



SUNLIGHT REIT

## **Sunlight Real Estate Investment Trust**

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance  
(Chapter 571 of the Laws of Hong Kong))

(Stock Code : 435)

**Managed by  
Henderson Sunlight Asset Management Limited**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2007 AND CLOSURE OF REGISTER OF UNITHOLDERS**

The board of directors (the “Board”) of Henderson Sunlight Asset Management Limited (the “Manager”) is pleased to present the unaudited interim results of Sunlight Real Estate Investment Trust (“Sunlight REIT”) for the six months ended 31 December 2007 (“Reporting Period”).

#### **DISTRIBUTION**

The Manager’s policy is to distribute to unitholders an amount equivalent to 100% of annual distributable income for each financial year.

#### **Interim Distribution**

The unaudited distributable income of Sunlight REIT to unitholders for the Reporting Period amounted to HK\$79.0 million. After taking into account the entitlement waivers involving 441,642,638 units pursuant to the Deeds of Distribution Waiver as mentioned in note (ii) of the “Distribution Statement” of this interim results announcement, the interim distribution per unit is 7.44 HK cents.

The record date for the interim distribution will be Monday, 17 March 2008 and the payment is scheduled to take place on Tuesday, 29 April 2008.

#### **Closure of Register of Unitholders**

The register of unitholders will be closed from Monday, 17 March 2008 to Wednesday, 19 March 2008, both dates inclusive, during which no transfer of units will be effected. In order to entitle to the interim distribution, all completed transfer forms accompanied by the relevant

unit certificates must be lodged for registration with the Unit Registrar no later than 4:00 p.m. on Friday, 14 March 2008.

## OPERATION REVIEW

### Portfolio Performance

	Occupancy <sup>Note 1</sup>		Passing Rental <sup>Note 2</sup>		Committed <sup>Note 3</sup>
	30 Jun 07 (%)	31 Dec 07 (%)	30 Jun 07 (HK\$)	31 Dec 07 (HK\$)	1 Jul 07-31 Dec 07 (HK\$)
<b>Office</b>					
248 Queen's Road East Property	94.0	99.7	14.5	16.8	25.8
Bonham Trade Centre Property	87.1	92.6	13.7	14.4	15.4
135 Bonham Strand Trade Centre Property	98.6	98.4	13.3	14.1	14.7
235 Wing Lok Street Trade Centre Property	83.1	93.1	9.9	11.0	12.5
Winsome House Property	100.0	94.3	22.1	23.8	48.4
Everglory Centre Property	95.2	95.2	15.6	17.4	14.6
Righteous Centre Property	89.2	95.2	20.5	23.1	30.8
Sun Fai Commercial Centre Property	85.0	96.7	14.6	15.2	16.7
Wai Ching Commercial Building Property	75.1	100.0	7.0	7.1	7.1
On Loong Commercial Building Property	100.0	97.8	15.9	16.8	10.7
Java Road 108 Commercial Centre Property	94.2	96.1	14.3	15.2	15.8
Yue Fai Commercial Centre Property	84.8	90.5	12.6	12.7	12.9
<b>Office Average</b>	<b>91.9</b>	<b>96.9</b>	<b>14.7</b>	<b>16.2</b>	<b>19.9</b>
<b>Retail</b>					
Metro City Phase I Property	96.8	98.7	28.0	30.3	37.8
Sheung Shui Centre Shopping Arcade Property	99.4	96.1	60.5	63.4	55.3
Kwong Wah Plaza Property	98.3	96.7	24.1	26.1	36.2
Beverley Commercial Centre Property	89.8	100.0	26.6	27.5	28.4
Royal Terrace Property	97.3	97.3	26.2	26.4	49.7
Supernova Stand Property	100.0	88.4	41.6	43.6	n.a.
Glory Rise Property	90.0	90.0	33.6	33.9	12.0
Palatial Stand Property	100.0	100.0	11.3	11.3	20.0
<b>Retail Average</b>	<b>97.7</b>	<b>97.4</b>	<b>37.0</b>	<b>38.9</b>	<b>43.7</b>
<b>Portfolio Average</b>	<b>93.8</b>	<b>97.0</b>	<b>22.1</b>	<b>23.5</b>	<b>27.6</b>

#### Notes:

1. Calculated on the basis of occupied gross rentable area ("GRA") as a proportion of total GRA of the relevant building on the relevant date.
2. Calculated on the basis of average rental per sq. ft. for all occupied GRA on the relevant date.
3. The average rental per sq. ft. for all GRA involved in new letting and renewal during the period. The figures are subject to numerous factors, including but not limited to location and length of the relevant tenancies, tenant credibility etc.

Benefiting from favourable domestic interest rates and strong economic growth in Mainland China, the Hong Kong economy continued to advance during the Reporting Period. The office leasing market in central business districts remained robust and continued to create spillover demand into decentralised business areas. The retail sector was also buoyant, bolstered by both strong local consumption and growing tourist spending. Capitalising on this favourable economic environment, Sunlight REIT has managed to deliver solid performance during the Reporting Period.

During the Reporting Period, the Manager witnessed a further improvement in overall passing rental by 6.3% to HK\$23.5 per sq. ft.. The office portfolio registered an encouraging 10.2% average passing rental growth to HK\$16.2 per sq. ft. as of 31 December 2007, while the retail portfolio also performed well as average passing rental grew 5.1% to HK\$38.9 per sq. ft..

A key highlight of the interim results was the continued improvement in the portfolio occupancy of Sunlight REIT, which attained a level of 97.0% as of 31 December 2007. Office occupancy climbed from 91.9% as of 30 June 2007 to 96.9% as of 31 December 2007, more than compensating for the slight drop in retail occupancy from 97.7% to 97.4%.

In terms of capital expenditure on asset enhancement, major work commenced during the Reporting Period included the asset enhancement programme at 248 Queen's Road East Property, which involves reconfiguring external shop fronts and improving the building entrance and foyer. Among the retail properties, the Manager has already initiated the first phase of the refurbishment programme at Sheung Shui Centre Shopping Arcade Property, including amenities upgrade and enhancement of the atrium.

## FINANCIAL REVIEW

### Summary

(in HK\$' million, unless otherwise specified)

	First half of FY2007/08 <sup>Note 1</sup>
Turnover	210.7
Property operating expenses	(57.7)
Net property income	153.0
Profit after tax	343.9
Distributable income	79.0
Cost to income ratio	27.4%
Portfolio valuation	9,935.0
DPU <sup>Note 2</sup>	7.44 HK cents
Net asset value per unit	HK\$3.20

#### Notes:

1. Sunlight REIT was listed on 21 December 2006. As such there are only 11 days in the first half of FY2006/07 and no comparable figures are available from the previous corresponding period.
2. A total of 441,642,638 units owned by certain unitholders (who agreed, in varying extents, to waive their entitlements to distributions for any period up to 30 June 2011) are excluded from the calculation.

Total revenue and property operating expenses of Sunlight REIT for the Reporting Period were HK\$210.7 million and HK\$57.7 million respectively, resulting in net property income of HK\$153.0 million and a cost-to-income ratio of 27.4%. After taking into account certain non-property operating expenses, finance costs and an increase in fair value of the portfolio of Sunlight REIT, the consolidated net profit of Sunlight REIT for the Reporting Period was HK\$343.9 million.

Savills Valuation and Professional Services Limited, the independent valuer of Sunlight REIT, valued the portfolio of Sunlight REIT at HK\$9,935.0 million as of 31 December 2007. This represents an increase of 3.9% from the valuation as of 30 June 2007. Meanwhile, Sunlight REIT had in place total loan facilities of HK\$4,050.0 million, of which the HK\$3,950.0 million term loan facility had been fully drawn. The gearing ratio of Sunlight REIT, defined as total borrowings as a percentage of gross assets, stood at 37.6%.

In order to minimise financial market risks and maintain financial flexibility, Sunlight REIT has certain interest rate swap arrangements. The value of the swap decreased from HK\$275.1 million as of 30 June 2007 to HK\$78.8 million as of 31 December 2007 as a result of the fall in Hong Kong interbank offer rates during the Reporting Period.

As of 31 December 2007, Sunlight REIT had a total bank and cash balance of HK\$197.3 million, including tenants' deposits of HK\$98.5 million. Taking into consideration the current cash position and the unutilised credit facility available, it has sufficient financial resources to

satisfy its working capital, distribution payment and capital expenditure requirements.

## **OUTLOOK**

Going forward, outlook for the second half of the current financial year for Sunlight REIT appears encouraging. With leases accounting for 16.9% of GRA due to expire in the next six months, positive rental reversion is poised to continue thereby supporting the growth momentum in rental revenue. In the meantime, asset enhancement works will increase although such activities are not expected to bring about a negative impact on the distributable income of Sunlight REIT as it will continue to be supported by the Adjustment Payments<sup>1</sup> mechanism.

With the commencement on 21 December 2007 of the period under the HLD Commitment Letter (as described in the Offering Circular dated 8 December 2006), the Manager will hold discussions with Henderson Land Development Company Limited, which within 18 months from the date of listing is required to make available at least two office and/or retail properties for sale to Sunlight REIT with a valuation not less than HK\$2,727.0 million (being 30% of the appraised value of Sunlight REIT's existing portfolio as of the time of listing), subject to negotiations and entering into of a legally binding agreement and compliance with applicable regulatory requirements. The Manager will take great care to ensure that any such acquisitions to be made will offer good asset enhancement potential and will provide synergistic benefits to the overall portfolio of Sunlight REIT.

1. "Adjustment Payments" are those payments to be made to Sunlight REIT pursuant to several Deeds of Adjustment Payments dated 2 December 2006, under which the vendors, from whom the portfolio of Sunlight REIT and related companies were purchased, agreed to pay the difference between the assured minimum rental income and the consolidated rental income of Sunlight REIT, as defined in such deeds, for each financial period/year up to 30 June 2009.

## **EMPLOYEES**

Sunlight REIT is managed by the Manager and does not employ any employee.

## **CORPORATE GOVERNANCE**

The Manager commits to the highest level of corporate governance practices and procedures. Good corporate governance relies on an optimal mix of checks and balances and has a strong emphasis on high transparency to and alignment of interests with unitholders. The Manager has adopted a compliance manual (the "Compliance Manual") which sets out the key processes, systems, measures, corporate governance policies and other policies and procedures governing the management and operation of Sunlight REIT. Compliance by the Manager with the Compliance Manual ensures that the relevant regulations and legislations are duly observed.

During the Reporting Period, the Manager has complied with the provisions of the Compliance Manual.

### **Public Float**

As far as the Manager is aware, more than 25% of the issued and outstanding units were held in public hands as of 31 December 2007.

### **New Units Issued**

Except for an aggregate of 11,562,789 units issued to the Manager as payment of the Manager's fees, there were no other new units issued during the Reporting Period.

### **Repurchase, Sale or Redemption of Units**

Under the Trust Deed, the Manager is not permitted to repurchase or redeem any of the units in Sunlight REIT until permitted to do so by the relevant codes and guidelines issued by the Securities and Futures Commission from time to time.

During the Reporting Period, there was no purchase, sale or redemption of the units by Sunlight REIT or its wholly owned and controlled entities.

### **Review of Interim Results**

The interim results of Sunlight REIT for the Reporting Period has been reviewed by the Audit Committee and the Disclosures Committee in accordance with their respective terms of references. The interim financial statements have also been reviewed by the auditors in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

### **ISSUANCE OF INTERIM REPORT**

The 2007/08 Interim Report of Sunlight REIT will be sent to unitholders on or about 28 February 2008.

### **FORWARD-LOOKING STATEMENTS**

This announcement contains several statements that are "forward-looking" or which use certain "forward-looking" terminologies. These statements are based on the current beliefs, assumptions, expectations and projections of the Board of the Manager regarding the industry and markets in which Sunlight REIT operates. These statements are subject to risks, uncertainties and other factors beyond the Manager's control.

## CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2007 - Unaudited  
(Expressed in Hong Kong dollars)

		<b>Period from 1 July 2007 to 31 December 2007 \$'000</b>	Period from 21 December 2006 to 31 December 2006 \$'000
	<i>Note</i>		
<b>Turnover</b>	3	<b>210,694</b>	10,617
Property operating expenses	4	<u><b>(57,668)</b></u>	<u>(2,674)</u>
<b>Net property income</b>		<b>153,026</b>	7,943
Other income		<b>4,954</b>	1,778
Administrative expenses		<b>(27,405)</b>	(1,630)
Excess of interest in fair values of the acquirees' identifiable net assets over cost of business combination		-	473,742
Increase in fair value of investment properties		<u><b>377,000</b></u>	<u>-</u>
<b>Profit from operations</b>		<b>507,575</b>	481,833
Finance costs on interest bearing liabilities	5(a)	<u><b>(91,171)</b></u>	<u>(5,412)</u>
<b>Profit before taxation and transactions with unitholders</b>	5	<b>416,404</b>	476,421
Income tax	6	<u><b>(72,502)</b></u>	<u>(605)</u>
<b>Profit after taxation and before transactions with unitholders</b>		<b>343,902</b> =====	475,816 =====

## CONSOLIDATED BALANCE SHEET

At 31 December 2007

(Expressed in Hong Kong dollars)

	<i>Note</i>	<b>31 December 2007 (Unaudited) \$'000</b>	<b>30 June 2007 (Audited) \$'000</b>
<b>Non-current assets</b>			
Investment properties		<b>9,935,000</b>	9,558,000
Deferred tax assets		<b>988</b>	1,807
Reimbursement rights		<b>206,612</b>	206,612
Derivative financial instruments		<b><u>78,816</u></b>	<u>275,112</u>
		<b>10,221,416</b>	10,041,531
		-----	-----
<b>Current assets</b>			
Trade and other receivables	8	<b>30,943</b>	86,033
Tax recoverable		<b>5,926</b>	-
Pledged deposits		<b>197,173</b>	210,612
Cash at bank and in hand		<b><u>95</u></b>	<u>151</u>
		<b>234,137</b>	296,796
		=====	=====
<b>Total assets</b>		<b>10,455,553</b>	10,338,327
		-----	-----
<b>Current liabilities</b>			
Tenants' deposits		<b>(98,505)</b>	(89,642)
Rent receipts in advance		<b>(2,830)</b>	(2,826)
Trade and other payables	9	<b>(43,303)</b>	(46,197)
Current taxation		<b><u>(3,773)</u></b>	<u>(11,615)</u>
		<b>(148,411)</b>	(150,280)
		=====	=====
<b>Net current assets</b>		<b>85,726</b>	146,516
		=====	=====
<b>Total assets less current liabilities</b>		<b>10,307,142</b>	10,188,047
		-----	-----

## CONSOLIDATED BALANCE SHEET (Continued)

At 31 December 2007

(Expressed in Hong Kong dollars)

	<b>31 December 2007</b>	30 June 2007
	<b>(Unaudited) \$'000</b>	(Audited) \$'000
<b>Non-current liabilities, excluding net assets attributable to unitholders</b>		
Secured bank borrowings	<b>(3,933,916)</b>	(3,931,880)
Deferred tax liabilities	<b><u>(1,567,576)</u></b>	<u>(1,501,445)</u>
	<b>(5,501,492)</b>	(5,433,325)
	<b>=====</b>	=====
<b>Total liabilities, excluding net assets attributable to unitholders</b>	<b>(5,649,903)</b>	(5,583,605)
	<b>=====</b>	=====
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>4,805,650</b>	4,754,722
	<b>=====</b>	=====
<b>Number of units in issue</b>	<b>1,503,341,222</b>	1,491,778,433
	<b>=====</b>	=====
<b>Net asset value attributable to unitholders per unit</b>	<b>\$3.20</b>	\$3.19
	<b>=====</b>	=====

## DISTRIBUTION STATEMENT

For the six months ended 31 December 2007 - Unaudited  
(Expressed in Hong Kong dollars)

	<b>Period from 1 July 2007 to 31 December 2007 \$'000</b>	Period from 21 December 2006 to 31 December 2006 \$'000
Profit after taxation and before transactions with unitholders	<b>343,902</b>	475,816
Adjustments:		
- Excess of interest in fair values of the acquirees' identifiable net assets over cost of business combination	-	(473,742)
- Increase in fair value of investment properties	<b>(377,000)</b>	-
- Manager's fee paid or payable in the form of units	<b>23,707</b>	1,124
- Non-cash finance costs on interest bearing liabilities	<b>21,402</b>	1,836
- Deferred tax	<b>66,950</b>	425
	<b>(264,941)</b>	(470,357)
Total distributable income	<b>78,961</b>	5,459
Distribution per unit:		
- Before adjusting for distribution waivers (notes (ii) and (iii))	<b>5.25 cents</b>	N/A
- After adjusting for distribution waivers (notes (ii) and (iv))	<b>7.44 cents</b>	N/A

### Notes:

- (i) Pursuant to the REIT Code and the Trust Deed, Sunlight REIT is in any event required to ensure that the total amounts distributed or distributable to unitholders shall be no less than 90% of annual distributable income for each financial year. The policy of the Manager of Sunlight REIT, is to distribute to unitholders as dividends an amount equal to 100% of Sunlight REIT's annual distributable income for each financial year.
- Pursuant to Sunlight REIT's offering circular dated 8 December 2006, Sunlight REIT's first distribution after the listing date would be for the period from the listing date to 30 June 2007. Accordingly, there was no distribution for the period from the listing date to 31 December 2006.
- (ii) Pursuant to two Deeds of Distribution Waiver both of 2 December 2006 as disclosed in Sunlight REIT's offering circular dated 8 December 2006, certain unitholders who subscribed for a total of 441,642,638 units have agreed to waive their entitlement, in varying extents, to receive distributions from Sunlight REIT in respect of any period up to 30 June 2011 and have agreed to, where applicable, make payments to Sunlight REIT in case they have disposed

of these original units subscribed under the initial public offering of Sunlight REIT. These unitholders have not disposed of any units during the period.

- (iii) The distribution per unit, before adjusting for distribution waivers as mentioned in (ii) above, of 5.25 cents is calculated by dividing the total distributable income for the period of \$78,961,000 by 1,503,341,222 units, being the number of units in issue at the close of business on the record date for the distribution for the period (the “record date”).
- (iv) The distribution per unit, after adjusting for distribution waivers as mentioned in (ii) above, of 7.44 cents is calculated based on the total distributable income for the period of \$78,961,000 and 1,061,698,584 units, which is calculated as follows:

Number of units in issue as of the record date	1,503,341,222
Less: Number of units held by the unitholders who agreed to waive their entitlement to distribution for the period *	(441,642,638)
	<hr/>
	1,061,698,584
	<hr/> <hr/>

\* Assuming these unitholders will not dispose of any of their unitholdings prior to the record date.

## **NOTES ON THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Expressed in Hong Kong dollars)

### **1. General**

Sunlight REIT is a Hong Kong collective investment scheme constituted as a unit trust by a trust deed (the “Trust Deed”) entered into among Uplite Limited, as the Settlor, the Manager, and HSBC Institutional Trust Services (Asia) Limited, as the trustee of Sunlight REIT (the “Trustee”) on 26 May 2006 (as amended by the supplemental deeds dated 1 June 2006 and 28 November 2006 respectively) and is authorised under section 104 of the Securities and Futures Ordinance. Sunlight REIT is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”).

The principal activity of Sunlight REIT and its subsidiaries (collectively referred to as the “Group”) is to own and invest in income-producing office and retail properties in Hong Kong with the objective of producing stable and sustainable distributions to unitholders and to achieve long term growth in the net asset value per unit. It has its principal place of business at 30th Floor, 248 Queen’s Road East, Wanchai, Hong Kong.

## 2. Segment reporting

	Office properties		Retail properties		Total	
	Period from 21 December 1 July 2007 to 31 December 2007 (Unaudited) \$'000	Period from 2006 to 31 December 2006 (Unaudited) \$'000	Period from 21 December 1 July 2007 to 31 December 2007 (Unaudited) \$'000	Period from 2006 to 31 December 2006 (Unaudited) \$'000	Period from 21 December 1 July 2007 to 31 December 2007 (Unaudited) \$'000	Period from 2006 to 31 December 2006 (Unaudited) \$'000
Turnover						
- rental income	73,163	3,432	90,558	4,622	163,721	8,054
- car park income	1,585	82	7,969	520	9,554	602
- rental related income	<u>19,967</u>	<u>1,057</u>	<u>17,452</u>	<u>904</u>	<u>37,419</u>	<u>1,961</u>
	94,715	4,571	115,979	6,046	210,694	10,617
Property operating expenses	<u>(25,438)</u>	<u>(1,071)</u>	<u>(32,230)</u>	<u>(1,603)</u>	<u>(57,668)</u>	<u>(2,674)</u>
Net property income	69,277	3,500	83,749	4,443	153,026	7,943
Administrative expenses	<u>(12,022)</u>	<u>(110)</u>	<u>(12,569)</u>	<u>(141)</u>	<u>(24,591)</u>	<u>(251)</u>
Segment results	57,255	3,390	71,180	4,302	128,435	7,692
Increase in fair value of investment properties	329,000	-	48,000	-	377,000	-
Excess of interest in fair values of the acquirees' identifiable net assets over cost of business combination					-	473,742
Finance costs on interest bearing liabilities					(91,171)	(5,412)
Income tax					(72,502)	(605)
Unallocated other income, net of unallocated administrative expenses					<u>2,140</u>	<u>399</u>
Profit after taxation and before transactions with unitholders					<u>343,902</u>	<u>475,816</u>
					=====	=====

### 3. Turnover

Turnover represents gross income generated from leasing of investment properties. The amount of each significant category of revenue recognised in turnover during the period is as follows:

	<b>Period from 1 July 2007 to 31 December 2007 (Unaudited) \$'000</b>	Period from 21 December 2006 to 31 December 2006 (Unaudited) \$'000
Rental income	<b>163,721</b>	8,054
Car park income	<b>9,554</b>	602
Rental related income	<b><u>37,419</u></b>	<u>1,961</u>
	<b>210,694</b>	10,617
	=====	=====

### 4. Property operating expenses

	<b>Period from 1 July 2007 to 31 December 2007 (Unaudited) \$'000</b>	Period from 21 December 2006 to 31 December 2006 (Unaudited) \$'000
Property management fee	<b>5,198</b>	260
Government rent and rates	<b>7,034</b>	466
Car park operating costs	<b>2,995</b>	174
Other direct costs	<b><u>42,441</u></b>	<u>1,774</u>
	<b>57,668</b>	2,674
	=====	=====

## 5. Profit before taxation and transactions with unitholders

Profit before taxation and transactions with unitholders is arrived at after charging / (crediting):

	<b>Period from 1 July 2007 to 31 December 2007 (Unaudited) \$'000</b>	Period from 21 December 2006 to 31 December 2006 (Unaudited) \$'000
(a) Finance costs on interest bearing liabilities:		
Interest on borrowings	<b>89,060</b>	5,285
Other borrowing costs	<u><b>2,111</b></u>	<u>127</u>
	<b>91,171</b>	5,412
	=====	=====

The total amount represents finance costs on interest bearing liabilities wholly repayable after two years but within five years, whereas other borrowing costs represent the amortisation of the upfront payments for the interest rate swaps and various financing charges.

### (b) Other items:

Interest income	<b>(4,954)</b>	(1,778)
Manager's fee	<b>23,707</b>	1,124
Property Manager's fee	<b>16,097</b>	686
Trustee's remuneration	<b>1,420</b>	88
Auditors' remuneration		
- Audit services	<b>750</b>	-
- Other services	<b>370</b>	350
Valuation fees	<b>150</b>	-
Other legal and professional fees	<b>1,127</b>	22
	=====	=====

Sunlight REIT did not appoint any director and the Group did not engage any employee during the period. No employee benefit expense has been incurred in the period accordingly.

## 6. Income tax

	<b>Period from 1 July 2007 to 31 December 2007 (Unaudited) \$'000</b>	Period from 21 December 2006 to 31 December 2006 (Unaudited) \$'000
Current tax - Provision for Hong Kong Profits Tax	5,552	180
Deferred tax	<u>66,950</u>	<u>425</u>
	<b>72,502</b>	605
	=====	=====

Provision for Hong Kong Profits Tax has been made at 17.5% on the estimated assessable profits for the period.

## 7. Earnings per unit before transactions with unitholders

The basic earnings per unit for the six months ended 31 December 2007 amounted to \$0.23 (for the period from 21 December 2006 to 31 December 2006: \$0.32). The calculation of basic earnings per unit is based on the Group's profit after tax and before transactions with unitholders of \$343,902,000 (for the period from 21 December 2006 to 31 December 2006: \$475,816,000) and the weighted average of 1,495,737,431 (31 December 2006: 1,487,013,986) units in issue during the period.

## 8. Trade and other receivables

	<b>31 December 2007 (Unaudited) \$'000</b>	30 June 2007 (Audited) \$'000
Rental receivables	21,043	17,577
Deposits and prepayments	7,656	6,110
Other receivables	229	64
Amounts due from related companies	<u>2,015</u>	<u>62,282</u>
	<b>30,943</b>	86,033
	=====	=====

\$7,169,000 (30 June 2007: \$5,860,000) included in deposits and prepayments is expected to be recovered after more than one year. Apart from the above, all of the trade and other receivables are expected to be recovered within one year.

## 8. Trade and other receivables (continued)

The amounts due from related companies are unsecured, interest-free and have no fixed terms of repayment.

Included in rental receivables are debtors with the following ageing analysis:

	<b>31 December</b>	30 June
	<b>2007</b>	2007
	<b>(Unaudited)</b>	(Audited)
	<b>\$'000</b>	\$'000
Current and up to 1 month overdue	<b>20,210</b>	17,405
More than 1 month overdue and up to 3 months overdue	<b>789</b>	161
More than 3 months overdue and up to 6 months overdue	<b>35</b>	10
More than 6 months overdue	<b><u>9</u></b>	<u>1</u>
	<b>21,043</b>	17,577
	=====	=====

Monthly rents in respect of leasing properties are received in advance and there is no specific credit terms given to the tenants. Sufficient rental deposits are held to cover potential exposure to credit risk.

## 9. Trade and other payables

	<b>31 December</b>	30 June
	<b>2007</b>	2007
	<b>(Unaudited)</b>	(Audited)
	<b>\$'000</b>	\$'000
Creditors and accrued charges	<b>22,791</b>	24,257
Manager's fee payable	<b>11,965</b>	14,056
Amounts due to related companies	<b><u>8,547</u></b>	<u>7,884</u>
	<b>43,303</b>	46,197
	=====	=====

## 9. Trade and other payables (continued)

Except for the Manager's fee payable which is due within four months, all creditors and accrued charges are due within one month or on demand and expected to be settled within one year.

The amounts due to related companies are unsecured, interest-free and have no fixed terms of repayment.

By order of the Board  
**LO Yuk Fong, Phyllis**  
*Company Secretary*

Hong Kong, 22 February 2008

*As at the date of this announcement, the Board of the Manager comprises : (1) Chairman and Non-executive Director : Mr. KAN Fook Yee; (2) Chief Executive Officer and Executive Director : Mr. WU Shiu Kee, Keith; (3) Non-executive Director : Mr. KWOK Ping Ho; and (4) Independent Non-executive Directors : Mr. KWAN Kai Cheong, Mr. MA Kwong Wing and Dr. TSE Kwok Sang.*