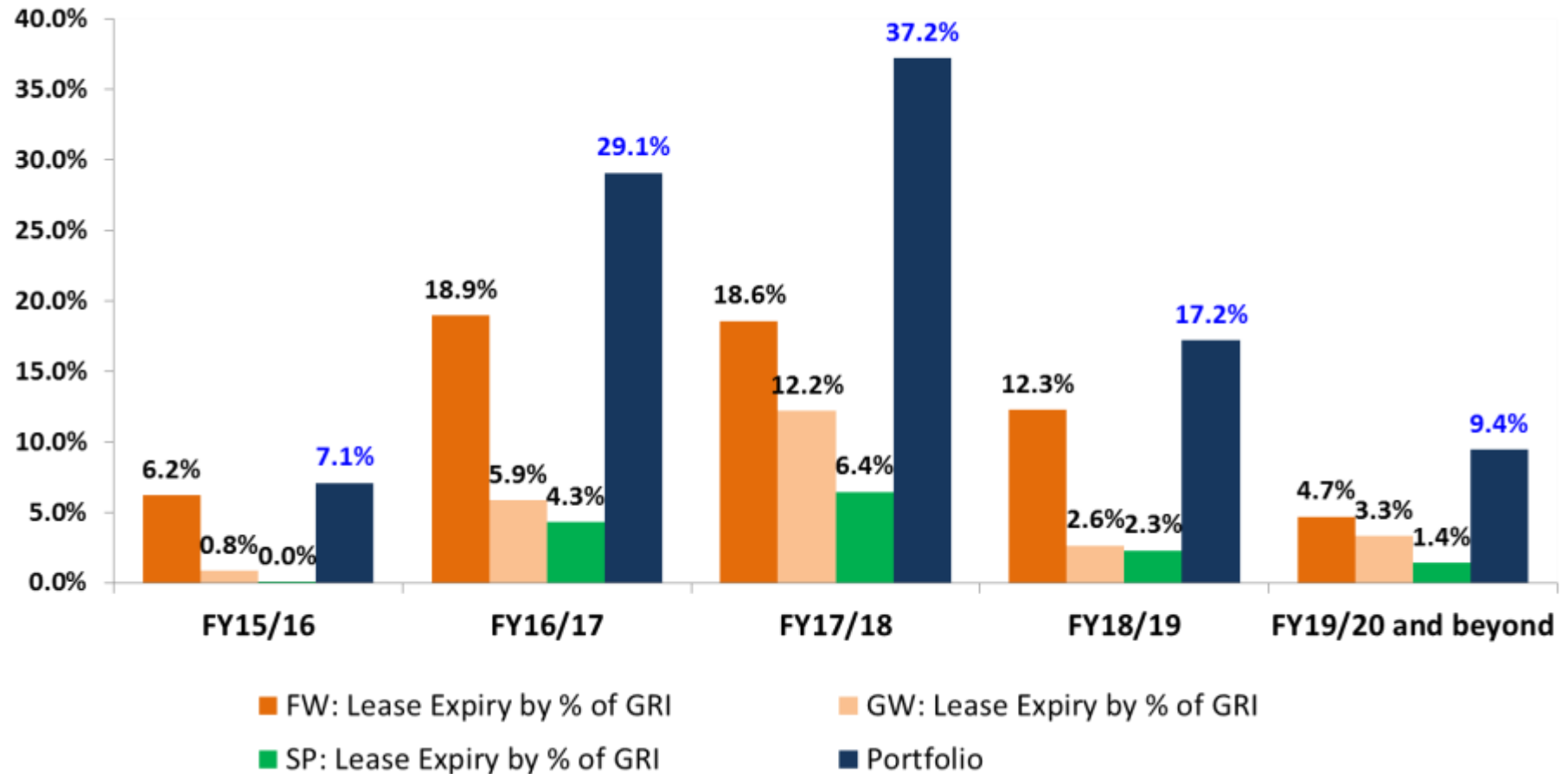
¹ Rental uplift is computed based on effective rental rate of expired leases vs. effective rental rate of the contracted leases that were renewed or re-let over the lease term.

² There is no office lease expiry at FW in FY15/16

³ Includes leases expiring in the financial year that were committed

⁴ By lettable area

Portfolio Lease Expiry Profile as of 30 Sep 2015



Weighted Average Lease Expiry (WALE) by Gross Rental Income

Portfolio :	2.3 years
▪ Festival Walk (FW) :	2.2 years
▪ Gateway Plaza (GW) :	2.7 years
▪ Sandhill Plaza (SP) :	2.1 years

Note:

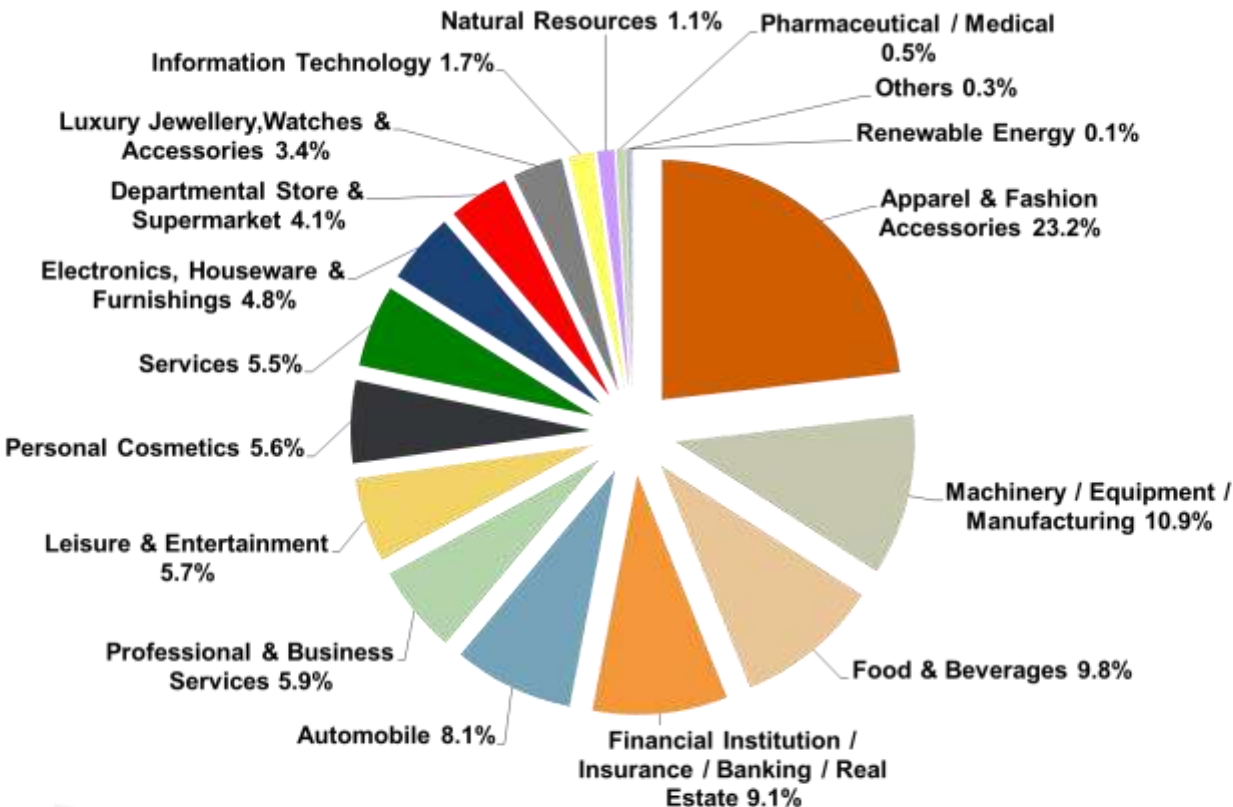
- Lease expiry profile is based on existing leases while WALE is based on committed leases

Diversified Portfolio Tenant Mix

(As of 30 Sep 2015)

Trade Sector by Gross Rental Income

No single trade sector comprises more than 23.2% of GRI



Top 10 Tenants by Gross Rental Income

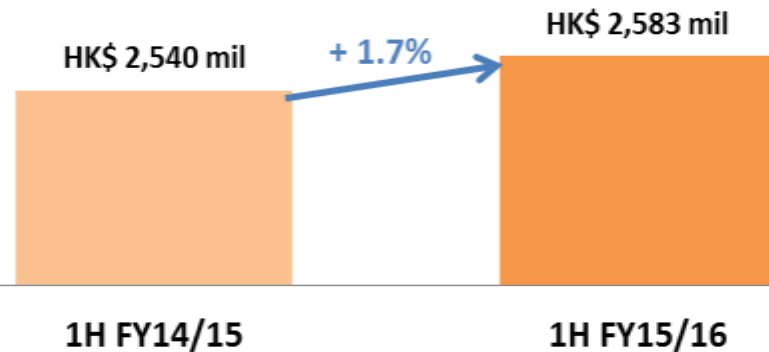
Top 10 tenants comprise 27.4% of GRI

1.	BMW	GW
2.	ARUP	FW
3.	TASTE	FW
4.	CFLD	GW
5.	APPLE	FW
6.	I.T.	FW
7.	Bank of China	GW
8.	CUMMINS	GW
9.	SPREADTRUM	SP
10.	H&M	FW

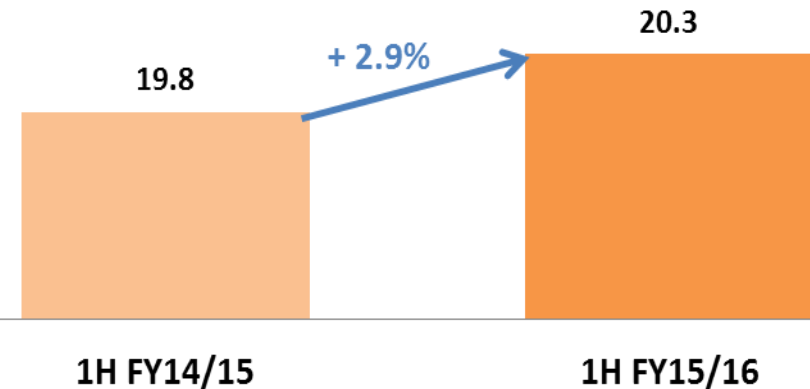
FW - Festival Walk; GW - Gateway Plaza; SP - Sandhill Plaza

Festival Walk – Resilient Retail Sales & Footfall

Tenant Sales



Footfall (million)



- Retail sales in Hong Kong¹ retail market in the first eight months of 2015 declined by 2.2% in value but increased 1.5% in volume and over the same period a year ago
- The strategic location of Festival Walk, a strong local catchment area at Kowloon Tong and the mall's focus on mid-tier & mass market brands have continued to support its retail sales resilience across economic cycles

¹ Source: Hong Kong Census and Statistics Department's "Report on Monthly Survey of Retail Sales" (October 2015). Hong Kong refers to the "Hong Kong SAR (Special Administrative Region)"

New Shops and Tenants @ Festival Walk in 2Q FY15/16

Apparel & Fashion



First Store in Hong Kong and China



F&B, Cosmetics



Relocation

New Shops and Tenants @ Festival Walk in 2Q FY15/16

Pop-up Stores



Novelty Concept Store: Ted 2 (in July), My Melody x Fueki (in August) & DC Kitty & Justice League (from September to October)

Pink Panther. Poolside Party @ FW in 2Q FY15/16

Innovative event featuring Pink Panther's Pool Side Party, a "3D" pool, poolside bar, make-up demos by beauty tenants and Pink Panther Mascot



Lifestyle Shows & Events in 2Q FY15/16



Puma's Product Launch & Award Ceremony of 24-hr Trainathon



McDonald's "Create Your Taste" Interactive Zone



Kiehl's Product Roadshow



Canon Wonderland

Beauty & Car Show Events in 2Q FY15/16



'Star' Happenings & Charity Events in 2Q FY15/16



Krystal, a popular Korean actress and singer was at FW, invited by FW tenant Moiselle



Former Miss Hong Kong beauty queens at Wai Yin's charity event



Wai Yin Association's Mooncakes for Charity



Louis Koo (古天乐) at Charles K. Kao Charity Event



Speak Dating Event by Goethe-Institut

Awards & Accolades in 2Q FY15/16 – Festival Walk



Marketing Events Awards

1. Best Stunt: “Topsy-Turvy Christmas Performance 2014” **(Gold)**
2. Best Digital Integration: “U Card App Campaign 2014” **(Gold)**
3. Best Exhibition Event: “Tsum Tsum Festival 2015” **(Silver)**



My Favourite Greater China Brand Award

(Shopping Mall Category) from China Travel Service Hong Kong



Yahoo! Emotive Brand Award

(Shopping Mall Category) – Only Mall to Achieve Third Consecutive Award

A wide-angle, high-angle photograph of a modern, multi-level shopping mall. The mall is filled with people walking on various levels. A prominent feature is a large, curved escalator on the left side, with many people using it. The architecture is modern, with white walls, glass railings, and large windows. The floor is highly reflective, showing the silhouettes of people and the structure of the mall. The overall atmosphere is busy and vibrant. In the top right corner, there is a white rectangular box containing the text "Outlook & Strategy" in a bold, orange font.

Outlook & Strategy

Outlook

Hong Kong

- **Economy:** Moderate GDP growth of 2.8% year-on-year in 2Q 2015
- **Hong Kong Retail Market:** Retail performance is expected to be supported by low unemployment rate and steady domestic consumption
- **Festival Walk:** Steady rental revenue performance expected as large majority of leases committed at positive rental reversions

China

- **Economy:** Moderated growth rate reflects the Chinese Government's focus on the quality of economic growth, supported by continued stimulus measures
- **Beijing Office Market:** Lowest vacancy rate among Chinese cities
- **Gateway:** Resilient performance, with high occupancy rate and majority of expiring leases in rest of the year committed
- **Sandhill Plaza:** Continue to contribute positively to MGCCT's organic growth, riding on growing decentralisation trend in Shanghai

Prudent Capital Management Strategy

- Significant portion of interest cost fixed and FY15/16 amount distributable hedged

Portfolio

- **The three properties are expected to remain resilient and turn in a steady performance**

Resilient and Well-Positioned for Further Growth

We have adopted a prudent risk-based approach to position MGCCT for further growth

Resilient Portfolio

- High Portfolio occupancy
- Positive rental reversions
- Diversified tenant base
- Well-distributed lease expiry profile
- Favourable supply-demand dynamics

Active & Prudent Capital Management

- Well staggered debt profile
- High interest coverage ratio
- High fixed to floating debt ratio
- Distributable income well hedged against FX exposure
- Debt serves as natural capital hedge

Proactive Asset Management

- Active tenant mix management & mall positioning
- Effective cost management
- Enhancement of amenities
- Innovative marketing & promotion

Growth Opportunities

- Asset enhancement initiatives
- Lettable area optimisation
- Prudent & rigorous acquisition strategy
- Strong Sponsor with pipeline
- Positive demand dynamics & opportunities in Greater China



Thank You

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