



Mapletree Greater China Commercial Trust

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

maple^{tree}
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 June 2015 in the SGXNET announcement dated 31 July 2015.

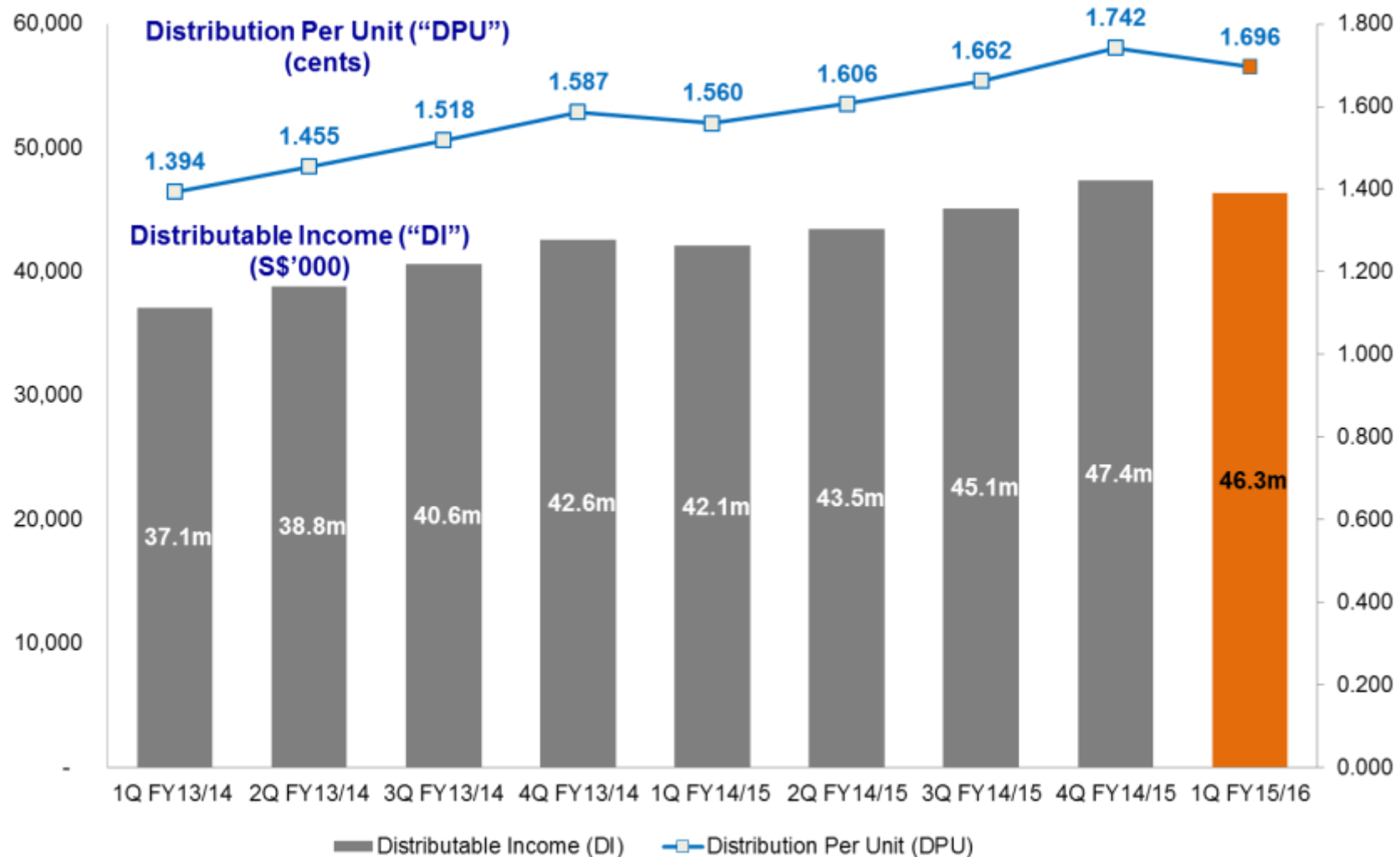
1Q FY15/16 – Organic & New Acquisition Growth

- 1Q FY15/16 Available DPU of **1.696** cents¹ grew **8.7%** vs 1Q FY14/15
- **Proactive Asset Management of Quality Assets**
 - Strong leasing demand with **65%** of expiring leases² in FY15/16 renewed or re-let
 - Steady rental uplifts of **16%** from Festival Walk and **29%** from Gateway Plaza
 - Acquisition of Sandhill Plaza, Shanghai completed on 17 June 2015

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






1Q FY15/16 DPU Grew 8.7% vs. 1Q FY14/15

(S\$'000)	1Q15/16	1Q14/15	Variance %	
Gross Revenue	75,944	63,791	19.1	↑ Better rental reversions from FW & GW
Property Expenses	(13,501)	(11,201)	(20.5)	↓ Higher staff costs, more M&P initiatives, higher utilities and maintenance costs, and higher property & lease management fees in line with revenue growth
Net Property Income	62,443	52,590	18.7	
<i>NPI Margin (%)</i>	<i>82%</i>	<i>82%</i>		NPI Margin maintained at 82%
Management Fees	(5,001)	(4,709)	(6.2)	
Finance Costs (Net)	(13,581)	(9,577)	(41.8)	↓ Higher interest cost of S\$2.1m from issuance of medium term notes and S\$1.7m from higher fixed interest rates relating to interest rate swaps for hedging floating interest payments
Distributable Income	46,334	42,093	10.1	
Available DPU (cents)	1.696	1.560	8.7	
Annualised Distribution Yield (%)	6.7%	7.2%		

Closing Unit Price on 30 June S\$1.020 S\$0.865

Healthy Balance Sheet

S\$'000	As at 30 Jun 2015	As at 31 Mar 2015	Variance %	
Investment Properties (IP)	5,615,984	5,349,298	5.0	 Recent acquisition of Sandhill Plaza valued at S\$407.8m, partially offset by translation loss on IP of S\$142.0m
Other Assets	117,294	138,763	(15.5)	
Total Assets	5,733,278	5,488,061	4.5	
Borrowings	2,360,695	1,983,963	(19.0)	 Additional borrowings to fund Sandhill Plaza acquisition, partially offset by translation gain of S\$43.9m
Other Liabilities	243,919	243,914	-	
Total Liabilities	2,604,614	2,227,877	(16.9)	
Net Assets	3,128,664	3,260,184	(4.0)	 Net translation loss of S\$122.5m largely due to depreciation of HKD & RMB (translation loss from IP of S\$142.0m offset by translation gain from borrowings of S\$43.9m)
Net Asset Value per Unit (S\$)	1.145	1.198	(4.4)	

Capital Management



Proactive Capital Management

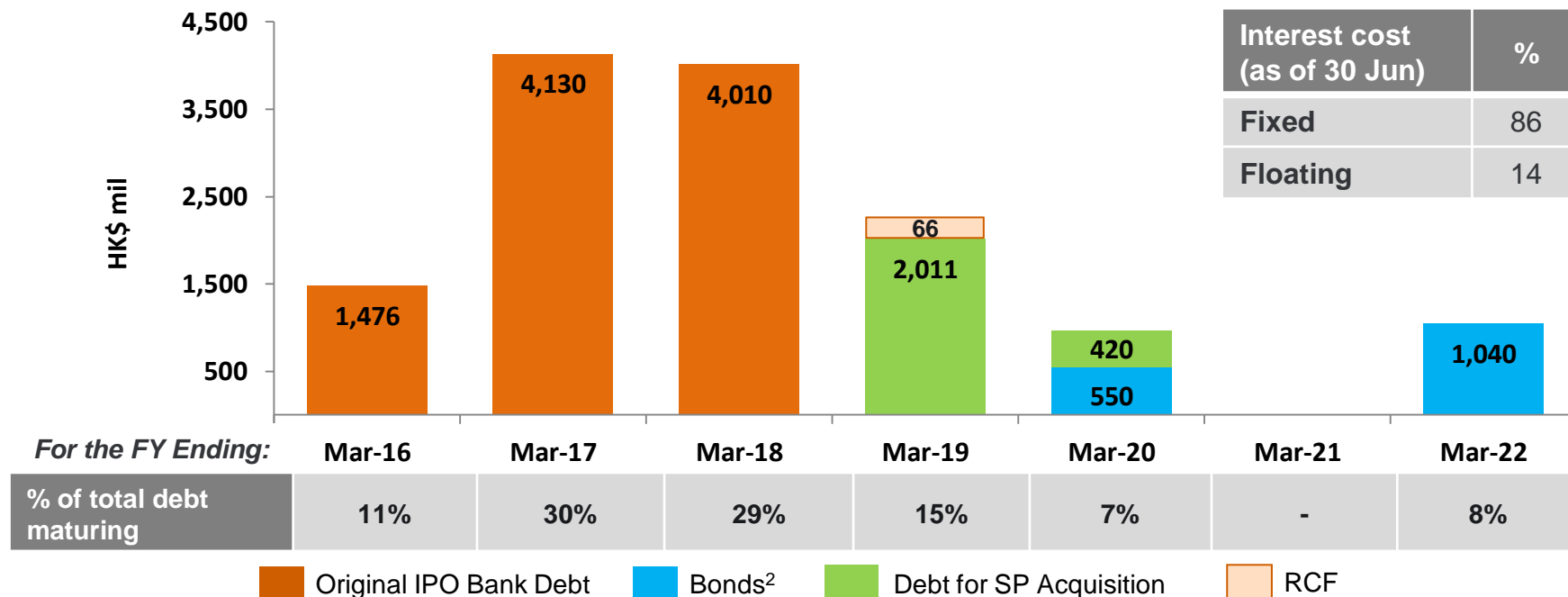
	As at 30 Jun 2015	As at 31 Mar 2015
Total Debt Outstanding	HK\$13,703 m	HK\$11,286 m
Gearing Ratio	41.2%	36.2%
Interest Cover Ratio	4.2 x	5.0 x
Average Term to Maturity for Debt	2.7 yrs	2.75 yrs
Average All-In Cost of Debt	2.64%	2.55%
MGCCT Corporate Rating by Moody's	Baa1 Stable	Baa1 Stable

- Gearing increased to **41.2%** due mainly to additional borrowings of HK\$2,431m (comprising debt of HK\$1,996m & RMB348m) to fund Sandhill Plaza acquisition
- Average term to maturity at **2.7** years as of 30 Jun 2015

Note: The Portfolio is free from all encumbrances other than the onshore encumbrance in relation to the existing RMB348.2m debt facility of Sandhill Plaza (as of 30 June 2015)

Well Staggered Debt Maturity Profile

Total Gross Debt : HK\$13,703 million¹



- To fund Sandhill Plaza acquisition
 - New loans of HK\$2.4bn drawn
 - Extended and upsized existing revolving credit facilities and entered into a new four-year term loan facility
- **HK\$1,476m** to be refinanced by March 2016
- Interest cost on **86%³** of debt has been fixed for FY15/16

¹ The HK\$13,703 million total debt includes Revolving Credit Facilities (RCF) of HK\$66m

² 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

³ Committed as of 30 June 15 but effective as of 9 July 2015

63% of FY15/16 Distributable Income locked-in

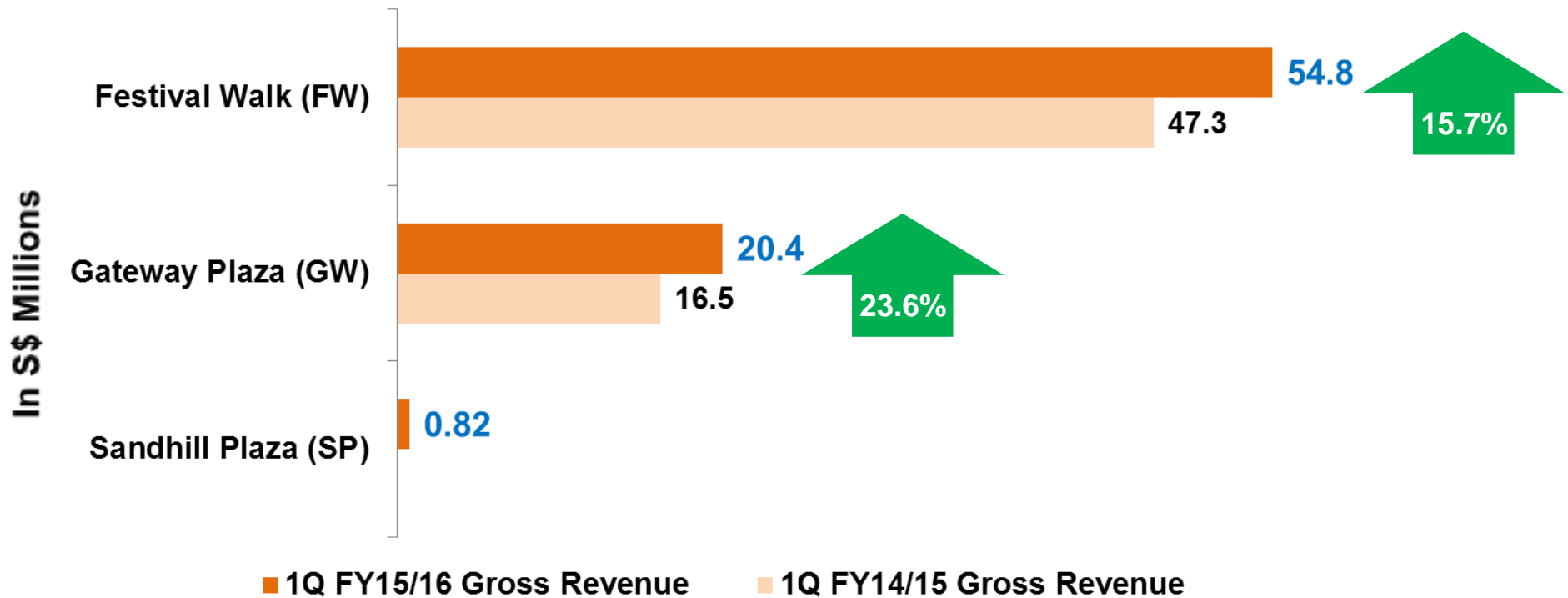
Portfolio Level	FY15/16
% Distributable Income Hedged	~63%

- To date, about **63%** of FY15/16 Forecast distributable income has been hedged for both HKD and RMB
- The Manager will continue to monitor the markets and hedge distributable income when appropriate to ensure stability of distributions to Unitholders

Portfolio Highlights

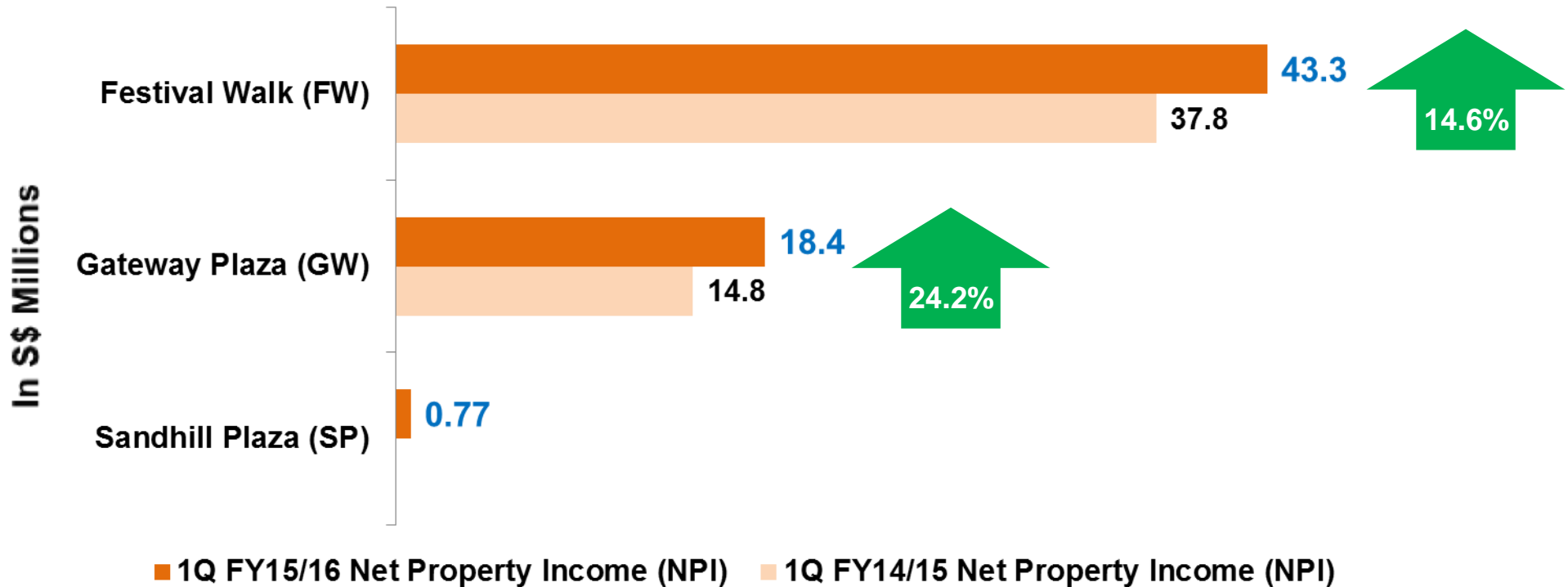


1Q FY15/16 Gross Revenue Increased 19.1% YOY






- Increase in Gross Revenue for FW & GW due to better rental reversions
- New revenue contribution from SP in 1Q FY15/16 (for period from 18 Jun to 30 Jun 2015)

1Q FY15/16 NPI Increased 18.7% YOY



- Increase in NPI for FW & GW due to higher gross revenue, partially offset by higher operating expenses
- New NPI contribution from SP in 1Q FY15/16 (for period from 18 Jun to 30 Jun 2015)

High Portfolio Occupancy of 99.0% as at 30 Jun 2015

Occupancy Rate By Qtr		As at 30 Jun 2014	As at 30 Sep 2014	As at 31 Dec 2014	As at 31 Mar 2015	As at 30 Jun 2015
Festival Walk		100.0%	100.0%	100.0%	100.0%	100.0%
Gateway Plaza		98.6%	98.6%	99.0%	98.0%	98.6%
Sandhill Plaza		-	-	-	96.2% ¹	98.5%
Portfolio		99.2%	99.2%	99.4%	98.8% ¹	99.0%

¹ Sandhill Plaza's occupancy rate as at 31 Mar 2015 was disclosed in the 15 Jun 2015 Acquisition announcement. The portfolio occupancy of 98.8% was disclosed in the 4Q FY14/15 announcement and relates to only FW and GW

16% Uplift at Festival Walk & 29% Uplift at Gateway Plaza

YTD Rental Uplift ¹ By Qtr	As at 30 Jun 2014	As at 30 Sep 2014	As at 31 Dec 2014	As at 31 Mar 2015	As at 30 Jun 2015
Festival Walk					
- Retail	21%	21%	21%	22%	16%
- Office	12%	12%	12%	12%	n.a. ²
Gateway Plaza					
- Office	33% ³	32%	32%	30%	29%

- **65%**⁴ of expiring leases at portfolio level in FY15/16 have been renewed or re-let

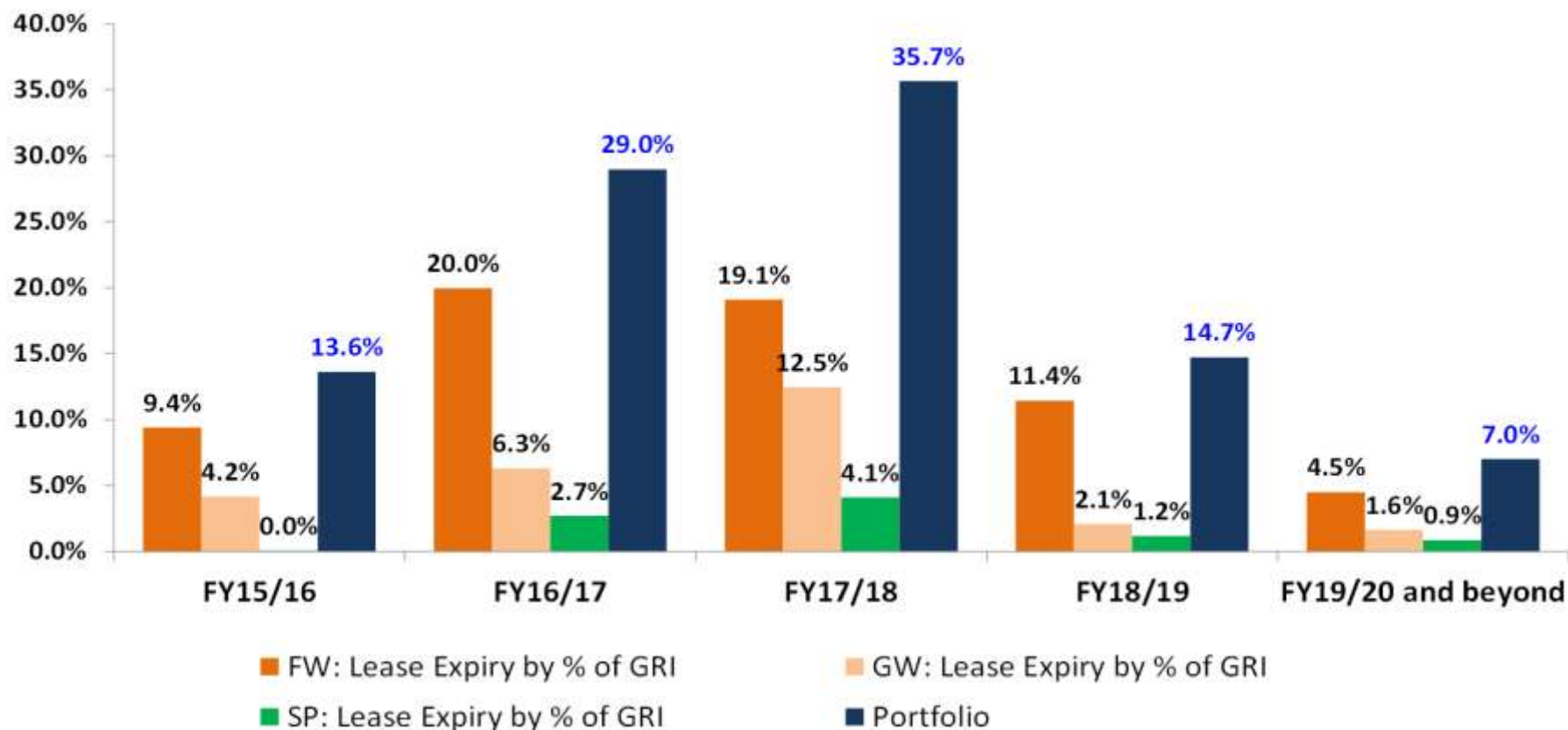
¹ Rental uplift for the period from beginning of financial year is computed based on effective rental rate of expiring leases vs. effective rental rate of the contracted leases that were renewed or re-let over the lease term

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

³ Rental reversions at Gateway Plaza from 1Q FY14/15 include restructuring of all BMW leases

⁴ By lettable area

Portfolio Lease Expiry Profile as of 30 Jun 2015



Weighted Average Lease Expiry (WALE) by Gross Rental Income

Portfolio :	2.4 years
▪ Festival Walk (FW) :	2.4 years
▪ Gateway Plaza (GW) :	2.5 years
▪ Sandhill Plaza (SP) :	2.2 years

Note:

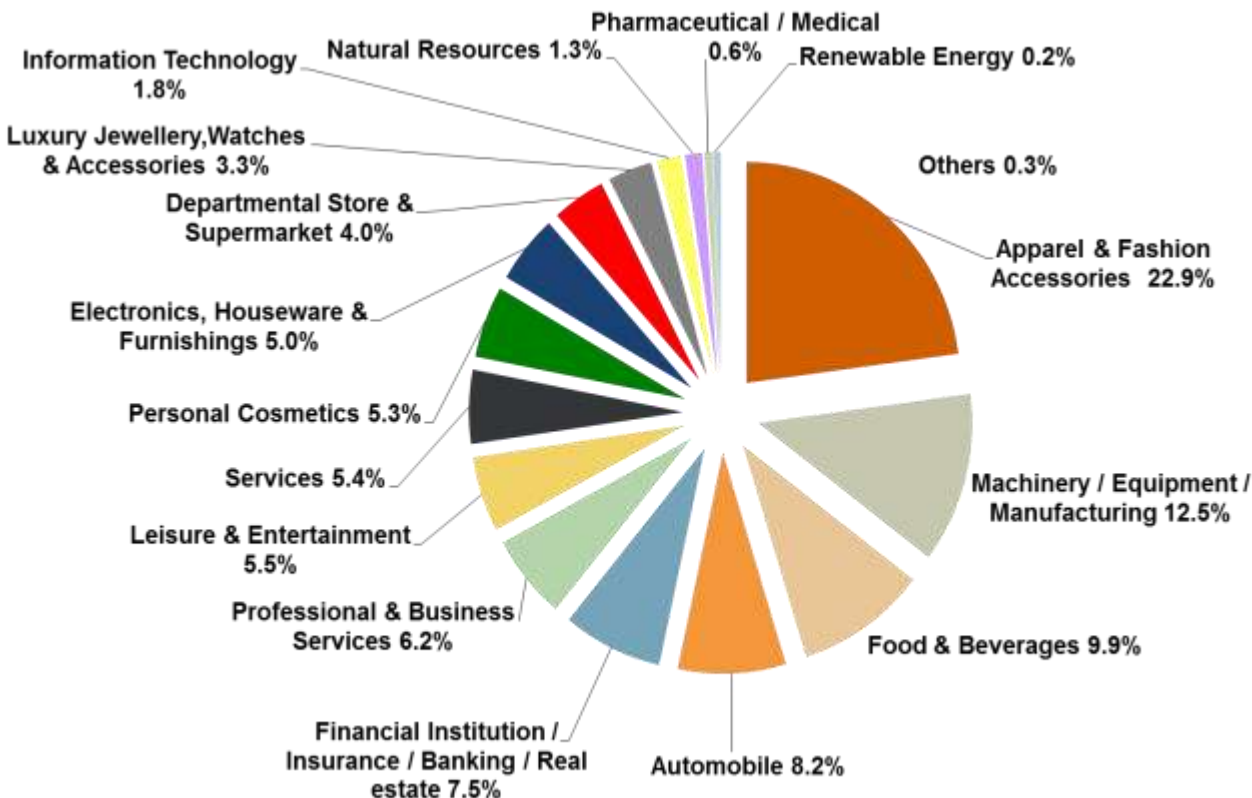
- Lease expiry profile is based on existing leases while WALE is based on committed leases

Diversified Portfolio Tenant Mix

(As of 30 June 2015)

Trade Sector by Gross Rental Income

No single trade sector comprises more than 22.9% of GRI



Top 10 Tenants by Gross Rental Income

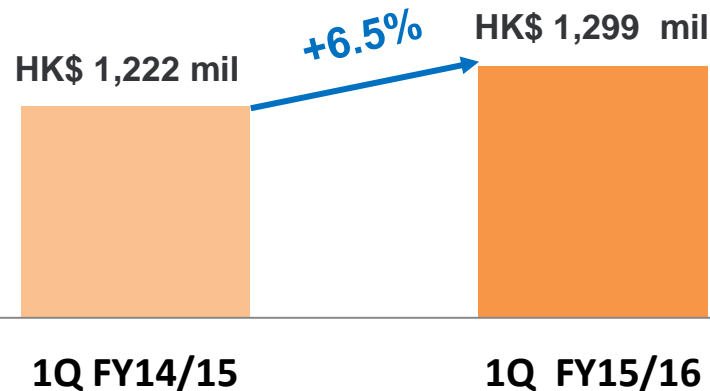
Top 10 tenants comprise 26.8% of GRI

1.	BMW	GW
2.	ARUP	FW
3.	TASTE	FW
4.	CFLD	GW
5.	APPLE	FW
6.	i.t	FW
7.	CUMMINS	GW
8.	SPREADTRUM	SP
9.	H&M	FW
10.	MARKS & SPENCER	FW

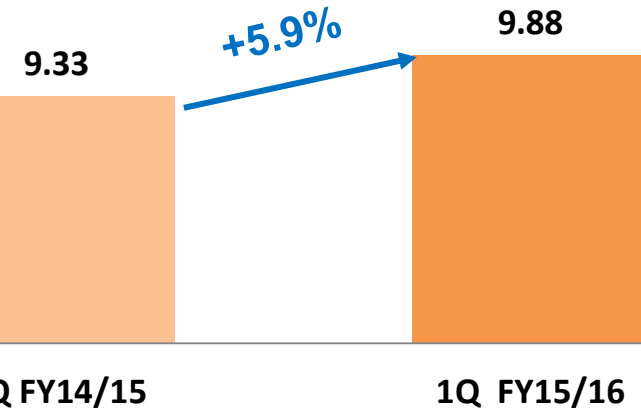
FW - Festival Walk; GW - Gateway Plaza; SP - Sandhill Plaza

Festival Walk – Resilient Retail Sales & Footfall

Tenant Sales (HK\$ million)



Footfall (million)



- Retail sales in Hong Kong¹ retail market in the first five months of 2015 declined by 1.3% in volume and 1.8% in value 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 underpin its retail sales growth across economic cycles

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

New Shops and Tenants @ Festival Walk in 1Q FY15/16

Apparel & Fashion



Relocation



Personal Cosmetics



Relocation



Tsum Tsum Festival @ Festival Walk in 1Q FY15/16

Hugely popular event featuring eye-catching Tsum Tsum Disney decorations, a Tsum Tsum pop-up store and interactive games

Kick-off event on April 10



Venue setup with multiple photo spots



Sports Event @ Festival Walk in 1Q FY15/16

Theme of 'Sports Craze' at Festival Walk - Featuring the latest sportswear fashion by 9 tenants and an indoor rock climbing wall



Lifestyle / Beauty / Charity / Car Show Activities in 1Q FY15/16



Skating Competitions @ Festival Walk in 1Q FY15/16

2015 ISI Glacier Open & Basic Challenge



2015 Hong Kong Figure Skating & Short Track Speed Skating Championship



Awards & Accolades – MGCCT & Festival Walk



- **May 2015:**
Awarded the 'Outstanding Managed Public Carpark Award' and the 'Double Star Managed Property Award' at the Kowloon West Best Security Services Awards
- **July 2015:**
Won the 'Singapore Corporate Awards Best Annual Report (Silver) Award' under the REITS & Business Trusts category, organised by The Business Times and supported by Singapore Exchange Limited

Outlook & Strategy



Outlook

Hong Kong

- **Economy:** Moderate GDP growth of 2.1% year-on-year in 1Q 2015
- **Hong Kong Retail Market:** Market fundamentals expected to remain intact, barring any unforeseen demonstrations that may disrupt traffic and economic activities
- **Festival Walk:** Expected to continue to enjoy steady rental growth, driven by low unemployment rate and stable domestic consumption

China

- **Economy:** The 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 in China
- **Gateway:** MNCs and domestic corporations from financial, insurance, information technology and high-tech services sectors expected to support demand
- **Sandhill Plaza:** Expected to benefit from decentralisation trend in Shanghai

Prudent Capital Management Strategy

- Significant portion of interest cost fixed and expected FY15/16 DI hedged

Portfolio

- Expected to continue to benefit from resilient domestic demand in Hong Kong, limited supply in the Beijing office sector and positive prospects in Shanghai business park sector

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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