mapletree
greater china commercial

press release

*For Immediate Release*

# Mapletree Greater China Commercial Trust's ("MGCCT")
# 1Q FY14/15 Available Distribution per Unit Rises 11.9% Year-on-Year

- 13.4% year-on-year growth in Available Distributable Income to S$42.1 million
- Strong performance driven by robust rental uplift and high occupancies at both Festival Walk and Gateway Plaza
- 82% of the expiring leases[1] in FY14/15 have been renewed or re-let with healthy rental uplift

***25 July 2014*** – Mapletree Greater China Commercial Trust Management Ltd. ("MGCCTM" or the "Manager"), the Manager of Mapletree Greater China Commercial Trust ("MGCCT"), is pleased to announce that MGCCT has achieved an Available Distribution per Unit ("DPU") of 1.56 cents[2] for the period from 1 April 2014 to 30 June 2014 ("1Q FY14/15"). This is 11.9% higher than the previous corresponding period and 9.3% above the IPO Forecast[3] ("Forecast"). On an annualised basis, the Available DPU of 6.257 cents represented a yield of 6.9%[4].

**Summary of MGCCT's Results**

| | 1 Apr 2014 to 30 Jun 2014 (Actual) | 1 Apr 2013 to 30 Jun 2013 (Actual)[5] | Variance % | 1 Apr 2014 to 30 Jun 2014 (Forecast) | Variance % |
|---|---|---|---|---|---|
| Gross Revenue (S$'000) | 63,791 | 58,757 | 8.6 | 60,341 | 5.7 |
| Net Property Income (S$'000) | 52,590 | 47,842 | 9.9 | 48,352 | 8.8 |
| Available Distributable Income (S$'000) | 42,093 | 37,119 | 13.4 | 38,278 | 10.0 |
| Available Distribution per Unit (cents) [6] | 1.560 | 1.394 | 11.9 | 1.427 | 9.3 |
| Annualised DPU (cents) | 6.257 | 5.593 | | 5.722 | |
| Annualised Distribution Yield[7] @ S$0.91 per Unit (Closing price on 25 Jul 2014) | 6.9% | 6.1% | | 6.3% | |

Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd., Goldman Sachs (Singapore) Pte. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch were the Joint Global Coordinators, Underwriters and Issue Managers for the Initial Public Offering ("IPO") and listing of MGCCT.

[1] By lettable area
[2] Represents a 100% distribution of MGCCT's income available for distribution from 1 April to 30 June 2014
[3] The Forecast is derived from MGCCT's Initial Public Offering ("IPO") Prospectus dated 27 February 2013
[4] Based on unit closing price of S$0.91 on 25 July 2014
[5] For a more meaningful comparison, actual results from 1 April 2013 to 30 June 2013 is presented as the comparative period for 1 April 2014 to 30 June 2014.
[6] Available distribution per unit for the quarter is calculated based on the number of issued units as at the end of the quarter.
[7] Based on IPO Price of S$0.93, the annualised distribution yield for FY14/15 is 6.7%.



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Ms. Cindy Chow, Chief Executive Officer of MGCCTM, said, "We are pleased to have achieved strong DPU growth of 11.9% year-on-year as well as DPU growth of 9.3% compared to Forecast for the period from 1 April 2014 to 30 June 2014. Through active asset management and efficient cost management of our two quality properties, MGCCT has achieved consistently high committed portfolio occupancy of 99.2% as at 30 June 2014 as well as secured higher than expected rental rates. We will continue to enhance the offerings and amenities to our tenants and shoppers, as well as deliver steady and sustainable returns to our Unitholders."

**Festival Walk Records Robust Organic Growth**

Gross Revenue and Net Property Income at Festival Walk, one of the top ten retail malls[8] in Hong Kong, grew 6.7% and 6.8% respectively in 1Q FY14/15 over the previous corresponding period. Festival Walk remained fully occupied at 100% for both retail and office sectors. Shopper traffic and tenant sales in 1Q FY14/15 increased slightly at 0.5% and 0.1% respectively year-on-year. Of the retail leases expiring in FY14/15 at Festival Walk, 90%[9] have been renewed or re-let with rental uplift of 21%[10].

During the quarter, Zara's sister brand Oysho, which specialises in lingerie, beachwear and leisurewear, opened its first store in Hong Kong at Festival Walk. Other international brands opened in the quarter include Adidas Women, Petit Bateau, Ralph Lauren Children and School Food.

**Gateway Plaza Achieved Strong Rental Reversions**

Gross Revenue and Net Property Income from Gateway Plaza, a premier Grade-A office building with a retail podium in Beijing, rose 14.2% and 18.8% respectively compared to the previous corresponding period. As of 30 June 2014, 80%[9] of the leases expiring in FY14/15 have been committed, with a significant rental uplift of 33%[10] against preceding rental rates. The committed occupancy at Gateway Plaza was 98.6% as of 30 June 2014, reflecting the limited supply and favourable demand dynamics in Beijing. These committed leases represented tenants from the automobile and machinery sectors.

**Outlook**

The economic fundamentals in Hong Kong remain positive with moderate economic growth at 2.5% in the first quarter of 2014 compared to a year ago. Based on the latest figures released by the Census and Statistics Department, Hong Kong's total retail sales in the first five months of 2014

[8] Festival Walk was voted the '*Top 10 Favourite Shopping Malls in Hong Kong'* 2013-2014 by the Hong Kong Economic Times.

[9] By lettable area.

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

increased 0.1%[11] in volume but declined 0.2% in value over the same period a year earlier. However, Hong Kong's low unemployment rate and resilient consumption demand are expected to support the performance of the retail market.

Led by the government's policy measures, China's commitment to raise the quality and efficiency of its economic fundamentals is expected to drive longer-term and steadier growth for the country. The office leasing market in Beijing is expected to stay healthy on the back of limited supply of Grade-A office buildings and continued demand from office users. As such, MGCCT's portfolio is well-positioned to benefit from the continued performance in both the Hong Kong retail sector and the Beijing office sector.

**Capital Management and Distribution Policy**

MGCCT adopts a proactive capital management approach. MGCCT aims to provide financial stability and flexibility through mitigating exposure to interest rate and foreign exchange fluctuations as well as diversifying sources of funding.

As at 30 June 2014, MGCCT has a gearing of 38.6% and an interest cover ratio of 4.8 times, reflecting a robust balance sheet. The existing unsecured debt of HK$11,455 million is well staggered and has a weighted debt maturity of 2.7 years, with the first tranche expiring at the end of FY15/16. To mitigate the risk of rising interest rates, more than 70% of MGCCT's debt has been fixed for FY14/15 and FY15/16. Management has also put in place sufficient committed and uncommitted credit facilities to fund any upcoming requirements.

To ensure stability of distributions, MGCCT has hedged 90% of HK$ Distributable Income forecasted for FY14/15 and is actively monitoring the market to progressively convert RMB Distributable Income to SGD when the rates are favourable. Given the recent change in the People's Bank of China's stance in allowing greater volatility to its currency, Management may also hedge the RMB exposure should it assess that such action will be beneficial to Unitholders.

As MGCCT's distribution policy is to distribute on a semi-annual basis, Available Distributable Income from 1 April 2014 to 30 June 2014 will be distributed together with Available Distributable Income from 1 July 2014 to 30 September 2014.

<Ends>

[11] Based on latest figures released by Hong Kong Census and Statistics Department (May 2014).

For further information, please contact:

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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 retail atrium in Beijing. The two properties cover a gross floor area of approximately 2.4 million square feet and are valued at S$4.7 billion in aggregate as of 31 March 2014. 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.

**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 Asia-focused 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 in Asia. 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 delivered consistent and high returns from across various real estate classes in Asia.

As at 31 March 2014, Mapletree owns and manages S$24.6 billion of office, logistics, industrial, residential and retail/lifestyle properties. Currently, it manages four Singapore-listed real estate investment trusts (REITs) and five private equity real estate funds, which together hold a diverse portfolio of assets in Singapore and throughout 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 the 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.

For more information, please visit www.mapletree.com.sg

**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. Representatives 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.