

MAPLETREE GREATER CHINA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

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MAPLETREE GREATER CHINA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

Summary Results of Mapletree Greater China Commercial Trust (“MGCCT”) Group

	1 Apr 2017 to 30 Jun 2017¹	1 Apr 2016 to 30 Jun 2016²	Variance %
Gross revenue (S\$'000)	88,903	84,969	4.6
Net property income (S\$'000)	71,978	69,423	3.7
Distributable income (S\$'000)	51,911	51,262	1.3
Available distribution per unit (cents) ³	1.851	1.850	0.1

Footnotes:

¹ Period from 1 April 2017 to 30 June 2017 (“1Q FY2017/2018”)

² Period from 1 April 2016 to 30 June 2016 (“1Q FY2016/2017”)

³ Available distribution per unit for the financial period is calculated based on the income available for distribution for the period over the number of units in issue as at the end of the period.

The number of units in issue as at the end of the first quarter does not include the payment of Fees (“Manager’s base fee and the Property Manager’s management fees”) in units of 7,651,344 for the quarter. The units for payment of Fees will be issued in the month of August for the first quarter. These units issued in August will be included in the computation of the DPU payable (on a semi-annual basis) for the first-half of the financial year.

Introduction

Mapletree Greater China Commercial Trust (“MGCCT”) was constituted in the Republic of Singapore pursuant to a Trust Deed dated 14 February 2013 (as amended on 28 June 2016). MGCCT was listed on Singapore Exchange Securities Trading Limited (“SGX-ST”) on 7 March 2013 (the “Listing Date”) as a real estate investment trust. The principal investment strategy of MGCCT is to invest, 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.

The current portfolio of MGCCT comprises three commercial properties in Greater China with a total lettable area of 2.6 million square feet and a total book value of S\$6,066.3 million as of 30 June 2017:

- (a) Festival Walk, a landmark territorial retail mall and lifestyle destination with an office component in the Kowloon Tong area of Hong Kong. Festival Walk has been consistently ranked as one of the top ten shopping malls in Hong Kong (acquired on listing date);
- (b) Gateway Plaza, a premier Grade-A office building with a retail podium located in the established and prime Lufthansa Area in Beijing, China (acquired on listing date); and
- (c) Sandhill Plaza, a premium quality business park development located at Zhangjiang Hi-tech Park, within the Pudong New Area, Shanghai, China (acquired on 17 June 2015).

All these properties enjoy excellent connectivity via convenient access to major roads, expressways and subway lines, with quality tenants operating across diversified trade sectors.

Mapletree Greater China Commercial Trust Management Ltd. (“MGCCTM” or the “Manager”) aims to deliver stable and steady DPU growth to Unitholders, through actively managing and enhancing the properties, acquiring good quality income-producing commercial assets aligned with MGCCT’s investment mandate, and having in place an active capital management strategy to manage both interest rate and foreign exchange volatility.

MGCCT’s distribution policy is to distribute, on a semi-annual basis, within 90 days of 30 September and 31 March, at least 90.0% of its Distributable Income.

MAPLETREE GREATER CHINA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

1(a) Statement of Total Return and Distribution Statement (MGCCT Group)

Statement of Total Return	1 Apr 2017 to 30 Jun 2017 (S\$'000)	1 Apr 2016 to 30 Jun 2016 (S\$'000)	Variance Positive/ (Negative) (%)
Gross revenue ¹	88,903	84,969	4.6
Property operating expenses	(16,925)	(15,546)	(8.9)
Net property income	71,978	69,423	3.7
Interest income	586	199	NM
Manager's management fees ²			
- Base fee	(5,191)	(5,126)	(1.3)
- Performance fee	(91)	(215)	57.7
Trustee's fee	(165)	(158)	(4.4)
Other trust expenses	(226)	(486)	53.5
Foreign exchange gain	1,688	2,806	(39.8)
Finance costs	(18,086)	(17,665)	(2.4)
Net income	50,493	48,778	3.5
Net change in fair value of financial derivatives	275	(1,688)	NM
Total return for the period before income tax	50,768	47,090	7.8
Income tax expenses	(8,419)	(7,654)	(10.0)
Total return for the period after income tax before distribution	42,349	39,436	7.4

Distribution Statement	1 Apr 2017 to 30 Jun 2017 (S\$'000)	1 Apr 2016 to 30 Jun 2016 (S\$'000)	Variance Positive/ (Negative) (%)
Total return for the period attributable to Unitholders	42,349	39,436	7.4
Distribution adjustments (Note A)	9,562	11,826	(19.1)
Income available for distribution to Unitholders	51,911	51,262	1.3

Footnotes:

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

² Manager's base fee is calculated based on 10% of distributable income for the period. Manager's performance fee is estimated based on 25% of the growth of the annualised FY2017/2018 DPU over the actual FY2016/2017 DPU.

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1(a) Statement of Total Return and Distribution Statement (MGCCT Group)

	1 Apr 2017 to 30 Jun 2017 (S\$'000)	1 Apr 2016 to 30 Jun 2016 (S\$'000)	Variance Positive/ (Negative) (%)
Note A:			
Distribution adjustments comprise:			
- Trustee's fee	165	158	4.4
- Financing fees	771	1,504	(48.7)
- Manager's base fee paid/payable in units	5,191	5,126	1.3
- Manager's performance fee paid/payable in units	91	215	(57.7)
- Property Manager's management fees paid/payable in units	3,141	2,992	5.0
- Net change in fair value of financial derivatives	(275)	1,688	NM
- Foreign exchange gain on capital item ¹	(1,341)	(1,527)	12.2
- Other non-tax deductible items and other adjustments	1,819	1,670	8.9
	9,562	11,826	(19.1)

Footnotes:

NM – Not Meaningful

¹ Foreign exchange gain on capital item arose from the partial settlement of inter-company loans between MGCCT and its overseas subsidiaries. As the transactions are capital in nature, the foreign exchange gain arising is not distributable.

MAPLETREE GREATER CHINA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

1(b)(i) Statement of Financial Position (MGCCT Group)

	30 Jun 2017 (S\$'000)	31 Mar 2017 (S\$'000)
Current assets		
Cash and bank balances	202,609	234,857
Trade and other receivables	26,755	55,212
Other current assets	1,371	1,163
Inventories	763	811
Derivative financial instruments ¹	859	508
Total current assets²	232,357	292,551
Non-current assets		
Derivative financial instruments ¹	7,361	8,319
Investment properties	6,066,307	6,226,345
Plant and equipment	1,273	1,705
Total non-current assets	6,074,941	6,236,369
Total Assets	6,307,298	6,528,920
Current liabilities		
Trade and other payables	143,983	148,593
Borrowings	55,625	163,143
Current income tax liabilities	45,434	44,142
Derivative financial instruments ¹	257	181
Total current liabilities²	245,299	356,059
Non-current liabilities		
Trade and other payables	56,850	58,558
Borrowings	2,429,222	2,393,013
Derivative financial instruments ¹	14,642	13,777
Deferred tax liabilities	71,123	71,193
Total non-current liabilities	2,571,837	2,536,541
Total Liabilities	2,817,136	2,892,600
Net assets attributable to Unitholders	3,490,162	3,636,320
Represented by:		
Unitholders' funds	3,360,937	3,413,993
General reserve	438	238
Hedging reserve	974	15,953
Foreign currency translation reserve	127,813	206,136
	3,490,162	3,636,320
Net Asset Value (NAV) per unit (S\$)	1.244	1.301

Footnotes:

¹ Derivative financial instruments represent the fair value as at period end of the (i) currency forwards to swap HKD and RMB to SGD; (ii) interest rate swaps to swap floating interest payments into fixed; and (iii) cross currency interest rate swaps to swap SGD fixed interest rate and USD floating interest rate to HKD fixed interest rate.

² At 30 June 2017, MGCCT Group had net current liabilities of S\$12.9 million (31 March 2017: S\$63.5 million). MGCCT Group has sufficient committed and uncommitted bank facilities to meet working capital requirements.

MAPLETREE GREATER CHINA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

Statement of Financial Position (MGCCT)

	30 Jun 2017 (S\$'000)	31 Mar 2017 (S\$'000)
Current assets		
Cash and bank balances	38,898	96,844
Trade and other receivables	5,372	5,036
Derivative financial instruments ¹	859	508
Total current assets	45,129	102,388
Non-current asset		
Investments in subsidiaries	2,335,570	2,343,447
Total non-current asset	2,335,570	2,343,447
Total Assets	2,380,699	2,445,835
Current liabilities		
Trade and other payables	7,519	8,442
Current income tax liabilities	34	70
Derivative financial instruments ¹	257	181
Total current liabilities	7,810	8,693
Total Liabilities	7,810	8,693
Net assets attributable to Unitholders	2,372,889	2,437,142
Represented by:		
Unitholders' funds	2,372,287	2,436,815
Hedging reserve	602	327
	2,372,889	2,437,142
Net Asset Value (NAV) per unit (S\$)	0.846	0.872

Footnote:

¹ Derivative financial instruments represent the fair value as at period end of the currency forwards to swap HKD and RMB to SGD.

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities (MGCCT Group)²

	30 Jun 2017 (S\$'000)	31 Mar 2017 (S\$'000)
Amount repayable within one year		
Bank loans (unsecured)	55,707	163,473
Amount repayable after one year		
Bank loans (unsecured)	1,714,426	1,667,792
Medium-term notes ("MTN") (unsecured)	722,817	733,411
Gross borrowings	2,492,950	2,564,676
Less: Unamortised transaction costs ³	(8,103)	(8,520)
Net borrowings	2,484,847	2,556,156
Represented by:		
Current position	55,625	163,143
Non-current position	2,429,222	2,393,013

Footnotes:

² There are no borrowings and debt securities taken up at MGCCT entity level.

³ Transaction costs are amortised over the life of the loan facilities and the tenure of the MTN.

MAPLETREE GREATER CHINA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

1(c) Statement of Cash Flows (MGCCT Group)

	1 Apr 2017 to 30 Jun 2017 (S\$'000)	1 Apr 2016 to 30 Jun 2016 (S\$'000)
Cash flows from operating activities		
Total return for the period	42,349	39,436
Adjustments for:		
- Income tax expenses	8,419	7,654
- Amortisation of rent free incentive	423	896
- Depreciation	98	109
- Net change in fair value of financial derivatives	(275)	1,688
- Manager's management fees paid/payable in units	5,282	5,341
- Property Manager's management fees paid/payable in units	3,141	2,992
- Finance costs	18,086	17,665
- Interest income	(586)	(199)
- Foreign exchange gain on capital item	(1,341)	(1,527)
Operating cash flows before working capital changes	75,596	74,055
Changes in working capital:		
- Trade and other receivables and other current assets	27,191	(10,832)
- Inventories	48	26
- Trade and other payables	(3,873)	(12,208)
Cash generated from operations	98,962	51,041
- Income tax paid	(4,060)	(4,960)
Net cash provided by operating activities	94,902	46,081
Cash flows from investing activities		
Additions to investment properties	(252)	(123)
Interest income received	478	199
Net cash provided by investing activities	226	76
Cash flows from financing activities		
Repayment of bank loans	(104,548)	(105,486)
Proceeds from bank loans	98,798	10,861
Proceeds from issuance of medium-term notes	-	105,486
Payments of distributions to Unitholders	(104,296)	(103,988)
Financing fees paid	(479)	(1,227)
Interest paid	(15,139)	(12,702)
Net cash used in financing activities	(125,664)	(107,056)
Net decrease in cash and cash equivalents held	(30,536)	(60,899)
Cash and cash equivalents at beginning of the period	180,420	160,902
Effect of currency translation on cash and cash equivalents	(1,126)	(1,863)
Cash and cash equivalents at end of the period	148,758	98,140
Amount received and set aside to be repaid to a related party ¹	53,851	43,902
Cash and bank balances at end of the period	202,609	142,042

¹ This relates to the resolution of the Litigation Action in the People's Republic of China ("PRC") courts between Beijing Bestride Real Estate Development Co. Ltd. and a subsidiary company HK Gateway Plaza Company Limited ("HKGW") in favour of HKGW. This cash amount of RMB 264.86 million, equivalent to S\$53.9 million (2016: RMB 213.4 million, equivalent to S\$43.9 million), which was released from the PRC courts to HKGW, 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.

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1(d)(i) Statement of Movements in Unitholders' Funds (MGCCT Group)

	Unitholders' funds					
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	General reserve (S\$'000)	Hedging reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2017	968,039	2,445,954	238	15,953	206,136	3,636,320
Total return for the period	42,349	-	-	-	-	42,349
Distributions to Unitholders	(82,771)	(21,525)	-	-	-	(104,296)
Transfer to general reserve	(200)	-	200	-	-	-
Issue of units as settlement of Management Fees	-	9,091	-	-	-	9,091
Fair value changes on cash flow hedges	-	-	-	(2,268)	-	(2,268)
Transfer to Statement of Total Return upon realisation	-	-	-	(12,711)	(1,341)	(14,052)
Translation differences relating to financial statements of foreign subsidiaries and quasi- equity loans	-	-	-	-	(76,982)	(76,982)
Balance as at 30 Jun 2017	927,417	2,433,520	438	974	127,813	3,490,162

	Unitholders' funds					
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	General reserve (S\$'000)	Hedging reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Total (S\$'000)
Balance as at 1 Apr 2016	753,584	2,455,200	-	656	206,747	3,416,187
Total return for the period	39,436	-	-	-	-	39,436
Distributions to Unitholders	(85,374)	(18,614)	-	-	-	(103,988)
Issue of units as settlement of Management Fees	-	13,170	-	-	-	13,170
Fair value changes on cash flow hedges	-	-	-	(4,279)	-	(4,279)
Transfer to Statement of Total Return upon realisation	-	-	-	(4,861)	(1,527)	(6,388)
Translation differences relating to financial statements of foreign subsidiaries and quasi- equity loans	-	-	-	-	(74,758)	(74,758)
Balance as at 30 Jun 2016	707,646	2,449,756	-	(8,484)	130,462	3,279,380

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Statement of Movements in Unitholders' Funds (MGCCT)

	Unitholders' funds			Total (S\$'000)
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging reserve (S\$'000)	
Balance as at 1 Apr 2017	(9,139)	2,445,954	327	2,437,142
Total return for the period	30,677	-	-	30,677
Distributions to Unitholders	(82,771)	(21,525)	-	(104,296)
Issue of units as settlement of Management Fees	-	9,091	-	9,091
Fair value changes on cash flow hedges	-	-	338	338
Transfer to Statement of Total Return upon realisation	-	-	(63)	(63)
Balance as at 30 Jun 2017	(61,233)	2,433,520	602	2,372,889

	Unitholders' funds			Total (S\$'000)
	Operations (S\$'000)	Unitholders' Contribution (S\$'000)	Hedging reserve (S\$'000)	
Balance as at 1 Apr 2016	15,123	2,455,200	3,164	2,473,487
Total return for the period	35,583	-	-	35,583
Distributions to Unitholders	(85,374)	(18,614)	-	(103,988)
Issue of units as settlement of Management Fees	-	13,170	-	13,170
Fair value changes on cash flow hedges	-	-	94	94
Transfer to Statement of Total Return upon realisation	-	-	(1,782)	(1,782)
Balance as at 30 Jun 2016	(34,668)	2,449,756	1,476	2,416,564

1(d)(ii) Details of Any Change in Units

	1 Apr 2017 to 30 Jun 2017 ('000)	1 Apr 2016 to 30 Jun 2016 ('000)
Balance as at beginning of period	2,795,382	2,757,579
Movements during the period		
- Units issued as settlement of Management Fees	9,132	13,705
Total issued units as at end of period	2,804,514	2,771,284

There were no convertibles, treasury units and subsidiary holdings as at 30 June 2017 and 30 June 2016.

1(d)(iii) To show the total number of issued units excluding treasury units as at the end of the current financial period, and as at the end of the immediately preceding year

Total number of issued units in MGCCT as at 30 June 2017 and 31 March 2017 were 2,804,514,148 and 2,795,381,671 respectively.

MAPLETREE GREATER CHINA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury units and subsidiary holdings as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

The same accounting policies and methods of computation in the audited financial statements for the financial year ended 31 March 2017 have been applied for the current financial period, except for the adoption of the new or amended Financial Reporting Standards ("FRS") and Recommended Accounting Practice 7 ("RAP 7") that are mandatory for application from 1 April 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change

MGCCT Group adopted the new or amended FRS and RAP 7 that are mandatory for application from 1 April 2017. The adoption of these new or amended FRS and RAP 7 did not result in any material changes to the Group's accounting policies and has no effect on the amounts reported for the current financial period.

6. Earnings Per Unit ("EPU") and Available Distribution Per Unit ("DPU")

	1 Apr 2017 to 30 Jun 2017	1 Apr 2016 to 30 Jun 2016
Weighted average number of units ¹	2,798,693,448	2,762,849,996
Earnings per unit ("EPU") - Basic and Diluted²		
Based on the weighted average number of units in issue (cents)	1.513	1.427
Number of units in issue at end of period	2,804,514,148	2,771,283,562
Available Distribution per unit ("DPU")		
Based on the number of units in issue at the end of the period (cents)	1.851	1.850

Footnotes:

¹ Weighted average number of units for the period has been adjusted to take into effect the units issued as payment for base fee, property and lease management fees, and performance fee (if applicable).

² Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the financial period.

7. Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit (MGCCT Group)

	MGCCT Group	
	30 Jun 2017	31 Mar 2017
Number of units in issue at end of period	2,804,514,148	2,795,381,671
NAV and NTA per unit (S\$)¹	1.244	1.301

Footnote:

¹ Net tangible asset per unit is the same as net asset value per unit as there are no intangible assets as at period end.

8. Review of Performance

a. Financial results 1Q FY2017/2018 vs 1Q FY2016/2017

Gross revenue increased by S\$3.9 million or 4.6% to S\$88.9 million for 1Q FY2017/2018 compared to the corresponding period last year. The increase in revenue was mainly due to:

- (i) revenue growth from all three properties in the portfolio mainly due to higher average rental rates;
- (ii) lower VAT rate for Gateway Plaza in this quarter compared to a higher rate accrued in the same quarter last year¹; and
- (iii) higher average rate of HKD against SGD.

These increases were partly offset by lower average rate of RMB against SGD. For 1Q FY2017/2018, Festival Walk, Gateway Plaza and Sandhill Plaza made up 69%, 24% and 7% of the portfolio gross revenue respectively.

Property operating expenses increased by S\$1.4 million or 8.9% to S\$16.9 million for 1Q FY2017/2018 compared to the corresponding period last year. This was mainly attributable to additional property tax of S\$2.0 million incurred at Gateway Plaza as a result of the change in the basis of assessment of property tax² which became effective from 1 July 2016, partly offset by lower marketing costs incurred at Festival Walk.

Compared to the corresponding period last year, net property income for 1Q FY2017/2018 increased by S\$2.6 million or 3.7% to S\$72.0 million.

Foreign exchange gain of S\$1.7 million for the period (1Q FY2016/2017: S\$2.8 million) was mainly made up of:

- (i) exchange gain of S\$1.3 million (1Q FY2016/2017: S\$1.5 million) from the partial settlement of inter-company loans, which are capital in nature and not distributable; and
- (ii) realised exchange loss of S\$40,000 (1Q FY2016/2017: gain of S\$1.3 million) from the settlement of the currency forward contracts.

Finance costs increased by S\$0.4 million compared to the corresponding period last year mainly due to:

- (i) the net effect of rising interest rate on floating rate debt (S\$0.5 million);
- (ii) additional borrowings for working capital (S\$0.4 million); and
- (iii) the refinancing of maturing debt with medium-term notes (S\$0.1 million), which is part of the Manager's capital management strategy to extend the debt maturity.

The above increase in interest costs was partly offset by lower financing fees (S\$0.6 million) as there are lesser refinancing activities in this quarter compared to last year.

¹ VAT was implemented in China with effect from 1 May 2016.

² The revised property tax is assessed at a tax rate of 12% of revenue with effect from 1 July 2016 while it was previously assessed at a tax rate of 1.2% of 70% of the cost of property.

Net change in fair value of financial derivatives of S\$0.3 million relates to the mark-to-market movement of currency forward contracts to hedge currency exposures for future HKD and RMB distributable income. As these contracts are not due to be settled, it will not have an impact on the current period income available for distribution to Unitholders. These forward contracts are entered into to limit the impact of currency volatility on future distributable income streams.

After taking into account the distribution adjustments, the amount available for distribution to Unitholders for 1Q FY2017/2018 increased by 1.3% to S\$51.9 million, and the distribution per unit grew by 0.1% compared to the corresponding period last year, from 1.850 cents per unit to 1.851 cents per unit.

b. Financial position as of 30 June 2017 vs 31 March 2017

Group total assets was S\$6,307.3 million as of 30 June 2017, and was S\$221.6 million lower compared to 31 March 2017 mainly due to the following:

- (i) Decrease in investment properties by S\$160.0 million due to translation loss from weaker HKD and RMB against SGD.
- (ii) Decrease in cash balances of S\$32.2 million mainly due to distribution payments to Unitholders, interest payments and net repayment of bank loans, and offset by net cash from operating activities.
- (iii) Decrease in trade and other receivables of S\$28.5 million mainly due to the collection of rentals from the tenants of Gateway Plaza after clarification from the local tax authorities on the applicable VAT rate and implementation process was obtained in March 2017.

Group total liabilities amounted to S\$2,817.1 million as of 30 June 2017, S\$75.5 million lower compared to 31 March 2017. This was mainly because of the decrease in borrowings of S\$71.3 million arising from translation gain of S\$65.7 million due to weaker HKD and RMB against SGD, and net repayment of bank loans.

Accordingly, net assets attributable to Unitholders decreased by S\$146.2 million to S\$3,490.2 million as of 30 June 2017.

9. Variance from Previous Forecast / Prospect Statement

MGCCT has not disclosed any forecast to the market.

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

In line with an improved global economic environment, Hong Kong's economy¹ recorded a higher growth rate of 4.3% in the first quarter of 2017, compared to 3.1% in the fourth quarter of 2016. However, as economic uncertainty remains, the economy¹ for 2017 is expected to only grow by 2% to 3%.

Hong Kong's total retail sales² value registered a slight decline of 0.7% year-on-year for the first five months of 2017, compared to a decline of 10.8% year-on-year for the first five months of 2016, reflecting some recovery in inbound tourism and resilience of local consumption. In the year ahead, domestic consumption¹ is expected to remain resilient, underpinned by favourable job and income conditions. For Festival Walk, gross revenue is expected to remain stable. The average rental reversion rate for leases expiring in FY2017/2018 is expected to grow at a moderate pace.

China maintained a gross domestic product³ (GDP) growth of 6.9% in the first and second quarters of 2017. Looking ahead, China's GDP is expected to achieve a steady growth of 6.7%⁴ in 2017, as it continues to transition to a more sustainable growth path, led by government reforms across a wide domain.

For Beijing, office leasing demand⁵ from domestic companies remained healthy, while demand from multinational corporations continued to decline in view of weak business sentiments. However, market fundamentals in the Lufthansa area, where Gateway Plaza is located, remained largely stable. At Gateway Plaza, average rental reversion is expected to grow modestly for leases expiring in FY2017/2018.

For Sandhill Plaza in Shanghai, the asset is expected to continue to benefit from a healthy rental reversion as decentralised office locations provide rental cost savings, as well as easy accessibility to key business districts and transportation hubs.

The Manager will stay focused on proactive asset management to optimise opportunities presented by emerging trends, enhance and add to 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.

¹ The Government of the Hong Kong Special Administrative Region, "First Quarter Economic Report 2017", 12 May 2017

² Hong Kong Census and Statistics Department's "Provisional Statistics of Retail Sales for May 2017 Press Release"

³ China's National Bureau of Statistics

⁴ International Monetary Fund, World Economic Outlook Update, July 2017

⁵ Savills World Research, Beijing Office (April 2017)

MAPLETREE GREATER CHINA COMMERCIAL TRUST UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2017 TO 30 JUNE 2017

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? No

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? No

12. If no distribution has been declared/(recommended), a statement to that effect.

No distribution is declared for the financial period from 1 April 2017 to 30 June 2017.

13. a. Segment Revenue and Results (MGCCT Group)

	1 Apr 2017 to 30 Jun 2017		1 Apr 2016 to 30 Jun 2016	
	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>				
Retail	53,635	60.3	52,284	61.5
Office	32,113	36.1	29,702	35.0
Others ¹	3,155	3.6	2,983	3.5
	88,903	100.0	84,969	100.0

	1 Apr 2017 to 30 Jun 2017		1 Apr 2016 to 30 Jun 2016	
	S\$'000	%	S\$'000	%
<u>Net Property Income</u>				
Retail	44,623	62.0	42,013	60.5
Office	26,287	36.5	26,455	38.1
Others ¹	1,068	1.5	955	1.4
	71,978	100.0	69,423	100.0

Footnote:

¹ Others comprised car park revenue and ice rink income.

b. Geographical breakdown (MGCCT Group)

	1 Apr 2017 to 30 Jun 2017		1 Apr 2016 to 30 Jun 2016	
	S\$'000	%	S\$'000	%
<u>Gross Revenue</u>				
Hong Kong SAR	61,777	69.5	60,038	70.7
People's Republic of China	27,126	30.5	24,931	29.3
	88,903	100.0	84,969	100.0

	1 Apr 2017 to 30 Jun 2017		1 Apr 2016 to 30 Jun 2016	
	S\$'000	%	S\$'000	%
<u>Net Property Income</u>				
Hong Kong SAR	49,941	69.4	47,051	67.8
People's Republic of China	22,037	30.6	22,372	32.2
	71,978	100.0	69,423	100.0

14. General mandate relating to Interested Person Transactions

MGCCT has not obtained a general mandate from Unitholders for Interested Person Transactions other than the Exempted Agreements as disclosed in the Prospectus.

15. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

16. Confirmation by the Board

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading in any material aspect.

This release may contain forward-looking statements that involve risks and uncertainties. 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 other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employees wages, benefits and training, 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 of future events.

By Order of the Board
Wan Kwong Weng
Joint Company Secretary
Mapletree Greater China Commercial Trust Management Ltd.
(Company Registration No. 201229323R)
As Manager of Mapletree Greater China Commercial Trust