

基滙資本



GAW CAPITAL

Goodwin Gaw

GYODER 17th Turkish Real Estate Summit

25 October 2022

TRADE SECRET & HIGHLY CONFIDENTIAL

I. Firm History & Introduction

Pre-Fund History (1995 - 2005)



1995

US Real Estate
Business Begins¹



1996

818 West 7th St
Acquired
(Gaw US HQ)



1990s / 2000s

Operating Partner for MSREF
& Angelo Gordon in
HK/Mainland China



2003

Bradbury Building
Acquired



2005

Gaw
Capital
Founded

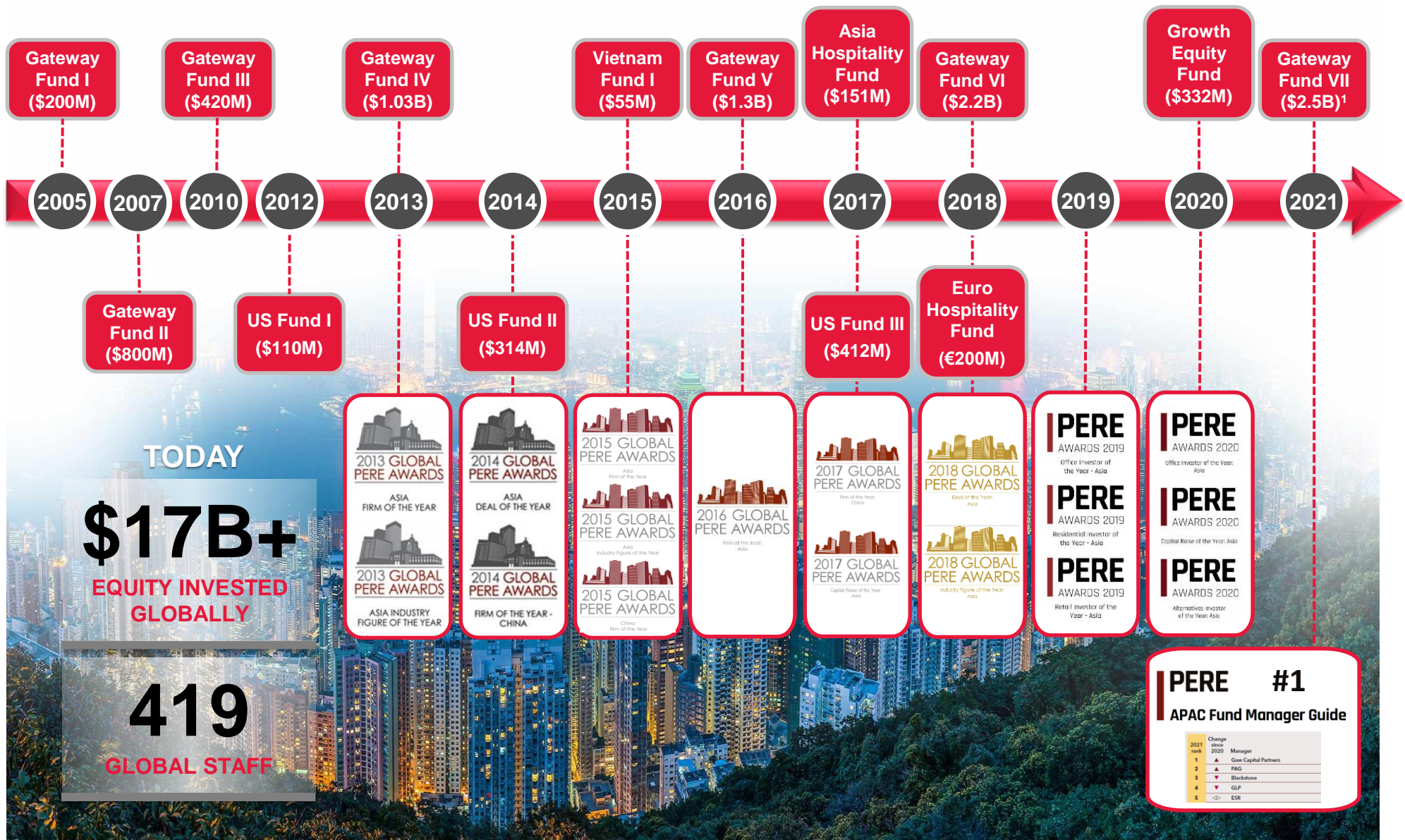
Hollywood
Roosevelt Hotel
Acquired

Continued acquisitions in US:
Rowan & El Dorado Buildings,
Douglas Building,
One Bunker Hill, others

Gateway
Fund I
Created
(\$200M)

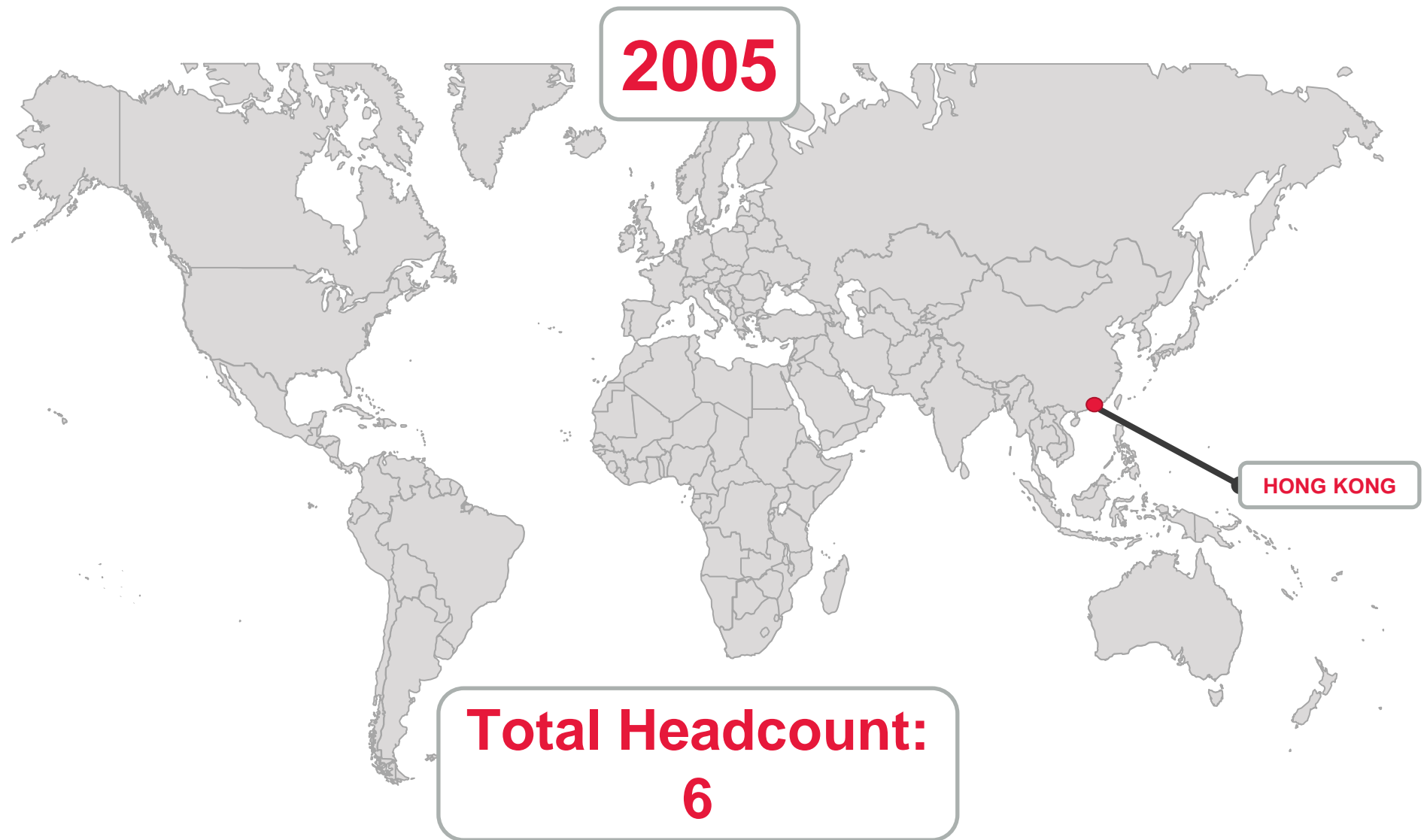
1. Downtown Properties, which invests on behalf of the Gaw family, started investing in 1995.

Progression of Gaw Capital (2005 – Present)

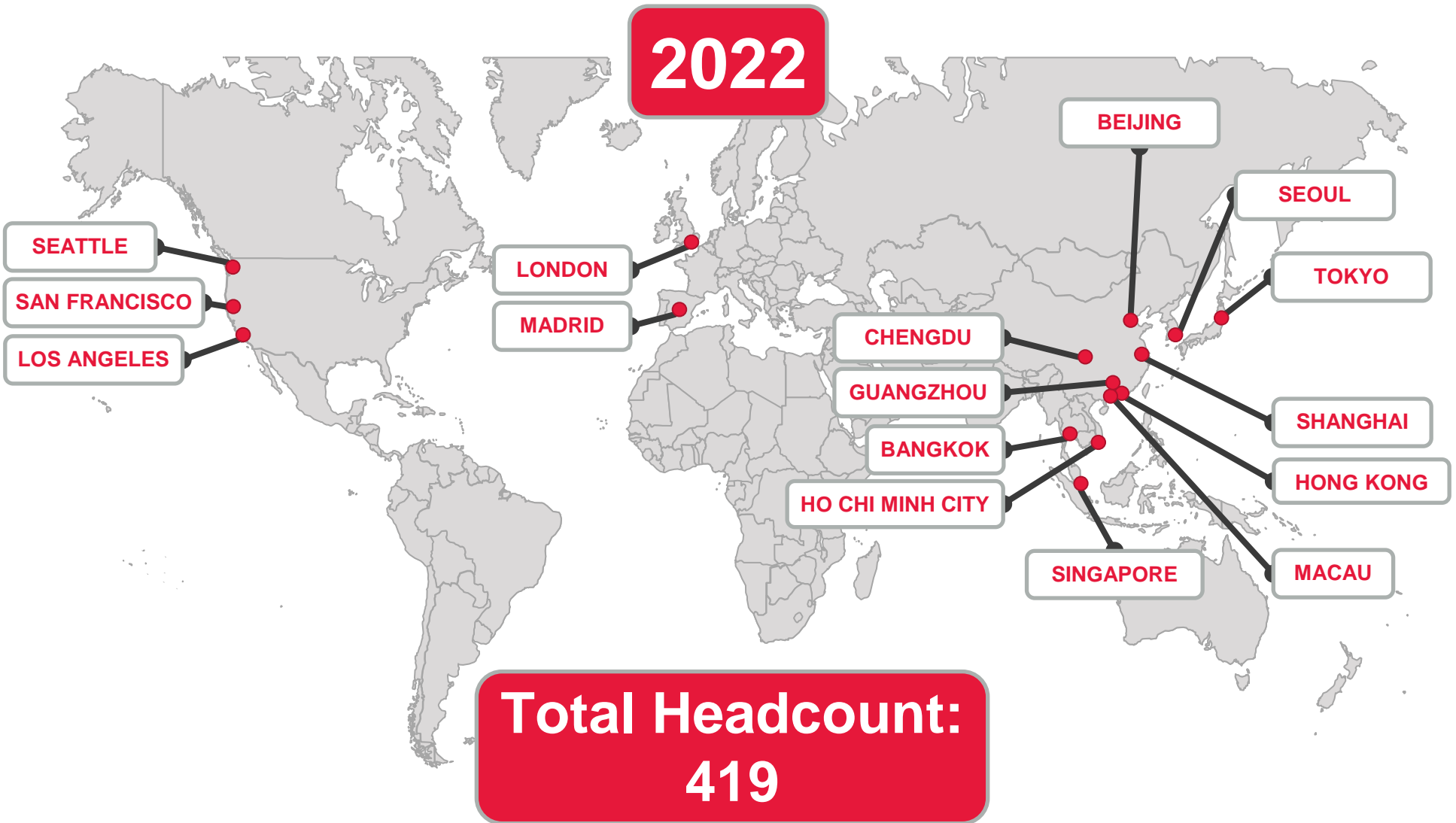


1. Gateway Fund VII is still in its fundraising period and is targeting \$2.5B in total capital commitments. US\$1,622.5M has been closed as of September 30, 2022.

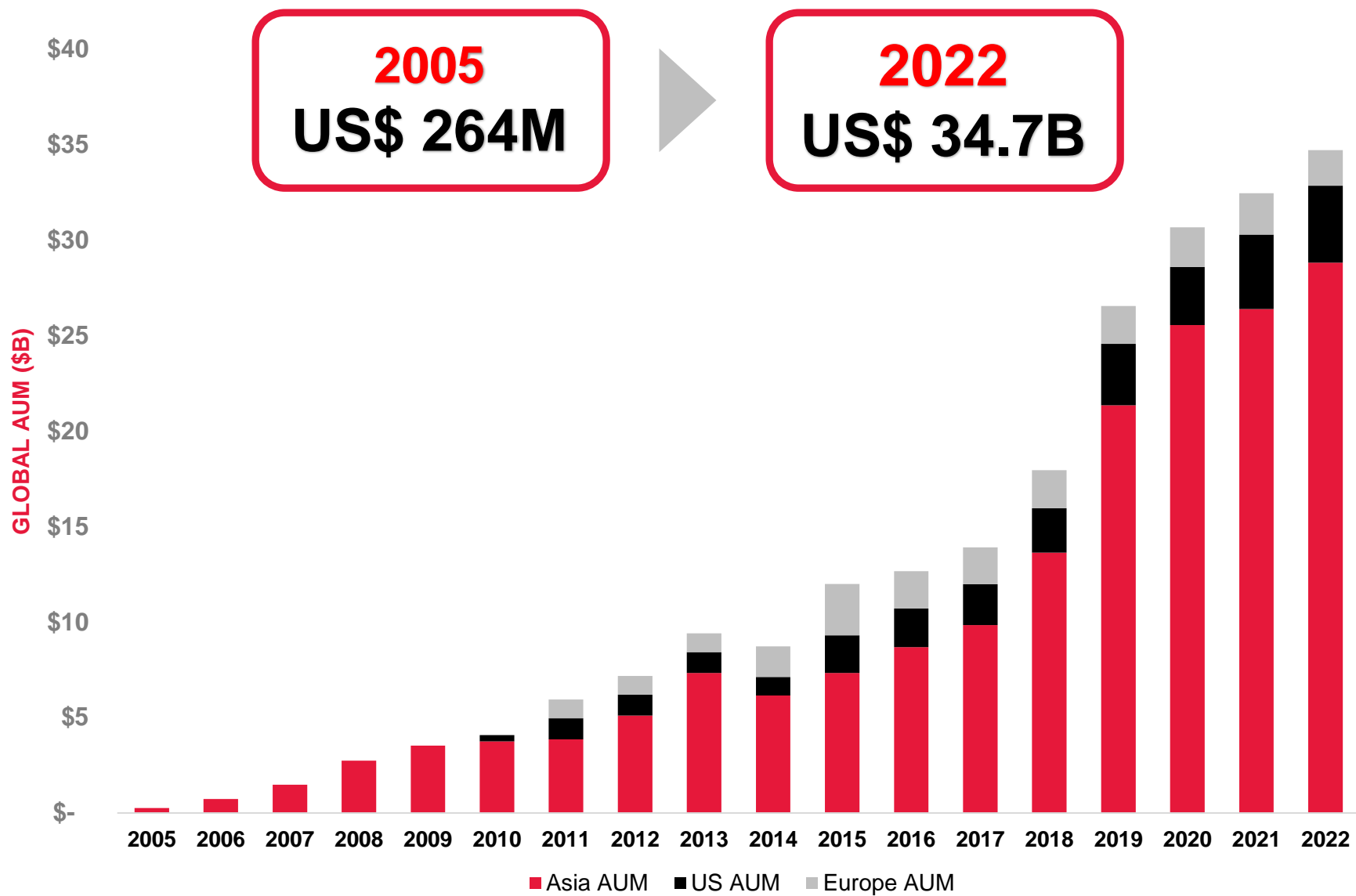
Gaw Capital – The Beginning



Gaw Capital - Today



AUM Growth 2005 to 2Q2022



Product Offerings



Blind Pool Real Estate Funds ⁽¹⁾

Gateway Funds I – VII	Gaw Capital USA U.S. Funds I – IV ⁽³⁾	Hospitality Funds	Vietnam Funds
<ul style="list-style-type: none"> US\$ 13.9B raised since 2005. ⁽²⁾ Over US\$ 22.4B AUM for 48 active investments across Fund II to Fund VII. ⁽²⁾ Highly experienced in “high entry barrier” markets with strong focus on Greater China and other Asian markets. Raised ~US\$ 2.7B in sidecars from 13 vehicles for deployment into co-investment opportunities. 	<ul style="list-style-type: none"> US\$ 837M raised for first three funds. Current fundraising for US Fund IV with US\$ 500M target; expected first close in 3Q 2022. Over US\$ 1.5B AUM for 18 active investments across the two funds. ⁽²⁾ 	<p>Gaw Hospitality Fund I:</p> <ul style="list-style-type: none"> US\$ 151M raised as of final closing in September 2016. Targeting hospitality assets in Tier 1 cities in Asia Pacific. <p>Gaw European Hospitality Fund:</p> <ul style="list-style-type: none"> € 200M raised to invest in hospitality assets in Tier 1 cities in Europe. 	<p>Gaw NP Capital Vietnam Fund 1:</p> <ul style="list-style-type: none"> US\$ 54.5M of equity capital in four committed investments. Co-GP with NP Capital, in which Gaw Capital has 80% control. Fully exited as of 2Q 2022 with overall returns at ~28% / 3.3x.

Other Products ⁽¹⁾

Separate Account Investments	Growth Equity Fund I	Education Fund	Credit
<ul style="list-style-type: none"> Bridging the gap, providing access for non-real estate specialized investors to investment grade assets. Over US\$ 5.2B equity raised. Active worldwide with over US\$ 9.2B AUM, driven by Gaw’s global presence and expertise. 5 exited investments since 2012. 	<ul style="list-style-type: none"> Raised US\$ 332M to take advantage of thematic opportunities: Upstream sector investments: taking advantage of shifts in consumer behavior, focused on RE operating companies. PropTech: investing in high growth PropTech companies with a focus on ESG. 	<ul style="list-style-type: none"> US\$ 500M raised for an Asia Education Fund. It has invested in Project Plato, a Korean based education HoldCo, and Project Arts, a complex in Mainland China consisting of an arts school, student accommodation and a hotel. 	<ul style="list-style-type: none"> In the process of creating a credit platform that offers an alternative stream of high carry income, mainly backed by real estate assets. Over US\$ 700M invested in credit financing and mezzanine financing for real estate projects in Asia, Europe and the US.

1. Figures as of June 30, 2022.

2. Including co-investments with respect to which Gaw Capital maintains or maintained control over the decisions within the Gaw Capital-managed co-investment group.

3. Gaw Capital USA is a wholly owned subsidiary of Gaw Capital Asia. Gaw Capital USA U.S. Funds I-IV are managed by Gaw Capital USA’s investment team and not Gaw Capital Asia. The following funds are managed by Gaw Capital USA, and should not be taken as a reflection of the kinds of strategies/funds Gaw Capital Asia may offer or manage in the future: Gaw Capital U.S. Value Add Fund I, Gaw US Fund III.

II. Case Studies: Unloved Assets

Hollywood Roosevelt Hotel



LOCATION

Los Angeles

PROPERTY TYPE

Hotel

ACQUISITION DATE

1995

OF ROOMS

335

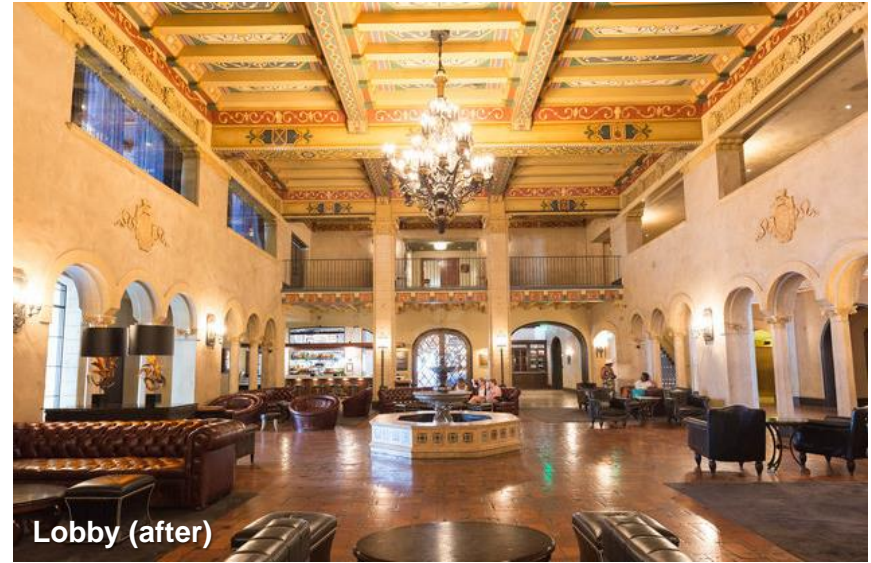
PROJECT HIGHLIGHT

- Acquisition of bankrupted Hollywood Roosevelt Hotel in Los Angeles
- Opportunity to re-position and turnaround distressed heritage properties
- Further renovation in 2015 led by internationally renowned design firm YabuPushelberg, showcasing subtle textures and beautiful leathers, introducing a modern twist to the hotel's Spanish Colonial roots

Hollywood Roosevelt Hotel



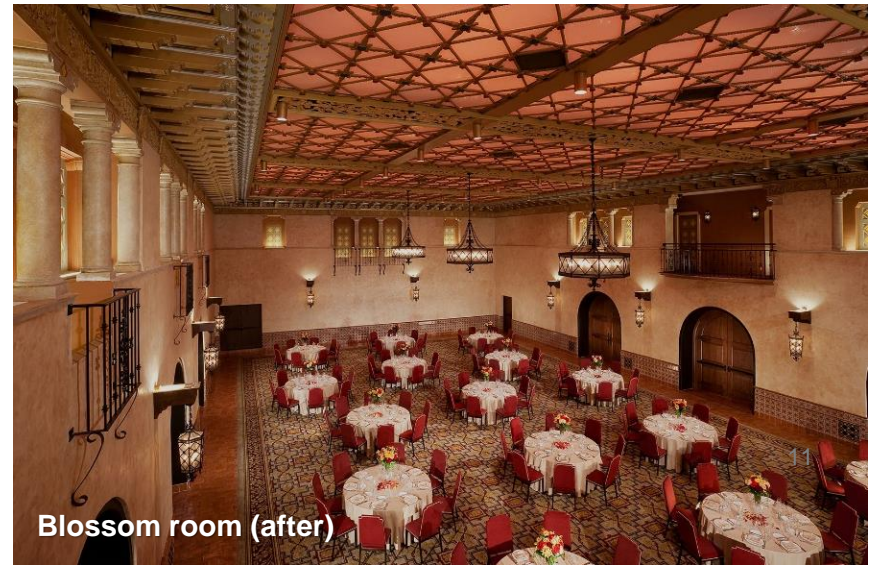
Lobby (before)



Lobby (after)

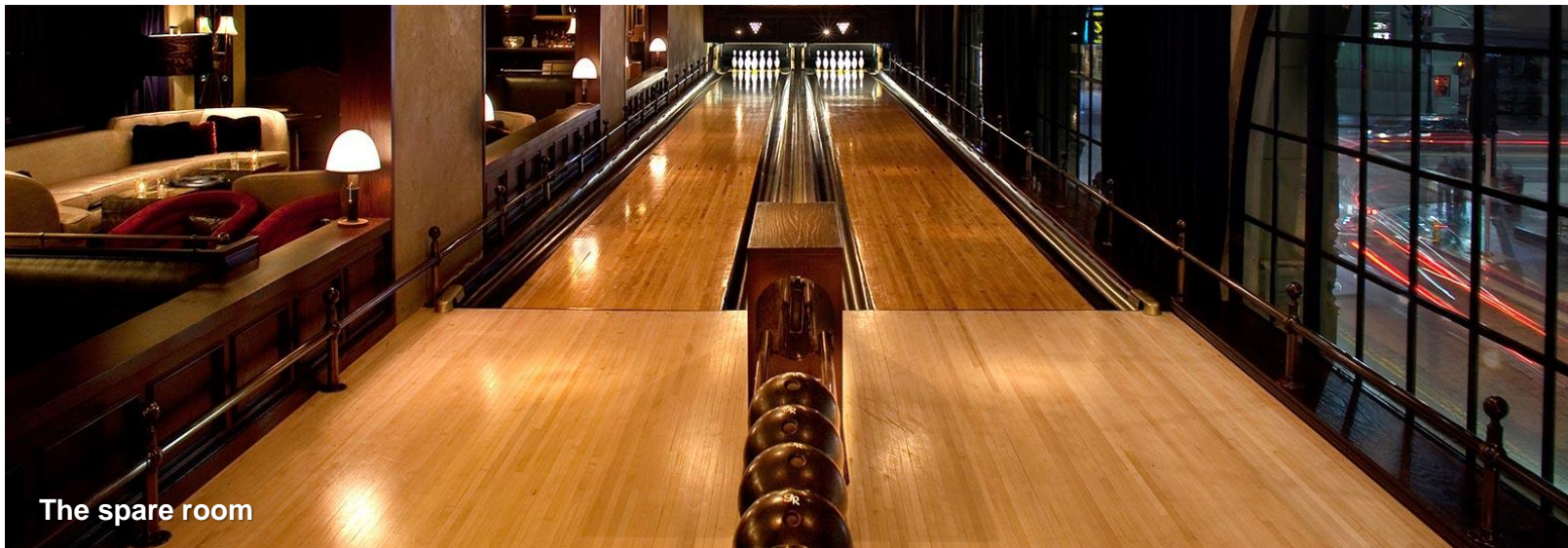
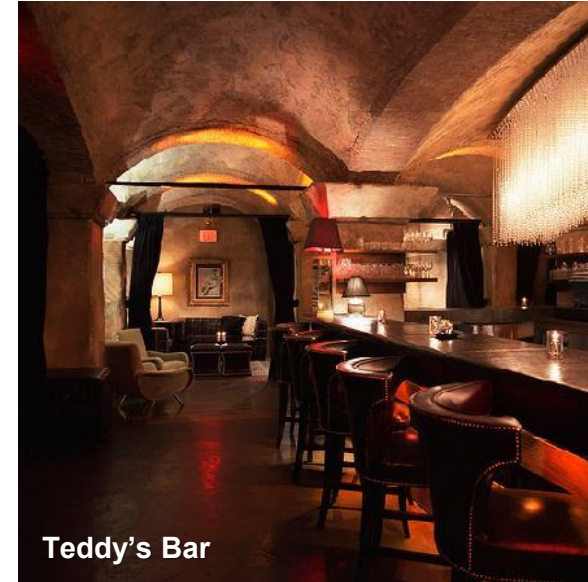


Blossom room (before)



Blossom room (after)

Hollywood Roosevelt Hotel



III. Case Studies:

From Commodity to Non-Commodity

Project Telephone

Pacific Century Place Beijing



LOCATION

Beijing

PROPERTY TYPE

Mixed-Use

ACQUISITION DATE

Aug 2014

GFA (SQM)

169,916

GROSS IRR

15.4%

GROSS EQUITY MULTIPLE

1.9x

PROJECT HIGHLIGHT

- A complex consisting of 2 office blocks, 2 serviced apartment blocks, a retail podium and basement parking spaces in one of the most sought-after office and retail locations in Beijing
- Strong Tenants: Notable tenants including China Citic Bank, Boeing, Citibank, and Toyota. With the depleting office stock in Beijing area and 3% vacancy rate, a business plan of converting the retail podium into mixed retail and office space is underway, which should complement the serviced apartment block.

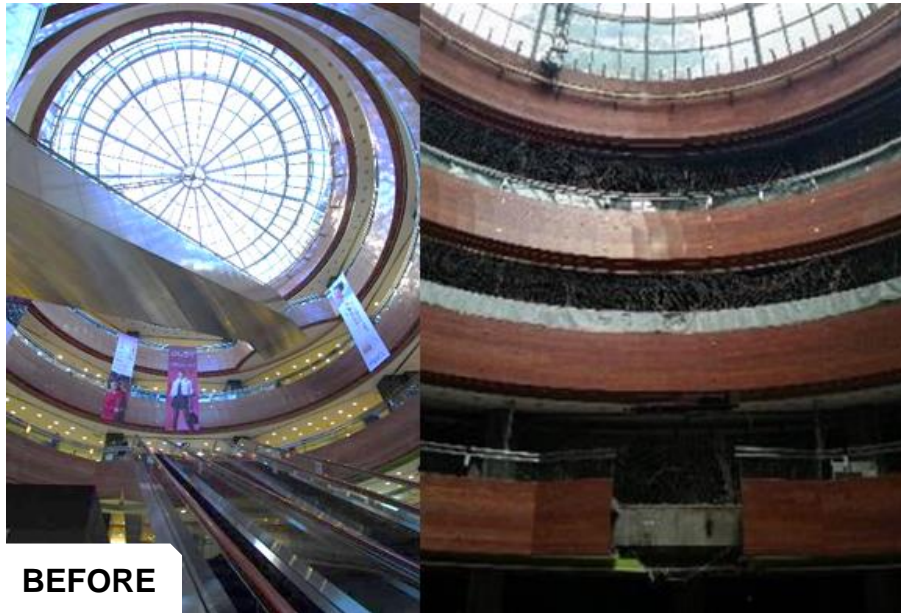
Project Telephone

Pacific Century Place Beijing

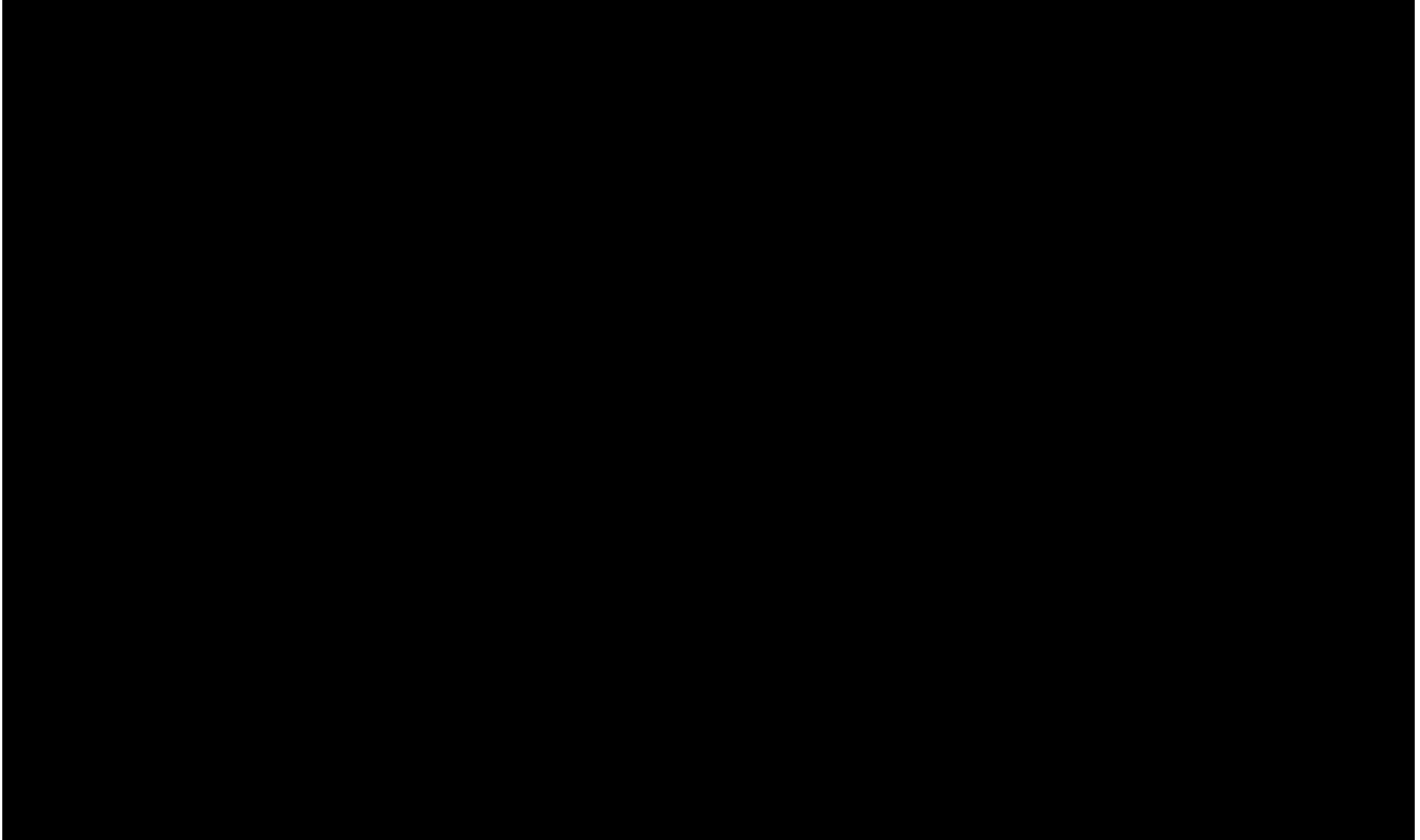


Project Telephone

Pacific Century Place Beijing



Project Telephone Pacific Century Place Beijing



IV. Case Studies

ESG Matters

Project Doris & Derby

Hong Kong Community Mall Portfolio



LOCATION

Hong Kong

PROPERTY TYPE

Retail

ACQUISITION DATE

Feb 2018
Mar 2019

GFA (SQFT)

3.15M Sqft
12,555 Car Parks

PROJECT HIGHLIGHT

- Retail portfolio comprising neighborhood shopping centres spread across Kowloon and New Territories in Hong Kong, where the communities serve approximately 500,000 residents
- The assets are currently under-rented with low rent-to-gross sales ratio of circa 12% while similar retail shops can afford to pay up to circa 15% to 18%
- Few assets have undergone asset enhancement in past 10 years, Gaw plans to carry out major asset enhancement initiatives to achieve significant rental reversion
- Occupancy rate for Doris and Derby is 96.9%¹ and 94.6%¹ respectively

1. As of June 2022.

Project Doris & Derby

Hong Kong Community Mall Portfolio



We've been here for twenty odd years

Project Doris & Derby

People's Place ESG Video



Environmental:

Solar Panel Installation & LED Lighting

- Engaged **Widex Solar to install solar panels** in Kam Tai and Lee On
- The panels convert solar energy into electricity which can sell to CLP 中電
- Exploring to roll out in other assets



- **Replaced existing light bulbs with LED Lighting** in every assets of Project Doris
- Achieving **a saving of 61% in electricity cost on lighting installations**



Environmental: EV Chargers and Recycling Campaign

- To **encourage more people to purchase electric vehicles**, which have no emission
- EV Chargers are currently installed in HANDS, Shek Lei and Lions Rise Carpark
- Propose to rollout in other assets



SHEK LEI MALL



LIONS RISE MALL

- To **educate public on PET bottle recycling**
- Collaborated with Coca Cola and World Green Organization (WGO) to carry out a **long-term sustainability campaign**



SHEK LEI MALL



KAM TAI MALL

Environmental: Reverse Vending Machine for Recycling

- To provide a long-term recycling location to residents, we collaborated with different parties to locate **PET Bottle Recycling Machine and Glass Bottle Recycling Machine** in the community malls.

Duration: Nov 2019 - ongoing



**PLASTIC BOTTLE
RECYCLING MACHINE**



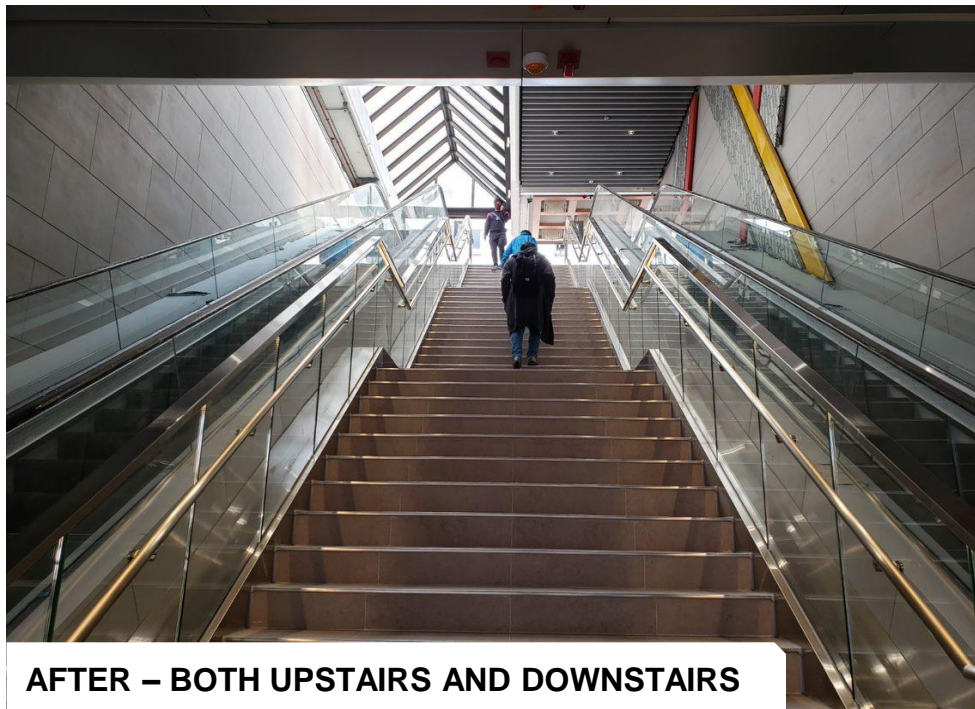
**GLASS BOTTLE
RECYCLING MACHINE**

Social:

Upgrade Facilities: Escalator Installation



- Lei Cheng Uk Shopping Centre
- Residents had been asking for a downward escalator
- Once we took over the asset, we added one more escalator to shopping center entrance for the community
- **Improve barrier-free access**
- **Well received by the public**



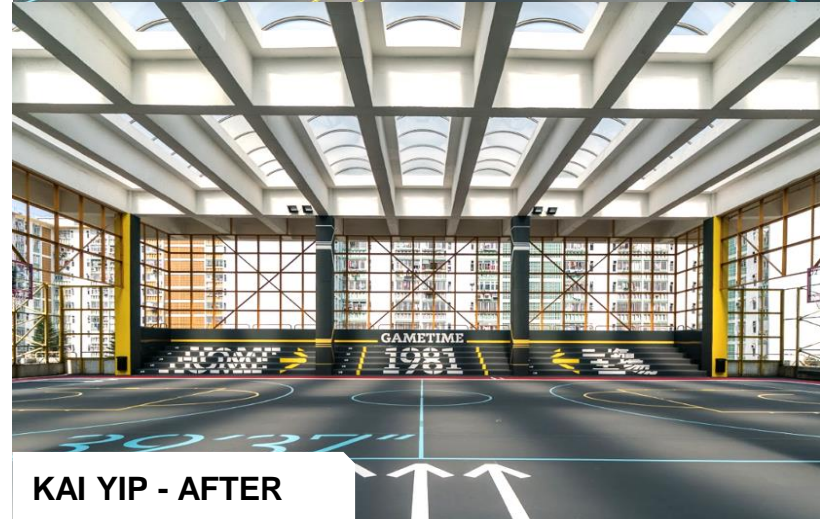
Social:

Upgrade Facilities: Court Renovation

- Design originated from the commonly seen neon lights of Hong Kong. Sharp and eye-catching, the colourful graphics reflected elements of the technicality of basketball games, as well as the locality of the courts to match with the high-tempo street basketball vibe.



KAI YIP - BEFORE



KAI YIP - AFTER

Social:

Upgrade Facilities: Court Renovation

Improved functionality:

- New running track introduced inside the sheltered portion
- New lines so the court would allow 3 v 3 football match

KAI YIP - BEFORE



KAI YIP - AFTER



Social:

Upgrade Facilities: Court Renovation

- Entertained over 30+ commercial / NGO requests to use the court.
- Held 2 charity programs targeting teens and families of Kai Yip Estate.

Nike Ad Shooting



Fila Ad Shooting



Charity program - Teen basketball training



Under Armour PT training



PUMA Hoops Weekend KOL event



Charity program - Newly Emerged Sports Fun Day



Social:

Upgrade Facilities: Court Renovation

Collaboration with Red Bull and local graffiti artists XEME to revitalize H.A.N.D.S basketball court.

- Aim to incorporate vibrant, large-scale art pieces into public estate community;
- to creatively utilize space and provide quality sporting facilities; and
- To curate a breeding ground for future basketball stars.



**H.A.N.D.S. BASKETBALL COURT
(BEFORE RENOVATION)**



**H.A.N.D.S. BASKETBALL COURT
(AFTER RENOVATION)**

Social:

Upgrade Facilities: Diversity & Inclusion

RECREATION

Revitalised sports centre breathes life into community

Drab space now riot of colour and sharp design, and it's not just fitness fanatics who are using it

Fiona Sun

On top of a public housing estate in the working class neighbourhood of Kwun Tong, the old meets the new. A former dilapidated rooftop sports ground has been turned into a brilliant display of sharp, colourful design.

The 20,000 sq ft space at Kai Yip Estate is home to two basketball courts, a multi-purpose area used for badminton and soccer, and a children's playground. A running track circles the facilities.



er and founder of SLAB, a social basketball community.

But the firm wanted the recreation ground to be about more than sports – rather, a community hub for residents.

“The idea is for users to engage with the community and make themselves at home,” says Goodwin Gaw, the company’s chairman and managing principal.

Quality sports facilities are not the only stand-out feature. Yellow, pink and blue – reminiscent of the city’s neon lights – dominate the grounds.

The visual design is a marked change from the usual dowdy green at recreation spaces, Tsui says, and matches the up tempo vibe of street basketball.

“It combines original heritage with new, modern elements of Hong Kong,” he says.

One key feature of the new centre is an outdoor fitness area that was formerly a badminton court. It now hosts gym equipment such as a battle rope and a children’s playground.

Alan Cheung Kwok-lun, designer of the outdoor space and co-founder and managing director of One Bite Design Studio, says he wanted users and nearby residents to have a “visual dialogue” with the ground.



將軍澳明德商場設全港首個
「女性友善」多用途運動場
斥千萬歷時9個月活化



Women-friendly sports courts

- Inspired by our court renovations, Hong Kong Government’s Architecture Services Department has asked us to **share how to create quality spaces for the public**
- Nike US to shoot a **short film documentary** on our successful transformation of these obsolete sports courts

Social: Upgrade Facilities: Wet Market Revitalization

SHEK LEI WET MARKET REVITALIZATION – OPENING DAY



Social: Upgrade Facilities: Wet Market Revitalization

H.A.N.D.S – YO MART SOFT OPENING



Governance

- Feasibility studies underway on **potential ESG certification for each mall**
- Engaged sustainability consultant for **BEAM Plus** and **WELL** certification for Ming Tak
 - BEAM Plus: Focuses on green building management and energy efficiency
 - WELL: Focuses on aspects which support human health and wellness in buildings



- Gaw Capital has a well defined ESG framework with Corporate Social Responsibility (CSR) Committee and Compliance Committee established.
- The ESG policy and procedures help govern the ESG operations covering from the pre-acquisition to post acquisition of property assets.
- CSR Committee and Compliance and Risk Committee were established to:
 - Monitor and report the progress of sustainability activities.
 - Alert management team on various ESG initiatives including engaging 3rd party consultant to conduct energy saving audit.
- Pre-IC will ensure that ESG due diligence is performed before the acquisition of the project.
- Participated in the annual Global Real Estate Benchmarking (GRESB) survey.

THANK YOU

PASSION.

RESPONSIBILITY.

=

CREATIVITY.

PRODUCTS THAT MAKE A DIFFERENCE

基滙資本



Graduate

