










# Mapletree Greater China Commercial Trust

***Financial Results for the period from 7 March 2013 to 31 March 2014***

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This presentation shall be read in conjunction with Mapletree Greater China Commercial Trust's financial results for the period from 7 March 2013 to 31 March 2014 in the SGXNET announcement dated 21 April 2014.




## Key Highlights

## Financial Highlights

## Portfolio Performance

## Outlook & Strategy

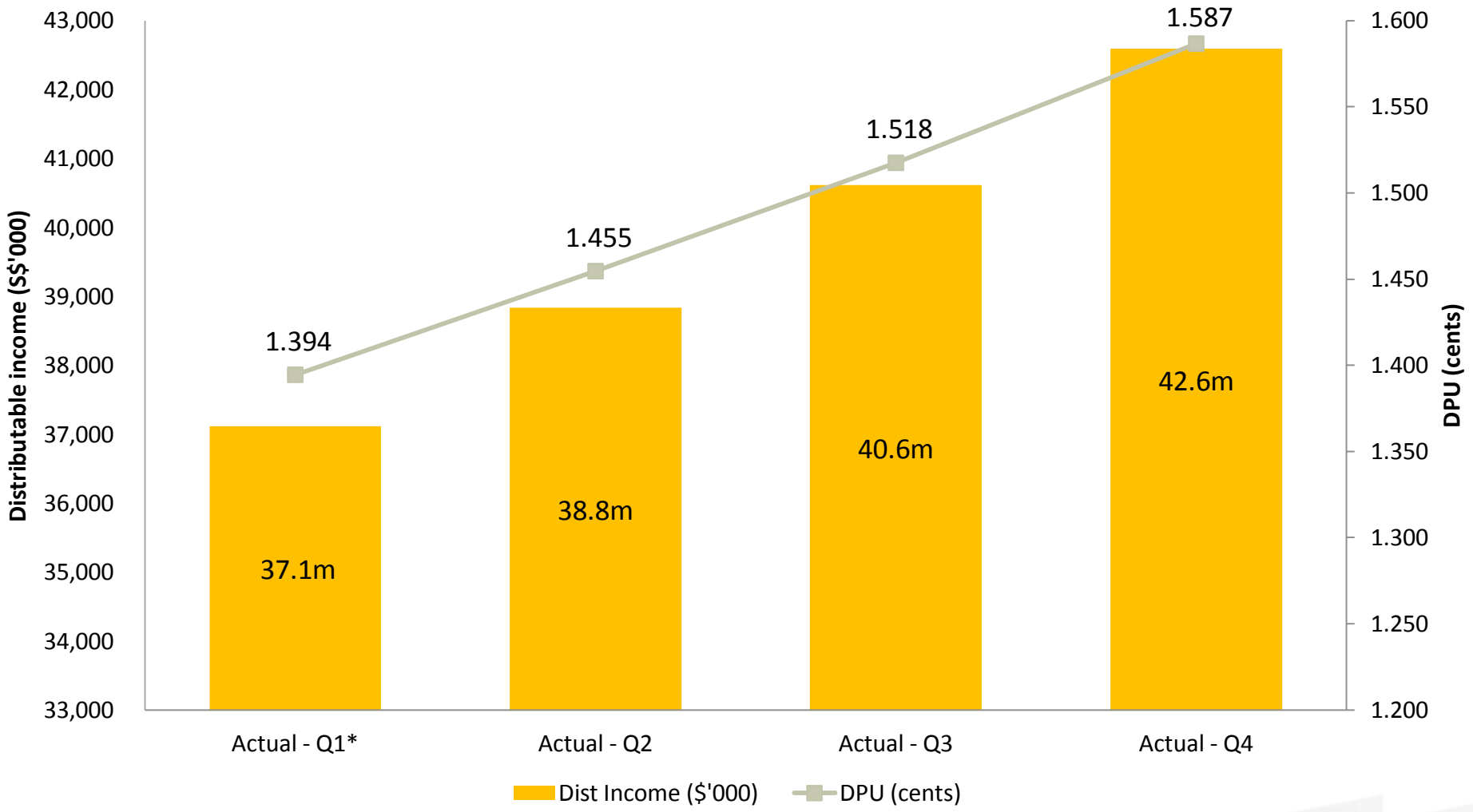
# Key Highlights

- **MGCCT Fourth Quarter DPU of 1.587 cents exceeds Forecast[1] by 15.9%**
- **Full-year DPU of 6.265 cents above Forecast[1] by 13.1%**
- **Full-year rental uplift for Festival Walk & Gateway Plaza are 20% and 79% respectively**
- **Lower gearing at 38% and high interest coverage ratio of 4.6 times**

1. The Forecast is derived from the Forecast Period FY12/13 (for period from 7 to 31 March 2013) and Projection Year FY13/14 (for the period from 1 April 2013 to 31 March 2014) as disclosed in MGCCT's IPO Prospectus dated 27 February 2013 ("the Prospectus").

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# Scorecard Since IPO




* Quarter results for Q1 excludes start period 7 to 31 March. Distributable Income for the period from 7 March to 30 June 2013 (S$ '000) = 46,146
Total Distributions Per Unit for the period from 7 March to 30 June 2013 = 1.7337 cents.

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# Financial Highlights



# Key Highlights – 7 March 2013 to 31 March 2014

| | 7 Mar 2013 to 31 Mar 2014[1] | | | 1 Jan 2014 to 31 Mar 2014 | | |
|---|---|---|---|---|---|---|
| | Actual | Forecast[2] | Variance % | Actual | Forecast[2] | Variance % |
| Distributable Income (S$'000) | 168,182 | 148,404 | 13.3% | 42,592 | 36,695 | 16.1% |
| Available Distribution Per Unit (cents) | 6.265[3] | 5.538 | 13.1% | 1.587 | 1.369 | 15.9% |
| Annualised DPU (cents) | 5.86 | 5.18 | | 6.44 | 5.55 | |
| Annualised Distribution Yield<br>@ S$0.93 per unit (IPO Price)<br>@ S$0.87 per unit (closing price on 21/04/14) | <br>6.3%<br>6.7% | <br>5.6%<br>6.0% | | <br>6.9%<br>7.4% | <br>6.0%<br>6.4% | |

1. Represents the period from Listing Date to 31 March 2014.
2. The Forecast is derived from the Forecast Period FY12/13 (for the period from 7 to 31 March 2013) and Projection Year FY13/14 (for the period from 1 April 2013 to 31 March 2014) as disclosed in the Prospectus.
3. Represents a 100% distribution of MGCCT's income available for distribution for the period from 7 March 2013 to 31 March 2014.

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# Q4 Distributable Income Exceeds Forecast by 16.1%

| | Q4 - 1 Jan 2014 to 31 Mar 2014 | | |
|---|---|---|---|
| **(S$ 000)** | **Actual** | **Forecast** | **Variance %** |
| **Gross Revenue** | **64,929** | **60,397** | **7.5%** |
| Less: Property Operating Expenses | (12,880) | (12,492) | (3.1) **%** |
| **Net Property Income** | **52,049** | **47,905** | **8.7%** |
| Management Fees[1] | (5,675) | (3,670) | (54.6) **%** |
| Finance Costs | (9,619) | (10,038) | 4.2**%** |
| Exchange differences | 377 | - | NM |
| Trust Expenses | (183) | (739) | 75.2**%** |
| **Total Trust Expenses** | **(15,100)** | **(14,447)** | **(4.5) %** |
| Income Tax Expenses | (10,467) | (5,765) | (81.6) **%** |
| Net Change in Fair Value of Investment Properties[2] | 266,935 | - | NM |
| Net Change in Fair Value of Financial Derivatives[3] | (1,260) | - | NM |
| **Total Return for the Period** | **292,157** | **27,693** | NM |
| Distribution Adjustments[4] | (249,565) | 9,002 | NM |
| **Income Available for Distribution to Unitholders** | **42,592** | **36,695** | **16.1%** |

1. Includes accrual for performance fee for the period ended 31 March 2014, calculated as 25% of DPU growth over the corresponding period. There was no accrual of such fees in the Forecast as it is the reference year from which DPU growth is calculated.
2. Q4 fair value gain of S$266.9 million represents the revaluation gains recorded on the portfolio valuations carried out by Cushman & Wakefield Valuation Advisory Services (HK) Ltd as at 31 March 2014 as compared to the carrying value of the respective properties. Fair value gain for Gateway Plaza and Festival Walk are S$41.5 million and S$225.5 million respectively.
3. Comprises net change in fair value of currency forwards which were entered into to hedge foreign currency risk. This has no impact on income available for distribution to Unitholders.
4. These include non-tax deductible expenses, management and property management fees paid in units, trustee fees, change in fair value of investment properties and financial derivatives, amortisation of upfront financing fees, amortisation of rent-free incentives and depreciation expenses.

# YTD Distributable Income Exceeds Forecast by 13.3%

| | YTD - 7 Mar 2013 to 31 Mar 2014 | | |
|---|---|---|---|
| **(S$ 000)** | **Actual** | **Forecast** | **Variance %** |
| **Gross Revenue** | **267,578** | **249,214** | **7.4%** |
| Less: Property Operating Expenses | (51,396) | (52,185) | 1.5% |
| **Net Property Income** | **216,182** | **197,029** | **9.7%** |
| Management Fees[1] | (21,641) | (14,841) | (45.8) % |
| Finance Costs | (42,024) | (42,851) | 1.9% |
| Exchange differences | 127 | - | NM |
| Trust Expenses | (2,725) | (3,038) | 10.3% |
| **Total Trust Expenses** | **(66,263)** | **(60,730)** | **(9.1) %** |
| Income Tax Expenses | (30,466) | (23,292) | (30.8) % |
| Net Change in Fair Value of Investment Properties[2] | 269,353 | - | NM |
| Net Change in Fair Value of Financial Derivatives[3] | (2,128) | - | NM |
| **Total Return for the Period** | **386,678** | **113,007** | NM |
| Distribution Adjustments[4] | (218,496) | 35,397 | NM |
| **Income Available for Distribution to Unitholders** | **168,182** | **148,404** | **13.3%** |

1. Includes accrual for performance fee for the period ended 31 March 2014, calculated as 25% of DPU growth over the corresponding period. There was no accrual of such fees in the Forecast as it is the reference year from which DPU growth is calculated.
2. YTD fair value gain of S$269.4 million represents the revaluation gains on fair value of investment properties based on portfolio valuations carried out by Cushman & Wakefield Advisory Services (HK) Ltd as at 31 March 2014 as compared to the carrying value of the respective properties. YTD fair value gain is S$225.5 million for Festival Walk and S$43.9million for Gateway Plaza, of which S$2.4 million relates to the difference between the acquisition cost and carrying value of Gateway Plaza at IPO.
3. Comprises net change in fair value of currency forwards which were entered into to hedge foreign currency risk. This has no impact on income available for distribution to Unitholders.
4. These include non-tax deductible expenses, management and property management fees paid in units, trustee fees, change in fair value of investment properties and financial derivatives, amortisation of upfront financing fees, amortisation of rent-free incentives and depreciation expenses.

# Appreciation in Portfolio Valuation as at 31 March 2014

| $ million | Valuation as at 31 Mar 2014[1] (Local currency / S$) | Valuation as at Listing Date of 7 March 2013[2] (Local currency/ S$) | Valuation Cap Rate as at 31 March 2014 | Purchase price (S$) as at 7 Mar 2013 (IPO)[3] |
|---|---|---|---|---|
| Festival Walk | HKD$22,100 (S$ 3,611) | HKD$20,700 (S$ 3,296) | 4.5% (gross) | S$ 3,296 |
| Gateway Plaza | RMB 5,371 (S$ 1,111) | RMB 5,165 (S$ 1,016) | 6.5% (gross) | S$ 1,013 |
| Portfolio | S$4,722 | S$4,312 | - | S$4,309 |

[1] Valuation methodologies used as of 31 March 2014 by independent valuer include: Term & Reversion Analysis and Discounted Cash Flow Analysis
Based on exchange rates S$1 = HKD$6.12 and S$1= RMB4.83

[2] Refer to the unaudited Proforma Balance Sheet of MGCCT as of Listing Date as disclosed in the Prospectus.
Based on exchange rates: S$1 = HKD$6.28 and S$1=RMB5.08

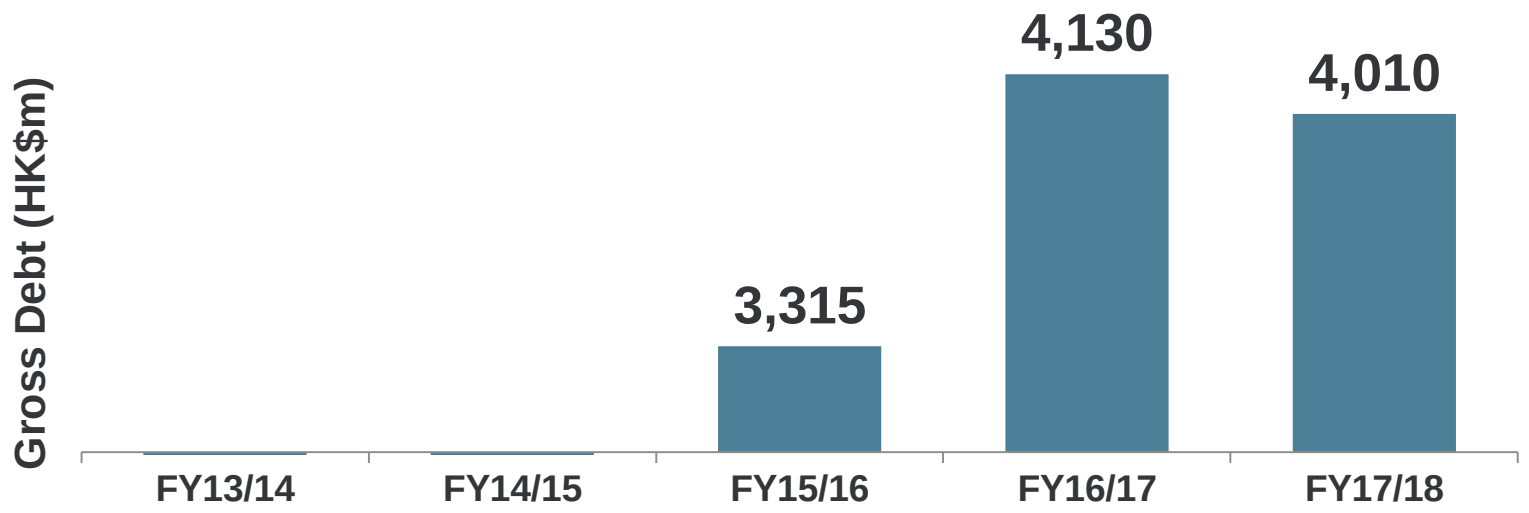
[3] Figures from Prospectus

# Healthy Balance Sheet – Growing Net Asset Value per Unit

| S$ 000 | Actual 31 Dec 2013 | Actual 31 Mar 2014 |
|---|---|---|
| Investment Properties | 4,422,148 | 4,722,070 |
| Non-current Assets | 698 | 781 |
| Current Assets | 108,639 | 150,239 |
| **Total Assets** | **4,531,485** | **4,873,090** |
| Interest-bearing Borrowings | 1,835,355 | 1,852,787 |
| Non-current Liabilities | 68,501 | 78,996 |
| Current Liabilities | 104,896 | 101,604 |
| **Net Assets** | **2,522,733** | **2,839,703** |
| Units in Issue ('000) | 2,676,251 | 2,684,275 |
| **Net Asset Value per Unit** | **$0.94** | **$1.058** |

# Debt Maturity Well Staggered

**Total Debt: HK$11,455 mil**



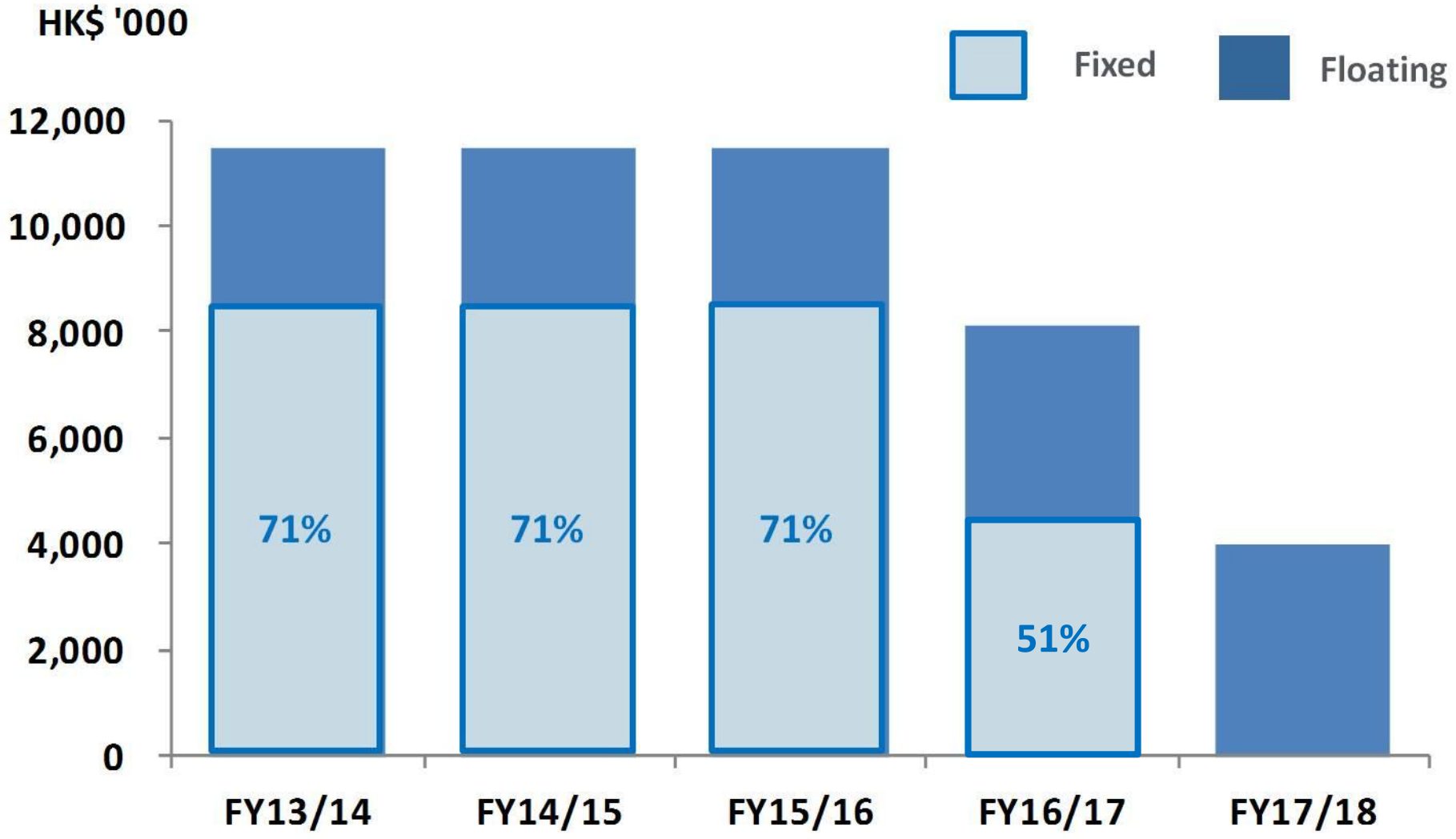

| | | | | | |
|---|---|---|---|---|---|
| % of total debt maturing | 0% | 0% | 29% | 36% | 35% |

- Management has repaid HK$695m of Term Loan Facility using operating cash
- Weighted Debt Maturity as of 31 March 2014 is 3.0 years



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# Interest Cost Fixed for 71% of Total Debt – Mitigates Impact of Interest Rate Volatility




- **Interest cost fixed for 71% of total debt from FY13/14 to end of FY15/16 and 51% of total remaining debt until end of FY16/17**

# Key Financial Indicators

| | Actual as at 31 Dec 2013 | Actual as at 31 Mar 2014 |
|---|---|---|
| Gearing Ratio[1] | **40.5%** | **38.0%** |
| Interest Cover Ratio | **4.5 times** | **4.6 times** |
| Average Term to Maturity for Debt (years) | **3.2** | **3.0** |
| Average All-In Cost of Debt | **2.0%** | **2.0%** |
| Unencumbered Assets as % of Total Assets | **100%** | **100%** |
| MGCCT Corporate Rating | **Baa1 Stable** | **Baa1 Stable** |

1. Net Gearing Ratio at 35.3% (31 December 2013: 38.6%)

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# Distribution Details

| | |
|---|---|
| Distribution Period | 1 October 2013 – 31 March 2014 |
| Distribution Amount | 3.099 cents per unit |

## Distribution Timetable

| | |
|---|---|
| Notice of Books Closure Date | Monday, 21 April 2014 |
| Ex-Date | Friday, 25 April 2014 |
| Books Closure Date | Tuesday, 29 April 2014, 5:00pm |
| Cash Distribution Payment Date | Thursday, 22 May 2014 |

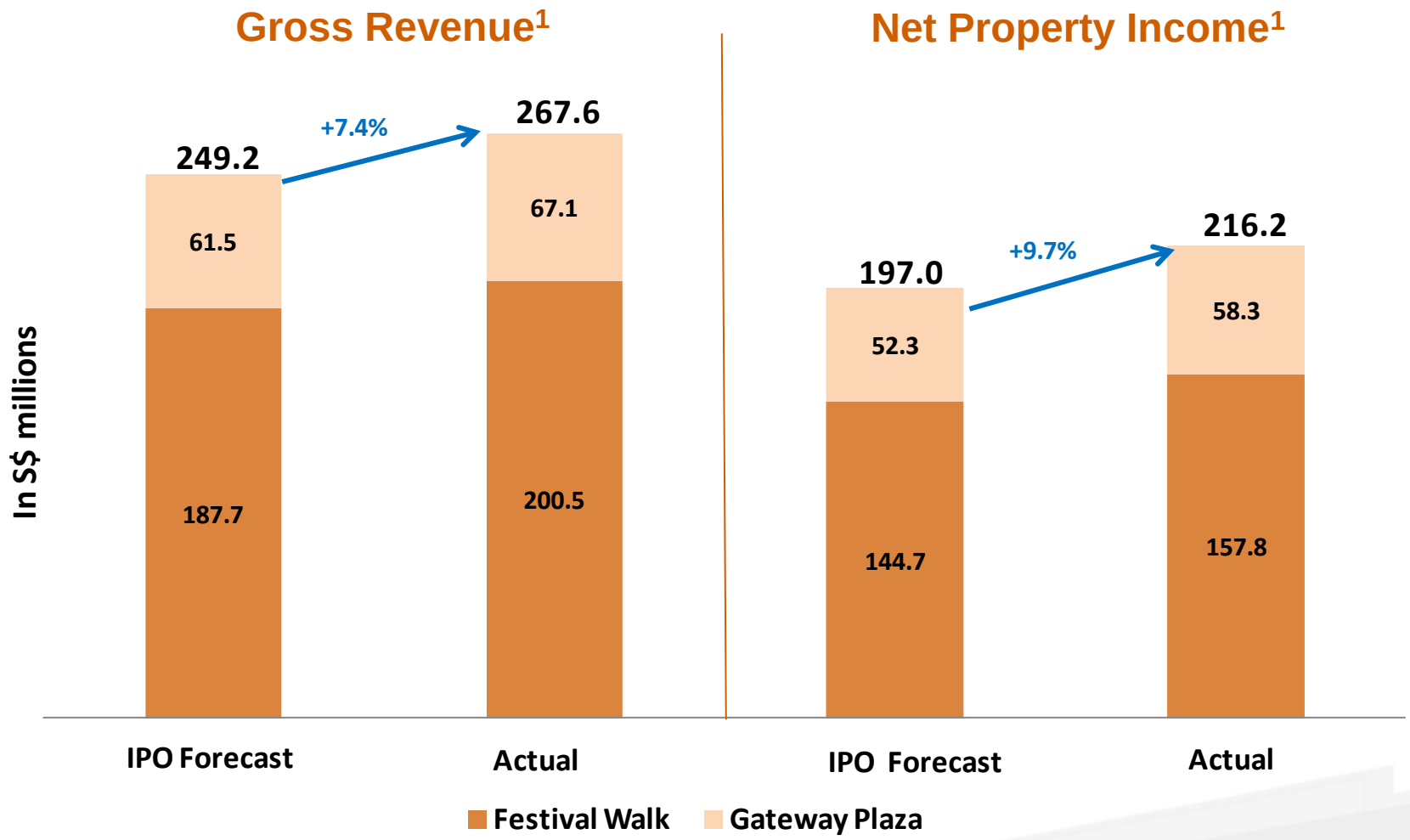


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# Portfolio Performance



# Portfolio Revenue and NPI – Above Forecast




1. For the Period from Listing Date of 7 March 2013 to 31 March 2014.



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# Resilient Portfolio Occupancy

| | | As at 31 Mar 2014 | As at 31 Dec 2013 | As at 30 Sep 2013 | As at 30 June 2013 |
|---|---|---|---|---|---|
| **Festival Walk**<br>**Hong Kong** |  | 100.0% | 100.0% | 100.0% | 99.1% |
| **Gateway Plaza**<br>**Beijing** |  | 97.5% | 96.5%[1] | 98.3% | 97.8% |
| **Portfolio** | mapletree greater china commercial | 98.5% | 97.9%[1] | 99.0% | 98.3% |

- Consistently high occupancy rate for both properties

[1] As at 7 January 2014, Gateway Plaza recorded committed occupancy at 97.2% and portfolio occupancy level was at 98.3%

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# Strong Rental Uplift

| *For the period from 1 April to 31 March 2014* | **Committed Leases (% of NLA of expiring leases in FY13/14)** | **Rental Uplift [1]** |
|---|---|---|
| **Festival Walk** | | |
| - Retail | 100% | 20% |
| - Office | 100% | 22% |
| **Gateway Plaza** | | |
| - Office | 90% | 79% |

- 95% of expiring leases in FY13/14 have been renewed or re-let
- Robust rental uplift achieved for leases committed in FY13/14

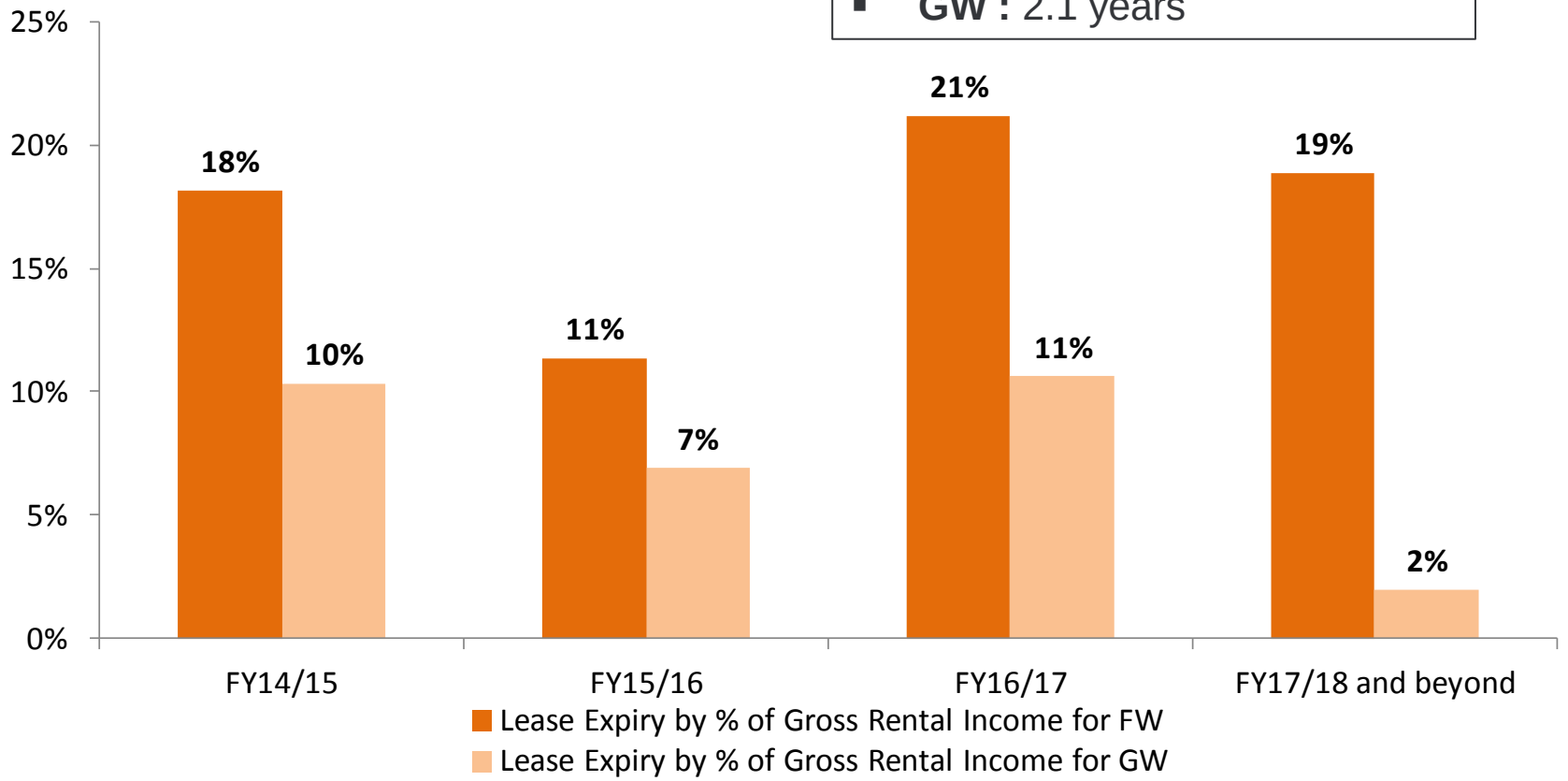
1. Rental uplift is computed based on effective rental rate of expiring leases vs. effective rental rate of the contracted leases that were renewed or re-let over the lease term

# Portfolio Lease Expiry Profile

(as of 31 March 2014)

## Weighted Average Lease Expiry (WALE) by Gross Rental Income

- **Portfolio:** 2.5 years
- **FW :** 2.7 years
- **GW :** 2.1 years




(1) Approximately 1% of the leases in the portfolio expired on 31 Mar 2014

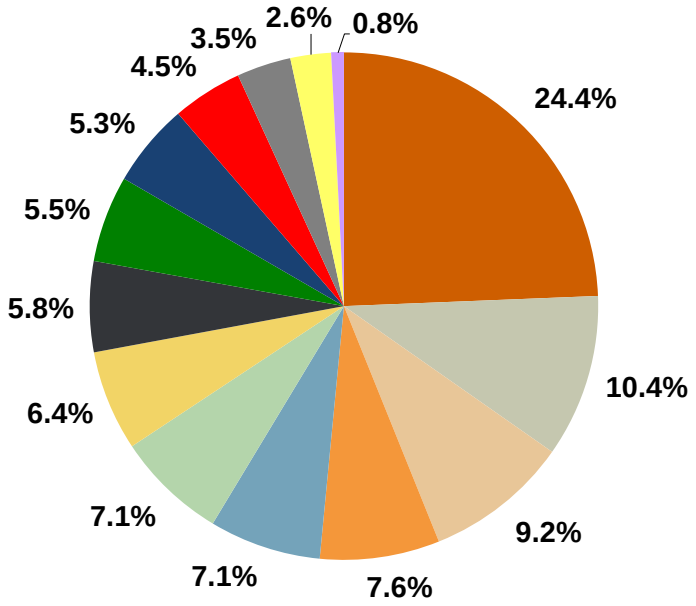
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# Diversified Tenant Mix

(for the month of March 2014)

## Trade Sector by Gross Rental Income

### No single trade sector comprises more than 24.4% of GRI




- Apparel & Fashion Accessories
- Food & Beverages
- Machinery / Equipment / Manufacturing
- Financial Institution / Insurance / Banking / Real estate
- Automobile
- Professional & Business Services
- Services
- Houseware,Electronics & Furnishings
- Leisure & Entertainment
- Personal Cosmetics
- Departmental Store & Supermarket
- Luxury Jewellery,Watches & Accessories
- Natural Resources
- Others

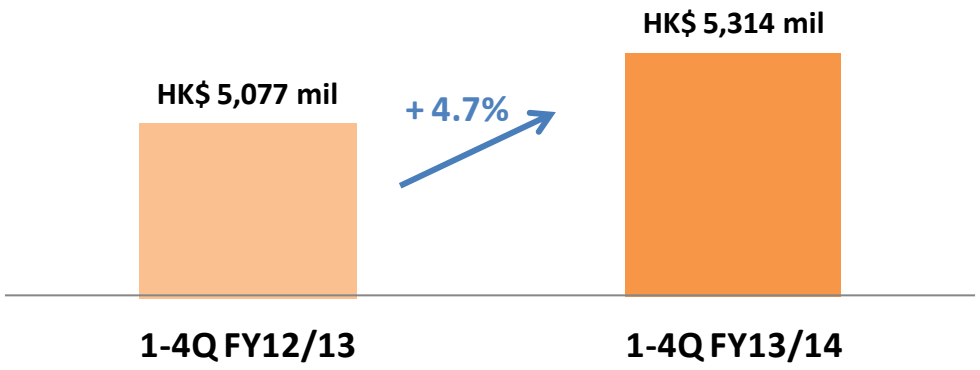
## Top 10 Tenants by Gross Rental Income

### Top 10 tenants comprise 27.0% of GRI

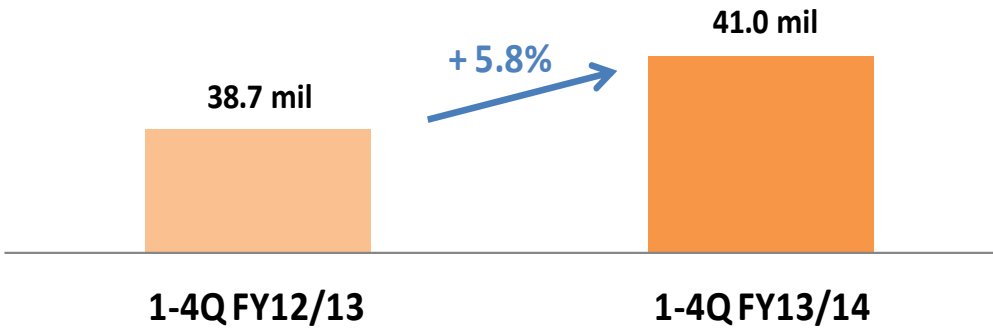
| | |
|---|---|
| 1. | BMW |
| 2. | OVE ARUP |
| 3. | TASTE |
| 4. | CFLD |
| 5. | APPLE |
| 6. | CUMMINS |
| 7. | H&M |
| 8. | MARKS & SPENCER |
| 9. | PRUDENTIAL |
| 10. | JOHN DEERE |

# Festival Walk – Continued Growth in Retail Sales & Shopper Traffic

## Sales Turnover (HK$ m)




## Footfall (millions)




1-4Q refers to the period from 1 April to 31 March



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# New Brands and Tenants @ Festival Walk in 4QFY13/14

Vivienne Westwood | LINKS LONDON | glasstique | STACCATO | ItsImagical® | PASHMA


















# Festival Walk: Chinese New Year & Valentine's Day Events (4QFY13/14)



CNY Opening Ceremony by HK celebrities - Charmaine Sheh & Kenneth Ma



Lion Dance Performance



Chinese Acrobat Performance




Guerlain La Petite Robe Noire Dance Performance

# Festival Walk: Marketing & Promotional Activities in 4QFY13/14




Timberland Product Launch Event



Presentation of “TopGear Awards 2013” & exhibition




BMW Car show



“Largest Sushi Mosaic” Break Guinness World Record  Event at Glacier

# Festival Walk – Awards & Accolades

- **Southern Metropolis Daily, Guangzhou (广州南方都市报)**

  The Most “LIKE” Hong Kong Brand – Shopping Mall 2013 (香港最LIKE名品牌商场)
- **Hong Kong Economic Times**

  Top 10 Favourite Shopping Mall 2013-2014 (我最喜愛商场大奖 2013-2014)
- **Hong Kong’s Fashion & Beauty Magazine**

  The Best Shopping Mall in Town 2014 (全城最优质商场)



**The Most “LIKE” Hong Kong Brand- Shopping Mall 2013**




**Top 10 FavouriteShopping Mall 2013/2014**

# Update on Festival Walk Incident

- Flooding which affected some parts of Festival Walk on the night of 30 March 2014 was due to exceptionally high volume of torrential rainwater from the unexpected thunderstorm. That caused a section of the rainwater discharge pipes to give way, which have since been repaired
- The mall was swiftly brought back into operations within 12 hours
- Manager is looking into incorporating measures to enhance rainwater discharge system
- Minimal impact on distribution to Unitholders



***March 31 2014 (First day after incident)***
*Festival Walk was quickly back in operations. Checks performed on false ceiling boards*



***March 31 2014 (First day after incident)***
*Festival Walk packed with shoppers*




***April 1 2014 (Second day after incident)***
*A fashion show organised by tenant attracts throngs of shoppers*

# Outlook & Strategy



# Outlook

## Hong Kong

- **Economy:** Steady GDP growth amid uncertain global economy
- **HK Retail Market:** Firm domestic demand and inbound tourism will support retail market in the near term
- **HK Office Market:** Decentralisation and consolidation expected to continue with cost-saving relocation trend

## China

- **Economy:** Expected to stay on a more measured and sustainable growth path, driven by government reforms
- **Beijing Office Market:** Limited supply as well as consolidation and expansion by both local and international corporations are expected to contribute to office space demand.

## Portfolio

- The two properties will continue to benefit from the positive demand dynamics in Greater China, given the resilient domestic demand in Hong Kong and rental reversions taking place in Beijing office sector.

# Resilient and Positioned for Growth

**RESILIENT PORTFOLIO**

- High Portfolio occupancy of 98.5% (as of 31 March 2014)
- Strong rental reversions in Festival Walk and Gateway Plaza
- Rental uplift by approx. 20% for Festival Walk Retail and 79% for Gateway Plaza Office for expiring leases in FY13/14
- Diversified tenant base

**ACTIVE CAPITAL MANAGEMENT STRATEGY**

- No outstanding borrowings due in FY14/15
- HKD Distributable Income hedged : 90% in FY14/15
- Interest rate for 71% of total debt hedged for FY14/15 & FY15/16 and 51% of total remaining debt until end of FY16/17
- Lower gearing at 38% and high interest coverage ratio of 4.6 times

**ORGANIC AND INORGANIC GROWTH**

- Continued organic growth through active leasing strategies and efficient cost management
- Asset enhancement initiatives
- Develop acquisition pipeline












## Thank You

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