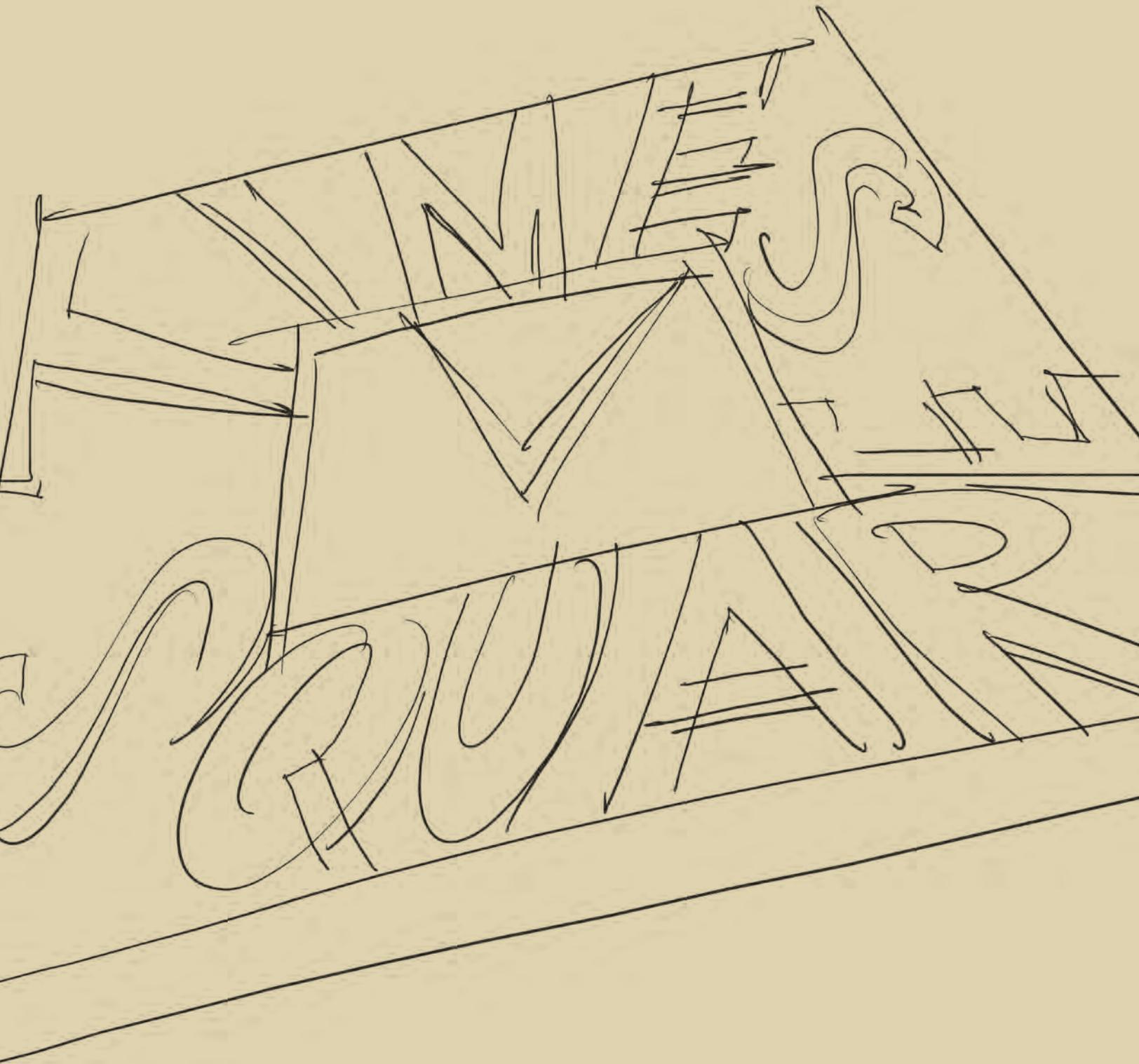


Successful zoning, constant trade mix refinement, strong branding and marketing programmes continued to contribute to Times Square's success as the leading "shoppertainment" destination in Causeway Bay

# Times Square





北京香港

2008  
HAPPY YEAR

2008  
HAPPY YEAR

serviced apart  
SUN

## Balance Sheet (Extract)

As at 31 December 2007

	HK\$ Million
Properties	21,100
Net current liabilities	(348)
Other non-current liabilities	(295)
<b>*Net business assets (before debt)</b>	<b>20,457</b>

\*Excluding deferred tax on revaluation surplus of investment properties

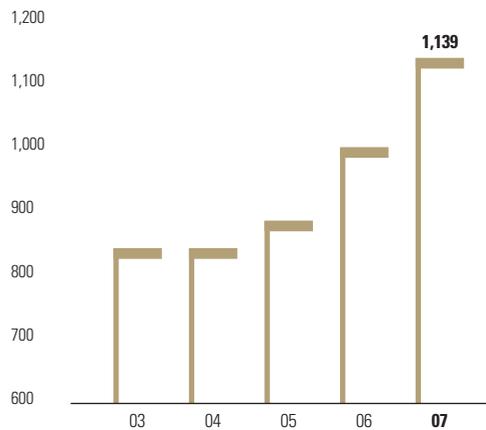
## Gross Revenue

	2007 HK\$ Million	2006 HK\$ Million
Retail	<b>774</b>	706
Office	<b>365</b>	294
	<b>1,139</b>	1,000

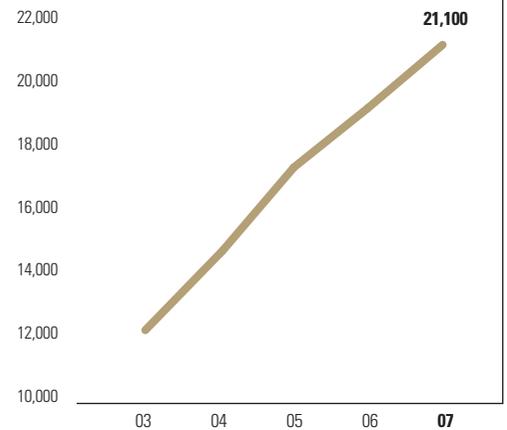
## Operating Profit

	2007 HK\$ Million	2006 HK\$ Million
Retail	<b>658</b>	598
Office	<b>310</b>	242
	<b>968</b>	840

## Gross Revenue (HK\$ Million)



## Property Value (HK\$ Million)



**Left:** Apple Countdown at Times Square remains one of the most popular festive event in town

Times Square, another core investment property asset of the Group, turned over HK\$1,139 million during 2007, for an increase of 14% over 2006. Operating profit increased by 15% to HK\$968 million. Times Square was valued at HK\$21,100 million at the end of 2007, which represented 14% of total Group assets.

## Retail

Turnover from Times Square's retail sector grew by 10% to HK\$774 million.

Average retail occupancy was maintained at 99%, with favourable rental growth. Leasing activities remained robust during the year, with the recruitment of a

host of international brand names including Burberry, Chanel Beaute, Kate Spade and Juicy Couture. Excitement and traffic at the mall will be further boosted with Gucci's commitment of over 3,700 square feet of lettable retail space on the second floor. In a bid to further strengthen the Food Forum, the Group has signed up four new restaurants, namely 798

## Times Square: Retail Tenant Mix (by Rental and Area)

As at 31 December 2007

	% by Rental	% by Area
Fashion	30.8	18.0
Jewellery, Beauty and Accessories	20.9	10.3
Restaurant, Fast Food, F&B	13.0	27.2
Department Stores, Confectionery Products	12.7	20.7
Electrical & Audio-visual Equipment & Entertainment	11.2	13.1
Sports Wear	7.7	5.2
Others	3.7	5.5
	100.0	100.0

**Below:** With the numerous art and cultural activities held, Times Square has become a rendezvous where art and life meet



unit & co., Hunan Garden, Queen's Konditorei and MIX during the year and all of them have opened by the end of the year.

Successful zoning at Times Square enables shoppers' traffic to be distributed evenly around the retail mall. With its constant trade-mix refinement and strong

branding and marketing programmes including its popular annual Apple Countdown, Times Square remains a top venue for talk-of-the-town events and a leading and must-visit shopping landmark in Causeway Bay. Over the years, it has also evolved into an art and cultural hub by supporting and organizing exhibitions of both local artists

and world-renowned art masters including Ju Ming, Huang Yong Yu and Jimmy Liao. In a bid to consolidate Times Square's edge, active recruitment of debut international labels will be one of the main focuses.

## Office

Turnover for the office sector edged up by 24% to HK\$365 million, triggered by strong rental reversion. Committed office occupancy stood high at 98% at the end of 2007.

Times Square remained the preferred location for many

multinationals engaged in the service or consumer goods sectors. New lettings during the year amounted to 153,666 square feet and most of them were in-house expansions. In addition to two major new letting transactions in Times Square recorded in June and August 2007, there was a third major new letting transaction recorded in

October when Standard Life (Asia) Ltd took up over 17,000 square feet at Tower One. Lease renewal retention rate was maintained at 68% during the year, with renewals including Cosmopolitan Cosmetics, DHC and McDonald's.



## Times Square: Portfolio Information

	Gross Floor Area (sq ft)	Gross Revenue (HK\$ Million)	Average Occupancy (%)	Year-end Valuation (HK\$ Million)
Retail	936,000	774	99	12,689
Office	1,033,000	365	96	8,411

### On Times Square's Open Piazza...

Times Square is a landmark for locals and tourists alike. It was recently embroiled in some debate about "public space", perhaps without the full knowledge of the terms of the Deed of Dedication governing the subject. The full text of the Deed is available for inspection at [http://www.timessquare.com.hk/pdf/TS\\_deed.pdf](http://www.timessquare.com.hk/pdf/TS_deed.pdf).

To set the record straight, the piazza area at the street level of Times Square is a private property. The following clause is worth noting:

*This Deed of Dedication notwithstanding the said Dedicated Area is and shall remain the property of the Owner and the public shall not acquire prescriptive rights over the same under the English Prescription Act 1832 or under the doctrine of the Lost Modern Grant by virtue of the public's right of pedestrian passage and use of the said Dedicated Area as open space and passive recreation ground and the said Dedicated Area shall continue to be subject to and to have the benefit of all the terms and conditions of the said Crown Leases and shall continue to be included as part of the Owner's site for the purpose of calculating plot ratio and site coverage for any future redevelopment of the said Lots. (Clause 3.(5))*

On this private property, the street level piazza is dedicated to the public solely "for the purposes of pedestrian passage and passive recreation" under very specific restrictions and conditions in accordance with the Deed of Dedication, which include the following clauses:

*Noisy and disorderly conduct and every other practice in the opinion of the Owner likely to cause annoyance or nuisance or to interfere with the use and enjoyment of the said Dedicated Area as open space and passive recreation ground are forbidden; (Clause 3.(2).(c).(viii))*

*No person shall bring or cause to be brought onto the said Dedicated Area any food or drinks except (if at all) under any by-laws or rules the Owner may think fit to make; and (Clause 3.(2).(c).(ix))*

*No person shall in the said Dedicated Area wilfully obstruct, disturb, interrupt or annoy any other person in the proper use of the said Dedicated Area, or wilfully, obstruct, disturb or interrupt any servant employee or person employed by the Owner in the proper execution of his duty or of any work in connection with the laying out maintenance landscaping or upkeep of the said Dedicated Area. (Clause 3.(2).(c).(xi))*

*The Owner shall throughout the period during which the said Building and shall be situated on the said Lots at its own expenses and to the satisfaction of the Director keep and maintain the said Dedicated Area in a clean and tidy condition and free from any obstruction. If and when called upon so to do by the Director, the Owner shall carry out such works for the removal of any obstruction from the said Dedicated Area as the Director shall reasonably require and, in the event of the Owner being unable or incapable of effecting any such removal, the Director may do so or procure the said forthwith. (Clause 3.(2).(f))*

*Subject to the prior written approval of the Director, the Owner reserves the full right to place or permit the placing of temporary structures on the said Dedicated Area from time to time for the purpose of temporary exhibitions and displays provided that the same shall not impede the general right of pedestrian passage and use of the said Dedicated Area as a passive recreation ground as aforesaid. Any provision in this respect shall be exclusive to the Owner provided however that any such exhibitions and displays may be organised by organisations as approved by the Owner and the Owner may charge such organisations for their use of electricity/water or related facilities and other services of the Owner in respect of such exhibitions and displays. (Clause 3.(2).(j))*

*The Owner reserves the full right to evict and/or remove any person from the said Dedicated Area who is found by the Owner to be committing any act of nuisance or disorderly conduct on the said Dedicated Area. (Clause 3.(2).(k))*