

Mapletree Greater China Commercial Trust

Financial Results for the Period
from 1 April 2016 to 31 December 2016

mapletree
greater china commercial

Disclaimer

This presentation shall be read in conjunction with Mapletree Greater China Commercial Trust's ("MGCCT") financial results for the period from 1 April 2016 to 31 December 2016 in the SGXNET announcement dated 26 January 2017.

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Highlights: YTD FY16/17 vs YTD FY15/16

Gross Revenue **↑ 2.8%** **S\$255.9m**

Net Property Income (NPI) **↑ 1.8%** **S\$208.1m**

Distributable Income (DI) **↑ 2.1%** **S\$149.9m**

Distribution per Unit² **↑ 0.7%** **5.378 cents**

Distribution Yield³ **↓ 0.2 ppts** **7.5%**

FW: Festival Walk; GW: Gateway Plaza; SP : Sandhill Plaza;
VAT: Value Added Tax

• Financial Performance

- Higher rental income from FW and enlarged portfolio with SP acquisition, partly offset by lower average rate of HKD and RMB against SGD
- GW affected by VAT implementation effective May 2016 and change in property tax basis effective July 2016

• Portfolio Management Update¹

- **94%** of leases in FY16/17 renewed or re-let
- Rental reversions: FW **14%**, GW **10%**, SP **16%**
- Portfolio occupancy of **98.6%**

• Capital Management Update¹

- Higher finance costs for the period resulted from refinancing of maturing debt with medium-term notes and bank borrowings at higher average all-in cost of debt, and additional borrowings for SP acquisition
- Average all-in cost of debt of **2.78%**
- Fixed interest cost for **85%** of debt
- Average term to maturity for debt of **3.93** years
- Hedged **87%** of FY16/17 expected DI into SGD

¹ As of 31 December 2016

² Available DPU for the financial period is calculated based on the income available for distribution for the period over the number of issued units at the end of the period

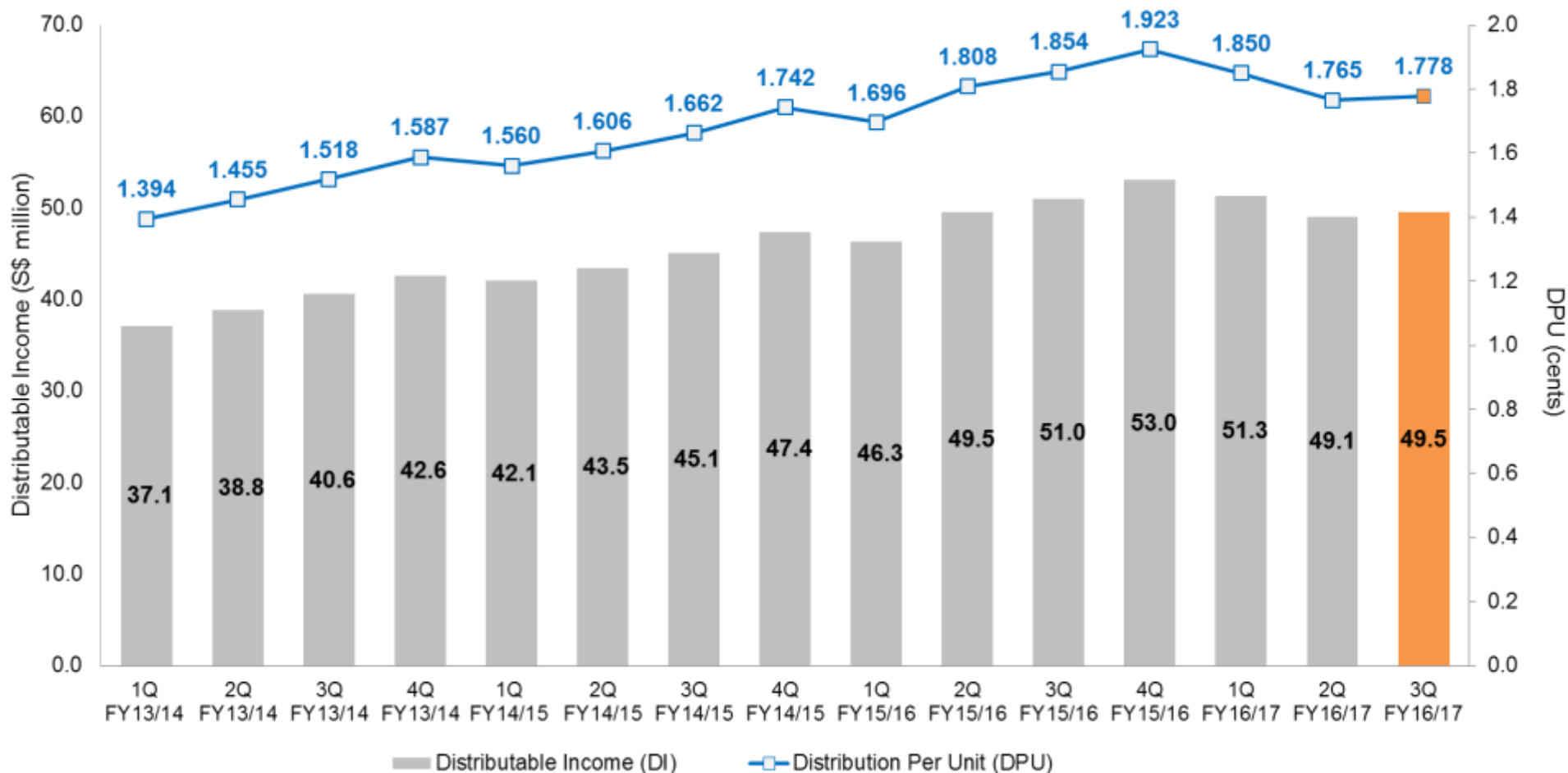
³ Percentage of annualised DPU over closing unit price of S\$0.950 on 30 December 2016

YTD FY16/17 & 3Q FY16/17 Financials

(S\$'000)	YTD 16/17	YTD 15/16	Variance %	3Q 16/17	3Q 15/16	Variance %
Gross Revenue ¹	255,852	248,804	2.8	87,833	88,234	(0.5)
Property Expenses	(47,752)	(44,354)	(7.7)	(16,431)	(15,722)	(4.5)
Net Property Income	208,100	204,450	1.8	71,402	72,512	(1.5)
<i>NPI Margin (%)</i>	<i>81.3%</i>	<i>82.2%</i>	<i>(1.0)</i>	<i>81.3%</i>	<i>82.2%</i>	<i>(1.1)</i>
Management Fees	(14,987)	(17,637)	15.0	(4,954)	(6,551)	24.4
Foreign Exchange Gain	7,980	31,187	(74.4)	3,150	692	NM
Finance Costs (Net)	(53,704)	(47,181)	(13.8)	(18,954)	(17,018)	(11.4)
Distributable Income	149,874	146,846	2.1	49,547	50,967	(2.8)
Available DPU (cents)	5.378	5.342	0.7	1.778	1.854	(4.1)
Annualised Distribution Yield (%)	7.5%	7.7%	(3.0)	7.4%	8.0%	(7.6)
Closing Unit Price	S\$0.950	S\$0.915	3.8	S\$0.950	S\$0.915	3.8

¹ Revenue is presented net of Value Added Tax from May 2016 onwards (previously, Business Tax).

Quarterly Distributable Income and DPU Since IPO



- DPU per quarter is calculated based on DI over the number of issued units as at the end of the quarter
- 1Q FY13/14 excludes the stub period from 7 to 31 March 2013. For the period from 7 March 2013 to 30 June 2013, DI = S\$46.1m and DPU = 1.7337 cents.

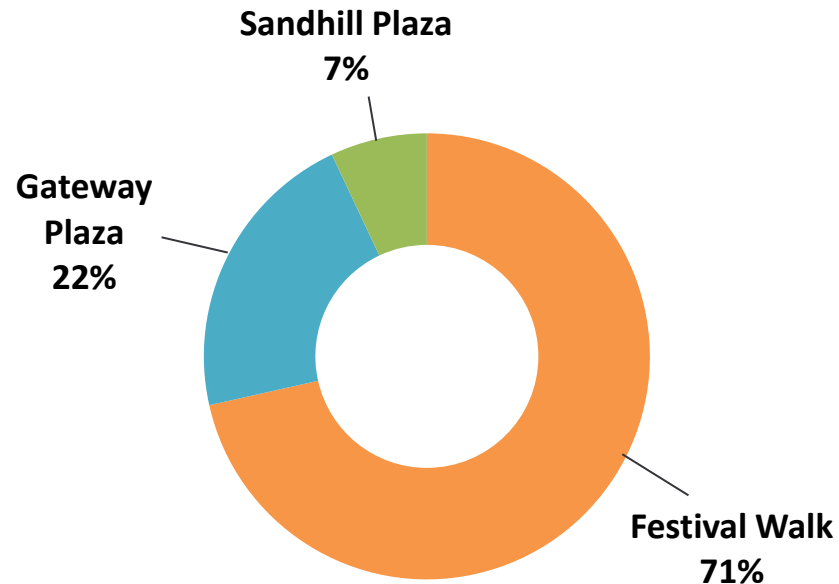
Financial Highlights



Portfolio Composition (YTD FY16/17)

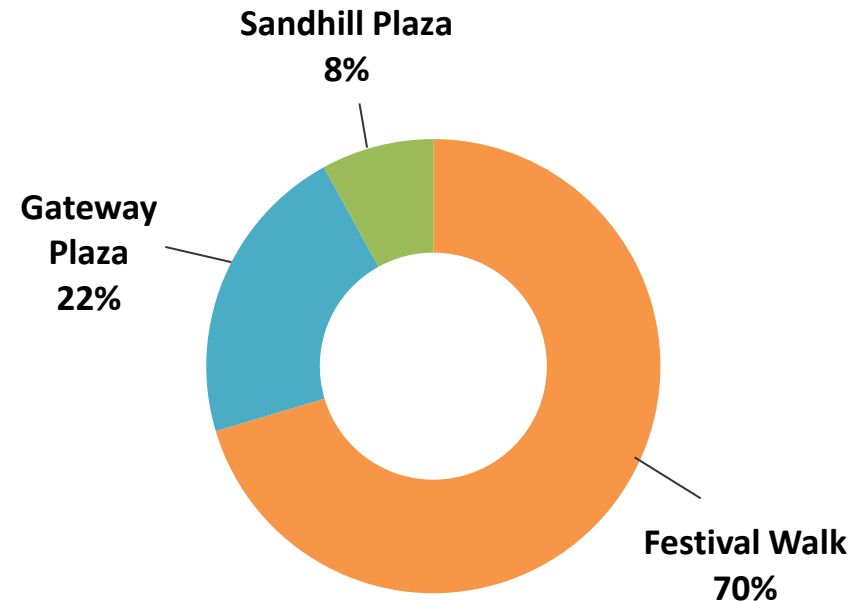
% of Gross Revenue by Asset

YTD FY16/17:
S\$255.9m



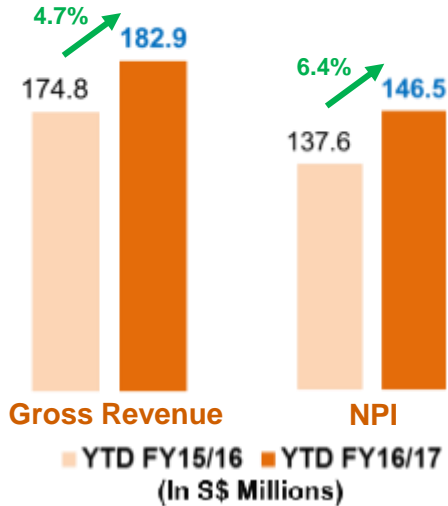
% of Net Property Income by Asset

YTD FY16/17:
S\$208.1m



YTD FY16/17 Gross Revenue & NPI by Asset

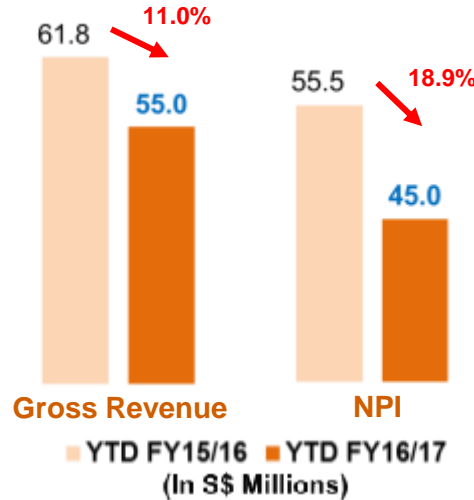
Festival Walk



Higher NPI mainly due to:

- higher rental income
- lower marketing cost

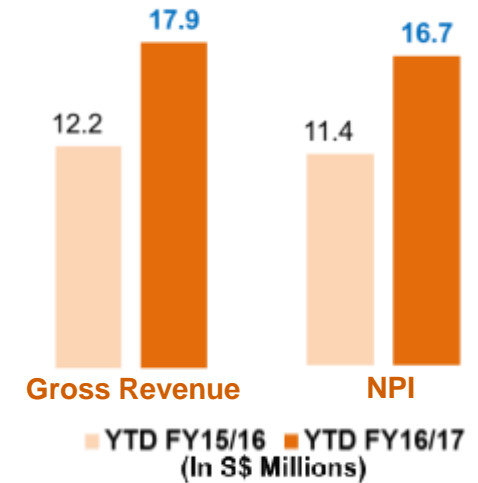
Gateway Plaza



Lower NPI mainly due to:

- lower revenue as a result of VAT implementation effective May 2016
- additional property tax of S\$3.2m as a result of the change in property tax basis effective July 2016
- lower average rate of RMB against SGD

Sandhill Plaza



Higher NPI mainly due to:

- full nine months of revenue in FY16/17 compared to about six months of revenue in FY15/16 as well as higher rental and occupancy rates
- partially offset by lower average rate of RMB against SGD

Healthy Balance Sheet

S\$'million	As at 31 Dec 2016	As at 31 Mar 2016	Variance %
Investment Properties ("IP")	6,028.4	5,922.5	1.8
Other Assets	197.7 ¹	231.0 ¹	(14.4)
Total Assets	6,226.1	6,153.5	1.2
Borrowings	2,519.1	2,422.3	(4.0)
Other Liabilities	325.9 ¹	315.0 ¹	(3.5)
Total Liabilities	2,845.0	2,737.3	(3.9)
Net Assets	3,381.2	3,416.2	(1.0)
Net Asset Value per Unit (S\$)	1.213	1.239	(2.1)

↑ Increase in IP mainly due to net translation gain of S\$102.8m arising from the appreciation of HKD against SGD, offset by the depreciation of RMB against SGD at period end

↓ Decrease in cash balances mainly due to two distributions to Unitholders paid in May and November 2016, offset by net cash generated from operations

↑ Increase in trade receivables (rentals outstanding) mainly due to VAT implementation at GW, pending formal clarification from the local tax authorities

↑ Increase in borrowings mainly due to higher translated value of S\$65.2m as a result of HKD appreciation at period end

¹ Includes cash receipt of RMB213.4 million (Dec16: S\$44.1m; Mar16: S\$45.2m), released from the PRC courts to a subsidiary company HK Gateway Plaza Company Limited ("HKGW"). This relates to the resolution of the Litigation Action in the PRC courts between Beijing Bestride Real Estate Development Co. Ltd. and HKGW in favour of HKGW. This cash amount is due to be repaid to a related party, Mapletree India China Fund Ltd, and is recorded under "trade and other payables" in the Statement of Financial Position.

Capital Management



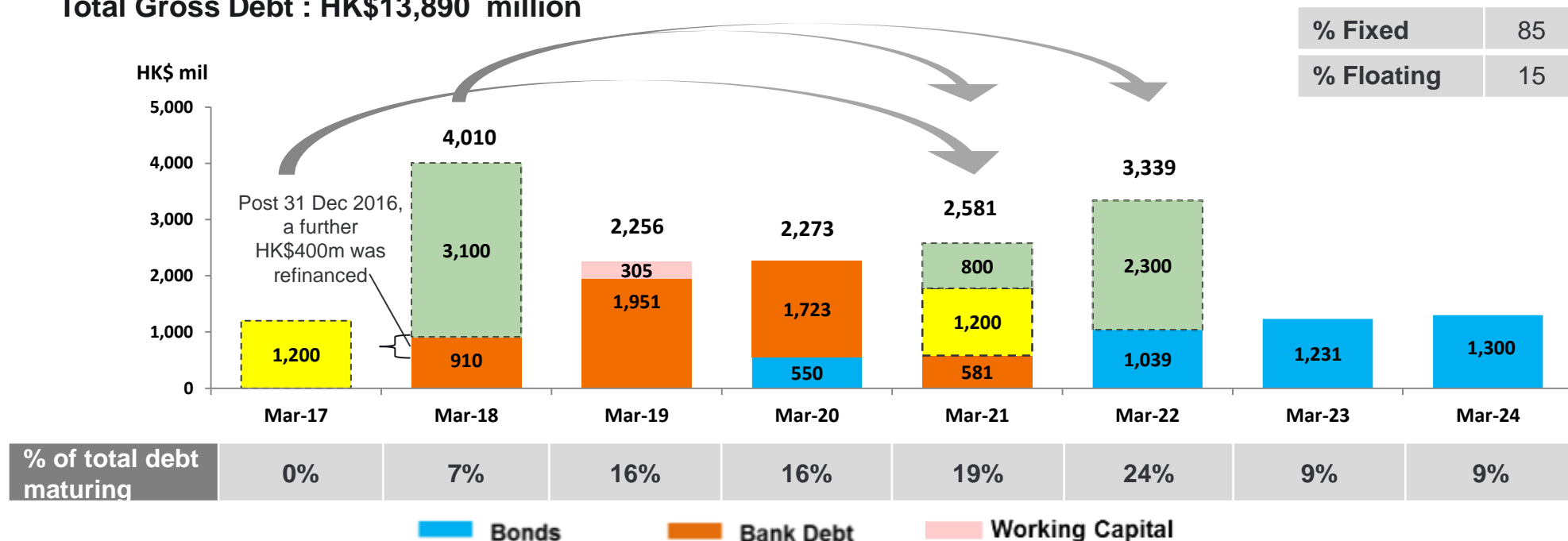
Key Financial Indicators

	As at 31 Dec 2016	As at 31 Mar 2016
Total Debt Outstanding	HK\$13,890 m	HK\$13,733 m
Gearing Ratio	40.5%	39.5%
Interest Cover Ratio	3.6 x	3.9 x
Average Term to Maturity for Debt	3.93 yrs	3.01 yrs
Average All-In Cost of Debt	2.78%	2.83%
MGCCT Corporate Rating by Moody's	Baa1 Stable	Baa1 Stable

- Gearing increased to **40.5%** mainly due to higher translated borrowings partially offset by higher translated investment properties
- Reduction in average all-in cost of debt to **2.78%** due to better refinancing terms from the new bank facilities as compared to expiring IPO debt
- Moody's reaffirmed MGCCT's Baa1 issuer rating with a Stable Outlook on 21 Nov 2016

Well Staggered Debt Maturity Profile

Total Gross Debt : HK\$13,890 million



- Debt due in March 2017: Remaining **HK\$1,200m** was refinanced ahead of maturity
- Debt due in March 2018: Refinanced **HK\$3,100m** ahead of maturity, **HK\$910m** remaining
- Weighted average debt maturity extended to **3.93 years**
- Post 31 Dec 2016, a further **HK\$400m** was refinanced and **HK\$510m** of debt due in March 2018 remains to be refinanced (3.7% of total borrowings)

Bond Issuances

2014	SGD	\$75m	7-yr	3.20%	Due 2021
2015	HKD	\$550m	5-yr	2.80%	Due 2020
	SGD	\$100m	7-yr	3.43%	Due 2022
	SGD	\$100m	7-yr	3.96%	Due 2022

2016	SGD	\$120m	7-yr	3.50%	Due 2023
	HKD	\$600m	7-yr	3.25%	Due 2023
	HKD	\$700m	7-yr	3.00%	Due 2023

Interest Rate Risk Management

	As at 31 Dec 2016	As at 31 Mar 2016
Total Debt Outstanding (Denomination: 97% HKD ¹ , 3% RMB ²)	HK\$13,890 m	HK\$13,733 m
% Fixed Debt	85%	77%

- Interest rate volatility for FY16/17 largely mitigated as interest cost for 85% of debt has been fixed as of 31 December 2016
- For FY16/17, a 50 bps increase in interest rate may result in reduction in DPU by an estimated 0.014 cents³

¹ MGCCT Group has entered into cross currency interest rate swaps to swap SGD denominated medium-term notes and USD denominated bank loans to HKD

² Based on exchange rate of S\$1: RMB4.841 and S\$1: HK\$5.442 as of 31 December 2016. Relates to onshore debt from Sandhill Plaza acquisition

³ Based on 2,786,644,330 units as of 31 Dec 2016 and the proportion of fixed-rate debt remains unchanged at about 85%

Forex Risk Management

Portfolio Level (Comprising HKD & RMB)	FY16/17
% Distributable Income Hedged into SGD	~87%

- A large proportion of rental income received from overseas assets has been hedged using forward contracts and secured in SGD terms
- The Manager will continue to monitor the markets and enter into income hedges progressively to ensure stability of distributions to Unitholders

Portfolio Highlights

Sandhill Plaza



Portfolio Occupancy as at 31 Dec 2016

Occupancy Rate By Qtr		As at 31 Dec 2015	As at 31 Mar 2016	As at 30 Jun 2016	As at 30 Sep 2016	As at 31 Dec 2016
Festival Walk		100.0%	100.0%	100.0%	100.0%	100.0%
Gateway Plaza		97.0%	96.8%	95.0%	90.5%	96.9%
Sandhill Plaza		100.0%	100.0%	100.0%	99.6%	100.0%
Portfolio		98.7%	98.6%	97.8%	95.7%	98.6%

Rental Reversion by Asset

YTD Rental Reversion By Qtr ¹	As at 31 Dec 2015	As at 31 Mar 2016	As at 30 Jun 2016	As at 30 Sep 2016	As at 31 Dec 2016
Festival Walk					
- Retail	42%	37%	13%	15%	14%
- Office	n.a. ²	n.a.	11%	7%	7%
Gateway Plaza					
- Office	29%	25%	6%	8%	10%
Sandhill Plaza					
- Office ³	n.a.	n.a.	28%	23%	16%

- **94%**⁴ of expired/expiring leases at portfolio level in FY16/17 have been renewed/re-let

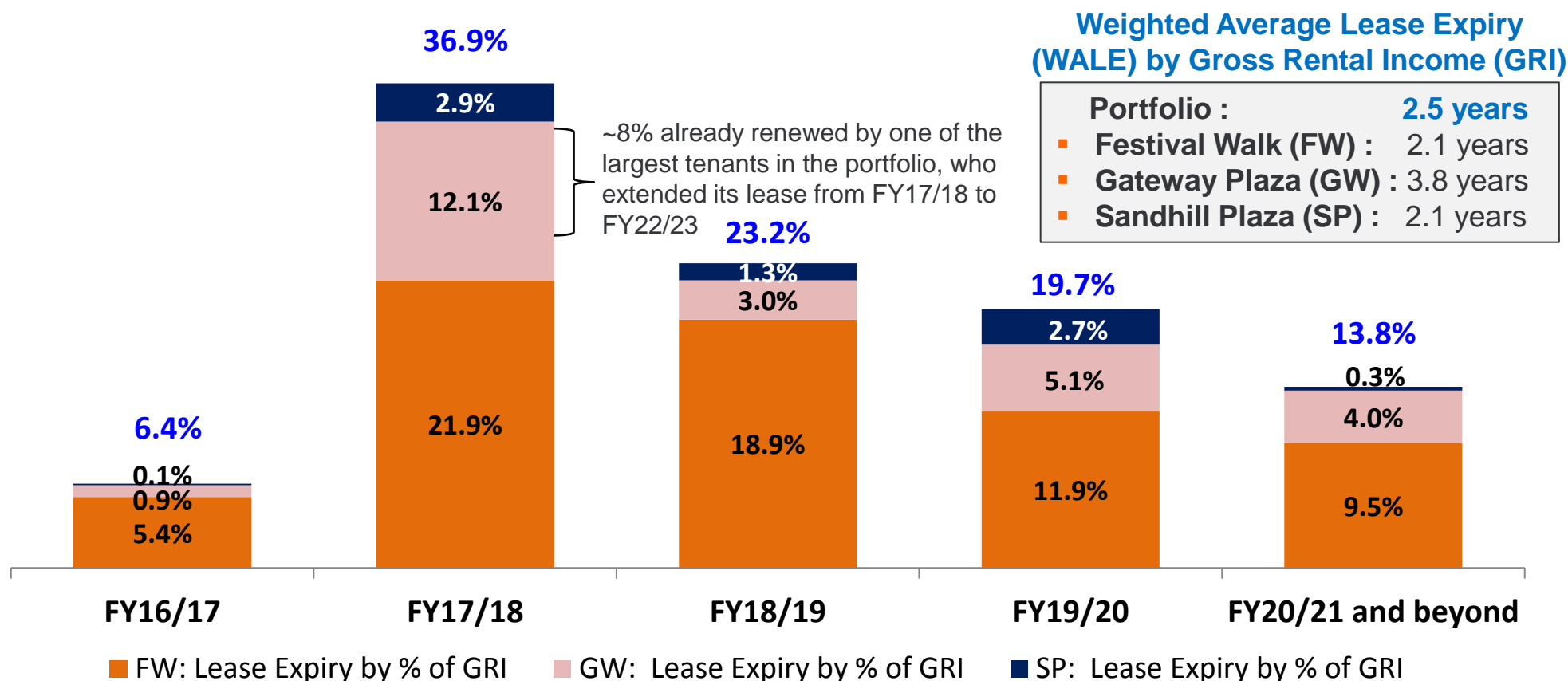
¹ Rental reversion is computed based on the weighted average effective base rental rate for expiring leases vs. the weighted average effective base rental rate of leases that were renewed or re-let over the lease term.

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

³ Sandhill Plaza was acquired on 17 June 2015. There were only two leases that were renewed or re-let in FY15/16 at 33%

⁴ By lettable area

Portfolio Lease Expiry Profile as of 31 Dec 2016



- Balance of leases expiring in FY16/17 reduced to **6.4%** from 14.9% as of 30 Sep 2016
- Percentage expiring in FY17/18 will reduce by **8%**
 - One of the largest tenants in the portfolio (by GRI) committed a further five-year term, which extended its lease from FY17/18 to FY22/23

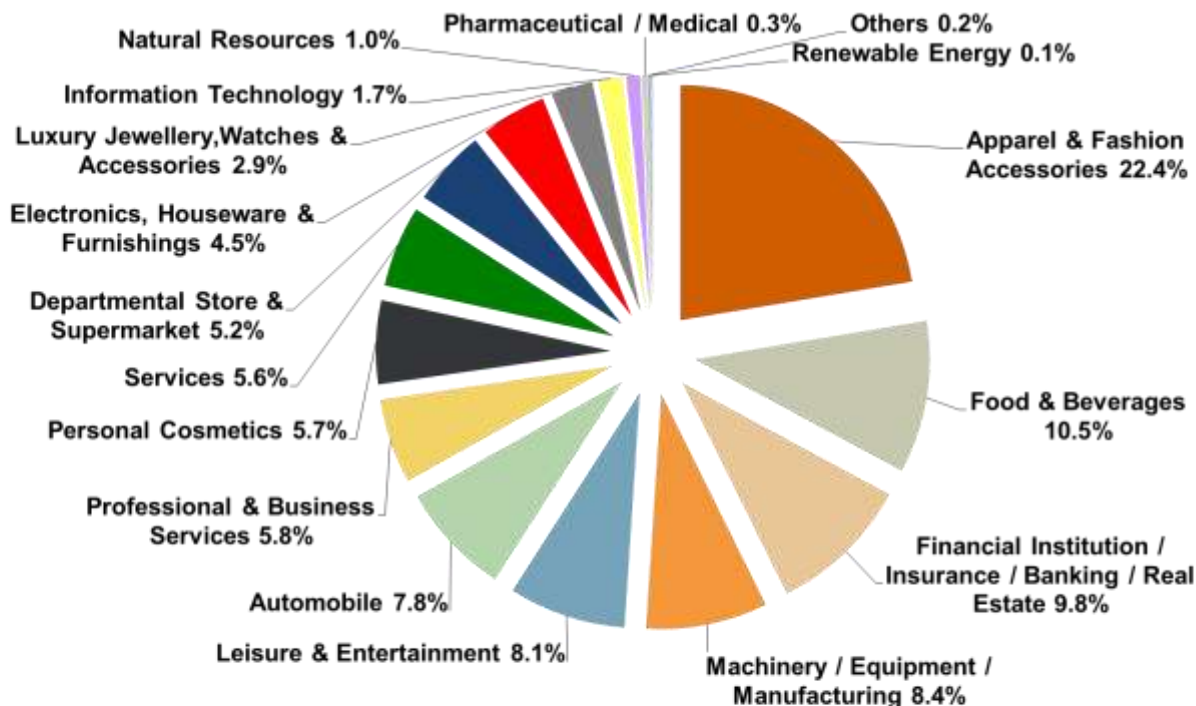
Note:

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

Diversified Portfolio Tenant Mix as of 31 Dec 2016

Trade Sector by Gross Rental Income

No single trade sector comprises more than 22.4% of GRI



Top 10 Tenants by Gross Rental Income

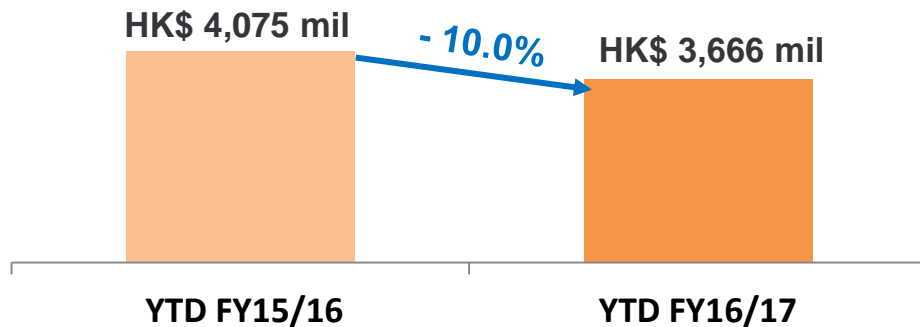
Top 10 tenants comprise 28.5% of GRI

1.	BMW	GW
2.	ARUP	FW
3.	CFLD	GW
4.	TASTE	FW
5.	FESTIVAL GRAND	FW
6.	APPLE	FW
7.	I.T	FW
8.	BANK OF CHINA	GW
9.	CUMMINS	GW
10.	SPREADTRUM	SP

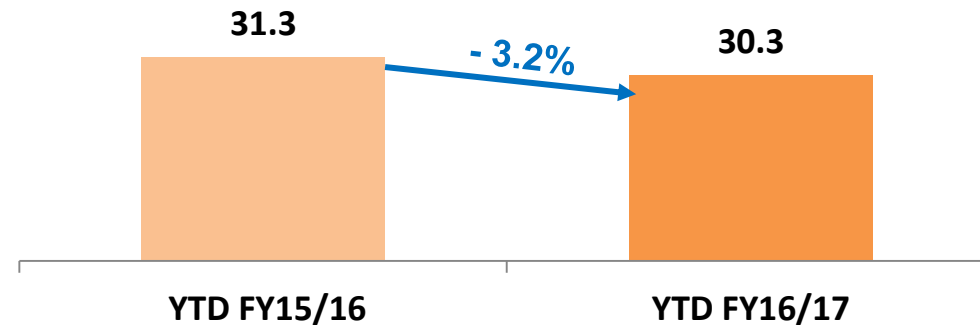
FW - Festival Walk; GW - Gateway Plaza; SP - Sandhill Plaza

Festival Walk – Retail Sales & Footfall YTD FY16/17

Tenant Sales (HK\$ million)



Footfall (million)



- Total retail sales in Hong Kong¹ in the first eleven months of 2016 declined by 8.6% in value over the same period a year ago
- Decline in tenant sales and footfall at FW largely due to prevailing weak retail sentiments
- Festival Walk remains a popular mall, located above the Kowloon Tong MTR station and supported by a strong local catchment

¹ Source: Hong Kong Census and Statistics Department's "Report on Monthly Survey of Retail Sales" (November 2016).
"Hong Kong" refers to the "Hong Kong SAR (Special Administrative Region)"

Note: Festival Walk's retail sales do not include figures from the Apple Store

New Shops & Events at FW



New F&B Shops @ Festival Walk in 3Q FY16/17



New Store at FoodFest food court



Re-opening of Wang Jia Sha



Venchi - Premium chocolatier from Italy

Pop-up Stores



LeTAO -
Hokkaido Cheesecake

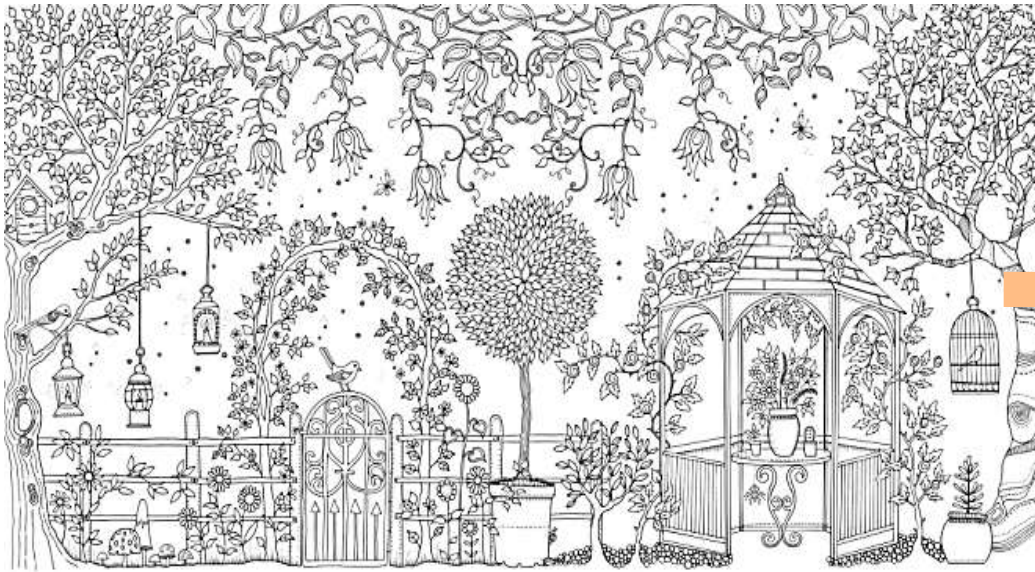
New Shops @ Festival Walk in 3Q FY16/17



Smiggle®
where a **smile** meets a **giggle**
Now Open



Christmas Secret Garden @ Festival Walk (Dec 2016)



Christmas Secret Garden @ Festival Walk (Dec 2016)



Lighting ceremony on 24 Nov 2016 by Mr Moses Chan, Hong Kong Celebrity



Christmas Carols



Christmas Parade



Stage Performances

Christmas Secret Garden @ Festival Walk (Dec 2016)

**Charles K. Kao Foundation
Charity Kick-Off Event by
Mr Hacken Lee, Hong Kong
Celebrity**



**Phototaking with Santa & many
more exciting activities**



CHALKapella Pop-Up Store



**Smiggle DIY Christmas Card
Workshop**



Christmas Dance on Ice

Events @ Festival Walk in 3Q FY16/17



Events @ “Glacier” Ice Rink in 3Q FY16/17



Awards & Accolades in 3Q FY16/17 – Festival Walk



Metro Finance Radio – Experiential Marketing Brilliance Awards

1. Top Ten Experiential Marketing Brilliance Award
2. Brilliance in Collaboration Related Event: “BATMAN v SUPERMAN: Dawn of Justice”
3. Brilliance in Integrated, Digital Media Experience: “Secret Code Gift Surprises”



Marketing Magazine – Marketing Excellence Awards

1. Excellence in Mass Event: “BATMAN v SUPERMAN: Dawn of Justice” (Silver)
2. Excellence in Gaming: “Secret Code Gift Surprises” (Bronze)

Outlook & Strategy



Looking Forward

- MGCCT's performance at Gateway Plaza remains affected by additional property tax arising from the change in property tax basis and Value Added Tax implementation by the local authorities
- Business and consumer sentiments will continue to be weighed down by the weak global growth environment. Uncertainty and volatility in the financial markets will likely persist.
- The Manager will stay focused on proactive asset management to enhance and/or unlock the value of our properties, pursue accretive acquisitions as well as actively monitor and manage interest rate and foreign exchange exposure to deliver long term, sustainable returns to Unitholders

MGCCT Strategy

Resilient Portfolio

- **Festival Walk:** Rental reversions expected to moderate
- **Gateway Plaza:** Focus on improving occupancy level
- **Sandhill Plaza:** Healthy organic growth

Active & Prudent Capital Management

- Maintain well staggered debt profile
- Diversify sources of funding
- Actively monitor, manage and balance cost of debt and duration
- Monitor and undertake hedging strategies to minimise interest rate and currency risks

Proactive Asset Management

- Focus on cost management
- Enhancement of amenities
- Active lease management
- Increase retail sales and drive footfall to Festival Walk

Growth Opportunities

- Explore asset enhancement initiatives for Festival Walk and Gateway Plaza
- Value-adding acquisitions of quality, well-located assets with focus on tier-1 cities in China



Thank You

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