

2009 Interim Results



For the six months ended 30 June 2009

Results Highlights

Six months ended 30 June 2009

Total Revenue	HK\$131.2 mil	↑	1.8% YoY
Net Property Income	HK\$103.6 mil	↑	0.1% YoY
Distribution Per Unit (“DPU”)	HK\$0.0554		
Distribution Yield	10.5% ¹		
Cost-to-revenue Ratio	21.0%	↑	7.1% YoY
Property Valuation (as at 30 Jun 09)	HK\$4,887 mil	↑	1.0%
Gearing Ratio (as at 30 Jun 09)	35.7%		
Average Effective Unit Rent	HK\$14.96 psf	↑	6.3% YoY
Occupancy Rate (as at 30 Jun 09)	93.2%		
Rental Reversion Rate	12.9% ²		

Notes:

1. Based on the annualized distribution per unit of HK\$0.1117 and closing unit price of HK\$1.06 on 30 Jun 09
2. For all renewal leases from 1 Jan 09 to 30 Jun 09

Consolidated Statement of Comprehensive Income

	1H09 (HK\$'000)	1H08 (HK\$'000)
Total revenue	131,230	128,962
Property operating expenses	(27,592)	(25,381)
Net property income	103,638	103,581
Interest income	89	69
Manager's fee	(12,755)	(13,712)
Trust and other expenses	(4,076)	(4,927)
Increase in fair value of investment properties	45,411	177,844
Finance costs	(42,521)	(43,802)
Profit before taxation	89,786	219,053
Taxation	(13,752)	(15,545)
Profit for the period	76,034	203,508
Distributable income¹	73,065	89,024
Interim DPU (HK\$)	0.0554	0.0690

✓ Revenue grew 1.8% YoY

✓ Net property income improved by 0.1%

✓ Attractive distribution yield of 10.5%²

Notes:

- After adjustments of HK\$2.97 million for (i) increase in fair value of investment properties; (ii) manager's fee; (iii) finance costs; and (iv) deferred tax
- Based on the annualized distribution per unit of HK\$0.1117 and closing unit price of HK\$1.06 on 30 Jun 09

Consolidated Statement of Financial Position

Assets & Liabilities as at 30 Jun 09	(HK\$'000)
Investment properties	4,887,000
Bank balances and cash	56,957
Other assets	8,385
Total Assets	4,952,342
Borrowings	1,763,825
Other liabilities	439,565
Total Liabilities	2,203,390
Net assets attributable to unitholders	2,748,952
Units in issue ('000)	1,313,154

Property Valuation	HK\$4,887 mil
Gearing Ratio¹	35.7%
NAV per unit	HK\$2.14

Note 1: Total borrowings of \$1.77 billion (excludes the origination fees) over total assets

Portfolio Valuation

<i>Valuation as at 30 Jun 09</i>	GRA (sq.ft.)	Car park spaces	As at 30 Jun 09 (HK\$ mil)	Diff. with 31 Dec 08 + / (-)
<i>Grade A Office</i>				
1. The Metropolis Tower	271,418	98	1,796	1.0%
2. Prosperity Millennia Plaza	217,955	43	1,061	0.8%
3. Harbourfront Landmark (portion)	77,021	N/A	312	1.0%
<i>Industrial / Office</i>				
4. Prosperity Place	240,000	60	591	1.0%
5. Trendy Centre	173,764	79	521	1.2%
6. Prosperity Center (portion)	149,253	105	451	1.3%
<i>Industrial</i>				
7. New Treasure Centre (portion)	86,168	22	155	1.3%
Portfolio Total	1,215,579	407	4,887¹	1.0%

Notes: 1. Valuation by Savills Valuation and Professional Services Ltd

Rent Delinquency rate : Close-to-Zero

Maintained Excellent Tenant Relationship



*Tenant Relations
Management*

Debt Management

Certainty of Finance Cost

	Debt Profile
Total Debt ¹	HK\$1,770 mil
Gearing Ratio	35.7%
Weighted Average Cash Finance Cost ²	2.96%

➤ Free from financial engineering ³

➤ No refinancing needs until Dec 2010

➤ Revolving loan facility available

Notes:

1. Excludes the origination fee. The revolving loan has not been utilized as at 30 Jun 2009.
2. The weighted average cash finance cost for 1H09 was 2.96% including a spread of 49 bps.
3. In July 2008, Prosperity REIT unwound the interest rate swap in connection with the term loan of \$1,770 million.

Asset Enhancement

Prosperity Place: Before



Prosperity Place: Draft design of facade



Metropolis Tower Washroom Upgrade:
Before



Metropolis Tower Washroom Upgrade:
After



Growth Focused Strategies

➤ Organic Growth

- ✓ Proactive leasing efforts
- ✓ “Tip top” building management
- ✓ Close business relationships with tenants

➤ Asset Enhancement Growth

- ✓ Aesthetic enhancements and upgrades
- ✓ Energy efficiency
- ✓ Prudent payback periods

➤ Yield Accretive Acquisitions

- ✓ Strong relationships with sponsor and estate agents
- ✓ Pre-approved financing



The Metropolis Tower

Key Facts

KEY FACTS	<i>As at 30 Jun 2009</i>
IPO	16 December 2005
Indicative Yield	10.5% at \$1.06 as at 30 Jun 09 (based on \$0.1117 annualized DPU for FY09)
Total number of units	1,313,153,794
Market Capitalization	HK\$1,391,943,022
Average daily trading volume	2.2 million units (for 1H09)
Free Float	79.0%
Portfolio Size	1,215,579 sq.ft. (gross)
No. of Tenants	507
No. of Carpark spaces	407
Financial Engineering	Nil



Prosperity Millennia Plaza

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