

Consolidated Income Statement

For the period from 7 December, 2005 (date of establishment of GZI REIT) to 31 December, 2005

	Note	HK\$'000
Turnover – rental income		6,835
Operating expenses	16	(5,981)
Operating profit		854
Interest income from bank deposits		41,209
Finance costs	18	(1,520)
Profit before tax and transactions with Unitholders		40,543
Income tax expenses	19	—
Profit after tax before transactions with Unitholders		40,543
Transactions with Unitholders:		
— Distributions to Unitholders ^(Note i)		(40,543)
— Increase in fair value of Units ^(Note ii)		(463,348)
	20	(463,348)

Notes:

- (i) The Trust Deed dated 7 December, 2005 (the “Trust Deed”) requires GZI REIT to distribute to Unitholders an amount not less than 90% of Total Distributable Income of each financial period/year subject to adjustments allowed under Code on Real Estate Investment Trusts (“the REIT Code”) and the Trust Deed. Total finance costs arising from transactions with Unitholders, including amounts to be paid to Unitholders, therefore amounted to HK\$40,543,000.
- (ii) GZI REIT has designated its Units as financial liabilities at fair value through profit or loss. The increase in value arising from the fluctuation of market capitalisation of the Units in the period has therefore been presented as a deduction from profit after tax before transactions with Unitholders.
- (iii) Earnings per Unit information is not presented on the face of the income statement as the Units that are publicly traded are considered to be financial liabilities in accordance with HKAS 32. Earnings per Unit based upon profit after tax before transactions with Unitholders, is presented in note 21.