RREEF China Commercial Trust
睿富中國商業房地產投資信托基金

(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: 0625)

Managed by
RREEF China REIT Management Limited

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR FROM 1 JANUARY 2009 TO 31 DECEMBER 2009

2009 FINAL 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 audited final results of RREEF CCT for the year ended 31 December 2009 (the "**Reporting Period**") as follows.

Key Performance Highlights

- Total distribution was HK$ 136.0 million, representing a distribution per unit of HK$ 0.2930[1].
- The average passing rent[2] increased by 4.3 per cent to RMB 201.0 per sq m per month.
- Phase 1 of the retail asset enhancement plan was completed during the Reporting Period and five food and beverage tenants were secured for RREEF CCT's asset, Gateway Plaza (the "**Property**").
- The Trust maintained a strong cash balance of HK$ 462.9 million and a prudent gearing ratio of 35.0[3] per cent.

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1 Based on 464,161,000 units in issue as at 31 December 2009.

2 Average passing rent denotes the monthly rent of the Property at a specific point of time, excluding management fee and other miscellaneous income.

3 Based on total borrowings of HK$ 1,400.0 million as a percentage of total assets.

RREEF CCT faced the following challenges during the Reporting Period.

- The Trust made a loss after taxation of HK$ 5.9 million for the Reporting Period, resulting predominantly from a decline of HK$ 116.6 million in the valuation of the investment property. By excluding the effect of the valuation decline as well as the reversal of deferred tax of HK$ 11.7 million, the adjusted profit after taxation totalled HK$ 99.0 million.
- The fair value of the investment property declined 3.0 per cent from RMB 3,197.0 million as at 31 December 2008 to RMB 3,100.0 million as at 31 December 2009.
- The average spot rent decreased from RMB 287.4 [4] per sq m per month for the period from 1 July 2008 to 31 December 2008 to RMB 208.1 [5] per sq m per month for the period from 1 July 2009 to 31 December 2009.
- An occupancy rate of 76.5 per cent was achieved for the Property - a level marginally below Beijing's average occupancy rate of 77.1[6] per cent for Grade A office buildings as at 31 December 2009.

THE MANAGER'S REPORT

Strategic Review

In the announcements dated 3 September 2009 and 30 November 2009, the Manager communicated that given the change in the economic and business environment, it was appropriate and in the interests of the unitholders of RREEF CCT (the "**Unitholders**") for the Trust to conduct a strategic review (the "**Strategic Review**") for the purposes of analysing and considering strategic investment options for the future strategic direction of RREEF CCT. Such options potentially included investments, acquisitions, divestitures, financial restructurings, public or private financings (including the offering of securities), mergers or other business combination transactions, sale transactions involving all or a portion of RREEF CCT, joint ventures or other operations involving or available to RREEF CCT. Accordingly, the Manager engaged Goldman Sachs (Asia) L.L.C. to assist in the Strategic Review and provide any relevant strategic advice.

Based on the recommendations arising from the Strategic Review, the Board decided to undertake an open tender process (the "**Sale Process**") to explore opportunities for the sale of the Property. The Sale Process was conducted in compliance with the Code on Real Estate Investment Trusts (the "**REIT Code**"), the deed of trust constituting RREEF CCT (the "**Trust Deed**") and all other applicable laws and regulations.

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4 Average spot rent denotes the monthly rent of the Property, excluding management fee and leases which had contractual renewal rights with a pre-determined rental review mechanism, transacted from 1 July 2008 to 31 December 2008.

5 Average spot rent transacted from 1 July 2009 to 31 December 2009.

6 According to data from Knight Frank, Fourth Quarter 2009

As announced on 11 February 2010, the Sale Process resulted in HSBC Institutional Trust Services (Asia) Limited, in its capacity as trustee of RREEF CCT (the "**Trustee**") and the Manager on behalf of RREEF CCT, entering into a conditional sale and purchase agreement on 3 February 2010 for the disposal of Beijing Gateway Plaza (BVI) Limited (as the ultimate holding company of the Property) to Mapletree India China Fund Ltd. (the "**Proposed Disposal**"). Further details on the rationale for the Proposed Disposal, which remains subject to the approval of the Unitholders, are contained in the announcement dated 11 February 2010 (the "**Disposal Announcement**"), the clarification announcement dated 11 February 2010 (the "**Clarification Announcement**") and the circular to be issued to Unitholders (the "**Circular**") on or before 4 March 2010 (or later if an extension is granted by the Securities and Futures Commission) in relation to the Proposed Disposal, amongst other things.

If the Proposed Disposal is approved by Unitholders and proceeds to completion, the Board is of the view that RREEF CCT would have no remaining operating real estate assets to fulfil the criteria for operating as a real estate investment trust in accordance with the REIT Code and therefore, RREEF CCT should be terminated in accordance with the REIT Code and the units should consequentially be delisted from trading on The Stock Exchange of Hong Kong Limited. The Proposed Disposal, the proposed termination of RREEF CCT and the proposed delisting of the RREEF CCT units are subject to the Unitholders' approval by way of a combined resolution at the extraordinary general meeting. Further details of these proposals and the extraordinary general meeting are contained in the Disposal Announcement, the Clarification Announcement and will be included in the Circular to be issued.

Financial Performance

In the second half of 2009, further deterioration of general business conditions and a supply-demand imbalance in Beijing's office market continued to underscore the challenging environment in which RREEF CCT operated during the Reporting Period.

The net property income of HK$ 179.8 million for the Reporting Period represented a decrease of 11.0 per cent over the year ended 31 December 2008.

Due predominantly to a HK$ 116.6 million decrease in fair value of the investment property to HK$ 3,520.7 million as at 31 December 2009, the Trust recorded a loss after taxation of HK$ 5.9 million for the Reporting Period. By excluding the effect of the decline in the valuation of the investment property as well as the reversal of deferred tax of HK$ 11.7 million, the adjusted profit after taxation amounted to HK$ 99.0 million for the full year ended 2009. The lower valuation of the Property, together with the distributions made during the Reporting Period, have contributed to a decrease in the net asset value attributable to Unitholders per unit from HK$ 5.27[7] as at 31 December 2008 to HK$4.92[7] as at 31 December 2009. In view of the challenging market conditions, the results are in line with the Manager's expectations.

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7 Based on 464,161,000 units in issue as at 31 December 2008 and 31 December 2009 respectively.

For the Reporting Period, the Trust is making a total distribution of HK$ 136.0 million, or a distribution per unit of HK$ 0.2930. This is lower than the total distribution of HK$ 169.2 million made for the corresponding year ended 31 December 2008, reflecting the challenging operating conditions affecting RREEF CCT. Despite the difficult operating environment, the Trust's final distribution of HK$ 68.0 million for the period from 1 July 2009 to 31 December 2009, comprised 100.0 per cent of its distributable income of HK$ 41.5 million and an additional distribution of HK$ 26.5 million.

The Manager continued to exercise prudence in financial management by preserving healthy levels of cash balances held by RREEF CCT. Consequently, the Manager was able to continue to distribute surplus funds to Unitholders while meeting future requirements for working capital.

Judicious Financial Management

RREEF CCT continued to maintain a strong and stable balance sheet during the Reporting Period, characterised by long-term borrowings, low leverage and strong levels of cash resources. The Manager has exercised judicious treasury management to ensure that the Trust has access to sufficient liquidity at an optimised cost of capital.

As at 31 December 2009, RREEF CCT maintained a prudent gearing ratio of 35.0 per cent. This gearing ratio remained well within the limits stipulated by the Trust's loan covenants and the REIT Code.

As at the end of the Reporting Period, the Trust also retained HK$ 462.9 million in cash and bank balances. The Manager's financial strategy is to maintain an optimal level of cash to provide healthy headroom in meeting loan-to-value and REIT Code covenants.

Increasing Income Potential through Retail Enhancement

The Manager completed the retail renovation on Level 3 of the Property under Phase 1 works of the retail asset enhancement plan in July 2009. As at 31 December 2009, 35.2 per cent of the available retail units were leased, some of which have commenced retail operations during the fourth quarter of 2009. The remaining 64.8 per cent of the retail space was leased to a Chinese restaurant operator in January 2010 and consequently, all the retail units are fully leased as at the date of this announcement.

In addition to enhancing the range of amenities and services available to the tenants of the Property, the retail asset enhancement plan will also generate further rental income for the Trust and support tenant retention.

Summary of Real Estate Sales and Purchases

No acquisition or disposal was made during the Reporting Period. On 3 February 2010, an agreement was entered into between RREEF CCT and Mapletree India China Fund Ltd. for the disposal of Beijing Gateway Plaza (BVI) Limited (as the ultimate holding company of the Property). Further details are set out in the "Strategic Review" section of this announcement.

FINANCIAL OVERVIEW

Key Financial Results

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

	Year ended 31 December 2009	Year ended 31 December 2008
Turnover	210,833	225,124
Property operating expenses	(31,020)	(23,156)
Net property income	179,813	201,968
Decrease in fair value of investment property	(116,576)	(430,530)
Other revenue	5,634	14,091
Net exchange gains	1,362	117,346
Administrative expenses[1]	(35,986)	(32,824)
Loss for the year, before transactions with Unitholders	(5,948)	(173,584)
Financial Ratios		
Loss per unit — basic and diluted	(HK$ 0.01)[2]	(HK$ 0.37)[3]
Debt service coverage ratio as at 31 December[4]	6.07	3.55

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

	Year ended 31 December 2009	Year ended 31 December 2008
Distribution	136,000[5]	169,205[6]
Final distribution per unit	HK$0.1465[7]	HK$0.1774[7]
Interim distribution per unit	HK$0.1465[8]	HK$0.1871[8]
Total distribution per unit	HK$0.2930[7]	HK$0.3645[7]
Closing unit price as at 31 December	HK$3.24	HK$2.64
Total distribution yield per unit as at 31 December	9.0%	13.8%

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

	As at 31 December 2009	As at 31 December 2008
Investment property (31 December 2009: RMB 3,100 million; 31 December 2008: RMB 3,197 million)	3,520,670	3,631,153
Net Asset Value (in HK$'000, unless otherwise indicated)		
Net asset value attributable to Unitholders	2,284,940	2,445,172
Net asset value per unit	HK$4.92[7]	HK$5.27[7]
Financial Ratios		
Gearing ratio as at 31 December[9]	35.0%	33.5%

Notes

1 Administrative expenses include the Manager's fee, the Trustee's fee, the auditor's remuneration, legal and other professional fees.

2 Based on weighted average number of 464,161,000 units in issue during the Reporting Period.

3 Based on weighted average number of 473,786,858 units in issue from 1 January to 31 December 2008.

4 Debt service coverage ratio denotes the ratio of net cash flow to finance cost after deducting upfront fees amortised during the Reporting Period.

5 The 2009 distribution of HK$136.0 million comprised of a net distributable income of HK$101.8 million and an additional distribution of HK$34.2 million from cash resources. Further details are available in the Distribution Statement of this announcement.

6 The 2008 distribution of HK$ 169.2 million comprised of a net distributable income of HK$100.7 million and an additional distribution of HK$68.5 million from cash resources. Further details are available in the Distribution Statement of this announcement.

7 Based on 464,161,000 units in issue as at 31 December 2009 and 31 December 2008 respectively.

8 Based on 464,161,000 units in issue as at 30 June 2009 and 11 November 2008 respectively.

9 Based on total borrowings of HK$1,400.0 million as a percentage of total assets.

Turnover

The Trust recorded a turnover of HK$ 210.8 million in the Reporting Period, comprising HK$ 206.0 million in property rental income, HK$ 4.5 million in car park rental income and HK$ 0.3 million in advertising rental income. Comparing against the turnover of HK$ 225.1 million for the full year ended 2008, the turnover for the Reporting Period has declined by 6.3 per cent, reflecting the impact of the challenging business conditions in the Beijing office market.

Property Operating Expenses

The property operating expenses increased 34.0 per cent for the year ended 31 December 2009, due predominantly to an increase in leasing commissions from the higher number of leasing transactions in 2009 and higher leasing commission incentives paid to third party leasing agents. In addition, other expenses such as repairs and maintenance, impairment loss on rental receivables and marketing expenses were incurred during the Reporting Period.

Net Property Income

Net property income for the Reporting Period was HK$ 179.8 million, representing 85.3 per cent of turnover. This was a decline of 11.0 per cent compared to the net property income of HK$ 202.0 million for the full year ended 2008.

Administrative Expenses

Administrative expenses for the Reporting Period totalled HK$ 36.0 million and included the Manager's fees, Trustee's fees, auditor's remuneration, legal and other professional fees. During the Reporting Period, these administrative expenses increased by 9.6 per cent due predominantly to higher legal and professional fees associated with a higher volume of leasing transactions.

Finance Costs

Supported by the low interest rate environment in Hong Kong, RREEF CCT significantly reduced its borrowing costs during the Reporting Period. Finance costs for the Reporting Period amounted to HK$ 29.6 million (including amortization of an upfront fee of HK$ 4.2 million), compared to HK$ 63.0 million for the full year ended 2008.

Loss For the Year

RREEF CCT reported a loss after taxation of HK$ 5.9 million for the Reporting Period, compared to a loss after taxation of HK$ 173.6 million for the full year ended 2008.

Property Valuation

In a valuation performed by the principal valuer Colliers International (Hong Kong) Limited dated 31 December 2009, the Property was valued at HK$ 3,520.7 million (RMB 3,100 million), implying a 3.0 per cent decrease from the previous valuation of HK$ 3,631.2 million (RMB 3,197 million) as at 31 December 2008.

Net Assets Attributable to Unitholders

The lower valuation of the investment property together with the distributions made during the Reporting Period, has contributed to a decrease in the net assets attributable to Unitholders to HK$ 2,284.9 million or HK$ 4.92 per unit as at 31 December 2009. This represented a decrease of 6.6 per cent from 31 December 2008.

Distribution

The Trust is declaring a final distribution[8] of HK$ 68.0 million, representing a distribution per unit of HK$ 0.1465 which is expected to be paid on or around Friday, 9 April 2010, to Unitholders whose names appear on the register of Unitholders on Wednesday, 17 March 2010.

Consequently, the total distribution declared for 2009 is HK$ 136.0 million, equivalent to a distribution per unit of HK$ 0.2930. This represents a decrease of 19.6 per cent in the distribution per unit compared with the total distribution per unit of HK$0.3645 for the full year ended 2008. The distribution comprised a combination of the total distributable income being HK$ 101.8 million for the year and the additional distribution of HK$ 34.2 million made available from cash resources. Further details are available in the Distribution Statement of this announcement.

Capital Structure

RREEF CCT has a conservative capital structure, comprising equity and long-term borrowings. As at 31 December 2009, a total of 464,161,000 units were in issue.

The Trust has in place a loan facility of HK$ 1,400.0 million which was drawn on 22 June 2007 (the "**Listing Date**"). The loan has a term of five years from the Listing Date and the interest rate is Hong Kong Interbank Offer Rates ("**HIBOR**") plus 1.2 per cent per annum.

8 For the period from 1 July 2009 to 31 December 2009.

Financial Ratios

The gearing ratio of RREEF CCT as at 31 December 2009, defined as total borrowings as a percentage of gross assets, was 35.0 per cent (33.5 per cent as at 31 December 2008).

The Trust also remains in a good position to service its borrowing commitments. As at 31 December 2009, its debt service coverage ratio was 6.07 times (3.55 times as at 31 December 2008).

Both the Trust's gearing and debt service coverage ratios as at 31 December 2009 were within the limits stipulated in the loan facility agreement.

Liquidity

As at 31 December 2009, the cash and bank balances held by RREEF CCT totalled HK$ 462.9 million. The current cash position provides sufficient financial resources for the Trust to satisfy its working capital needs, as well as distribution payments and committed capital requirements.

OPERATIONS OVERVIEW

Unless otherwise indicated, all currency values contained in the Operations Overview are stated in Renminbi.

Property Portfolio as at 31 December 2009	
Average passing rent	RMB 201.0 per sq m per month
Average spot rent[1]	RMB 208.1 per sq m per month
Occupancy rate	76.5%
Valuation[2]	RMB 3,100.0 million (HK$3,520.7 million)

Notes

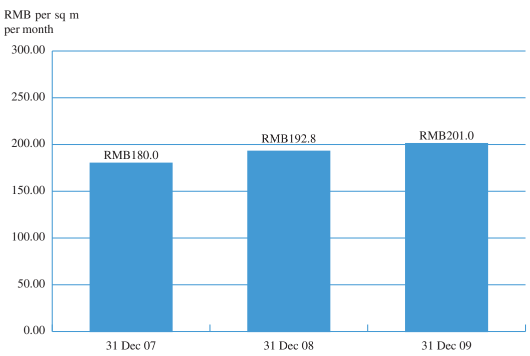
1 For the period from 1 July 2009 to 31 December 2009.

2 Valuation of the Property as at 31 December 2009 based on the valuation report dated 29 January 2010 as issued by Colliers International (Hong Kong) Limited.

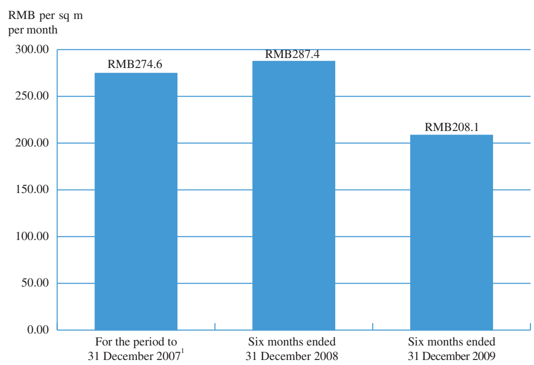
Rent Improvements

The average passing rent increased by 4.3 per cent during the Reporting Period from RMB 192.8 per sq m per month as at 31 December 2008 to RMB 201.0 per sq m per month as at 31 December 2009. Meanwhile, the average spot rent decreased from RMB 287.4 per sq m per month for the period from 1 July 2008 to 31 December 2008 to RMB 208.1 per sq m per month for the period from 1 July 2009 to 31 December 2009.

Average Passing Rent



Average Spot Rent



Note

1 For the period from 22 June 2007 to 31 December 2007

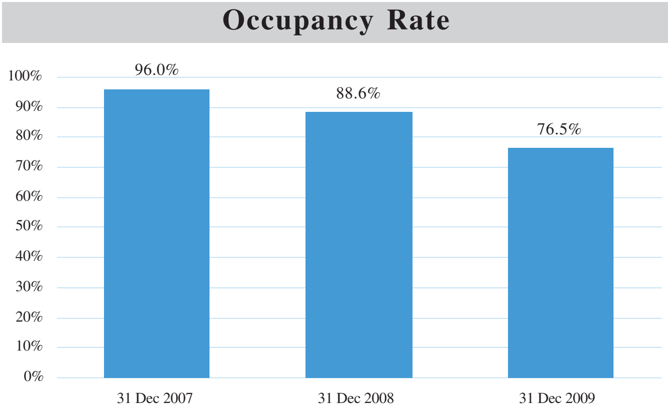
Leasing Activity

In 2009, 31.6 per cent of the Property's leases by lettable area were due to expire. By the end of the Reporting Period, in terms of total lettable area, approximately 51.3 per cent of all tenancies expiring in 2009 renewed their leases, while 48.7 per cent of these tenancies elected not to renew their leases.

During the Reporting Period, some 4,437.9 sq m of new leases and 5,060.3 sq m of expansion leases by existing tenants were completed. Collectively, these new and expansion leases represented 8.7 per cent of the total lettable area.

Occupancy Rate

The Property's occupancy rate declined from 88.6 per cent as at 31 December 2008 to 76.5 per cent as at 31 December 2009. This reduction is a result of a relative over-supply of office space in Beijing as well as challenging business conditions.



THE OUTLOOK

China achieved strong economic growth of 8.7 per cent in 2009 due to the implementation of substantial fiscal and monetary stimulus packages. As the capital of China, Beijing's Gross Domestic Product ("**GDP**") rose by 10.1 per cent in 2009 resulting in a GDP per capita of more than USD 10,000.

The capital values of Grade A offices declined from the third quarter of 2008 up to the first quarter of 2009. The downward trajectory slowed in the second quarter of 2009 when massive liquidity was injected into the Chinese economy and the real estate sector through the Chinese financial institutions. Since the second quarter of 2009, capital values for Grade A offices have recovered and rose three per cent for the full year of 2009, leading to a capitalisation rate compression of 70.0 basis points between 31 December 2008 and 31 December 2009.

Towards the fourth quarter of 2009, the economic recovery resulted in a higher volume of leasing transactions for Beijing offices with the demand generated largely by local Chinese companies. The supply of Grade A office space however, continues to increase, with a net supply of 0.9 million sq m[9] completed in 2009. Consequently, the overall Grade A office occupancy rate deteriorated further from 82.1 per cent as at 31 December 2008 to 77.1[9] per cent as at 31 December 2009.

After an average ten per cent correction in the first nine months of 2009, the decline in the average office market rents appeared to have stabilised in the fourth quarter of 2009 due to the higher volume of leasing transactions. Tenants, however, continue to be price-sensitive although the market sentiment and leasing activities have improved.

With a projected supply pipeline of 1.05 million[9] sq m of Grade A office space coming on stream in 2010, occupancy rate and average market rents are projected to remain flat in 2010.

The Manager expects the Property to continue operating in a challenging environment in 2010.

9 According to data from Knight Frank, Fourth Quarter 2009.

FINANCIAL STATEMENTS

Consolidated Income Statement

For the year ended 31 December 2009
(Expressed in Hong Kong dollar unless otherwise indicated)

	Note	2009 $'000	2008 $'000
Turnover	4 & 5	210,833	225,124
Property operating expenses	6	(31,020)	(23,156)
Net property income	7(b)	179,813	201,968
Other revenue		5,634	14,091
Net exchange gains		1,362	117,346
Administrative expenses		(35,986)	(32,824)
Finance costs	7(a)	(29,644)	(62,991)
		121,179	237,590
Decrease in fair value of investment property		(116,576)	(430,530)
Profit/(loss) before taxation and transactions with Unitholders	7	4,603	(192,940)
Income tax	8	(10,551)	19,356
Loss for the year, before transactions with Unitholders		(5,948)	(173,584)
Loss per unit — basic and diluted	9	$(0.01)	$(0.37)

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

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2009
(Expressed in Hong Kong dollar unless otherwise indicated)

	2009 *$'000*	2008 *$'000*
Loss for the year, before transactions with Unitholders	(5,948)	(173,584)
Other comprehensive (loss)/income for the year		
Exchange differences on retranslation of financial statements of subsidiaries	(3,943)	120,927
Total comprehensive loss for the year	(9,891)	(52,657)

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

Consolidated Balance Sheet
As at 31 December 2009
(Expressed in Hong Kong dollar unless otherwise indicated)

	Note	2009 $'000	2008 $'000
Non-current assets			
Investment property	10	3,520,670	3,631,153
Current assets			
Trade and other receivables	11	17,620	14,202
Cash and cash equivalents		462,887	531,639
		480,507	545,841
Total assets		4,001,177	4,176,994
Current liabilities			
Rent receipts in advance		9,140	15,323
Other payables and accruals	12	70,147	66,887
Tenants' deposits	13	49,724	51,861
Current taxation		33,085	32,646
Amount due to the Vendor	14	23,803	27,286
		185,899	194,003
Net current assets		294,608	351,838
Total assets less current liabilities		3,815,278	3,982,991
Non-current liabilities, excluding net assets attributable to Unitholders			
Bank borrowings, secured		1,389,605	1,385,405
Deferred tax liabilities		140,733	152,414
		1,530,338	1,537,819
Total liabilities, excluding net assets attributable to Unitholders		1,716,237	1,731,822
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		2,284,940	2,445,172
Number of units in issue		464,161,000	464,161,000
Net asset value attributable to Unitholders per unit		$4.92	$5.27

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

Consolidated Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 31 December 2009
(Expressed in Hong Kong dollar unless otherwise indicated)

	2009	**2008**
	$'000	*$'000*
Balance as at 1 January	2,445,172	2,750,734
Total comprehensive loss for the year	(9,891)	(52,657)
Distributions paid to Unitholders	(150,341)	(173,728)
Repurchase and cancellation of units and related costs	—	(79,177)
Balance as at 31 December	2,284,940	2,445,172

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

Distribution Statement
For the year ended 31 December 2009
(Expressed in Hong Kong dollar unless otherwise indicated)

	2009	**2008**
	$'000	*$'000*
Loss for the year, before transactions with Unitholders	(5,948)	(173,584)
Adjustments:		
Decrease in fair value of investment property	116,576	430,530
Deferred tax	(11,658)	(43,053)
Non-cash finance costs	4,200	4,200
Non-cash net exchange gains	(1,362)	(117,346)
	107,756	274,331
Distributable income for the year	101,808	100,747
Total distributions:		
Interim distribution, paid		
- distributable income	60,290	53,020
- additional distribution (note (ii))	7,710	33,844
	68,000	86,864
Final distribution, to be paid to Unitholders		
- distributable income	41,518	47,727
- additional distribution (note (ii))	26,482	34,614
	68,000	82,341
Total distributions	136,000	169,205
Distribution per unit:		
- Interim distribution per unit, paid (note (iii))	$0.1465	$0.1871
- Final distribution per unit, to be paid to Unitholders (note (iv))	$0.1465	$0.1774
Total distribution per unit	$0.2930	$0.3645

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.

(ii) Additional distribution amounts totaling $34,192,000 ($0.0736 per unit) were applied from the available cash resources of RREEF CCT to give a total distribution of $136,000,000 ($0.2930 per unit) for the financial year ended 31 December 2009.

(iii) Subsequent to the 2008 Interim Results announcement of RREEF CCT dated 13 August 2008, a total of 2,030,000 units were repurchased and cancelled by RREEF CCT. The 2008 interim distribution paid on 26 November 2008 was $0.1871 per unit, based on 464,161,000 units in issue as at 11 November 2008, being the book closure date for 2008 interim distribution.

(iv) The 2009 final distribution of RREEF CCT is expected to be paid on or around Friday, 9 April 2010 to Unitholders whose names appear on the register of Unitholders on Wednesday, 17 March 2010.

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

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollar 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. Units of RREEF CCT were listed on The Stock Exchange of Hong Kong Limited (the "SEHK") on 22 June 2007.

The principal activity of RREEF CCT and its subsidiaries (collectively referred to as the "Group") is property investment in the People's Republic of China ("PRC"). The Manager's registered office is located at 48/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

2 Changes in accounting policies

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group. Of those, the following are relevant to the Group's financial statements:

- HKAS 1 (revised 2007), Presentation of financial statements
- HKAS 23 (revised 2007), Borrowing costs
- HKFRS 8, Operating segments
- HKAS 32 (amendments), Puttable financial instruments and obligations arising on liquidation

The amendments to HKAS 23 (revised 2007) and HKFRS 8 have no material impact on the Group's financial statements, as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of HKAS 1 (revised 2007) and HKAS 32 (amendments) on the consolidated financial statements is as follows:

HKAS 1 (revised 2007)

As a result of the adoption of HKAS 1 (revised 2007), all items of income and expenses are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been reclassified to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

HKAS 32 (amendments)

HKAS 32 (amendments) require that if an entity has instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, such instruments, or components of instruments, shall be classified as an equity instrument provided that all specified criteria are met. The Manager has considered the amendments and has determined that HKAS 32 (amendments) has no material impact to the consolidated financial statements in respect of the units issued to Unitholders, as the component of the units that would have been classified as equity is insignificant. Accordingly, the units continue to be classified as financial liabilities, representing the obligation of RREEF CCT to distribute not less than 90% of RREEF CCT distributable income to the Unitholders.

3 **Proposed very substantial disposal, proposed termination and proposed delisting of the Trust**

On 11 February 2010, the Board of the Manager announced that on 3 February 2010, the Trustee and the Manager have, on behalf of RREEF CCT, entered into a conditional sale and purchase agreement (the "Agreement") for the proposed disposal of Beijing Gateway Plaza (BVI) Limited ("BVI Gateway") to Mapletree India China Fund Ltd., an independent third party (the "Proposed Disposal"). BVI Gateway holds the entire issued share capital of HK Gateway Plaza Company Limited (the "HK Gateway"), which in turn holds the legal and beneficial title to the Property and all rights and interest related thereto. Following completion of the Proposed Disposal in accordance with the Agreement ("Completion"), RREEF CCT would cease to hold any interest in BVI Gateway, which constitutes substantially all the operating businesses and assets of the Group. Subject to the Manager's Board approval and the Trust Deed, the net proceeds from the Proposed Disposal shall be distributed to the Unitholders following completion of the Proposed Disposal.

The Proposed Disposal constitutes a very substantial disposal and is subject to reporting to and approval by the Unitholders at an extraordinary general meeting ("the EGM"). If the Proposed Disposal is approved by the Unitholders and completed, RREEF CCT will have no remaining operating real estate assets to fulfill the criteria for operating as a REIT and would be terminated in accordance with the REIT Code. The Units would consequently be delisted from trading on the SEHK. Upon completion of the liquidiation of RREEF CCT, cash distribution would be made to Unitholders.

Details of the potential financial impact of the Proposed Disposal and the date of the EGM will be set out in the relevant circular to be issued by the Manager to the Unitholders. As the carrying value of the consolidated net assets of BVI Gateway is greater than the consideration of the Proposed Disposal, which is based on a value ascribed to the Property of RMB2.9 billion, the Group expects to record an accounting loss from the Proposed Disposal.

4 **Segment reporting**

The Group manages its business by divisions. The Group's operations are primarily located and carried out in the PRC and the principal activity of the Group is property investment.

In accordance with HKFRS 8, segment information disclosed in the annual financial statements has been prepared in a manner consistent with the information used by the Group's senior executive management for the purpose of assessing segment performance and allocating resources between segments. In this regard, the Group'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 year 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, changes in fair value of investment property and income tax expense and credit.

	Property investment in the PRC		Head office		Consolidated	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Segment revenue	210,833	225,124	—	—	210,833	225,124
Segment results	179,813	202,139	(35,986)	(32,824)	143,827	169,315
Interest income from bank deposits	3,824	6,590	1,810	7,330	5,634	13,920
Net exchange gains	1,362	117,346	—	—	1,362	117,346
Finance costs	(29,644)	(62,991)	—	—	(29,644)	(62,991)
	155,355	263,084	(34,176)	(25,494)	121,179	237,590
Decrease in fair value of investment property	(116,576)	(430,530)	—	—	(116,576)	(430,530)
Profit/(loss) before taxation and transactions with Unitholders	38,779	(167,446)	(34,176)	(25,494)	4,603	(192,940)
Income tax	(10,551)	19,356	—	—	(10,551)	19,356
Profit/(loss) for the year, before transactions with Unitholders	28,228	(148,090)	(34,176)	(25,494)	(5,948)	(173,584)

(b) *Segment assets and liabilities*

Segment assets included investment property, trade and other receivables, and cash and cash equivalents. Segment liabilities managed directly by the segments include rent receipts in advance, other payables and accruals, tenants' deposits, current taxation, bank borrowings and deferred tax liabilities.

	Property investment in the PRC		Head office		Consolidated	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Segment assets	3,767,407	3,922,577	233,770	254,417	4,001,177	4,176,994
Additions to non-current segment assets during the year	6,516	—	—	—	6,516	—
Segment liabilities	84,859	82,692	67,955	78,665	152,814	161,357
Current taxation	33,085	32,646	—	—	33,085	32,646
Bank borrowings, secured	1,389,605	1,385,405	—	—	1,389,605	1,385,405
Deferred tax liabilities	140,733	152,414	—	—	140,733	152,414
Total liabilities	1,648,282	1,653,157	67,955	78,665	1,716,237	1,731,822

5 Turnover

The principal activity of the Group is property investment in the PRC.

Turnover represents property rental income, car park rental income and advertising rental income net of business tax. The amount of each notable category of revenue recognised as turnover during the year is as follows:

	2009	**2008**
	$'000	*$'000*
Property rental income	205,951	219,945
Car park rental income	4,601	5,179
Advertising rental income	281	—
	210,833	225,124

The Group's customer base is diversified. Only transactions with the largest tenant, the BMW Group, have exceeded 10% of the Group's revenue. In 2009, the total income derived from property, advertising, and car park rentals of the BMW Group, including entities which are known to the Group to be under common control of the BMW Group, amounted to $35,665,000 (2008: $35,350,000).

6 **Property operating expenses**

	2009	2008
	$'000	*$'000*
Real estate tax	17,181	16,733
Commission to leasing agents	6,716	3,336
Property management fee	2,101	2,222
Repairs and maintenance	1,981	—
Impairment loss on rental receivables	1,316	—
Marketing expenses	823	—
Bad debts written off	—	389
Land use tax	482	335
Stamp duty	250	137
Others	170	4
	31,020	23,156

7 **Profit/(loss) before taxation and transactions with Unitholders**

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

	2009	2008
	$'000	*$'000*
(a) Finance costs:		
Interest on bank borrowings	25,444	58,791
Other borrowing costs	4,200	4,200
	29,644	62,991
(b) Other items:		
Manager's fees	21,399	22,774
Other legal and professional fees	5,172	2,918
Trustee's remuneration	1,613	1,253
Auditor's remuneration		
- audit services	1,150	1,150
- other services	450	515
Valuer's fee	280	70
Bank charges	37	39
Rental receivable from investment property less direct outgoings of $31,020,000 (2008: $23,156,000)	(179,813)	(201,968)

RREEF CCT did not appoint any director nor did it enter into any employment contracts with counterparties during the years ended 31 December 2008 and 2009.

8 Income tax

(a) Income tax in the consolidated income statement represents:

	2009	2008
	$'000	*$'000*
Current tax		
PRC withholding tax (note (ii))	22,203	23,697
PRC corporate income tax (note (iii))	6	—
	22,209	23,697
Deferred tax		
Reversal of temporary differences	(11,658)	(43,053)
	10,551	(19,356)

(i) No provision for Hong Kong Profits Tax has been made as the Group did not earn any income assessable to Hong Kong Profits Tax during the year.

(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.

(b) Reconciliation between tax expense/ (credit) and accounting profit/(loss) at applicable tax rate:

	2009	2008
	$'000	*$'000*
Profit/(loss) before taxation	4,603	(192,940)
Notional tax on profit/(loss) before taxation calculated at applicable tax rates	464	(19,294)
Tax effect of non-taxable income	(700)	(13,143)
Tax effect of non-deductible expenses	10,787	13,081
Actual tax expense/(credit) for the year	10,551	(19,356)

(c) Current taxation in the consolidated balance sheet represents:

Current taxation in the consolidated balance sheet represents PRC withholding tax and corporate income tax payable at the balance sheet date.

(d) Deferred tax liabilities

The component of deferred tax liabilities recognised in the consolidated balance sheet and the movements during the year is as follows:

	2009 *$'000*	2008 *$'000*
Deferred tax arising from revaluation of investment property:		
As at 1 January	152,414	184,160
Exchange difference	(23)	11,307
Credited to profit or loss	(11,658)	(43,053)
As at 31 December	140,733	152,414

9 **Loss per unit before transactions with Unitholders**

The basic loss per unit before transactions with Unitholders for the year ended 31 December 2009 amounted to $0.01 (2008: $0.37). The calculation of basic loss per unit before transactions with Unitholders is based on the Group's loss for the year before transactions with Unitholders of $5,948,000 (2008: $173,584,000) and the weighted average number of 464,161,000 (2008: 473,786,858) units in issue during the year.

Diluted loss per unit is not presented as there is no potential dilutive unit in issue during the current and prior years.

10 **Investment property**

	2009 *$'000*	2008 *$'000*
As at 1 January	3,631,153	3,822,187
Exchange difference	(423)	239,496
Additions	6,516	—
Decrease in fair value	(116,576)	(430,530)
As at 31 December	3,520,670	3,631,153

(a) The investment property, Gateway Plaza, was revalued as at 31 December 2009 by Colliers International (Hong Kong) Limited, whose valuers are Fellows of The Hong Kong Institute of Surveyors and possess recent experience in the location and type of property being valued. The valuation was performed on a market-value basis, calculated by reference to the discounted cashflow analysis, the investment approach and the direct comparison approach.

(b) The investment property is held in the PRC under a medium-term lease. As at 31 December 2009, the investment property had been pledged to secure a banking facility granted to the Group.

All land and properties held under operating leases that would otherwise meet the definition of investment property are classified as investment property.

The Group leases out its investment property under operating leases. The initial term of leases typically ranges from two to six years, with some leases having the option to renew at terms to be renegotiated.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2009	2008
	$'000	*$'000*
Within 1 year	180,509	162,230
After 1 year but within 5 years	218,957	141,433
After 5 years	13,578	31,820
	413,044	335,483

11 Trade and other receivables

	2009	2008
	$'000	*$'000*
Rental receivables	2,477	1,139
Less: allowance for doubtful debts	(1,316)	—
	1,161	1,139
Other receivables	4,797	1,435
Deposits and prepayments	11,662	11,628
	17,620	14,202

(a) *Ageing analysis*

Included in trade and other receivables as at 31 December 2009 are rental receivables with the following ageing analysis:

	2009	2008
	$'000	*$'000*
Less than 1 month past due	352	—
1 to 3 months past due	809	1,058
More than 3 months but less than 12 months past due	—	81
Rental receivables, net of allowance for doubtful debts	1,161	1,139

Rental receivables are due within 14 days from the date of billing and tenants are requested to settle all outstanding balances.

(b) *Impairment of rental receivables*

Impairment losses in respect of rental receivables are recorded using an allowance account unless the Manager is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against rental receivables directly.

The allowance for doubtful debt of $1,316,000 represented the movement in the allowance account for the year.

(c) *Rental receivables that are not impaired*

The Manager closely and regularly monitors and reviews each rental receivable amount to ensure that adequate impairment losses are recognised for any irrecoverable debt. The Manager is of the opinion that sufficient rental deposits are being held to cover potential exposure to credit risk.

12 Other payables and accruals

	2009 *$'000*	**2008** *$'000*
Other payables and accrued charges (note (i))	63,396	59,591
Manager's fees payable	3,574	2,809
Other amount due to the Manager (note (ii))	3,177	4,487
	70,147	66,887

(i) All 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 $268,000 (2008: $29,000).

(ii) The amount is unsecured, interest-free and repayable on demand. During the year, $1,310,000 had been paid to the Manager.

13 Tenants' deposits

The amount of tenants' deposits expected to be payable after more than one year is $33,213,000 (2008: $23,169,000).

14 Amount due to the Vendor

	2009 *$'000*	**2008** *$'000*
Retention of proceeds on acquisition (note (i))	156,000	156,000
Balance of initial unpaid consideration (note (ii))	114,955	114,955
Retention of the Vendor's Unit distribution (note (iii))	16,542	8,492
Amounts set off (note (iv))	(263,694)	(252,161)
	23,803	27,286

Notes

(i) The amount represents US$20 million ($156 million) retention sum held by the Trustee as a security pursuant to the S&P Agreement with the Vendor in respect of warranties made by the Vendor therein. Under the S&P Agreement, the release of the retention sum is subject to there being no material breach of the warranties, which in the sole opinion of the purchaser acting on the recommendation of the Manager, will have a material adverse effect on, inter alia, the financial condition, earnings or assets of the Trust.

(ii) The amount comprises the remaining balance of initial consideration unpaid to the Vendor amounting to $64,955,000 which is subject to the post-completion adjustment mechanism set out in the S&P Agreement, and $50,000,000 of dividend declared by BVI Gateway in respect of the year ended 31 December 2006 payable to the Vendor prior to the acquisition by RREEF CCT. The settlement of this balance of $50,000,000 is subject to the unconditional completion of certain obligations of the Vendor under the S&P Agreement within a set time period.

(iii) The amount represents the Trust's interim and final distribution to the Vendor as Unitholder for the year ended 31 December 2008. Such amount is retained by the Manager, on the basis of legal advice, pursuant to the Trust Deed as there are claims against the Vendor and therefore amounts are payable by the Vendor to the Trustee or the Manager.

(iv) The Manager and the Trustee, pursuant to the S&P Agreement and on the basis of legal advice, have exercised their rights of set-off against funds potentially owing to the Vendor but which are under the control of the Trustee or the Manager to compensate claims for losses and expenses.

During 2009, on the basis of legal advice, the Manager had continued to exercise its rights of set-off for the following amounts:

— Unpaid management fee of $198,120 due from affiliates of the Vendor;

— Expenses of $567,350 incurred in relation to defective equipment, which was in breach of the Vendor's warranties under the Sale and Purchase Agreement dated 4 June 2007;

— Unpaid double holdover rent and management fee of $1,654,703 due from affiliates of the Vendor;

— Reinstatement cost of $6,667,803 related to affiliates of the Vendor;

— $2,445,400 in respect of certain defective equipment acquired with the investment property.

(v) The balance of the amount due to the Vendor as at 31 December 2009 will be retained by the Trust, pending the Trust being satisfied that there are no other claims against the Vendor. The Manager has continued to notify the Vendor in advance of the set-offs being exercised. The Vendor has stated in June 2009 that he disputes the set-offs and no further correspondence has been received in this regard. Based on the legal advice received, the Manager remains of the view that the set-offs are appropriate and legitimate.

(vi) Pursuant to the Deed of Tax Covenant entered into by the Vendor and the Trustee dated 4 June 2007, the Vendor will indemnify the Trustee (for itself and on behalf of the subsidiaries) in respect of any liability for any forms of taxation resulting from or by reference to any event occurring on or before the date of the Deed of Tax Covenant; and all costs, expenses and interest properly incurred and payable by either the subsidiaries or the Trustee in connection with a successful claim under the Deed of Tax Covenant.

Independent auditor's report

The auditor of the Trust included a section of "Emphasis of Matters" in their independent auditor's report, the details of which are set out as follows:

Without qualifying their opinion, the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2009 contains an emphasis of matter relating to the proposed very substantial disposal, proposed termination and proposed delisting of the Trust, details of which are set out in note 3 to this announcement. As the Proposed Disposal, consequential termination and delisting of the Trust are still subject to reporting to and approval by the Unitholders, the Group's consolidated financial statements for the year ended 31 December 2009 are presented on a going concern basis and present the operations as continuing.

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 31 December 2009.

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 2009. 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Closure of Register of Unitholders

The register of Unitholders of RREEF CCT will be closed from Monday, 15 March 2010 to Wednesday, 17 March 2010, both days inclusive. During this period, no transfer of units can be effected.

To qualify for the 2009 final distribution, Unitholders must lodge all unit certificates together with the completed transfer forms with the office of the unit registrar of RREEF CCT, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 12 March 2010.

The final distribution will be paid to Unitholders on or around Friday, 9 April 2010.

Review of Final Results

The final 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 Annual Report

The annual report of RREEF CCT for the Reporting Period will be sent to Unitholders on or before Friday, 30 April 2010.

Annual General Meeting

Details of the 2010 Annual General Meeting of RREEF CCT will be set out in a notice to be issued to Unitholders in due course.

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, 25 February 2010

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 as Executive Director; Mr. Brian David Chinappi, Mr. Mark Bradley Fogle, Mr. Niel Thassim and Mr. So Tak Young as Non-executive Directors; and Mr. Jack Richard Rodman, Mr. Mark Henry Ford and Dr. Meng Xiaosu as Independent Non-executive Directors.