

# Letter to Unitholders



**Our rigorous efforts in proactively managing the assets and keeping costs under control, as well as prudent capital and risk management have enabled us to optimise portfolio performance and deliver a commendable set of results, thus achieving better value for Unitholders.”**

DPU FOR FY14/15

**6.543**  
cents

## Dear Unitholders,

On behalf of the Board of Directors of the Manager, we are pleased to present MGCCT's second Annual Report to Unitholders for the financial year from 1 April 2014 to 31 March 2015 ("FY14/15"), since its initial public offering on 7 March 2013.

## DRIVING STABLE AND GROWING VALUE

FY14/15 was an eventful year for the Hong Kong retail sector, marked by softer sales especially for luxury items, a shift in visitor spending patterns towards more mid-priced products and disruptions to the business and shopping areas caused by the "Occupy Central" Movement. In China, we witnessed moderate economic growth driven by the Government's reform measures to pursue a more balanced and sustainable growth strategy.

Despite these developments in the two regions in which our assets are based, MGCCT has continued to outperform the preceding year ("FY13/14")<sup>1</sup> as well as the Forecast<sup>2</sup> and deliver increased returns to Unitholders for the second consecutive year since listing. In FY14/15, the REIT reported a total Distribution per Unit ("DPU") of 6.543<sup>3</sup> cents to Unitholders, 10.4% higher than the corresponding period last year and 15.4% more than the Forecast.

MGCCT's unit price appreciated during FY14/15 from the opening price of S\$0.815 on 1 April 2014 to S\$1.04 on 31 March 2015, translating to a gain of approximately 27.6%. Including the

DPU paid out to Unitholders of 6.56 cents<sup>4</sup> at a yield of 8.1%<sup>5</sup>, MGCCT delivered a total return of 35.7%<sup>6</sup> in FY14/15.

Portfolio gross revenue of S\$281.1 million and net property income of S\$229.3 million exceeded FY13/14 by 11.3% and 12.2% respectively. Compared to the Forecast, gross revenue and net property income grew 13.5% and 16.1% respectively. With good support from shoppers and tenants, MGCCT's portfolio occupancy rate was 98.8% and the portfolio's weighted average lease expiry by monthly gross rental income was a healthy 2.4 years as at 31 March 2015.

As at 31 March 2015, the portfolio was valued<sup>7</sup> at S\$5,349.3 million, an appreciation of 13.3% from S\$4,722.1 million as at 31 March 2014. This was attributed to higher rental income from the properties and translation gains due to the appreciation of both the Hong Kong Dollar ("HKD") and Renminbi ("RMB") during FY14/15. Correspondingly, Net Asset Value per Unit over the same period improved from S\$1.058 to S\$1.198.

Our rigorous efforts in proactively managing the assets and keeping costs under control, as well as prudent capital and risk management have enabled us to optimise portfolio performance and deliver a commendable set of results, thus achieving better value for Unitholders.

## DRIVING DEMAND

MGCCT is the first and only REIT that offers Unitholders exposure to best-in-class commercial assets in both Hong Kong and

<sup>1</sup> For a more meaningful comparison, actual results from 1 April 2013 to 31 March 2014 are presented as the comparative period for 1 April 2014 to 31 March 2015.

<sup>2</sup> The Forecast figures (herein referred to as the "Forecast") are derived from the Projection Year 2014/2015 (for period 1 April 2014 to 31 March 2015) as disclosed in the Prospectus dated 27 February 2013.

<sup>3</sup> DPU of 6.543 cents is based on total issued units of 2,721,032,794 units as at 31 March 2015.

<sup>4</sup> Comprising DPU of 3.162 cents, based on 2,705,865,469 units as at 30 September 2014, which was paid out on 24 November 2014 and DPU of 3.398 cents, based on 2,721,032,794 units as at 31 March 2015, which was paid out on 25 May 2015.

<sup>5</sup> Distribution yield is based on DPU paid out to Unitholders of 6.56 cents over opening unit price of S\$0.815 on 1 April 2014.

<sup>6</sup> Sum of distributions and capital appreciation for FY14/15 over the opening unit price of S\$0.815 on 1 April 2014.

<sup>7</sup> Portfolio valuations were carried out by Cushman & Wakefield Valuation Advisory Services (HK) Ltd as at 31 March 2014 and as at 31 March 2015.

### MS CINDY CHOW PEI PEI

Executive Director and  
Chief Executive Officer

### MR FRANK WONG KWONG SHING

Chairman and Independent  
Non-Executive Director



China. During the year, we continued our proactive portfolio and asset management to drive demand at both Festival Walk and Gateway Plaza.

#### **Festival Walk – Most Favoured Shopping Mall among Hong Kong and Mainland Chinese Consumers<sup>8</sup>**

Festival Walk is a one-stop shopping, dining and lifestyle destination, particularly popular

amongst the locals residing in the upscale Kowloon Tong vicinity as well as tourists.

Keeping abreast with market trends, Festival Walk introduced more affordable luxury brands and unique food concepts in FY14/15 to further strengthen its tenant mix. Creative and cost-effective marketing promotions and events organised in partnership with tenants and partners

helped to further lift retail sales and footfall. We also continued to upgrade the mall's amenities and facilities to further enhance shoppers' experiences.

With these concerted efforts, Festival Walk's tenants generated retail sales of HK\$5,620.0 million in FY14/15, an increase of 5.8% over FY13/14, despite a 1.9% decline<sup>9</sup> in Hong Kong's overall retail sales

<sup>8</sup> Festival Walk was presented with 'Hong Kong Consumers' Most Favoured Shopping Mall' and 'Mainland Consumers' Most Favoured Shopping Mall in Hong Kong' by Ming Pao in November 2014.

<sup>9</sup> Figures are from the Hong Kong Census and Statistics Department's Monthly Survey of Retail Sales Reports as reported in the months of March 2014, April 2014 and March 2015.

## Letter to Unitholders

over the same period. Both retail and office space at the mall remained fully occupied. Compared to expiring leases, Festival Walk signed new and renewed leases in FY14/15 with an average rental uplift of 22% and 12% for the retail and office segments respectively. Gross revenue and net property income grew 9.2% and 8.8% respectively over the previous corresponding period, attesting to the resilient performance of the mall.

### Gateway Plaza Supported by Healthy Demand and Limited Supply in Beijing

With good connectivity and accessibility to major transportation networks, Gateway Plaza is a Grade-A office building strategically located in the prime Lufthansa Area, one of the established major office submarkets in Beijing.

Even with China's moderate economic growth rate, Beijing continues to see steady demand from financial services, professional services, technology and industrial companies. Buoyed by a limited supply of Grade-A office buildings, Beijing enjoyed the lowest vacancy in China of 4.8%<sup>10</sup> at the end of 2014.

Against this backdrop and together with our continuous improvements to provide a high quality office environment for our tenants, Gateway Plaza continues to attract and retain a number of major multinational corporations and leading domestic enterprises. In FY14/15, gross revenue and net property income derived from the asset were 17.7% and 21.3% higher than FY13/14 respectively. Gateway Plaza enjoyed a high occupancy rate of 98% as at 31 March 2015. On average, new and renewed office leases were signed at 30% above the rental rates of leases expiring in FY14/15.

### PRUDENT CAPITAL AND RISK MANAGEMENT

In line with our prudent and risk-based approach towards capital management, we continued to strengthen MGCCT's funding structure in FY14/15. Capitalising on favourable debt capital market conditions, Mapletree Greater China Commercial Treasury Company (HKSAR) Limited ("MGCCT HK-TCO")<sup>11</sup> undertook its inaugural Notes issuance of S\$75.0 million 7-year 3.2% Fixed Rate Notes due 2021 from the US\$1.5 billion

Euro Medium Term Securities Programme which was established on 31 May 2013. Further diversifying MGCCT's sources of funding, MGCCT HK-TCO successfully completed its second issuance of HK\$550.0 million 5-year 2.80% Fixed Rate Notes due 2020 as well as its third issuance of S\$100.0 million 7-year 3.43% Fixed Rate Notes due 2022. These proceeds were utilised to partially refinance the first tranche of the Term Loan maturing in March 2016.

Through these issuances, MGCCT's weighted average debt maturity extended to 2.75 years<sup>12</sup>. Average all-in cost of debt per annum remains low at 2.55%. As at 31 March 2015, MGCCT has total borrowings of HK\$11,286.0 million which represents a gearing of 36.2%, down from 38% as of 31 March 2014. MGCCT's interest cover ratio remains healthy at 5.0 times, with 100% of the assets not collateralised. MGCCT retains a stable rating from Moody's Investors Service of 'Baa1'. In expectation of interest rate volatility, interest cost on 87% of the total debt for FY15/16 has been fixed, thus substantially mitigating MGCCT's exposure to rising interest costs.

<sup>10</sup> Savills Beijing Office Sector Research Report (January 2015).

<sup>11</sup> A wholly-owned subsidiary of MGCCT.

<sup>12</sup> Without the notes issuances, the weighted average term to maturity would have been 2.02 years as at 31 March 2015.

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To ensure stability of future distributions to Unitholders, we progressively hedge both HKD and RMB distributions to mitigate exposure to foreign exchange fluctuations. To date, we have hedged about 60% of expected FY15/16 portfolio distributable income.

### MAKING AN IMPACT IN SUSTAINABILITY

We recognise the importance of managing our businesses sustainably and remain committed to being a responsible corporate citizen towards our environment, our people and the communities in which we operate.

In addition to ensuring the safety and well-being of our employees, tenants and shoppers, we embarked on MGCCT's first employee survey in FY14/15 to further engage our employees. Through energy saving and air quality management efforts, we have reduced the environmental impact of our business activities. At Festival Walk, we actively support a series of community programmes to reach out to the needy and less fortunate. These have helped to increase the visibility and impact of various social causes.

### OUTLOOK

Hong Kong's economy is projected to continue to grow by 1% to 3% in 2015<sup>13</sup>. However, low unemployment and resilient local consumption are expected to support the leasing activities of the shopping mall retail market, which includes Festival Walk.

China's economic growth is likely to be more moderate and sustainable. Beijing's office market is expected to remain attractive for multinational and domestic corporations that are embracing China's transition to a sustainable, more value-added and service-oriented economy.

Going forward, we will continue to focus on maintaining high occupancy rates,

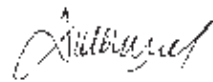
strengthening our tenant mix and actively managing operational costs, in addition to enhancing the amenities, environment and overall quality of the buildings. Concurrently, we will look out for yield-accretive acquisition opportunities in the Greater China region from the Sponsor and/or third parties.

Prudent capital and risk management continues to be a key pillar of our strategy and will serve us well in navigating through the economic uncertainties and managing the challenges ahead. Looking forward to FY15/16, a significant portion of MGCCT's interest cost has been fixed and the expected distributable income has been hedged to mitigate expected interest rate and foreign exchange volatilities. The Manager will continue to proactively monitor and manage these exposures.

### ACKNOWLEDGMENTS

We would like to express our deepest appreciation to the Board of Directors for their guidance as well as to Unitholders, tenants, shoppers and business partners for their continued support. We would also like to extend our thanks to our staff, whose tireless effort and dedication has been instrumental to delivering these results.

Building on MGCCT's performance, we remain committed to driving growth for our portfolio and providing sustainable value to Unitholders.



**MR FRANK WONG KWONG SHING**

Chairman and Independent  
Non-Executive Director



**MS CINDY CHOW PEI PEI**

Executive Director and  
Chief Executive Officer

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**We recognise the importance of managing our businesses sustainably and remain committed to being a responsible corporate citizen towards our environment, our people and the communities in which we operate.”**

01. Gateway Plaza in Beijing is expected to continue to enjoy steady demand by multinational and domestic corporations.
02. One of our many exciting events that drew high footfall to Festival Walk.

<sup>13</sup> Figures are from the Government of the Hong Kong Special Administrative Region's report on Hong Kong's Economic Outlook (25 February 2015).



# 致单位信托 持有人之信函

## 尊敬的单位信托持有人

我们在此谨代表丰树大中华商业信托管理有限公司董事会，向单位信托持有人提交MGCCT<sup>1</sup>自2013年3月7日上市以来的第二份即2014年4月1日至2015年3月31日之财政年度（“14/15财政年度”）年度报告。

## 推动价值，稳中求升

对于香港零售业而言，14/15财政年度是充满变化的一年。在这一年里，零售营业额走软，尤其是奢侈品；游客的消费模式开始偏向中档价格产品；占领中环行动也对商业与购物区造成影响。由于政府采取相应改革措施以推行更均衡与可持续发展的策略，中国取得了温和的经济增长。

尽管我们这两个资产的所在地出现了上述发展，MGCCT依然取得超越前一年度（“13/14财政年度”）<sup>2</sup>及预测<sup>3</sup>的业绩，而且是自上市以来连续两年为单位信托持有人取得更高的回报。在14/15财政年度，本房地产投资信托的每单位可派发收入（“DPU”）为6.543分<sup>4</sup>，比去年同期高出10.4%，及比预测高出15.4%。

MGCCT的单位价格在14/15财政年度有所提高，从2014年4月1日0.815新元的开市价格升至2015年3月31日1.04新元的闭市价格，增幅大约是27.6%。包括股息收益率达8.1%<sup>5</sup>的每单位可派发收入6.56分<sup>6</sup>在内，MGCCT在14/15财政年度所取得的总回报高达35.7%<sup>7</sup>。

2.811亿新元的投资组合全年总营收和2.293亿新元的净房地产收入分别比13/14财政年度超出11.3%和12.2%。与预测相比，投资组合全年总营收和净房地产收入则分别增长13.5%和16.1%。在消费者与租户的大力支持下，截至2015年3月31日，MGCCT的投资组合租用率达到98.8%，该投资组合的加权平均租期按月总租金收入计算为2.4年，处于健康理想水平。

截至2015年3月31日，MGCCT的物业估值<sup>8</sup>达到53.493亿新元，比2014年3月31日的47.221亿新元增加13.3%。这主要是得益于物业取得较高租金收入，以及港元与人民币均在14/15财政年度升值而取得的折算收益。相应的，同期的每单位净资产值也从1.058新元增长至1.198新元。

我们努力不懈，进行积极主动的资产管理，致力控制成本，并实施审慎的资本与风险管理，使我们得以优化投资组合的表现，取得亮丽的业绩，并为单位信托持有人争取到更高的价值。

## 推动需求

MGCCT是独一无二可为单位信托持有人提供同时参与投资香港与中国内地一等商业资产的房地产投资信托。在本年度，我们继续采取积极的投资组合与资产管理方针，推动又一城与佳程广场的需求。

## 又一城—香港与大陆消费者最喜爱的购物商场<sup>9</sup>

又一城是个一站式购物、餐饮和生活休

闲场所，特别受到九龙塘一带的高消费居民以及游客的欢迎。

紧贴市场趋势，又一城在14/15财政年度引进了更多价格适中的豪华品牌及独特的餐饮概念，进一步强化其租户组合。我们与租户和合作伙伴携手，共同主办了各具创意及高成本效益的市场营销活动，以协助进一步提升租户销售业绩及商场人流。我们也继续提升商场的配套设施，以进一步提升消费者的购物体验。

在大家的通力合作下，又一城的租户在14/15财政年度实现56.2亿港币的零售营业额，比13/14财政年度增长5.8%，相比之下，香港整体零售营业额在同期下降了1.9%<sup>10</sup>。又一城的零售与办公楼的租用率继续保持100%。在14/15财政年度所签署的新租约和续租租约中，零售与办公楼的租金平均分别上调了22%和12%。全年总营收及净房地产收入分别比去年同期上升9.2%和8.8%，是又一城继续保持稳定业绩的明证。

## 佳程广场受助于北京市场稳健的需求及有限的供应量

佳程广场是一座拥有便利交通的甲级办公楼，与多个主要交通网络连接，其地理位置优越，位于燕莎黄金地带，该地区是北京历史最悠久的大型办公楼商业圈之一。

尽管中国经济只取得温和的增长，北京的办公楼需求却依然保持稳健，需求主要来自金融服务、专业服务、科技与工业公司。由于北京的甲级办公楼供应有限，因此北京办公楼空置率在2014年底达到全国最低，仅为4.8%<sup>11</sup>。

<sup>1</sup> Mapletree Greater China Commercial Trust (“MGCCT”).

<sup>2</sup> 为提高可比性，我们采用2013年4月1日至2014年3月31日的实际业绩与2014年4月1日至2015年3月31日的实际业绩进行对比。

<sup>3</sup> 预测数据(以上称“预测”)是根据2014/2015预测年度(2014年4月1日至2015年3月31日)推算所得，此数据摘自2013年2月27日IPO招股说明书。

<sup>4</sup> 每单位可派发收入之6.543分，是根据截至2015年3月31日时总共发行的2,721,032,794单位进行计算。

<sup>5</sup> 股息收益率由给予单位信托持有人的每单位派发6.56分除以2014年4月1日单位信托开市价格0.815新加坡元计算所得。

<sup>6</sup> 包含按2014年9月30日已发行的2,705,865,469单位计算并于2014年11月24日支付的每单位可派发收入3.162分，以及按2015年3月31日已发行的2,721,032,794单位计算并于2015年5月25日支付的每单位可派发收入3.398分。

<sup>7</sup> 14/15财政年度的派发额与资本增值的总额与2014年4月1日0.815新元的开市价格之比。

<sup>8</sup> 由高纬环球评估及专业顾问(香港)有限公司于2014年3月31日和2015年3月31日对投资组合进行估值。

<sup>9</sup> 又一城在2014年11月获《明报》颁发“香港消费者最喜爱的购物商场”及“大陆消费者在香港最喜爱的购物商场”奖项。

<sup>10</sup> 数据来自香港政府统计处的零售业销货额按月统计调查报告(2014年3月、2014年4月和2015年3月)。

<sup>11</sup> 第一太平戴维斯(Savills)北京办公楼研究报告(2015年1月)。

在这背景下，加上我们持续改善，为租户提供高质量的办公环境，佳程广场得以继续吸引和保留多家大型跨国公司与国内领先的企业在此落户。在14/15财政年度，本物业所取得的全年总营收及净房地产收入分别比13/14财政年度高出17.7%和21.3%。截至2015年3月31日，佳程广场取得高达98%的租用率。平均而言，所签署的新租约与续租租约的租金比14/15财政年度到期的租金超出30%。

### 资本风险，审慎管理

配合我们审慎及以风险为基础的资金管理方针，我们在14/15财政年度继续强化MGCCT的融资结构。Mapletree Greater China Commercial Treasury Company (HK SAR) Limited (“MGCCT HK-TCO”)<sup>12</sup> 运用有利的债务资本市场条件，依据2013年5月31日设立的15亿美元的欧元中期证券计划，首度发行7500万新元的七年期3.2%固定利率票据，此票据将在2021年到期。为了进一步分散MGCCT的资金来源，MGCCT HK-TCO也顺利完成第二次发行5.5亿港元的五年期2.80%固定利率票据(2020年到期)以及第三次发行1亿新元的七年期3.43%固定利率票据(2022年到期)。这些收入部分用于将在2016年3月到期的首批定期贷款的再融资。

通过这些发行安排，MGCCT的加权平均债务期限已延长至2.75年<sup>13</sup>。每年平均总利息成本维持在2.55%的低水平。截至2015年3月31日，MGCCT的总借贷额为112.86亿港元，其负债比率从2014年3月31日的38.0%降低至36.2%。MGCCT的利息保障倍数保持在5倍的健康水平，其资产100%未用于抵押。MGCCT也维持穆迪投资者服务公司给予的“Baa1”评级。鉴于预期的利率波动，MGCCT将15/16财政年度

87%的总贷款利息做成定息，显著缓解了所面临的利率升高的风险。

为确保将来对单位信托持有人的派发收入保持稳定，我们逐步对港元与人民币派发收入进行对冲，以缓解外汇波动的风险。至今，我们已经对15/16财政年度预期所得的投资组合可派发收入的大约60%进行了对冲。

### 致力推行可持续发展

我们认识到可持续地进行业务管理的重要性，亦继续致力在我们所营运的地区对环境、民众与社区肩负起企业公民的责任。

除了确保我们员工、租户与顾客的安全与健康，我们也在14/15财政年度进行了MGCCT的首次员工调查，进一步加强与员工的交流。我们通过节能与空气质量管理措施，减少我们的业务活动对环境造成的影响。在又一城，我们积极支持一系列的社区计划，帮助有需要的弱势群体。这些计划有助提升各种社区慈善活动的能见度与影响力。

### 前景展望

香港经济在2015年预计将继续以1%至3%的幅度增长<sup>14</sup>。不过，低失业率和稳定的本地消费预料将为包括又一城在内的商场零售市场的租赁业务带来支持。

中国经济的增长预料将继续保持适度及可持续。中国正向可持续、高增值及服务导向性经济转型，对于积极把握机遇的跨国和国内企业而言，北京办公楼市场预料将持续保持吸引力。

展望未来，我们将继续聚焦于维持高租用率，加强租户组合，并积极管理营运成本，同时改善建筑物的设施、环境与

整体质量。与此同时，我们也将在大中华区寻求由保荐人和/或第三方所提供，有助增进收益的收购机会。

奉行审慎的资本与风险管理一直是我们策略的重要支柱，能协助我们安然度过经济不明朗期及迎接未来的挑战。展望15/16财政年度，MGCCT已将大部分贷款利息做成定息，并将预期的可派发收入对冲，以缓解预期的利率与外汇波动。管理人将继续密切关注并积极管理此类风险。

### 致谢

我们谨此衷心感谢董事会的指导，及广大单位信托持有人、租户、顾客和业务伙伴始终不渝的支持。我们也向全体员工致以衷心的感谢，我们能取得优异的业绩，他们的不懈努力和奉献精神功不可没。

我们将以MGCCT的优良业绩为基础，继续致力推动投资组合的增长，并为单位信托持有人争取可持续的价值。



黄钢城先生  
主席兼独立非执行董事



周佩佩女士  
执行董事兼总裁

<sup>12</sup> MGCCT全资附属公司。

<sup>13</sup> 若不包括票据发行，截至2015年3月31日的加权平均债务期限则是2.02年。

<sup>14</sup> 数据摘自香港特别行政区政府的香港经济展望(2015年2月25日)。