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RREEF China Commercial Trust **睿富中國商業房地產投資信託基金**

(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: 625)

Managed by

RREEF China REIT Management Limited

INTERIM RESULTS ANNOUNCEMENT FOR THE PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

2011 INTERIM RESULTS

The board of directors (the “**Board**”) of RREEF China REIT Management Limited as manager (the “**Manager**”) of RREEF China Commercial Trust (“**RREEF CCT**” or the “**Trust**”) hereby announces the unaudited interim results of RREEF CCT for the six months ended 30 June 2011 (the “**Reporting Period**”) as follows.

Key Highlights

- The net asset value attributable to the RREEF CCT’s unitholders (the “Unitholders”) totalled HK\$171.8 million or HK\$0.370 per unit as at 30 June 2011.
- RREEF CCT made a loss for the Reporting Period of HK\$17.4 million, as a result of a legal cost provision of HK\$16.2 million made in relation to the Appeal and the Claims during the Reporting Period.
- The Trust is in the process of the Proposed Liquidation.
- On 18 February 2011, the Trustee filed the Court Application and on 30 June 2011, in the Judgment the High Court granted the Trustee the declaration sought in the High Court that namely that the Trustee should proceed with a distribution of the entirety of the net assets of RREEF CCT without any retention to meet any possible claims by Mr Tin Lik.

- On 13 July 2011, Mr Tin Lik lodged an appeal against the Judgment at the High Court. The Appeal is set down for hearing at the Court of Appeal of the Hong Kong Special Administrative Region on 23 November 2011.
- On 5 July 2011, Mr Tin Lik issued a writ of summons in the High Court of the Hong Kong Special Administrative Region as plaintiff against DB as first defendant, the Manager as second defendant and the Trustee as third defendant.

In this announcement, the following definitions apply throughout unless otherwise stated. All other capitalised terms shall have the same meanings as defined in the circular dated 5 March 2010 (“the **Circular**”) unless otherwise stated in this announcement.

2010 Interim Distribution	means	the interim distribution of HK\$4.10 per unit declared and announced on 15 April 2010 comprising the sales proceeds of the Disposal and available cash resources of RREEF CCT. Cheques for the per unit payment pursuant to the 2010 Interim Distribution were dispatched on 11 May 2010 to the Unitholders whose names appeared on the register of Unitholders on 23 April 2010. For details please refer to the Distribution Statement on page 19 of this announcement.
Appeal	means	the appeal lodged by Mr Tin Lik against the Judgment for the Court Application by the Trustee on 13 July 2011. For details please refer to the Liquidation Section on pages 6 to 8 in this announcement.
Agreement	means	the sale and purchase agreement dated 3 February 2010 entered into by the Manager, HSBC Institutional Trust Services Asia Limited (the “ Trustee ”) and Mapletree India China Fund Ltd in relation to the disposal of the entire issued share capital of BVI Gateway by the Trustee to Mapletree India China Fund Ltd.
BVI Gateway	means	Beijing Gateway Plaza (BVI) Limited, a company incorporated in the British Virgin Islands, which holds the entire issued share capital of the HK SPV.
Claims	means	collectively the claims made by Mr Tin Lik pursuant to the Writ. For details, please refer to the Liquidation Section on pages 6 to 8 in this announcement.

Court Application	means	the application which the Trustee has resolved to make to the Hong Kong courts for directions regarding the proper amount to be distributed to Unitholders in the Final Distribution. For details, please refer to the Liquidation Section on pages 6 to 8 in this announcement.
Completion	means	completion of the Agreement.
Completion Date	means	the date of Completion which occurred on 12 April 2010.
DB	means	Deutsche Bank AG.
Disposal	means	the disposal of the entire issued share capital of BVI Gateway by the Trustee (acting as trustee of RREEF CCT) to Mapletree India China Fund Ltd pursuant to the Agreement.
Escrow Account	means	the separately designated interest bearing account with Standard Chartered Bank (Hong Kong) Limited in the name of the escrow agent.
Escrow Amount	means	an initial amount of HK\$150.0 million deposited in the Escrow Account on the Completion Date which was subsequently adjusted to HK\$129.2 million upon conclusion of the completion account audit on 22 June 2010.
Escrow Balance Amount	means	the balance of the Escrow Amount as at the Escrow End Date, which was HK\$129.2 million.
Escrow End Date	means	12 November 2010 being the first Business Day falling on or after the date which is seven months after the Completion Date.
Final Distribution	means	the balance of cash resources, after the satisfaction of outstanding payments to creditors, liquidation costs and costs associated with the Appeal and the Claims, will be potentially available for final distribution to Unitholders whose names appeared on the register of Unitholders on 23 April 2010.
Group	means	the Trust and its subsidiaries before the Disposal.

HK SPV	means	HK Gateway Plaza Company Limited, a company incorporated in Hong Kong holding the Property and Gateway Plaza Property Operations (Beijing) Limited and a wholly-owned subsidiary of BVI Gateway.
Judgment	means	the Court Judgment issued on 30 June 2011 in relation to the Court Application. For details, please refer to the Liquidation Section on pages 6 to 8 in this announcement.
Original Estimated Liquidation timetable	means	in the 2010 Interim Report, it was disclosed that, barring unforeseen circumstances, the Manager estimates that the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation would be completed by 31 December 2010.
Property	means	Beijing Gateway Plaza
Proposed Deauthorisation	means	the proposed deauthorisation of RREEF CCT as a REIT by the Securities and Futures Commission of Hong Kong (the “SFC”) under section 104 of the Securities and Futures Ordinance (“SFO”). The Manager will make application to the SFC on behalf of RREEF CCT for the Proposed Deauthorisation upon completion of the Proposed Liquidation.
Proposed Delisting	means	the proposed delisting of RREEF CCT units from The Stock Exchange of Hong Kong Limited (the “SEHK”). The Manager has made application to the SEHK in relation to the Proposed Delisting in March 2010. The effective date and arrangement of the Proposed Delisting are subject to the SEHK’s approval.
Proposed Liquidation	means	the proposed liquidation of RREEF CCT in accordance with the trust deed between the Manager and the Trustee dated 28 May 2007 (the “Trust Deed”) and the Code on Real Estate Investment Trusts (the “REIT Code”) published by the SFC. The Manager has commenced procedures in respect of the Proposed Liquidation since 12 May 2010, being the effective date of the Termination.

Termination	means	the termination of RREEF CCT in accordance with the REIT Code. The effective date of the Termination was 12 May 2010.
Tin Lik	means	the vendor, the original owner of the Property which was sold to RREEF CCT in June 2007
Trustee's Notice	means	the notice dated 29 October 2010 published by the Trustee in the Government of the Hong Kong Special Administrative Region Gazette, certain newspapers and other public channels pursuant to section 29 of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) which provides amongst other things, that any person (other than a Unitholder) who claims to be entitled to the assets of RREEF CCT and/or is otherwise interested in them, is required to send full particulars its/his/her claim to the Trustee before 12 noon (Hong Kong time) on 30 December 2010. No claims were received by the Trustee in relation to the Trustee's Notice.
Writ	means	the writ of summons issued by Mr Tin Lik on 5 July 2011 in the High Court of the Hong Kong Special Administrative Region as plaintiff against DB as first defendant, the Manager as second defendant and the Trustee as third defendant. For details please refer to Liquidation Section on pages 6 to 8 in this announcement.

THE MANAGER'S REPORT

Disposal

As noted in our 2010 Annual Report dated 21 March 2011, at an extraordinary general meeting convened in March 2010, Unitholders approved by way of a combined special resolution of the Disposal, the Termination and the Proposed Delisting, and the following had been completed by the Trust in 2010:

- (i) on 12 April 2010, the Disposal was completed, pursuant to which, RREEF CCT ceased to hold any interests in BVI Gateway, HK SPV and Gateway Plaza Property Operations (Beijing) Limited (collectively the "Group"), which constituted substantially all the operating businesses and assets of the Group;

- (ii) on 19 April 2010, the trading of RREEF CCT units was suspended on the SEHK, and shall remain suspended until the effective date of the Proposed Delisting;
- (iii) on 11 May 2010, the Manager dispatched cheques for the payment of the 2010 Interim Distribution to the Unitholders whose names appeared on the register of Unitholders on 23 April 2010;
- (iv) on 12 May 2010, RREEF CCT was effectively terminated in accordance with the REIT Code; and
- (v) on 12 November 2010, the Escrow Balance Amount of HK\$129.2 million was transferred to the bank account of RREEF CCT.

Liquidation

Trustee's Notice

As a consequence of the Trustee's decisions to publish the Trustee's Notice and to initiate the Court Application, the Board on 10 November 2010 announced that the Original Estimated Liquidation Timetable would be subject to the outcome of the Court Application by the Trustee and receipt by the Trustee of any responses to the Trustee's Notice.

On 3 January 2011, the Manager was informed by the Trustee's solicitors that no claims were received by the Trustee in relation to the Trustee's Notice. Please refer to the announcement of RREEF CCT dated 31 January 2011 for further details.

Court Application by the Trustee

As disclosed in the announcement dated 24 February 2011, the Manager was informed by the Trustee that on 18 February 2011, the Trustee had issued proceedings in the High Court of the Hong Kong Special Administrative Region. Under the Court Application, the Trustee seeks the court's direction including whether it may proceed with a distribution of the entirety of the net assets of RREEF CCT without retention to meet any possible claim which might otherwise be made by Mr Tin Lik. Mr Tin Lik and the Manager were each named as defendants to the Court Application. No claim has been made, or relief sought, against the Manager under the Court Application. Instead, the Manager has been joined to these proceedings as a nominal defendant so that it is able to provide any assistance that may be required by the Trustee or by the Court.

On 31 May 2011, the Court Application was heard at the High Court of the Hong Kong Special Administrative Region. The Judgment was issued on 30 June 2011. In the Judgment, the High Court granted the Trustee the declaration sought that namely that the Trustee should proceed with a distribution of the entirety of the net assets of RREEF CCT without any retention to meet any possible claim by Mr Tin Lik.

On 13 July 2011, Mr Tin Lik lodged the Appeal on the basis of certain procedural grounds, including but not limited to the alleged fact that he did not receive proper notice of the court hearing for the Court Application held on 31 May 2011 and that the High Court judge refused to postpone the handing down of the Judgment to hear an inter-parties summons filed by Mr Tin Lik on 29 June 2011. The Manager and the Trustee consider that the Appeal is without merit and will be contesting it and seeking its dismissal as quickly as possible.

On 22 July 2011, the representatives of the Manager, the Trustee and Mr Tin Lik attended an appointment before the listing officer of Civil Appeal, and pursuant to the Court's directions dated 29 July 2011 the Appeal is set down for hearing at the Court of Appeal of the Hong Kong Special Administrative Region on 23 November 2011.

Writ of Summons issued by Mr Tin Lik

On 5 July 2011, Mr Tin Lik issued a writ of summons in the High Court of the Hong Kong Special Administrative Region as plaintiff against DB as first defendant, the Manager as second defendant and the Trustee as third defendant.

Pursuant to the Writ, Mr Tin Lik makes certain Claims, including amongst others:

1. against DB, the Manager and the Trustee, jointly and severally, challenging the amount under the set-off and claiming, amongst other things, an entitlement to the Initial Retention Amount¹ and an amount of HK\$289,426,166 which Mr Tin Lik claims to be refundable by the Trustee and/or the Manager; and

Note:

1. Initial Retention Amount includes (i) retention sum of HK\$156 million (US\$20 million) held by the Trustee as security pursuant to the sale and purchase agreement dated 4 June 2007 between Mr Tin Lik as vendor, the Trustee as purchaser and the Manager in respect of warranties made by the vendor therein; (ii) remaining balance of initial consideration unpaid to the vendor amounting of HK\$64.95 million; and (iii) HK\$50 million dividend declared by BVI Gateway in respect of year ended 31 December 2006 payable to the vendor prior to acquisition by RREEF CCT.

2. against DB and the Manager, jointly and severally for unspecified general damages.

The opinion of the Board and the Trustee, on the basis of legal advice, is that the Claims are wholly without merit and will be vigorously defended by DB, the Manager and the Trustee. The Manager will update Unitholders as to any material developments in connection with the Claims.

Financial Performance

As a result of the Disposal, RREEF CCT ceased to hold any interests in BVI Gateway, HK SPV and Gateway Plaza Property Operations (Beijing) Limited, which constituted substantially all of the operating business and relevant assets of RREEF CCT and its subsidiaries. Accordingly, there is no turnover and expenses associated with the Property after the Disposal, which had been completed in 2010.

For the six months ended 30 June 2011, the Trust recorded a loss for the period of HK\$17.4 million. The net asset value attributable to the Unitholders was reduced from HK\$189.2 million or HK\$0.408 per unit as at 31 December 2010 to HK\$171.8 million or HK\$0.370 per unit as at 30 June 2011.

Financial Management

As at the end of the Reporting Period, the Trust retained HK\$211.2 million in cash and bank balances. The Manager's financial strategy is to maintain an optimal level of cash to settle outstanding creditors and to meet the winding up expenses for the Proposed Liquidation.

Summary of Real Estate Sales and Purchases

The only asset of RREEF CCT was disposed of through the Disposal in 2010.

FINANCIAL OVERVIEW

Key Financial Results

For Income Statement (in HK\$'000, unless otherwise indicated)

	Six months ended 30 June	
	2011 (Unaudited)	2010 (Unaudited)
Turnover	—	53,159
Property operating expenses	—	(6,242)
Net property income	—	46,917
Loss on disposal of subsidiaries	—	(123,747)
Exchange differences realised upon disposal of subsidiaries	—	193,439
Interest income from bank deposits	236	930
Net exchange gains	—	672
Administrative expenses ¹	(17,658)	(12,943)
Finance costs	—	(19,048)
(Loss)/profit for the period, before transactions with Unitholders	(17,422)	80,615

Financial Ratios

(Loss)/earnings per unit — basic and diluted	(HK\$0.038) ²	HK\$ 0.174 ²
Debt service coverage ratio ³	N/A	6.08 times

Distribution (in HK\$'000, unless otherwise indicated)

	2011 Interim Distribution (Unaudited)	2010 Final Distribution (Audited)	2010 Interim Distribution (Unaudited)
Distribution	— ⁴	— ⁴	1,903,060 ⁵
Distribution per unit	— ⁴	— ⁴	HK\$4.10 ⁶
Closing unit price as at period end	N/A ⁷	HK\$4.35 ⁷	HK\$4.35 ⁷
Annualised distribution yield per unit	N/A	N/A	N/A ⁸

For Balance Sheet (in HK\$'000, unless otherwise indicated)

	30 June 2011 <i>(Unaudited)</i>	31 December 2010 <i>(Audited)</i>
Net Asset Value (in HK\$'000, unless otherwise indicated)		
Net asset value attributable to Unitholders	171,794	189,216
Net asset value attributable to Unitholders per unit	HK\$0.370 ⁹	HK\$0.408 ⁹
Financial Ratios		
Gearing ratio	—%	—%

Notes

- ¹ Administrative expenses include Manager's fees, Trustee's fees, auditor's remuneration, legal and other professional fees and provisions.
- ² Based on the weighted average number of 464,161,000 units in issue for the six months ended 30 June 2011 and 30 June 2010 respectively.
- ³ Debt service coverage ratio denotes the ratio of net cash flow to finance cost after deducting upfront fees amortised during the past 12 months. This is not applicable for the Reporting Period as the borrowings of HK\$1,400.0 million was fully repaid on 12 April 2010.
- ⁴ As RREEF CCT sustained a loss after adjustment, there was no distributable income for the Reporting Period and the year 2010 respectively and therefore no 2011 Interim Distribution and 2010 Final Distribution were declared respectively. Further details are available in the Distribution Statement of this announcement.
- ⁵ The 2010 Interim Distribution of HK\$1,903.1 million comprising the sales proceeds of the Disposal and available cash resources of RREEF CCT. Further details are available in the Distribution Statement of this announcement.
- ⁶ Based on 464,161,000 units in issue as at 30 June 2010.
- ⁷ Closing unit price as at 19 April 2010, being the last trading date of RREEF CCT units on the SEHK as disclosed in the Circular. The trading of units of RREEF CCT has been suspended, since 19 April 2010 and shall remain suspended until the effective date of the Proposed Delisting.
- ⁸ This is not applicable as the 2010 Interim Distribution comprised the sales proceeds of the Disposal and available cash resources of RREEF CCT. For further details, please refer to the Distribution Statement of this announcement.
- ⁹ Based on 464,161,000 units in issue as at 30 June 2011 and 31 December 2010 respectively.

As a result of the Completion of Disposal in April 2010, RREEF CCT ceased to hold any interests in BVI Gateway, HK SPV and Gateway Plaza Property Operations (Beijing) Limited, which constituted substantially all of the operating business and relevant assets of RREEF CCT and its subsidiaries. Accordingly, there is no turnover, property operating expenses and net property income associated with the Property during the Reporting Period.

Administrative Expenses

Administrative expenses for the Reporting Period were HK\$17.7 million and included the Manager's fee, Trustee's fee, auditor's remuneration, legal and other professional fees. As a result of the Appeal and the Claims, an additional legal cost provision of HK\$16.2 million had been made in the Reporting Period.

Finance Costs

Following the Disposal, the loan facility of HK\$1,400.0 million was fully repaid on 12 April 2010, being the Completion Date. Consequently, as at 30 June 2011 and during the Reporting Period, RREEF CCT had no debt and no interest expenses.

Loss for The Period

RREEF CCT reported a loss of HK\$17.4 million in the Reporting Period, compared to a gain of HK\$80.6 million for the six months ended 30 June 2010. The gain for the six months ended 30 June 2010 arose principally from the exchange differences realised upon the disposal of subsidiaries of HK\$193.4 million off-setting against the loss on disposal of subsidiaries of HK\$123.7 million.

Net Assets Attributable to Unitholders

The net assets attributable to Unitholders as at 30 June 2011 totalled HK\$171.8 million, or HK\$0.370 per unit.

Capital Structure

As at 30 June 2011, the total number of RREEF CCT units in issue was 464,161,000 units. No units were cancelled or issued during the Reporting Period.

Liquidity

As at 30 June 2011, cash and bank balances held by RREEF CCT totalled HK\$211.2 million. The current cash position is projected to provide sufficient financial resources for the Trust to satisfy its working capital needs.

Distribution

Policy

It is the Manager's policy to distribute to the Unitholders at least 90 per cent of RREEF CCT's annual distributable income for each financial year. In accordance with the Trust Deed and in compliance with the REIT Code, the Manager also has the discretion to distribute additional amounts if and to the extent RREEF CCT has, in the opinion of the Manager, surplus funds available.

2011 Interim Distribution

As RREEF CCT sustained a loss of HK\$17.4 million after adjustment, there was no distributable income for the six months ended 30 June 2011 and accordingly, no 2011 Interim Distribution was declared.

Final Distribution

The balance of cash resources, after the satisfaction of outstanding payments to creditors, liquidation costs and costs associated with the Appeal and the Claims, will be potentially available for final distribution to Unitholders whose names appeared on the register of Unitholders on 23 April 2010.

As announced on 1 August 2011 announcement of RREEF CCT, the Appeal is set down for hearing on 23 November 2011. The timing of the final distribution by RREEF CCT, the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation of RREEF CCT will be delayed pending the outcome of the Appeal, and may also be affected by the progress of the Claims.

Depending on the outcome of the Appeal and the Claims, it is possible that dealing with the Appeal and the Claims may result in additional costs being required to be borne by RREEF CCT and a delay to the timetable for the Final Distribution. The Manager will update Unitholders by further announcement in relation to any material development and the timetable for the final distribution by RREEF CCT, the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation in accordance with applicable regulatory requirements.

THE OUTLOOK

Proposed Liquidation (ongoing):

Since the effective date of the Termination on 12 May 2010, the Manager has commenced procedures relating to the Proposed Liquidation in compliance with the REIT Code and the Trust Deed and all applicable regulatory requirements. Please refer to pages 6 to 8 for details on the progress of the Proposed Liquidation.

In compliance with Rules 11.8 to 11.10 of the REIT Code and the terms of the Trust Deed, following the completion of the Termination, the Trustee shall, as part of the process of the Proposed Liquidation, oversee the realisation of any remaining assets of RREEF CCT by the Manager. In addition, the Trustee shall ensure that the Manager shall repay any outstanding borrowings effected by or for the account of RREEF CCT (together with any interest thereon but remaining unpaid) and shall ensure the proper discharge of all other obligations and liabilities of RREEF CCT or provision thereof.

Each Unitholder whose names appeared on the register of Unitholders on 23 April 2010 will be entitled to participate on a pro-rata basis in any proceeds (including those arising from the realisation of any remaining assets of RREEF CCT referred to in the preceding paragraph) derived from the Proposed Liquidation available for distribution to the Unitholders after any creditors and the winding up expenses have been paid.

The Manager will make further announcements providing status of the Proposed Liquidation and other information, including but not limited to, the final payment per unit pursuant to the realisation of any remaining assets of RREEF CCT and the dispatch date of the relevant cheques.

On completion of the Proposed Liquidation, the following shall be prepared in accordance with Rule 11.10 of the REIT Code and the Trust Deed:

- (i) the Manager's review and comments on the performance of RREEF CCT, and an explanation as to how the Property has been disposed of, the transaction prices and major terms of the Disposal;
- (ii) the Trustee's report that the Manager has managed and liquidated RREEF CCT in accordance with the REIT Code and the provisions of the Trust Deed;
- (iii) financial statements of RREEF CCT; and
- (iv) an auditor's report.

In compliance with Rule 11.11 of the REIT Code, copies of the financial statements shall be distributed to the Unitholders within three months of the completion of the Proposed Liquidation of RREEF CCT and a copy shall be filed with the SFC.

Proposed Delisting (ongoing):

The trading of RREEF CCT units on the SEHK has been suspended since 19 April 2010 and RREEF CCT's register of Unitholders has been closed since 23 April 2010. The units shall remain suspended and RREEF CCT's register of Unitholders shall remain closed until the effective date of the Proposed Delisting. The effective date and arrangement for the Proposed Delisting are subject to the SEHK's approval and the progress of the Appeal and the Claims.

Proposed Deauthorisation (ongoing):

The Manager will apply for deauthorisation of RREEF CCT as a REIT authorised by the SFC under section 104 of the SFO upon completion of the Proposed Liquidation. The effective date and arrangement for the Proposed Deauthorisation of RREEF CCT is subject to the SFC's approval.

Further announcements shall be made in relation to the details and timing of the above events in compliance with the Rules Governing the Listing of Securities ("**Listing Rules**") on the SEHK and the REIT Code.

FINANCIAL STATEMENTS

Income Statement

For the six months ended 30 June 2011 - Unaudited

(Expressed in Hong Kong dollars unless otherwise indicated)

		Six months ended 30 June	
	<i>Note</i>	2011 \$'000	2010 \$'000
Turnover	3	—	53,159
Property operating expenses	4	<u>—</u>	<u>(6,242)</u>
Net property income		—	46,917
Interest income from bank deposits		236	930
Administrative expenses		(17,658)	(12,943)
Finance costs	5(a)	—	(19,048)
Net exchange gains		<u>—</u>	<u>672</u>
		(17,422)	16,528
Loss on disposal of subsidiaries		—	(123,747)
Exchange differences realised upon disposal of subsidiaries		<u>—</u>	<u>193,439</u>
(Loss)/profit before taxation and transactions with Unitholders	5	(17,422)	86,220
Income tax	6	<u>—</u>	<u>(5,605)</u>
(Loss)/profit for the period, before transactions with Unitholders		<u>(17,422)</u>	<u>80,615</u>
(Loss)/earnings per unit — basic and diluted	7	<u>(\$0.038)</u>	<u>\$0.174</u>

RREEF CCT disposed of all real estate business and relevant assets on 12 April 2010 and as a result, it is to be terminated and liquidated. The comparative figures in the income statement for the six months ended 30 June 2011 (i.e. the amounts for the six months ended 30 June 2010) mainly included the revenue and related expenses of the discontinued real estate business. More details are set out in note 2 of the financial statements.

The above statement should be read in conjunction with accompanying notes.

Statement of Comprehensive Income

For the six months ended 30 June 2011 - Unaudited

(Expressed in Hong Kong dollars unless otherwise indicated)

	Six months ended	
	30 June	
	2011	2010
	\$'000	\$'000
(Loss)/profit for the period, before transactions with Unitholders	(17,422)	80,615
Other comprehensive income for the period, net of tax		
Exchange differences realised upon disposal of subsidiaries	—	(193,439)
Total comprehensive income for the period	<u>(17,422)</u>	<u>(112,824)</u>

The above statement should be read in conjunction with accompanying notes.

Balance Sheet

As at 30 June 2011

(Expressed in Hong Kong dollars unless otherwise indicated)

		30 June 2011	31 December 2010
		<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>
Current assets			
Other receivables		12	24
Cash and cash equivalents		<u>211,187</u>	<u>215,534</u>
		<u>211,199</u>	<u>215,558</u>
Total assets		<u>211,199</u>	<u>215,558</u>
Current liabilities			
Other payables and accruals	9	28,505	15,442
Amount due to the Vendor	10	<u>10,900</u>	<u>10,900</u>
		<u>39,405</u>	<u>26,342</u>
Net current assets		<u>171,794</u>	<u>189,216</u>
Total assets less current liabilities		<u>171,794</u>	<u>189,216</u>
Total liabilities, excluding net assets attributable to Unitholders		<u>39,405</u>	<u>26,342</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		<u>171,794</u>	<u>189,216</u>
Number of units in issue		<u>464,161,000</u>	<u>464,161,000</u>
Net asset value attributable to Unitholders per unit		<u>\$0.370</u>	<u>\$0.408</u>

The above balance sheet should be read in conjunction with accompanying notes.

Statement of Changes in Net Assets Attributable to Unitholders

Expressed in Hong Kong dollars unless otherwise indicated - Unaudited

	\$'000
Balance as at 1 January 2010	2,284,940 -----
Changes in net assets attributable to Unitholders for the six months ended 30 June 2010	
Profit for the period	80,615
Other comprehensive income	<u>(193,439)</u>
Total comprehensive income for the period	(112,824) -----
Distributions paid to Unitholders	<u>(1,971,060)</u>
Balance as at 30 June 2010 and 1 July 2010	201,056
Changes in net assets attributable to Unitholders for the six months ended 31 December 2010	
Loss and total comprehensive income for the period	<u>(11,840)</u>
Balance as at 31 December 2010 and 1 January 2011	189,216
Changes in net assets attributable to Unitholders for the six months ended 30 June 2011	
Loss and total comprehensive income for the period	<u>(17,422)</u>
Balance as at 30 June 2011	<u>171,794</u>

The above statement should be read in conjunction with accompanying notes.

Distribution Statement

For the period ended 30 June 2011 - Unaudited

(Expressed in Hong Kong dollars unless otherwise indicated)

	Six months ended	
	30 June	
	2011	2010
	\$'000	\$'000
(Loss)/profit for the period, before transactions with Unitholders	<u>(17,422)</u>	<u>80,615</u>
Adjustments:		
Non-cash exchange differences realised upon disposal of subsidiaries	—	(193,439)
Non-cash finance costs	—	10,395
Non-cash net exchange gains	<u>—</u>	<u>(672)</u>
Total adjustments	<u>—</u>	<u>(183,716)</u>
Loss after adjustments for the period, before transactions with Unitholders	<u>(17,422)</u>	<u>(103,101)</u>
Distributable income in respect of the period	—	—
Other distribution (note (ii))	<u>—</u>	<u>1,903,060</u>
Total distribution	<u><u>—</u></u>	<u><u>1,903,060</u></u>
Distribution per unit	<u><u>—</u></u>	<u><u>\$4.10</u></u>

The above statement should be read in conjunction with the accompanying notes.

Notes

- (i) Pursuant to the Trust Deed, RREEF CCT is required to ensure that the total amounts distributed or distributable to Unitholders shall be not less than 90% of its annual distributable income for each financial year. The policy of the Manager is to distribute to Unitholders at least 90% of RREEF CCT's annual distributable income for each financial year.

The Manager also has the discretion to distribute additional amounts if and to the extent the Trust has funds available, in the opinion of the Manager.

- (ii) Other distribution in 2010 of \$1,903,060,000 (\$4.10 per unit) is comprised of sales proceeds from the Disposal and available cash resources of RREEF CCT as announced on 15 April 2010 and was paid to Unitholders on 11 May 2010 whose names appear on the register of Unitholders on 23 April 2010.

Notes to the Financial Statements — Unaudited

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General

RREEF China Commercial Trust (“RREEF CCT” or the “Trust”) is a Hong Kong collective investment scheme constituted as a unit trust by a trust deed (the “Trust Deed”) entered into between RREEF China REIT Management Limited, as the manager of RREEF CCT (the “Manager”), and HSBC Institutional Trust Services (Asia) Limited, as the trustee of RREEF CCT (the “Trustee”), on 28 May 2007 and is authorised under section 104 of the Securities and Futures Ordinance. RREEF CCT was listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 22 June 2007.

RREEF CCT is in the process of termination and liquidation, details of which are set out in the relevant announcements of RREEF CCT and note 2 below.

The Manager’s registered office is located at Level 52, International Commerce Center, 1 Austin Road West, Kowloon, Hong Kong.

The interim financial report, which comprises the unaudited condensed interim financial statements, was authorised for issuance on 12 August 2011.

2 Basis of Preparation

The interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Code on Real Estate Investment Trusts (the “REIT Code”) and the Rules Governing the Listing of Securities (the “Listing Rules”) on the SEHK, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and one new Interpretation that are first effective for the current accounting period of RREEF CCT. The adoption of these new and revised amendments and Interpretation had no material impact on the contents of the interim financial statements.

The interim statements have been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements.

Pursuant to the sale and purchase agreement dated 3 February 2010, (“the Agreement”), on 12 April 2010, RREEF CCT sold the Gateway Plaza, the investment property, through the disposal to Mapletree India China Fund Ltd of the entire issued ordinary share capital of Beijing Gateway Plaza (BVI) Limited (“BVI Gateway”) (the “Disposal”), which holds the entire issued share capital of a property holding company, HK Gateway Plaza Company Limited (“HK SPV”). As a

2 Basis of Preparation (Continued)

result, BVI Gateway and its subsidiaries (“the Disposal Group”) were deconsolidated from the Trust as at 12 April 2010, and the revenue and related expenses of the Disposal Group for the period from 1 January 2010 to 12 April 2010 were included in the Trust’s interim financial report for the period ended 30 June 2010.

Subsequent to the Disposal, RREEF CCT had no real estate assets to fulfill the criteria for operating as a REIT and accordingly RREEF CCT was to be terminated, delisted from trading on the SEHK and liquidated in accordance with the REIT Code. The Original Estimated Timetable for the Proposed Liquidation, the Proposed Delisting and the Proposed Deauthorisation of RREEF CCT as disclosed in the interim financial report for the period ended 30 June 2010 and 2010 annual financial statements has been delayed following (1) a notice published by the Trustee pursuant to section 29 of the Trustee Ordinance, and (2) the court application by the Trustee (the “Court Application”).

Under the Court Application, the Trustee sought the court’s direction including whether it may proceed with a distribution of the entirety of the net assets of RREEF CCT without retention (subject to deduction of relevant costs) to meet any possible claim which might otherwise be made by the Vendor (see note 10). On 31 May 2011, the Court Application was heard at the High Court of the Hong Kong Special Administrative Region (the “High Court”). Judgment was issued on 30 June 2011 (the “Judgment”). In the Judgment, the High Court granted the Trustee the declaration sought to proceed with a distribution of the entirety of the net assets of RREEF CCT without any retention to meet any possible claim by Mr Tin Lik.

On 13 July 2011, Mr Tin Lik lodged an appeal against the Judgment at the High Court (the “Appeal”) on certain procedural grounds, including but not limited to the alleged fact that he did not receive proper notice of the court hearing for the Court Application held on 31 May 2011 and that the High Court judge refused to postpone the handing down of the Judgment to hear an inter-parties summons filed by Mr Tin Lik on 29 June 2011. The Manager and the Trustee, on the basis of legal advice, consider that the Appeal is without merit and will be contesting it and seeking its dismissal as quickly as possible.

On 22 July 2011, the representatives of the Manager, the Trustee and Mr Tin Lik attended an appointment before the listing officer of Civil Appeal, and pursuant to the Court’s directions dated 29 July 2011 the Appeal is set down for hearing at the Court of Appeal of the Hong Kong Special Administrative Region on 23 November 2011.

On 5 July 2011, Mr Tin Lik issued a writ of summons in the High Court as plaintiff against Deutsche Bank (“DB”) as first defendant, the Manager as second defendant and the Trustee as third defendant.

Pursuant to the Writ, Mr Tin Lik makes certain claims (the “Claims”), including amongst others:

1. against DB, the Manager and Trustee, jointly and severally, challenging the amount under the set-off (note 10) and claiming, amongst other things, an entitlement to the Initial Retention Amount under the sale and purchase agreement dated 4 June 2007 and an amount of HK\$289,426,166 which Mr Tin Lik claims to be refundable by the Trustee and/or the Manager; and

2. against DB and the Manager, jointly and severally for damages on certain matters as announced by the Manager on 7 July 2011.

The opinion of the Board and the Trustee, on the basis of legal advice, is that the Claims are wholly without merit and will be vigorously defended by DB, the Manager and the Trustee.

RREEF CCT is no longer considered by the Manager to be a going concern. Accordingly, assets are valued at their estimated realisable amounts and liabilities are stated at their estimated settlement amounts, and provision for termination and liquidation costs has been made as at 30 June 2011.

3 Turnover

The principal activity of RREET CCT was property investment in the PRC until the Disposal, it does not carry out any operation since then.

Turnover represented property rental income and car park rental income excluding business tax.

	Six months ended 30 June	
	2011	2010
	<i>\$'000</i>	<i>\$'000</i>
Property rental income	—	51,578
Car park rental income	<u>—</u>	<u>1,581</u>
	<u>—</u>	<u>53,159</u>

4 Property operating expenses

	Six months ended 30 June	
	2011	2010
	<i>\$'000</i>	<i>\$'000</i>
Real estate tax	—	5,038
Provision for doubtful debts	—	226
Commission refunded from leasing agents	—	(152)
Property Management fee	—	152
Land use tax	—	136
Others	<u>—</u>	<u>842</u>
	<u>—</u>	<u>6,242</u>

5 (Loss)/profit before taxation and transactions with Unitholders

(Loss)/profit before taxation and transactions with Unitholders is arrived at after charging/(crediting):

	Six months ended 30 June	
	2011	2010
	<i>\$'000</i>	<i>\$'000</i>
(a) Finance costs:		
Interest on bank borrowings	—	5,153
Other borrowing costs (note (i))	<u>—</u>	<u>13,895</u>
	<u>—</u>	<u>19,048</u>
(b) Other items:		
Manager's fees	426	6,448
Other legal and professional fees (note (ii))	16,200	2,089
Trustee's fees	303	650
Auditor's remuneration	300	460
Bank charges	—	17
Rental receivable from investment property less direct outgoings of Nil (2010: \$6,242,000)	<u>—</u>	<u>(46,917)</u>

(i) Included in other borrowing costs for the six months ended 30 June 2010 was an unamortised balance of up-front fee of \$10,395,000 realised upon repayment of bank loan during the period ended 30 June 2010.

(ii) Included in other legal and professional fees for the six months ended 30 June 2011 was a legal cost provision of \$16,200,000 in relation to the Appeal and the Claims.

RREEF CCT did not appoint any director and did not enter into any employment contracts with counterparties during the current and prior periods.

6 Income tax

	Six months ended 30 June	
	2011 \$'000	2010 \$'000
Current tax		
PRC withholding tax (note (ii))	—	5,602
PRC corporate income tax (note (iii))	<u>—</u>	<u>3</u>
	<u>—</u>	<u>5,605</u>

- (i) No provision for Hong Kong Profits Tax has been made as RREEF CCT did not earn any income assessable to Hong Kong Profits Tax during the period.
- (ii) The PRC withholding tax is calculated at 10% of the gross rental income, on a deemed profit basis.
- (iii) The PRC corporate income tax is calculated at 25% of the profit before taxation of the relevant entity.

7 (Loss)/earnings per unit before transactions with Unitholders

The loss per unit before transactions with Unitholders for the six months ended 30 June 2011 amounted to \$0.038 (for the six months ended 30 June 2010, the basic earnings per unit was \$0.174). The calculation of the basic (loss)/earnings per unit before transactions with Unitholders is based on RREEF CCT's loss for the period before transactions with Unitholders of \$17,422,000 (for the six months ended 30 June 2010, the profit was \$80,615,000) and the weighted average number of 464,161,000 units in issue during the period (this was 464,161,000 units for the six months ended 30 June 2010).

Diluted (loss)/earnings per unit is not presented as there is no potential dilution of (loss)/earnings per unit for the current and prior periods.

8 Segment reporting

RREEF CCT manages its business by divisions. Up to the Disposal, RREEF CCT's operations were primarily located and carried out in the PRC and the principal activity was property investment.

In accordance with HKFRS 8, *Operating segments*, segment information disclosed in the interim financial statements has been prepared in a manner consistent with the information used by RREEF CCT's senior executive management for the purpose of assessing segment performance and allocating resources between segments. In this regard, RREEF CCT's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

(a) Segment revenue and results

Revenue and expenses are allocated to the reportable segments with reference to income generated and expenses incurred by those segments.

The measure used for reporting segment performance is the profit or loss for the period of the respective segment.

In addition to receiving segment information concerning segment results, management is provided with segment information managed directly by the segments on revenue, interest income and expense on cash balances and borrowings, net exchange difference, results from disposal of subsidiaries, and income tax expense.

	Property investment in the PRC		Head office		Total	
	Six months ended		Six months ended		Six months ended	
	30 June		30 June		30 June	
	2011	2010	2011	2010	2011	2010
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Segment revenue	<u>—</u>	<u>53,159</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>53,159</u>
Segment results	—	46,917	(17,658)	(12,943)	(17,658)	33,974
Interest income from bank deposits	—	735	236	195	236	930
Finance costs	—	(19,048)	—	—	—	(19,048)
Net exchange gains	<u>—</u>	<u>672</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>672</u>
	—	29,276	(17,422)	(12,748)	(17,422)	16,528
Loss on disposal of subsidiaries	—	—	—	(123,747)	—	(123,747)
Exchange differences realised upon disposal of subsidiaries	<u>—</u>	<u>—</u>	<u>—</u>	<u>193,439</u>	<u>—</u>	<u>193,439</u>
(Loss)/profit before taxation and transactions with Unitholders	—	29,276	(17,422)	56,944	(17,422)	86,220
Income tax	<u>—</u>	<u>(5,605)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,605)</u>
(Loss)/profit for the period, before transactions with Unitholders	<u>—</u>	<u>23,671</u>	<u>(17,422)</u>	<u>56,944</u>	<u>(17,422)</u>	<u>80,615</u>

(b) Segment assets and liabilities

Segment assets included other receivables and cash and cash equivalents. Segment liabilities managed directly by the segments included other payables and accruals.

	Property investment in the PRC		Head office		Total	
	30 June 2011 \$'000	31 December 2010 \$'000	30 June 2011 \$'000	31 December 2010 \$'000	30 June 2011 \$'000	31 December 2010 \$'000
Segment assets	<u>—</u>	<u>—</u>	<u>211,199</u>	<u>215,558</u>	<u>211,199</u>	<u>215,558</u>
Segment liabilities	<u>—</u>	<u>—</u>	<u>39,405</u>	<u>26,342</u>	<u>39,405</u>	<u>26,342</u>
Net assets attributable to Unitholders					<u>171,794</u>	<u>189,216</u>

During the current and prior periods, there were no inter-segment revenue, profit or loss, assets and liabilities.

9 Other payables and accruals

	30 June 2011 \$'000	31 December 2010 \$'000
Termination and liquidation costs (note (i))	3,711	3,618
Other legal costs provision (note (ii))	23,000	8,000
Other payables and accruals (note (iii))	1,368	2,771
Manager's fees payable	<u>426</u>	<u>1,053</u>
	<u>28,505</u>	<u>15,442</u>

(i) The amount represents the estimated termination and liquidation expenses of RREEF CCT. The final liability could vary from the amount provided, and is dependent on the progress of the Appeal and the Claims (note 11 (ii)).

(ii) Other legal costs provision represents estimated legal costs in relation to the Appeal and the Claims. The final liability could vary from the amount provided and is dependent on the progress of the Appeal and the Claims (note 11 (ii)).

(iii) Other payables and accrued charges are due within one month or on demand, and are expected to be settled within one year. Included in the other payables and accruals is an amount due to the Trustee of \$Nil (31 December 2010: \$101,000).

10 Amount due to the Vendor

	30 June 2011	31 December 2010
	<i>\$'000</i>	<i>\$'000</i>
Retention of proceeds on acquisition	156,000	156,000
Balance of initial unpaid consideration	114,955	114,955
Retention of the Vendor's unit distribution	16,542	16,542
Amounts set off	<u>(276,597)</u>	<u>(276,597)</u>
	<u>10,900</u>	<u>10,900</u>

In the six months ended 30 June 2011, the Manager, on the basis of legal advice, has maintained its rights of set-off against the amount due to the Vendor to compensate the Trust's losses and/or additional expenses incurred.

This balance of \$10,900,000 as at 30 June 2011 represents the Manager's present and provisional calculation of the amount payable to the Vendor. This is a non-binding indication which remains subject to subsequent developments (see notes 2 and 11(i)).

The Manager has notified the Vendor in advance of the set-offs being exercised. The Vendor has stated that he disputes the set-offs and sought to challenge the amount of the set-offs under his Appeal and the Claims. Based on the legal advice received, the Manager remains of the view that those set-offs are appropriate and legitimate.

11 Accounting Estimates

The key sources of estimation in applying the accounting policies are described below.

(i) Amount due to the Vendor

The amount due to the Vendor is the net amount owing to the Vendor. This amount may be subject to future revisions by the Manager, based on legal advice.

(ii) Termination and liquidation costs

The final termination and liquidation costs are dependent on the progress of the Appeal and the Claims. Accordingly, additional administrative costs may be incurred and charged to "administrative expenses" in the income statement.

(iii) Other legal costs provision

The final liability could vary from the amount provided and is dependent on the progress of the Appeal and the Claims. Accordingly, additional legal costs may be incurred and charged to "administrative expenses" in the income statement.

Independent auditor’s review report

The auditors of RREEF CCT included a section of “Emphasis of Matter” in their independent auditor’s review report, the details of which are set out as follows:

Without qualifying their conclusion, the independent auditor’s review report on the Trust’s interim financial report for the period ended 30 June 2011 contains an emphasis of matter relating to the fact that the Trust is in the process of termination and liquidation which is subject to resolution of ongoing court actions, details of which are in note 2 which sets out the basis of preparation of the interim financial statements.

Public Float

Based on publicly available information and to the best knowledge of the Manager, more than 25 per cent of the issued units of RREEF CCT were held in public hands as at 30 June 2011.

Units In Issue

The Manager confirms that there was no repurchase, sale or redemption of RREEF CCT units and that no new units were issued during the Reporting Period. The total number of units outstanding as at the date of this announcement is 464,161,000.

Employees

RREEF CCT is externally managed by the Manager and consequently does not employ any staff.

Corporate Governance

During the Reporting Period, RREEF CCT and the Manager had fully complied with the corporate governance policies laid down in the compliance manual. To the extent applicable, RREEF CCT and the Manager had also complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules on SEHK.

Review of Interim Results

The interim results for the Reporting Period have been reviewed by the Audit, Risk and Compliance Committee and the Disclosures Committee of the Manager in accordance with their respective terms of references. The financial information included in this announcement has also been agreed by the auditors of RREEF CCT.

Issuance of Interim Report

The interim report of RREEF CCT for the Reporting Period will be sent to Unitholders on or before Wednesday, 31 August 2011.

Forward-looking Statements

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

By order of the Board
RREEF China REIT Management Limited
As manager of RREEF China Commercial Trust
Kurt William Roeloffs, Junior
Chairman of the Manager

Hong Kong, 12 August 2011

The directors of the Manager as at the date of this announcement are Mr. Kurt William Roeloffs, Junior as Chairman and Non-executive Director; Mr. Paul Thomas Keogh and Mr. So Tak Young as Executive Directors; Mr. Niel Thassim as Non-executive Director; and Mr. Jack Richard Rodman, Mr. Mark Henry Ford and Dr. Meng Xiaosu as Independent Non-executive Directors.