

For Immediate Release

## MGCCT's Maiden Acquisition of Sandhill Plaza in Shanghai for Approximately S\$402 million

- Expands MGCCT's footprint to Shanghai, the first-tier commercial hub in China
- Captures growing demand for business park due to decentralisation trend in Shanghai

**15 June 2015** – Mapletree Greater China Commercial Trust Management Ltd., as manager (the "Manager") of Mapletree Greater China Commercial Trust ("MGCCT"), is pleased to announce the acquisition of a property located at 2290 Zuchongzhi Road, Zhangjiang Hi-tech Park, Pudong New Area, Shanghai, People's Republic of China ("**Sandhill Plaza**") by MGCCT.

A conditional sale and purchase agreement (the "**SPA**") has today been entered into with MSREF VII LEAPHART BV, being an unrelated third party vendor. Pursuant to the SPA, MGCCT will acquire 100.0% interest in *Glamour II Limited* (an entity incorporated in the Cayman Islands), which holds 100.0% interest in *China Orient Limited* (an entity incorporated in Hong Kong), which in turns holds 100.0% interest in *Shanghai Zhan Xiang Real Estate Company Limited* (an entity incorporated in the People's Republic of China), the registered owner of Sandhill Plaza.

The purchase consideration for the acquisition is RMB1,888.1 million (or approximately S\$412.2 million<sup>1</sup>) ("**Purchase Consideration**") which comprises the property purchase price of RMB1,840.3 million (or approximately S\$401.8 million) for Sandhill Plaza and the estimated working capital adjustments<sup>2</sup> attributable to the entities being acquired in connection with the acquisition (the "**Acquisition**").

Ms Cindy Chow, Chief Executive Officer of the Manager, said, "We are pleased to announce our first acquisition since listing, with the purchase of Sandhill Plaza – a premium quality business park located in Zhangjiang Hi-tech Park in Shanghai. With its good location, quality building specifications, high occupancy rate, strong tenancy profile, and attractive rental growth opportunity within a strong rental market, the acquisition of Sandhill Plaza is in line with MGCCT's strategy to invest in best-in-class real estate assets for commercial purposes in the Greater China region. This marks the start of growing MGCCT through accretive acquisitions in addition to organic growth and asset enhancement initiatives."

<sup>1</sup> Based on the exchange rate of S\$1 : RMB4.58 (the "**Exchange Rate**"). Unless otherwise stated, all conversions of RMB amounts into S\$ in this announcement shall be based on the Exchange Rate.

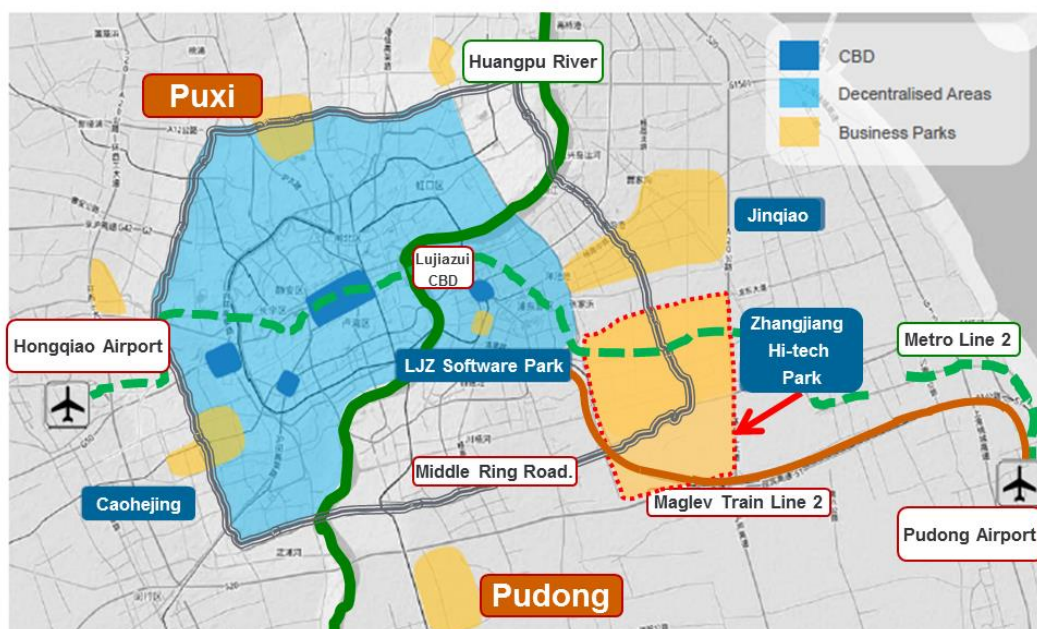
<sup>2</sup> This is computed as the net assets less liabilities of the group of entities to be acquired.

## Summary on Sandhill Plaza

<b>Name of Property</b>	Sandhill Plaza 展想广场
<b>Location</b>	2290 Zuchongzhi Road, Zhangjiang Hi-tech Park, Pudong New Area, Shanghai, People's Republic of China 中国上海市浦东新区祖冲之路 2290
<b>Gross Floor Area (sq m)</b>	83,801.48
<b>Above Ground Gross Floor Area (sq m)</b>	63,456.64
<b>Description of Sandhill Plaza</b>	One 20-storey tower, seven blocks of 3-storey buildings <sup>3</sup> and two basement levels of car park
<b>Number of Car Park Lots</b>	460
<b>Title</b>	50-year leasehold commencing on 4 February 2010, on industrial land
<b>Year of Completion</b>	2012
<b>Number of Committed Tenants</b>	58
<b>Committed Occupancy Rate as at 31 March 2015 (%)</b> <sup>4</sup>	96.2%

## Expands MGCCT's footprint to Shanghai, the first-tier commercial hub in China

Sandhill Plaza is a premium business park property developed on a land plot of about 23,203 square metres ("sq m") in an established area of Zhangjiang Hi-tech Park ("Zhangjiang"), part of Shanghai's Free Trade Zone ("FTZ"). It will be a strategic addition to MGCCT's current portfolio as it will expand MGCCT's footprint to Shanghai, the first-tier commercial hub in the People's Republic of China.



Source: Colliers International Shanghai Research, Mapletree Greater China Commercial Trust Management Ltd. ("MGCCTM")

<sup>3</sup> Please note that there are eight blocks of low-rise (3-storey) buildings within the subject premises. However, one block is separately owned by Shanghai Fumingshun, a related company of Spreadtrum Communication (Shanghai) Co. Ltd, and does not form part of the Acquisition.

<sup>4</sup> Computed as Committed Occupied Area over Above Ground Gross Floor Area. Committed Occupied Area refers to tenants that have already signed or accepted legally binding letters of offer.

Commonly known as the “Silicon Valley” of Shanghai, Zhangjiang is a premier business park location. The business park enjoys increasing demand from the growing high-tech and information technology (“IT”) clusters, as well as companies in manufacturing, trading, research and development (“R&D”) and regional headquarters seeking well connected decentralised locations<sup>5</sup>. Zhangjiang is designated as one of China’s FTZs which will benefit from the applicable government policies for such a zone.

### Good Accessibility and Transportation Links

Sandhill Plaza is one of the newest premium quality business park developments in the mature area of Zhangjiang. It is located between the Middle Ring and Outer Ring Highways of Shanghai and is within a 30-minute drive to Pudong International Airport, Lujiazui Central Business District (“CBD”) and People’s Square (city centre in Puxi). It is also within a 5-minute walk (approximately 500 metres) to Metro Line 2 Guanglan Road Station.



Source: Colliers International, MGCCTM

### Established Tenants and High Occupancy Rate

A majority of the tenants comes from the high-tech, industrial, information technology (“IT”), manufacturing and research and development (“R&D”) sectors. There are a total of 58 tenants including

<sup>5</sup> Source: “Shanghai Office Property Market Update” (4Q 2014) report by Colliers International. Colliers International has not provided its consent to the inclusion of the information extracted from the relevant report published by it and is therefore not liable for such information. While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Colliers International is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, neither the Manager nor any other party has conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

leading global companies such as ADI, Axalta, Borouge, Broadcom, Disney, Spreadtrum, Univar and Wincor Nixdorf. As at 31 March 2015, Sandhill Plaza has achieved a committed occupancy rate<sup>4</sup> of 96.2%.

### **Captures Growing Demand for Business Park due to Decentralisation Trend in Shanghai**

With the maturing of Shanghai's transportation network and improved connectivity, business parks in decentralised locations are attracting companies in manufacturing, trading, R&D and regional headquarters. Sandhill Plaza is well positioned to benefit from the growing decentralisation trend and to enjoy robust and sustainable rental growth.

### **Acquisition Fits into the Manager's Investment Strategy**

The Acquisition is in line with the Manager's principal investment strategy which is to invest in a diversified portfolio of income-producing real estate for commercial purposes in the Greater China region, as well as real estate-related assets, whilst providing Unitholders with an attractive rate of return through regular and stable distributions and long-term growth in distribution per unit ("DPU") and net asset value ("NAV") per unit. Upon completion of the Acquisition, MGCCT's total assets will increase by 7.8% from approximately S\$5,488.1 million as at 31 March 2015, being the date of valuation of the properties within the existing portfolio, to S\$5,916.2 million. MGCCT's lettable area will also increase by 37% from 1.9 million sq ft to 2.6 million sq ft.

### **Expected Accretive Acquisition**

The Acquisition is expected to be accretive at the distribution level, and to contribute to the stable and steady growth of the MGCCT portfolio.

### **Valuation**

Sandhill Plaza has been appraised by Cushman & Wakefield Valuation Advisory Services (HK) Ltd, which is an independent valuer appointed by DBS Trustee Limited (in its capacity as trustee of MGCCT) , and its valuation of Sandhill as at 8 June 2015 is RMB1,902.0 million (or approximately S\$415.3 million).

### **Funding of the Acquisition**

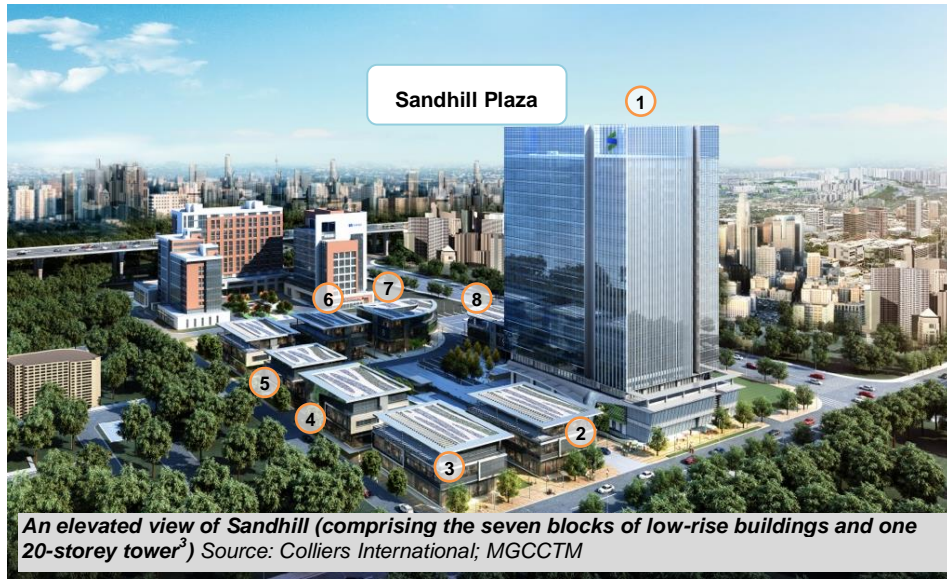
The Acquisition will be funded by existing available banking facilities. MGCCT's gearing is expected to increase from 36.2% to 40.6%<sup>6</sup>, assuming that the Acquisition is completed on 31 March 2015.

The Acquisition is expected to be completed within one week from the execution of the SPA.

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<sup>6</sup> Within the aggregate limit (up to 60%) as set out in Appendix 6 of the Code on Collective Investment Schemes.







Source: Colliers International



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**About Mapletree Greater China Commercial Trust**

MGCCT is a Singapore real estate investment trust ("REIT") established with the investment strategy of principally investing, directly or indirectly, in a diversified portfolio of income-producing real estate in the Greater China region, which is used primarily for commercial purposes (including real estate used predominantly for retail and/or offices), as well as real estate-related assets. MGCCT is the first commercial REIT with properties in both China and Hong Kong, and its portfolio comprises Festival Walk, a premier retail and office building in Hong Kong, and Gateway Plaza, a premier Grade-A office development with a podium area in Beijing. The two properties cover a gross floor area of approximately 2.4 million square feet and are valued at S\$5.3 billion in aggregate as of 31 March 2015. MGCCT's investment mandate includes markets in Hong Kong, first tier cities in China (Beijing, Shanghai, Guangzhou and Shenzhen) and key second tier cities in China (Chengdu, Chongqing, Foshan, Hangzhou, Nanjing, Suzhou, Tianjin, Wuhan and Xi'an).

For more information, please visit [www.mapletreegreaterchinacommercialtrust.com](http://www.mapletreegreaterchinacommercialtrust.com).

**About the REIT Manager – Mapletree Greater China Commercial Trust Management Ltd.**

MGCCT is managed by Mapletree Greater China Commercial Trust Management Ltd., a wholly owned subsidiary of Mapletree Investments Pte Ltd. The key financial objectives of the REIT Manager are to provide Unitholders of MGCCT with an attractive rate of return on their investment through regular and stable distributions and to achieve long-term growth in DPU and net asset value per unit, while maintaining an appropriate capital structure for MGCCT.

**About the Sponsor – Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd ("Mapletree") is a leading real estate development, investment and capital management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths as a developer, an investor and a capital manager, the Group has established a track record of award-winning projects in Singapore and delivers consistent and high returns from across various real estate classes in Asia.



As at 31 March 2015, Mapletree owned and managed S\$28.4 billion of office, logistics, industrial, residential, corporate lodging/serviced apartment and retail properties. Currently, it manages four Singapore-listed real estate investment trusts (REITs) and six private equity real estate funds, which together hold a diverse portfolio of assets in Singapore and Asia. The Group has also established an extensive network of offices in Singapore, China, Hong Kong SAR, India, Japan, Malaysia, South Korea and Vietnam to support its regional expansion. Mapletree's property portfolio includes award-winning projects in Singapore such as VivoCity, Mapletree Business City, and Tata Communications Exchange as well as mixed-use developments in the region such as Future City and Nanhai Business City in China.

### **IMPORTANT NOTICE**

This release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in MGCCT ("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 MGCCT 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 MGCCT 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 employee 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.