
OVERVIEW OF HLD

After the completion of the Offering, HLD will, through its wholly-owned subsidiaries, hold 4.5% (or 3.5% if the Over-allotment Option is exercised in full) of the issued Units. HLD is a company incorporated in Hong Kong with limited liability and its shares have been listed on the Main Board of the Hong Kong Stock Exchange and its predecessors since 1981 with secondary listing on The Tokyo Stock Exchange. The market capitalisation of HLD was approximately HK\$73.2 billion as of 30 June 2006.

HLD is an investment holding company and the principal business activities of its subsidiaries are property development and investment, project management, building construction, property management, infrastructure, hotel operation, department store operation and finance and investment holding.

In order to assist the Manager in its role as manager of Sunlight REIT, HLD has made certain commitments to the Manager, details of which are set out in the section headed “Strategy — Investment and Acquisition Growth Strategy” in this Offering Circular.

As at 30 June 2006, HLD owns (either directly, or indirectly through its subsidiaries and associates) a diverse portfolio of properties throughout Hong Kong for development or investment purposes, with an attributable gross floor area of approximately 20.6 million sq. ft. HLD’s portfolio in Hong Kong includes completed income-producing properties held for investment purposes with an attributable gross floor area of approximately 8.3 million sq. ft., of which 2.5 million sq. ft. comprises office properties and 4.1 million sq. ft. comprises retail properties. Of these properties, 2.7 million sq. ft. of gross floor area is located on Hong Kong Island, 1.1 million sq. ft. in Kowloon and 4.5 million sq. ft. in the New Territories.

OVERVIEW OF HLD

The following selected financial information has been extracted and summarised from HLD's audited financial statements for the year ended 30 June 2006:

Extract and Summary from Consolidated Profit and Loss Account

	Year ended 30 June 2006
	HK\$'000
Turnover	6,773,000
Profit attributable to shareholders of HLD	<u>13,548,700</u>

Extract and Summary from Consolidated Balance Sheet

	As at 30 June 2006
	HK\$'000
Non-current assets	
Fixed assets	56,868,000
Toll highway operation rights	171,100
Interests in leasehold land held for own use under operating leases	223,300
Interest in associates	16,962,600
Interest in jointly controlled entities	16,026,100
Other financial assets	1,456,100
Deferred tax assets	<u>163,200</u>
	91,870,400
Current assets	
Deposits for acquisition of properties	1,245,400
Inventories	21,036,000
Trade and other receivables	3,386,200
Cash held by stakeholders	23,400
Pledged bank deposits	20,200
Cash and cash equivalents	<u>7,638,900</u>
	33,350,100
Assets classified as held for sale	<u>702,800</u>
	34,052,900
Current liabilities	
Trade and other payables	2,730,100
Bank loans and overdrafts	7,029,200
Current taxation	<u>635,000</u>
	10,394,300
Liabilities classified as held for sale	<u>171,500</u>
	10,565,800

OVERVIEW OF HLD

	As at 30 June 2006
	<u>HK\$'000</u>
Net current assets	<u>23,487,100</u>
Total assets less current liabilities	<u>115,357,500</u>
Non-current liabilities	
Bank loans	13,665,300
Amount due to a fellow subsidiary	1,858,900
Deferred tax liabilities	<u>6,050,400</u>
	<u>21,574,600</u>
Net assets	<u><u>93,782,900</u></u>
Capital and reserves	
Share capital	3,629,200
Reserves	<u>74,334,900</u>
Total equity attributable to equity shareholders of HLD	77,964,100
Minority interests	<u>15,818,800</u>
Total equity	<u><u>93,782,900</u></u>

For further details, please refer to HLD's Annual Report 2006.