
TECHNICAL TERMS

In this Offering Circular, unless the context otherwise requires, the following terms shall have the meanings set out below:

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| “ ACBMs ” | means asbestos-containing building materials; |
| “ annualised rental income ” | means the 12-month equivalent amount in rental income calculated based on the amount of monthly base rent for a specified month; |
| “ B ” | means billion; |
| “ base rent ” | means, in respect of a Lease, the standard rent payable under the Lease, exclusive of any additional turnover rent (if applicable) and other charges and reimbursements; |
| “ building efficiency ” | means the IFA as a percentage of the GFA of the relevant property; |
| “ CAGR ” | means compounded annual growth rate; |
| “ GDP ” | means gross domestic product; |
| “ Government Lease ” | means the conditions of grant or lease (as the case may be) under which a List 1 Property is held or under which a List 2 Property is to be held; |
| “ gross floor area ” or “ GFA ” | means the area contained within the external walls of a building measured at each floor level (including any floor below ground level) including the overall area of any balcony and the thickness of the external walls of the building; |
| “ internal floor area ” or “ IFA ” | means the internal area available for the exclusive use of the occupier(s) of a building but excluding all common or service areas used in common for the building as a whole. In relation to the Retail Facilities, IFA refers to the approximately 960,000 sq.m. of space available to generate rental income from letting to retail tenants as at 31 July 2005. This space excludes certain additional space comprising: (i) office premises which have been occupied rent-free by HKHA; and (ii) areas used for ancillary purposes; |
| “ IT ” | means information technology; |
| “ Lease ” | means a lease or a tenancy agreement (both of which grant a possessory interest) or a licence (which merely constitutes an authority to do something) in respect of premises at the RC Operations granted to a tenant and “ Leased ” shall be construed accordingly; |
| “ leased IFA ” | means the IFA of a Lease for the time being; |
| “ M ” | means million; |
| “ margin finance ” | means any financing arranged by applicants from or through the intermediaries through which they have applied for the purpose of funding their applications; |
| “ market stalls ” | means stalls located either outdoors or indoors where everyday fresh foodstuff and daily necessities may be purchased from operators operating at such stalls; |
| “ market value ” | means the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion; |
| “ monthly net passing income ” | means income calculated by obtaining the monthly committed rental, outgoings, recoveries and sundry income at the date of valuation less all relevant property-related outgoings and expenses; |

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| “occupancy rate” | means the aggregate IFA under the Leases as a percentage of total area of stock; |
| “rateable value” | means the annual estimate by the Government’s Rating and Valuation Department of the annual rental value of a property at a designated valuation reference date, assuming that the property was then vacant and to let; |
| “retail IFA” | means the IFA for the relevant Retail Operations or Retail Facilities (as applicable); |
| “sq.m.” | means square metres; |
| “tenant” | means a lessee, tenant or licensee (as the case may be) under a Lease; |
| “turnover” | means rental income from the Retail Operations or Retail Facilities (as applicable) and gross receipts from the Carpark Operations or Retail Facilities (as applicable); |
| “turnover rent” | means rent calculated by reference to a pre-determined percentage of a tenant’s monthly sales turnover on a gross basis; and |
| “utilisation rate” | means the number of tickets sold to monthly users as a percentage of the number of monthly parking spaces available (and, for the avoidance of doubt, excluding hourly carparking for which utilisation rates cannot be calculated on a comparable basis). |