



**Acquisition of  
Metropolitan Plaza –  
8 Huangsha Road  
Guangzhou  
April 2017**

# Metropolitan Plaza – 8 Huangsha Road

## Property Particulars



Location	8 Huangsha Road, Liwan District, Guangzhou
Opening	2012
No. of Floors	Aboveground: 1F-3F Underground: B1& B2 (car park)
Gross Floor Area	~88,726 sqm (retail)
Car Park Spaces	695 spaces

### Agreed Property Value

RMB 4,065M

### Expected date of completion of acquisition

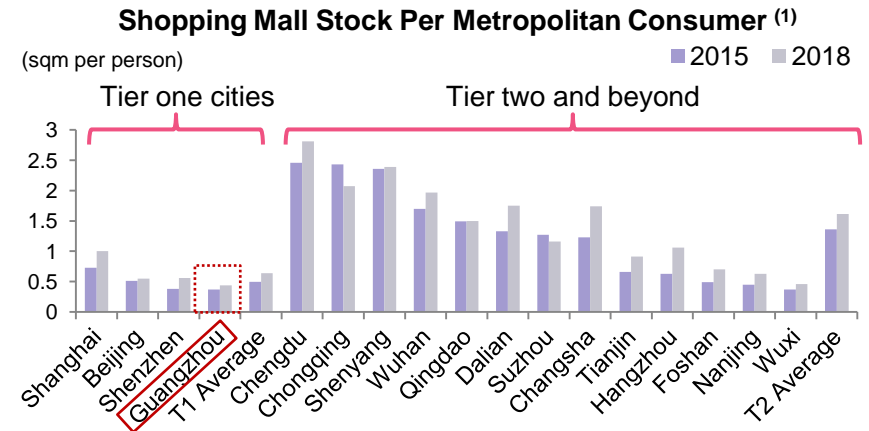
11 May 2017



# Guangzhou City Overview Gateway to Southern China



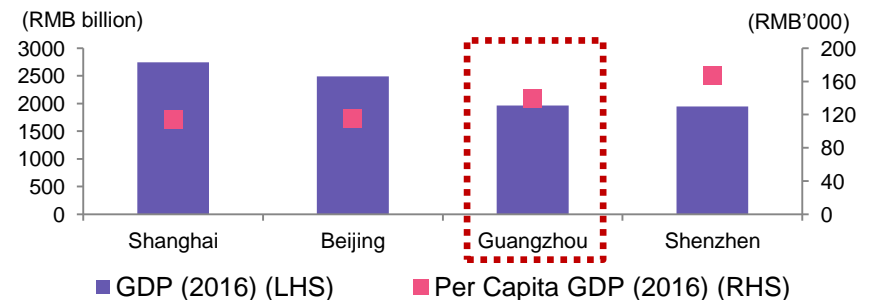
## Lowest retail supply among Tier One Cities



Note:  
(1) Refers to those living in the city's core metropolitan area with annual disposable income over RMB 30,000.  
Source: JLL Research / EIU

## Political, economic and manufacturing capital of Southern China

- Guangzhou is strategically positioned as the political centre and hub for international shipping and trading in Southern China
- Ranked 3<sup>rd</sup> on GDP among all cities in Mainland China
- Ranked 2<sup>nd</sup> on per capita GDP after Shenzhen



Source: National Bureau of Statistics of China

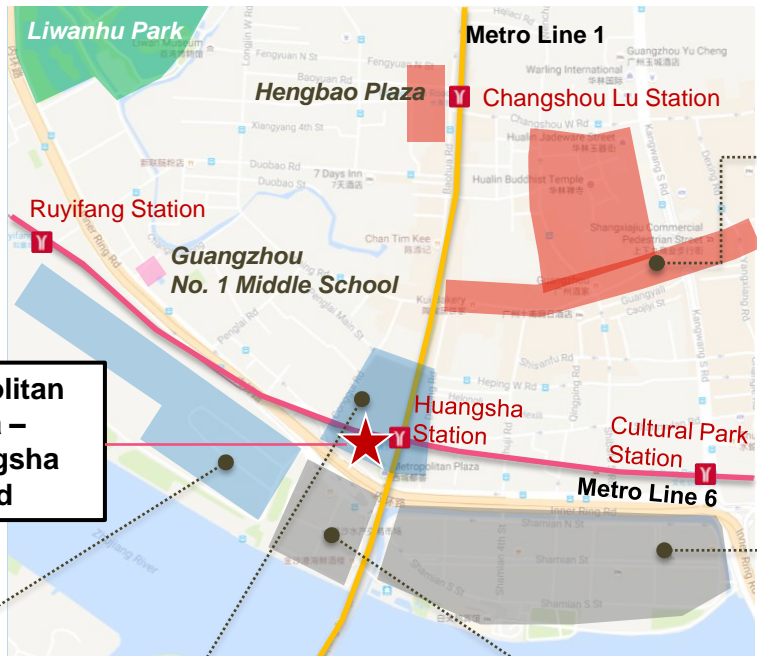
# Liwan District Overview

## Well-developed Old Town District in Guangzhou

Map of Guangzhou city



Map of vicinity



Shangxiajiu Pedestrian Shopping Street



Shamian Island Tourist Zone



High-end residential  
(~1,100 units)



High-end residential  
(~1,900 units)



Huangsha Seafood Market

Consumption is well-supported by nearby residential properties and tourist attractions  
Yet Liwan District has limited quality retail facilities

# Investment Rationale

## Rare opportunity

- One of the few **recently-built, high-quality shopping centres** in the Pearl River Delta area with **good occupancy and footfall**
- A **mass to mid-market** regional shopping centre targeting youngsters and families

## Excellent connectivity and location with low competition

- **Strategically-located** in Liwan, a densely-populated and high performing retail district
- Most of the retail malls built in recent years and in the upcoming pipeline<sup>(1)</sup> are concentrated in the eastern side of the city (Tianhe and Yuexiu) while the west has **little supply and foreseeable competition**
- Located at Huangsha Station – **the intersection of Metro Lines 1 and 6** – of which Metro Line 1 is the oldest and one of the busiest metro lines in Guangzhou
- **Attached to a bus terminal** serving local communities

## Mature asset generating stable income

- **94% occupied** <sup>(2)</sup> with ~50% of spaces leased to F&B, kids & education ensuring strong footfall
- **Well-positioned** shopping centre with **proven performance**
- **Immediate contribution to earnings**

## Attractive growth potential

- **~60% of tenancies** (by rental income) are **approaching the end of first leasing cycle** and will expire in 2017-2019
- Value creation through **refining tenant mix and widening product and service offerings**

Note:

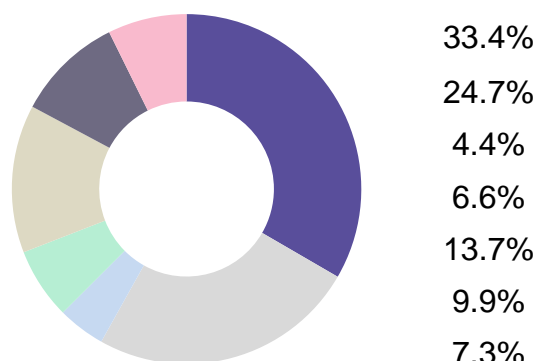
(1) See appendix 1 for upcoming retail supply in Guangzhou

(2) As of February 2017

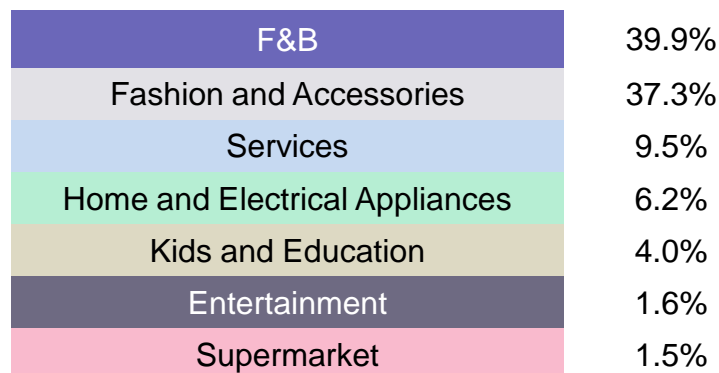
# Defensive Trade Mix with Good Growth Potential

## Focus on non-discretionary trades

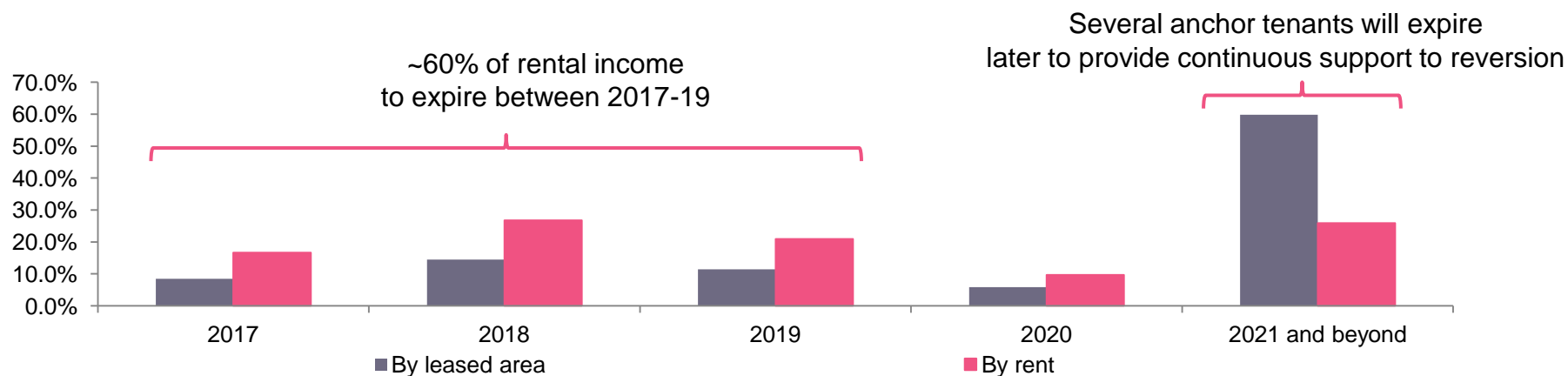
Trade mix - by leased area <sup>(1)</sup>



Trade mix - by rent <sup>(1)</sup>



## Well distributed expiry profile <sup>(1)</sup>



Note:  
(1) As of February 2017



# Wide Range of F&B Offerings

Seafood and Zhejiang cuisine



Café



Hot pot restaurant



Japanese restaurant



# Unique Shopping and Entertainment Experience

Cinema



Kids entertainment



Personal care



Optical



Sportswear



Fast fashion



Ladies wear





# Financial Impact

<b>Agreed Property Value</b>	<b>RMB4,065 M</b>
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<b>Valuation by Jones Lang LaSalle</b>	<b>RMB4,060 M</b>
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## Earnings contribution

Monthly gross income (excluding management fees)	<b>RMB16.06 M</b>
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## Financing

- Acquisition to be funded by debt and existing liquidity

## Portfolio mix

- |  |      |
|--|------|
| Pro-forma adjusted ratio of Mainland China assets <sup>(1)</sup> | 9.1% |
|--|------|

## Impact on gearing

- |   |       |
|---|-------|
| Debt to total assets <sup>(2)</sup>                             | 17.6% |
| Pro-forma adjusted ratio of debt to total assets <sup>(2)</sup> | 19.9% |

Notes:

(1) Based on valuation and exchange rate as at 30 September 2016, minus 5 assets disposed on 14 February 2017.

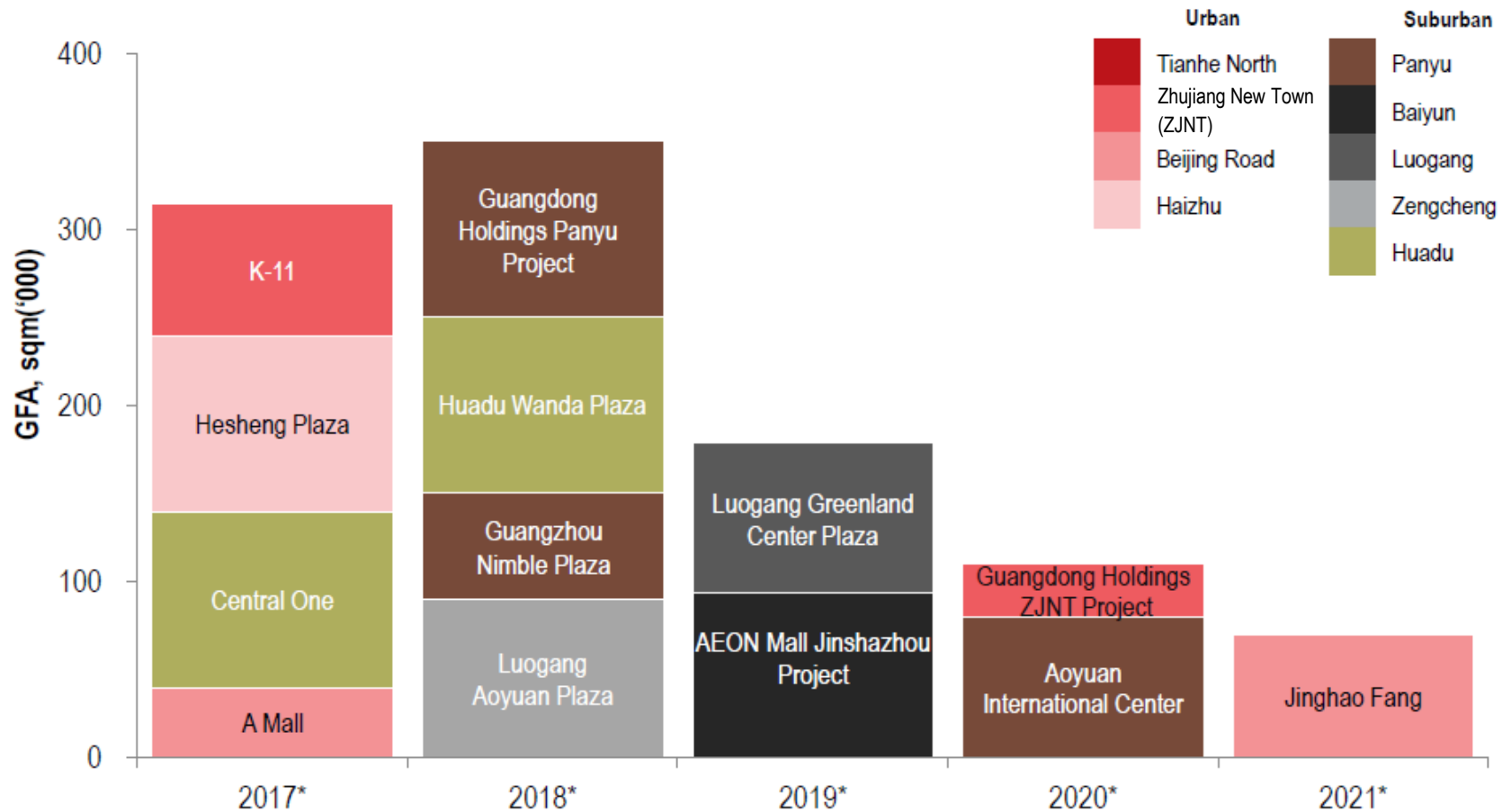
(2) As at 30 September 2016.

# Appendix



# Appendix 1

## Large Scale Retail Supply in Guangzhou



**No new large scale retail supply in Liwan District up to 2021**

Notes:

(1) Data as at Q4 2016.

Source: JLL

## Appendix 2

### Exterior and Interior Views of the Mall

*Spacious piazza*



*Well-designed mall*

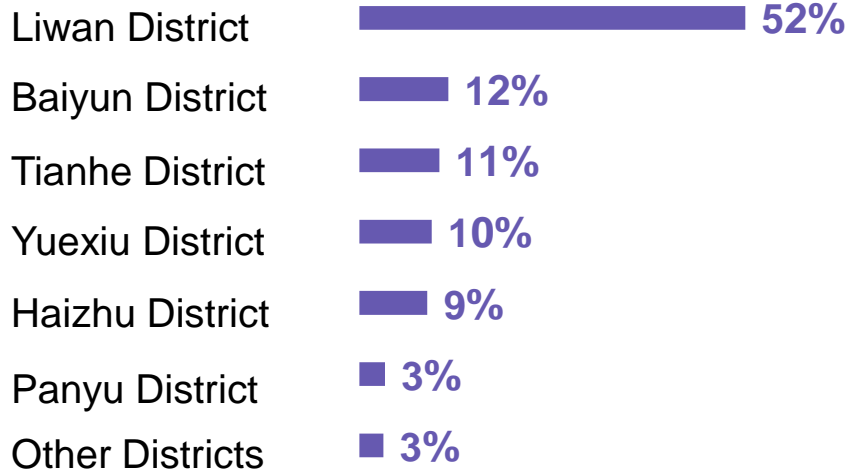




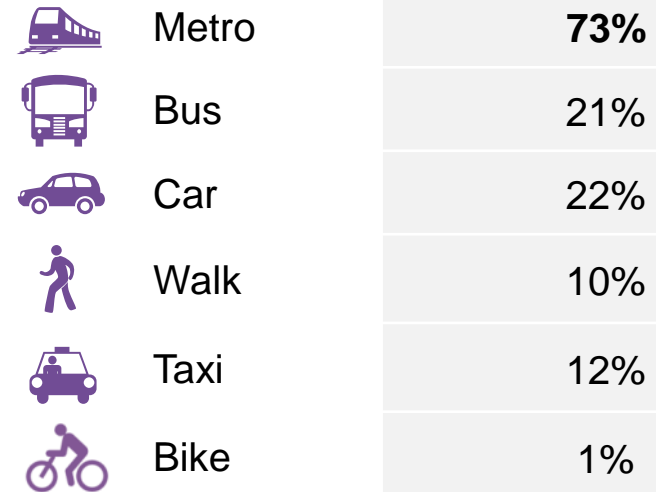
## Appendix 3

# Where do shoppers come from and how they come

### Origin of shoppers



### Mode of transportation



**Shoppers come from both the immediate catchment and beyond**  
**Most shoppers arrive via metro**

Note:

(1) Based on onsite shopper survey commissioned by Link.

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