

*For Immediate Release*

## **Mapletree Commercial Trust's Income Available for Distribution for 2Q FY16/17 grew 25.4% year-on-year to S\$53.7 million**

- Gross revenue and net property income ("NPI") for 2Q FY16/17<sup>1</sup> grew 23.6% and 24.8% respectively from 2Q FY15/16<sup>2</sup>
- Income available for distribution for 2Q FY16/17 grew 25.4% year-on-year to S\$53.7 million
- Driven by strong performance by Existing Portfolio<sup>3</sup> which registered about 6% year-on-year growth in both gross revenue and NPI in 2Q FY16/17
- VivoCity Basement 2 and Level 3 asset enhancement works were completed
- Major leases totaling 260,000 square feet of net lettable area ("NLA") at VivoCity expiring in FY16/17<sup>4</sup> have been renewed
- Completed acquisition of Mapletree Business City I ("MBC I") on 25 August 2016, enlarging total value of properties under management to S\$6.2 billion

**Singapore, 26 October 2016** – Mapletree Commercial Trust Management Ltd. ("MCTM" or the "Manager"), the manager of Mapletree Commercial Trust ("MCT"), is pleased to announce that the total income available for distribution for 2Q FY16/17 was S\$53.7 million, a 25.4% growth over 2Q FY15/16. Distribution per unit ("DPU") for the quarter grew 1.5% to 2.05 Singapore cents<sup>5</sup>, up 1.5% against 2Q FY15/16.

Ms Sharon Lim, Chief Executive Officer of MCTM, said, "We are pleased to report a strong set of financial results. In an environment of heightened economic and financial uncertainties, we continued to grow our total gross revenue and NPI respectively by 23.6% and 24.8% on a year-

<sup>1</sup> The period from 1 July 2016 to 30 September 2016, referred to as 2Q FY16/17

<sup>2</sup> The period from 1 July 2015 to 30 September 2015, referred to as 2Q FY15/16

<sup>3</sup> Refers to VivoCity, PSA Building, Mapletree Anson and Bank of America Merrill Lynch HarbourFront ("MLHF")

<sup>4</sup> The period from 1 April 2016 to 31 March 2017, referred to as FY16/17

<sup>5</sup> DPU for 2Q FY16/17 comprises Advanced Distribution of 0.74 Singapore cents for the period from 1 July 2016 to 3 August 2016 that has been paid out on 29 August 2016, and 1.31 Singapore cents for the period from 4 August 2016 to 30 September 2016 expected to be paid out on 29 November 2016

**Mapletree Commercial Trust Management Ltd.**

10 Pasir Panjang Road, #13-01 Mapletree Business City, Singapore 117438  
tel 65 6377 6111 fax 65 6376 2168 [www.mapletreecommercialtrust.com](http://www.mapletreecommercialtrust.com)  
Co. Reg. No. 200708826C

on-year basis. Our existing portfolio, in particular, registered about 6% year-on-year growth in both gross revenue and NPI in 2Q FY16/17, underscoring the strength of our portfolio and our asset management capabilities.”

Ms Lim added, “We are also pleased to complete the acquisition of MBC I on 25 August 2016. As a best-in-class office and business park space, MBC I is an accretive and strategic addition to the portfolio. Positive impact can also be expected from the increase in market capitalisation and free float.”

### Summary of MCT’s Results

	2Q FY16/17	2Q FY15/16	Variance %
Gross revenue (S\$’000)	88,082	71,275	23.6
Property operating expenses (S\$’000)	(19,668)	(16,473)	(19.4) <sup>6</sup>
Net property income (S\$’000)	68,414	54,802	24.8
Income available for distribution (S\$’000)	53,654	42,799	25.4
Distribution per unit (cents)	2.05	2.02	1.5

	1H FY16/17	1H FY15/16	Variance %
Gross revenue (S\$’000)	161,459	141,002	14.5
Property operating expenses (S\$’000)	(36,761)	(31,936)	(15.1) <sup>7</sup>
Net property income (S\$’000)	124,698	109,066	14.3
Income available for distribution (S\$’000)	97,100	85,335	13.8
Distribution per unit (cents)	4.08	4.03	1.2

<sup>6</sup> Due largely to property operating expenses from newly acquired MBC I, higher property maintenance expenses, property taxes and property management fees incurred by existing properties as well as higher advertising and promotion expenses

<sup>7</sup> Due largely to property expenses from newly acquired MBC I, higher property maintenance expenses incurred by existing properties, higher advertising and promotion expenses and one-off and non-recurring adjustments made in 1H FY15/16

## **STRONG OPERATIONAL PERFORMANCE**

Overall portfolio NPI for 2Q FY16/17 grew 24.8% year-on-year, with NPI margin improving to 77.7% as compared to 2Q FY15/16. This was driven by improvement in the existing portfolio and contribution by MBC I from 25 August 2016.

### **VivoCity Continued Outstanding Performance, AEI Completed**

VivoCity continued to deliver outstanding performance, recording 2.7% growth in sales in 2Q FY16/17 compared against 2Q FY15/16. Total sales in 1H FY16/17 reached S\$451.4 million. During the same period, gross revenue and NPI rose 4.9% and 3.3% respectively on a year-on-year basis. The increase is mainly attributed to higher rental income from positive rental reversion and the effects of the rental step ups in existing leases.

VivoCity's second AEI have been completed on schedule. The enhancement works involved improving the layout and increasing the number of food kiosks from 13 to 21 on Basement 2, as well as changing the use and introducing a popular steamboat chain, Haidilao, on Level 3. All tenants have commenced business. On a stabilised basis, the return on investment of the AEI is in excess of 20%.

In 1H FY16/17, major leases totaling 260,000 square feet of NLA that were expiring in FY16/17 have been renewed. As at 30 September 2016, the overall committed occupancy rate for VivoCity remained high at 99.9%.

### **Increased Occupancies of Office Assets**

Actual occupancy levels for PSA Building and Mapletree Anson were higher at 98.5% and 100% respectively, while MBC I recorded 99.0% committed occupancy as at 30 September 2016. 1H FY16/17 gross revenue and NPI from PSA Building, Mapletree Anson, MLHF and MBC I were S\$63.3 million and S\$50.3 million respectively. Excluding MBC I, gross revenue and NPI from the three office assets respectively increased by 7.0% and 7.8%.

## **Added Resilience with the Acquisition of MBC I**

The acquisition of MBC I was completed on 25 August 2016. Total acquisition costs of S\$1,857.7 million were funded through debt and a successful equity fund raising exercise. This acquisition is accretive to the DPU and net asset value without any income support, and adds stable and quality cash flows through a favourable and defensive lease profile. MCT's long-term resilience will be further strengthened with this strategic acquisition.

## **CAPITAL MANAGEMENT**

In August 2016, S\$175.0 million of Fixed Rate Notes due 2026, rated Baa1 by Moody's Investors Service, was issued at 3.11% p.a. to refinance existing debts.

As at 30 September 2016, the balance sheet remained healthy with aggregate leverage ratio of 37.3%. As a result of our active capital management, the average debt to maturity of gross borrowings was extended to 4.3 years as compared to 3.7 years in the last quarter. Of the total debt of S\$2,340.0 million, approximately 74.1% has been fixed by way of fixed rate debt or interest rate swaps. The weighted average all-in cost of debt was lower at 2.66% p.a. as at 30 September 2016 as compared to 2.73% p.a. as at 30 June 2016. Overall, the interest coverage ratio was approximately 4.9 times.

## **DISTRIBUTION TO UNITHOLDERS**

DPU for 2Q FY16/17 totals 2.05 Singapore cents. This comprises Advance Distribution of 0.74 Singapore cents<sup>8</sup> for the period from 1 July 2016 to 3 August 2016 that has been paid out on 29 August 2016, and 1.31 Singapore cents for the period from 4 August 2016 to 30 September 2016.

Unitholders can expect to receive the distribution of 1.31 Singapore cents on Tuesday, 29 November 2016. The closure of Transfer Books and Register of Unitholders is 5.00pm on Thursday, 3 November 2016.

---

<sup>8</sup> The Advance Distribution was paid out as part of the Cumulative Distribution in connection with the Equity Fund Raising. Quarterly distributions will resume thereafter

<End>

### **About Mapletree Commercial Trust**

MCT is a Singapore-focused REIT that invests on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate used primarily for office and/or retail purposes, whether wholly or partially, in Singapore, as well as real estate related assets. MCT's portfolio comprises VivoCity, PSA Building, Mapletree Anson, Bank of America Merrill Lynch HarbourFront ("MLHF") and Mapletree Business City I. These five assets have a total NLA of 3.8 million square feet with a total value of S\$6,122 million<sup>9</sup>.

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

---

### **About the Manager – Mapletree Commercial Trust Management Ltd.**

MCT is managed by Mapletree Commercial Trust Management Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd. The Manager's main responsibility is to manage MCT's assets and liabilities for the benefit of Unitholders. The Manager is also responsible for setting the strategic direction of MCT on the acquisition, divestment and/or enhancement of assets of MCT in accordance with its stated investment strategy. The Manager's key objectives are to provide Unitholders of MCT with an attractive rate of return on their investment through regular and relatively stable distributions and to achieve long-term growth in DPU and net asset value per Unit, with an appropriate capital structure for MCT.

### **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 Asia, and delivers consistent and high returns across various real estate asset classes. Mapletree currently manages four Singapore-listed real estate investment trusts (REITs) and five private equity real estate funds, which hold a diverse portfolio of assets in Singapore and Asia Pacific. As at 31 March 2016, Mapletree owns and manages S\$34.7 billion of office, retail, logistics, industrial, residential, corporate lodging/serviced apartment and student housing properties. The Group's assets are located across 12 economies globally, namely Singapore, Australia, China, Germany, Hong Kong SAR, India, Japan, Malaysia, South Korea, the United Kingdom, the United States and Vietnam.

---

<sup>9</sup> Based on the independent valuations as at 31 March 2016 for VivoCity, PSA Building, Mapletree Anson and MLHF, as well as the purchase consideration of Mapletree Business City I which was acquired by MCT on 25 August 2016

## **IMPORTANT NOTICE**

This release is for information only and does not constitute an offer or solicitation of an offer to sell or invitation to subscribe for or acquire any units (“Units”) in MCT.

The past performance of the Units and MCT is not indicative of the future performance of MCT or the Manager. The value of Units and the income from them may rise or fall. 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 may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may also 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 risks, uncertainties and assumptions. Representative examples of these factors include general industry and economic conditions, interest rate trends, cost of capital, occupancy rate, construction and development risks, changes in operating expenses (including employees’ wages, benefits and training costs), governmental and public policy changes and the continued availability of financing. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

Nothing in this release should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors. This release shall be read in conjunction with MCT’s financial results for 2Q FY16/17 in the SGXNET announcement dated 26 October 2016.

---

For further information, please contact:

**Mapletree Commercial Trust Management Ltd.**

Teng Li Yeng

Investor Relations

Tel: +65 6377 6836

Email: [teng.liyeng@mapletree.com.sg](mailto:teng.liyeng@mapletree.com.sg)

Website: [www.mapletreecommercialtrust.com](http://www.mapletreecommercialtrust.com)