



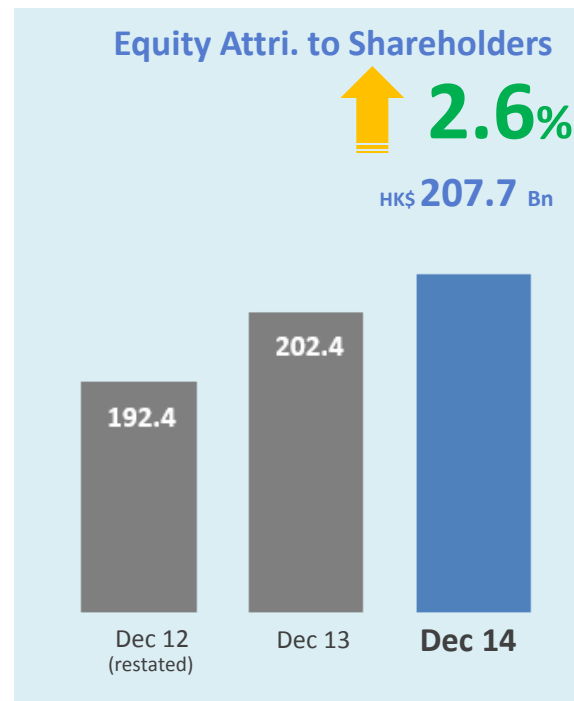
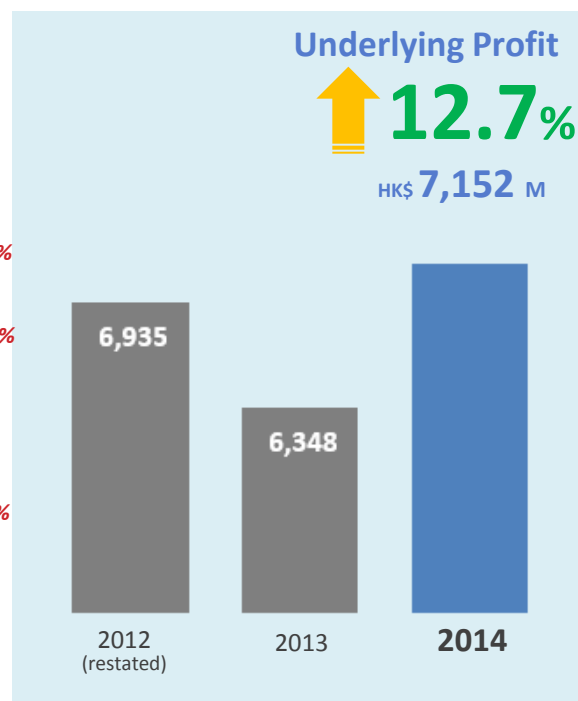
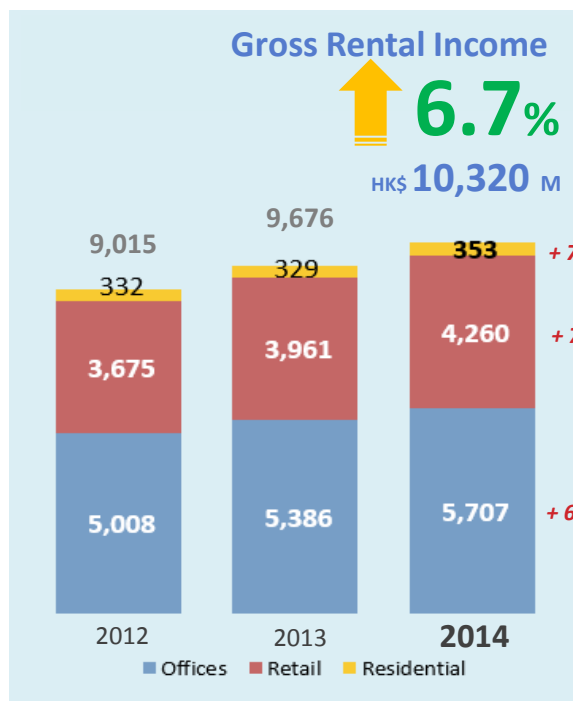
2014 Final Results | Analyst Briefing

19th March 2015



Financial Summary

Financial Highlights



- Gross rental income **up 6.7%** to **HK\$10,320M** reflecting positive rental reversions in the Hong Kong portfolio and higher rental income from properties in Mainland China with stable occupancy.
- Underlying profit **up 12.7%** to **HK\$7,152M** principally reflecting increased investment income from retail and office properties, and higher trading profits from the sale of luxury residential properties in Hong Kong.
- Reported profit **down 24.0%** to **HK\$9,516M** mainly on lower valuation gains.
- 2nd interim dividend per share: **HK\$ 0.44**.

Equity Attri. to Shareholders

HK\$ **35.50**
Per Share

Dec 2013: HK\$ 34.59

2014 Dividend per share

2nd Interim HK\$ **0.44**
1st Interim HK\$0.22

2013 2nd / 1st interim: HK\$ 0.4 / HK\$0.2

Key Developments

Jan 2014



Berkshire House

- ❑ Acquired DCH Commercial Centre.
- ❑ GFA 389,000 sq ft.
- ❑ Renamed as Berkshire House.
- ❑ 50% interest.

Feb 2014



Dalian Project

- ❑ Framework Agm't to jointly develop a project in Dalian.
- ❑ Retail complex and apartments.
- ❑ 50% interest.



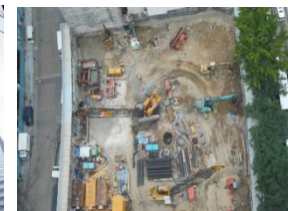
Taikoo Li Sanlitun

- ❑ Completed the purchase of the remaining 20% interest of Taikoo Li Sanlitun in Beijing.
- ❑ Now 100% owned.



Cornwall House

- ❑ Agreement with HKSAR Govt (FSI) to acquire its interest in Cornwall House.
- ❑ Redevelopment of 3 techno-centres into 2 Grade-A office buildings.



8-10 Wong Chuk Hang

- ❑ Completed lease modifications for office development.
- ❑ GFA 382,500 sq ft.
- ❑ 50% interest.

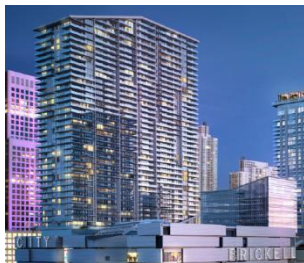
Mar 2014



MOUNT PARKER RESID.

- ❑ Presale started.
- ❑ Handover began in May 2014.

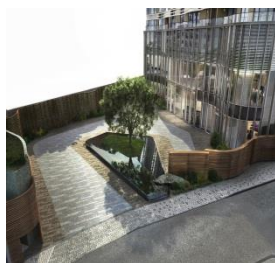
Jun 2014



REACH, BCC

- ❑ Presale started.

Sep 2014



AREZZO

- ❑ Presale started.

Oct 2014



Sino-Ocean Taikoo Li Chengdu

- ❑ Started to open with 83% space committed ⁽¹⁾.
- ❑ GFA 1,226,000 sq ft.
- ❑ 50% interest.

Nov 2014



RISE, BCC

- ❑ Presale started.

Dec 2014



Cityplaza

- ❑ HK\$100 M enhancement project completed.

Financial Summary

HK\$M	FY 2013	FY 2014	Change
Revenue	12,935	15,387	+19.0%
Change in fair value of investment properties	6,211	1,956	-68.5%
Operating profit	14,498	10,992	-24.2%
Underlying profit	6,348	7,152	+12.7%
Reported profit	12,525	9,516	-24.0%
Underlying earnings per share (HK\$ per share)	1.09	1.22	+11.9%
Reported earnings per share (HK\$ per share)	2.14	1.63	-23.8%
First interim dividend per share (HK\$ per share)	0.20	0.22	+10.0%
Second interim dividend per share ⁽¹⁾ (HK\$ per share)	0.40	0.44	+10.0%
Total dividend per share (HK\$ per share)	0.60	0.66	+10.0%

HK\$M	Dec 2013	Dec 2014	Change
NAV attributable to the Company's shareholders ⁽²⁾	202,350	207,691	+2.6%
Net debt	32,014	34,071	+6.4%
Gearing ratio	15.8%	16.3%	+ 0.5%pts
NAV per share (HK\$ per share)	34.59	35.50	+2.6%

5 (1) Second interim dividend for 2014 was declared on 19th Mar 2015 and will be paid on 7th May 2015.

(2) NAV refers to total equity attributable to the Company's shareholders.

Earnings Reconciliation

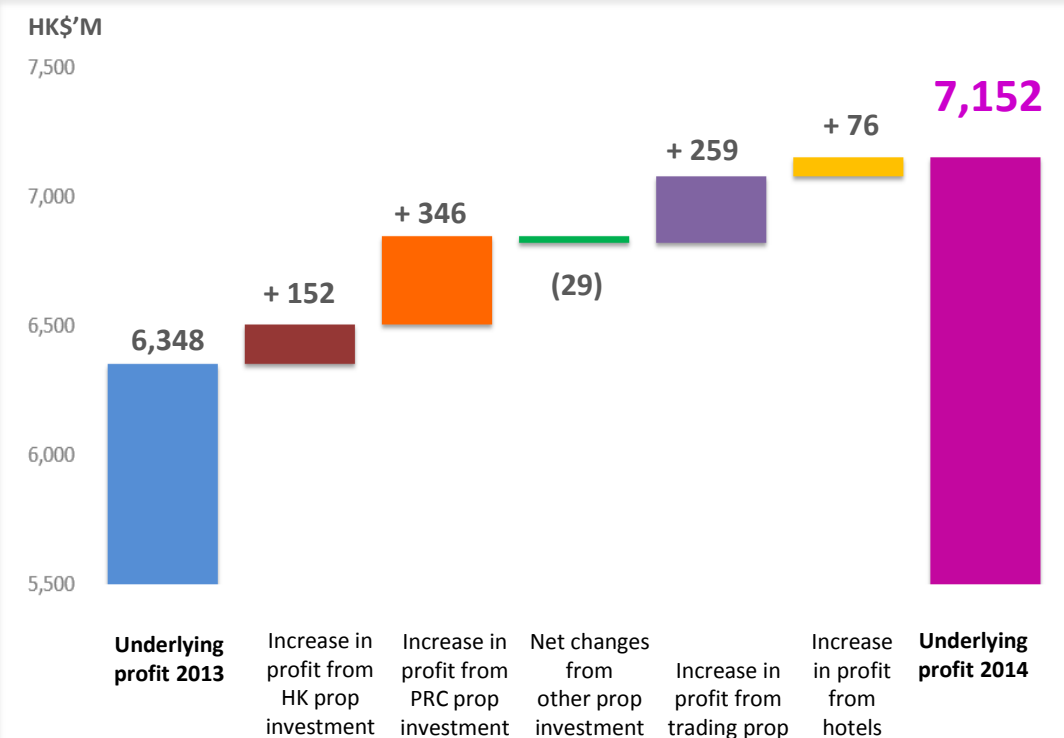
Earnings Reconciliation

HK\$M	FY 2013	FY 2014
Attributable profit	12,525	9,516
<i>Revaluation of investment props</i>	<i>(7,017)</i>	<i>(3,148)</i>
<i>Deferred tax on investment props</i>	<i>573</i>	<i>710</i>
<i>Realised profit on sale of properties</i>	<i>94</i>	<i>29</i>
<i>Dep. of owner-occupied inv. props</i>	<i>14</i>	<i>16</i>
<i>Non-controlling interests' share of revaluation movements less deferred tax</i>	<i>19</i>	<i>1</i>
<i>Movements in the fair value of put options liabilities in favour of non-controlling interests</i>	<i>140</i>	<i>28</i>
Underlying profit	6,348	7,152

Underlying Profit by Segment

	FY 2013	FY 2014	Change
Property investment	5,605	6,074	+ 8.4%
Property trading	790	1,049	+32.8%
Hotels	(47)	29	N/A
Total	6,348	7,152	+12.7%

Movement in Underlying Profit



2014 Underlying Profit

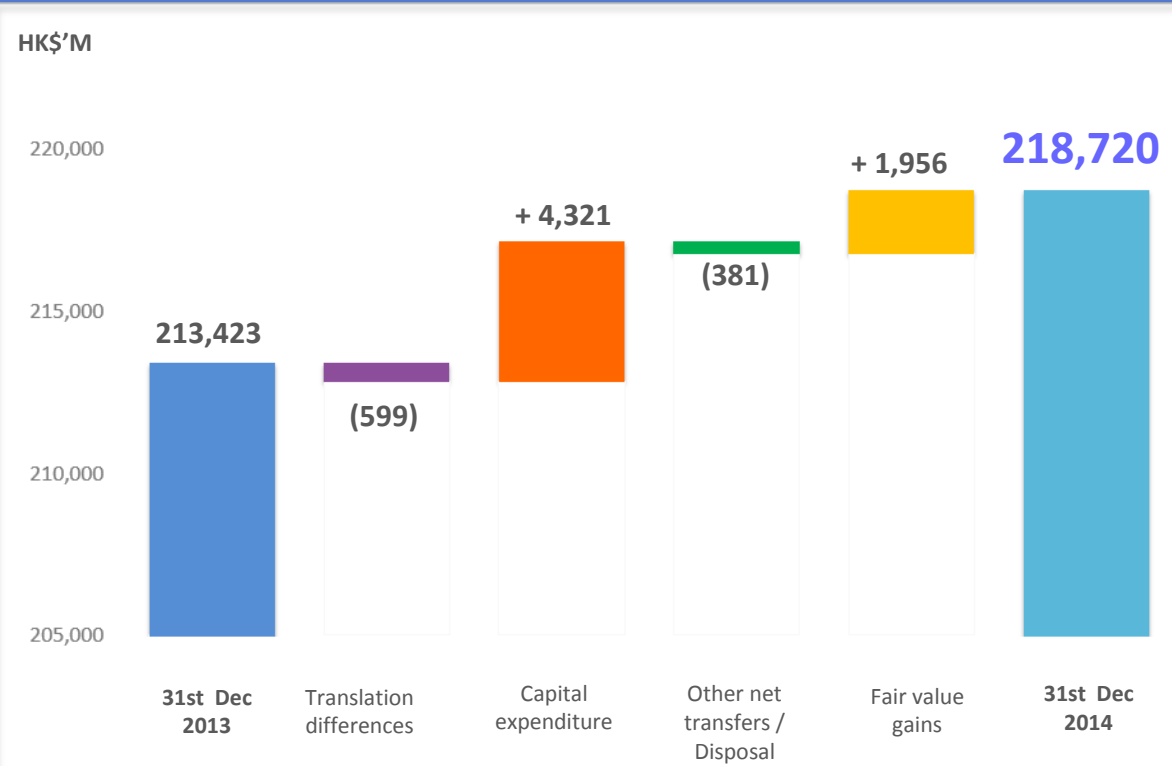
HK\$ **7,152** M

↑ **12.7%**

Movement in Investment Properties

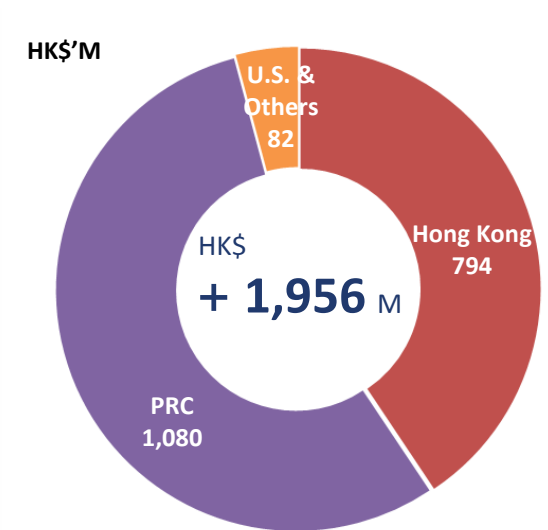
Movement in Investment Properties

(excl. Hotels & Investment Properties held under JVC)



- The modest increase in the valuation of investment property portfolio is mainly due to higher rental income at the retail malls in Hong Kong and Mainland China.

Fair Value Gains Breakdown



Notes: Others include U.S. properties and adjustments related to owner occupied properties.

2014 Investment Props Valuation

HK\$ **218,720** M

↑ **2.5%**



Investment Portfolio

Gross Rental Income

HK Office

↑ 5.0%

- ☐ Positive rental reversions.
- ☐ Occupancy levels were relatively resilient in 2014 despite demand being generally weak, particularly from financial institutions.

HK Retail

↑ 3.5%

- ☐ Positive rental reversions.
- ☐ Demand for retail space in HK continued to be robust, although there was a slowdown in retail sales in 2014.

PRC Props

↑ 16.9%

- ☐ Rental income increased with stable occupancy.
- ☐ Retail sales of luxury goods were weak and retailers were cautious about taking more space.

PRC Props Rental Breakdown

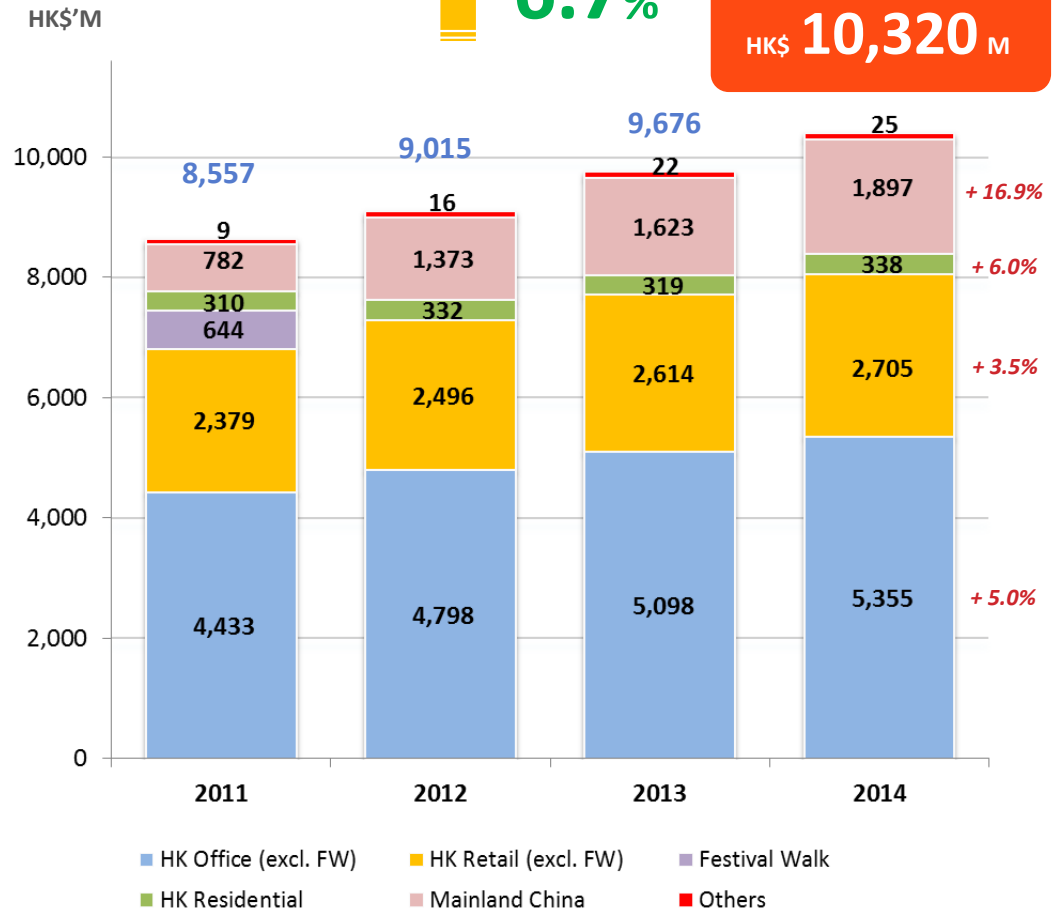
	2013	2014	Change
Retail	1,347	1,555	+15.4%
Office	270	331	+22.6%
Serviced Apmt	6	11	+83.3%
Total	1,623	1,897	+16.9%

Gross Rental Income

↑ 6.7%

2014 Gross Rental Income

HK\$ **10,320** M



HK Office Occupancy

Completed HK Office Properties	GFA (sq ft) (100% basis)	Occupancy (31st Dec 2014)	Area Let (sq ft) (New and Renewed Tenancies)	Reversion ⁽⁵⁾ (incl. Rent Reviews)	Attri. Interest
Pacific Place	2,186,433	94%	201,128	+7%	100%
Cityplaza	1,632,930	100%	284,955	+25%	100%
TKP Office Towers ⁽¹⁾	3,136,541	98%	545,464	+27%	50% / 100%
One Island East	1,537,011	98%	171,117	+14%	100%
Techno Centres ⁽²⁾	893,516	100%	61,061	+12%	100%
Others ⁽³⁾	1,077,161	94%	N/A	N/A	20% / 50% / 100%
Total (100% basis)	10,463,592				



Latest rentals HK\$ per sq ft

One / Two Pacific Place	95 to 110
Three Pacific Place	90 – 95
Taikoo Place	low 40s to high 40s
Techno Centres	mid 20s
One Island East	mid 50s to high 60s



Berkshire House

- ❑ Previously known as DCH Commercial Centre
- ❑ GFA~ 389,000 sq ft
- ❑ Acquired in Jan 2014
- ❑ 50% interest

Attributable Valuation
HK\$ **122.3** bn

Completed GFA
10.5 M sq ft

Occupancy
(31st Dec 2014)
~ 97%

Attri' Gross Rental⁽⁴⁾
HK\$ **5,645** M

- (1) Including PCCW Tower (50% owned), managed by Swire Properties.
 (2) Excluding Somerset House and ~187,000 sq ft in Cornwall House owned by the HK Government.
 (3) Others comprise One Citygate (20% owned), 625 King's Road (50% owned), Berkshire House (50% owned), 28 Hennessy Road (100% owned) and Generali Tower (100% owned).
 (4) Reported gross rental income (excluding rental contributions from JVC and associates) was HK\$5,355M.
 (5) Reversion is the percentage increase in rent on lease renewals, entry into new leases and rent reviews.

HK Retail Occupancy

Completed HK Retail Properties	GFA (sq.ft.) (100% basis)	Occupancy (31st Dec 2014)	Retail Sales Growth (2014)	Attri. Interest
The Mall, Pacific Place	711,182	100%	- 6.1%	100%
Cityplaza	1,105,227	100%	- 0.4% ⁽²⁾	100%
Citygate Outlets	462,428	100%	+ 4.6%	20%
Others ⁽¹⁾	556,818	100%	N/A	20% / 60% / 100%
Total (100% Basis)	2,835,655			



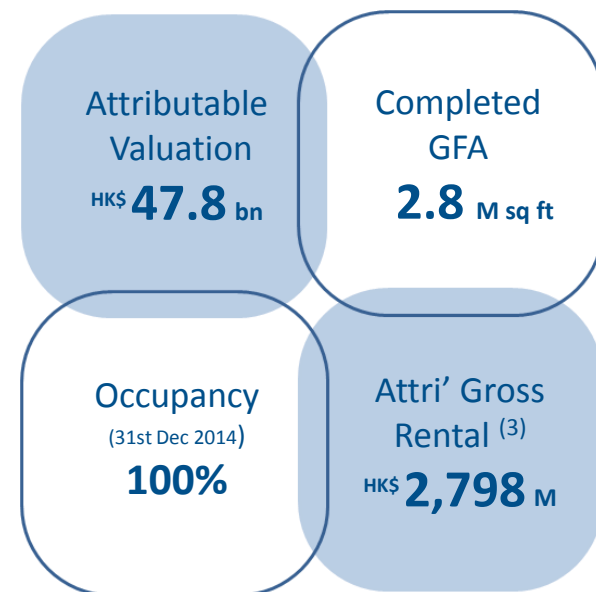
Cityplaza Enhancement Project

- HK\$ 100 million enhancement project was undertaken. Sales remained stable despite incidental disruption and shop closures during the work.
- Beauty Zone and Family and Lifestyle Zones were completed in 2014. Over 30 new retail brands were introduced including ZARA, I.T., LOG-ON and Francfranc.

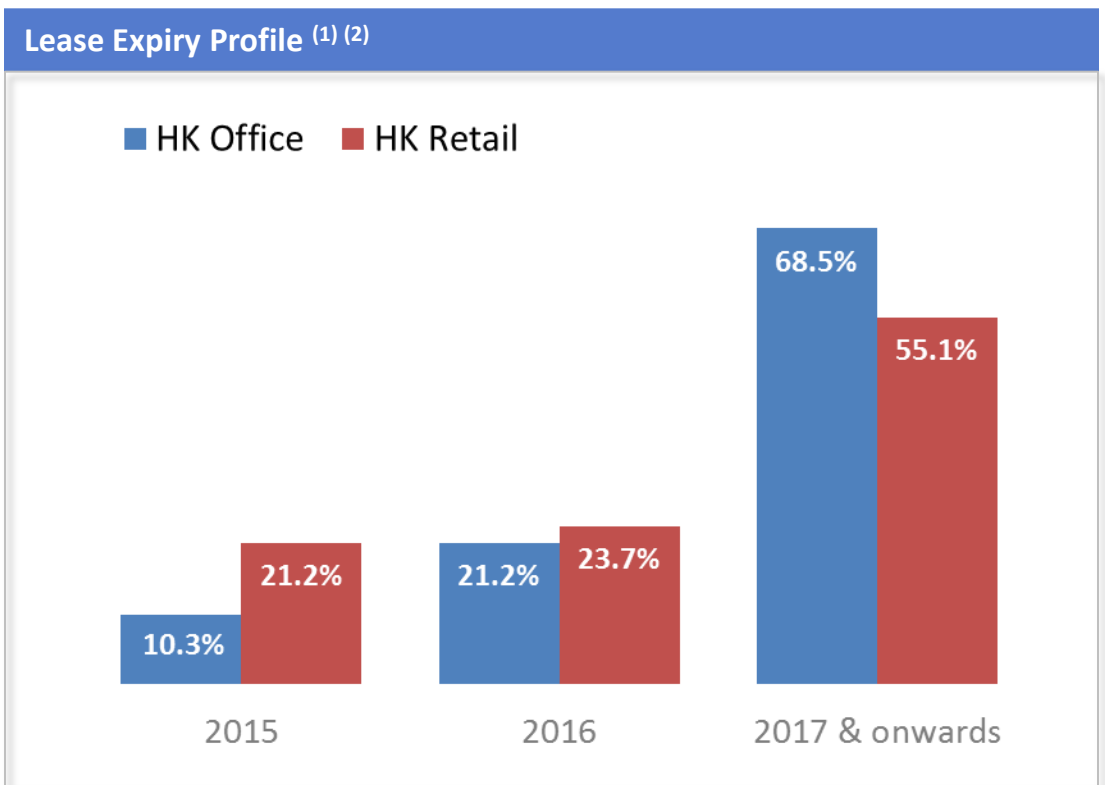
(1) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (100% owned), Island Place retail premises (60% owned) and Tung Chung Crescent neighbourhood shops (20% owned).

(2) The renovation at Cityplaza was completed in Dec 2014 and no adjustment has been made to the retail sales figures to reflect sales lost as a result of shop closures during renovation.

(3) Reported gross rental income (excluding rental contributions from JVC and associates) was HK\$2,705M.



HK Portfolio – Tenant Mix and Lease

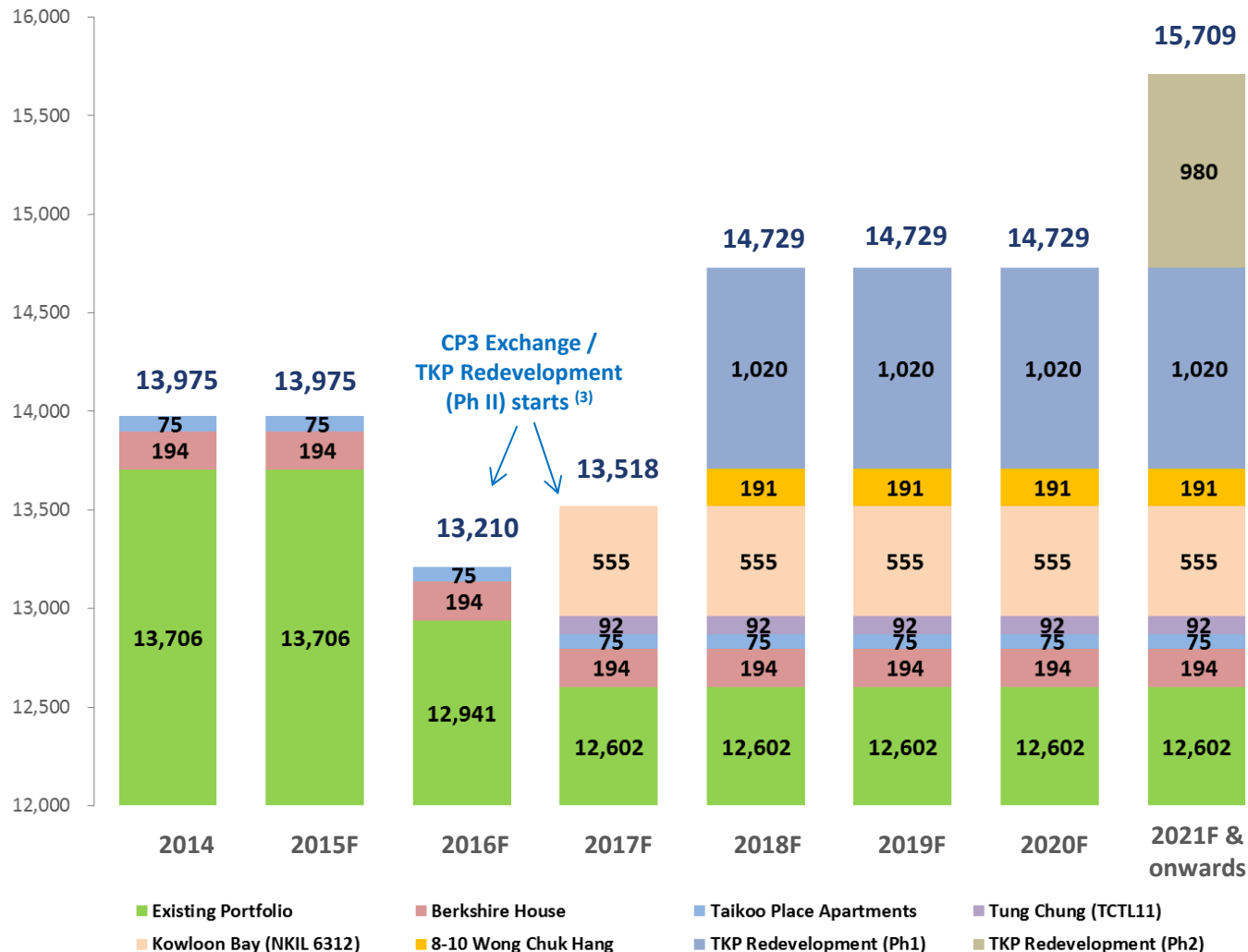


- Strong and diverse tenant base.
- Well-balanced lease expiry profile.
- Top 10 office tenants occupied approx. **23%** of office area in HK.
- Top 10 retail tenants occupied approx. **28%** of retail area in HK.

Property Portfolio – Hong Kong

Expected Attributable GFA of Completed Property Portfolio in Hong Kong ⁽¹⁾⁽²⁾

GFA ('000 sq ft)



Exp. Attributable Completed GFA ⁽¹⁾
(Investment Props)

15.7 M sq ft



(1) Includes GFA of the hotel.
 (2) At 31st Dec 2014.
 (3) Redevelopment under planning, subject to further review.

Hong Kong Investment Properties Update

2017

Tung Chung Town Lot 11

- ❑ 20% owned, a site in Tung Chung (adjacent to Citygate) acquired by tender in Mar 2013.
- ❑ Plans for a multi-storey commercial building (~GFA 460,000 sq ft).
- ❑ Design in progress.



2017

New Kowloon Inland Lot 6312

- ❑ 100% owned, a site in Kowloon Bay acquired by tender in Nov 2013.
- ❑ Plans for an office building (~GFA 555,000 sq ft).
- ❑ Excavation and foundation works in progress.



2014

Berkshire House

- ❑ 50% owned, acquired via a joint venture in Jan 2014.
- ❑ Located in Quarry Bay and next to Oxford House. (~ GFA 389,000 sq ft).
- ❑ Consideration at HK\$ 3,900 M.



2014

TAIKOO PLACE APARTMENTS

- ❑ 100% owned, a 28-storey building with 111 serviced apartments. (~GFA 75,000 sq ft).
- ❑ Occupation permit issued and interior fit-out work in progress.



Kowloon

2018 +

TaiKoo Place Redevelopment

- ❑ To redevelop Somerset House into a 50-storey office building (~ GFA 1M sq ft), which is expected to be completed in 2018.
- ❑ To redevelop Cornwall House and Warwick House into an office building.



2018

8-10 Wong Chuk Hang Road

- ❑ 50% owned, originally an industrial site in Aberdeen.
- ❑ Lease modification completed and plans for an office building (~ GFA 382,500 sq ft).
- ❑ Design in Progress.



Lantau Island

Hong Kong Island

The New Territories

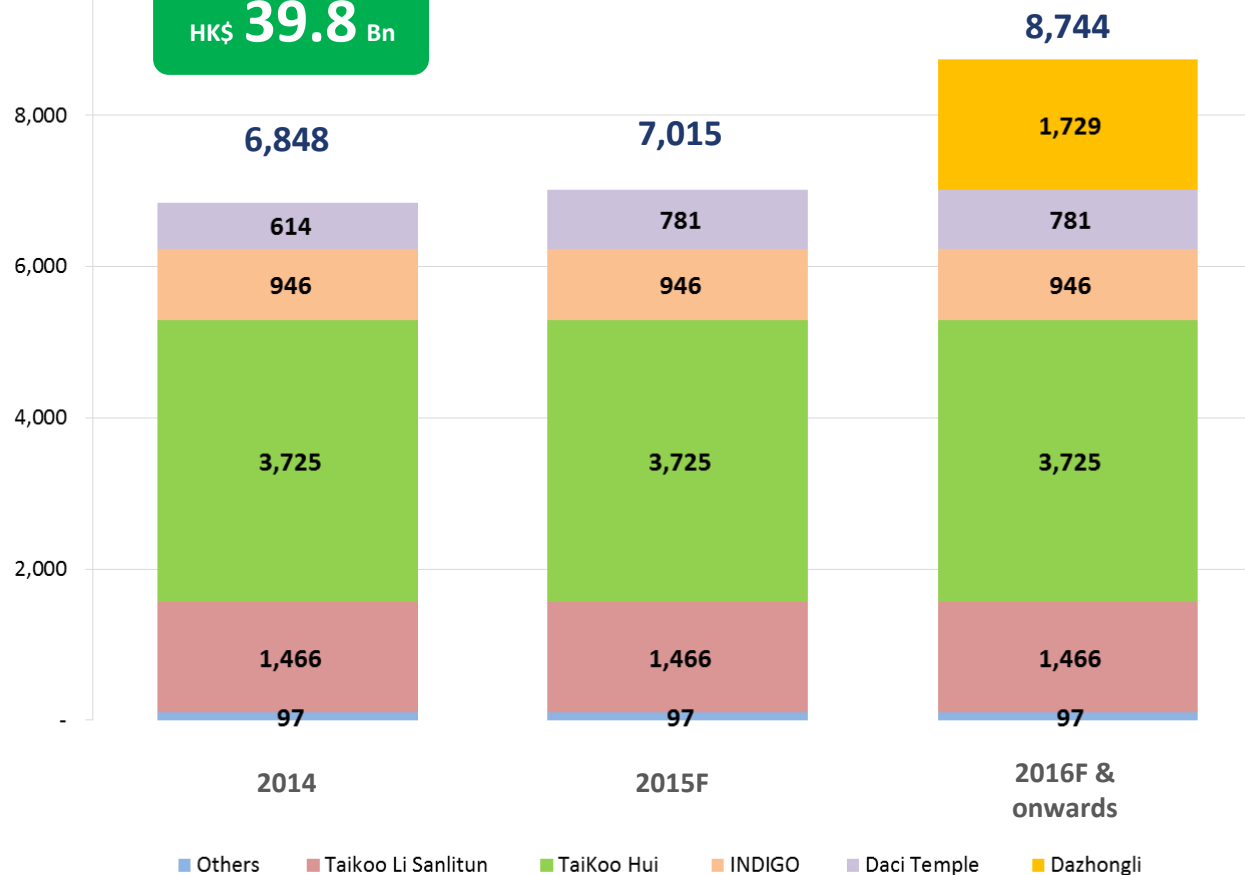
Property Portfolio – Mainland China

Attributable GFA of Completed Property Portfolio in Mainland China ⁽¹⁾⁽²⁾

GFA
(‘000 sq ft)

Attributable Valuation
(Investment Props)

HK\$ **39.8** Bn



Exp. Attributable
Completed GFA ⁽¹⁾
(Investment Props)

8.7 M sq ft

Dazhongli Project
(Shanghai) ⁽³⁾

Daci Temple Project
(Chengdu) ⁽⁴⁾⁽⁵⁾

INDIGO
(Beijing)

TaiKoo Hui
(Guangzhou)

Taikoo Li Sanlitun
(Beijing) ⁽⁶⁾

Others

(1) Includes GFA of the hotel but excludes GFA of car parks of these projects.

(2) At 31st Dec 2014.

(3) The Dazhongli Project is expected to open in phases from 2016.

(4) The Temple House is expected to open in 2015.

(5) The office portion of the Daci Temple Project, Pinnacle One, with a total GFA of 1,299,882 sq ft is not included above as it is developed for trading purposes. 89% of the office's total GFA and 350 car parking spaces were pre-sold in Aug 2013.

(6) In Feb 2014, the Company completed the acquisition of the remaining 20% interest of Taikoo Li Sanlitun.

Property Portfolio – Mainland China

Daci Temple Project



- ❑ Retail: Started to open in Oct 2014 with **83%** committed ⁽³⁾.
- ❑ **89%** of **Pinnacle One** has been pre-sold.

Dalian Port Project

- ❑ **Framework Agreement** signed.
- ❑ Mixed-use: retail & apartments.

Taikoo Li Sanlitun



- ❑ Overall occupancy : **95%**.
- ❑ Retail sales growth⁽¹⁾ : **+ 19%**
- ❑ Acquired remaining 20% interest in Feb 2014.

INDIGO



- ❑ Mall: **95%** leased.
- ❑ Retail sales growth⁽¹⁾ : **+ 66%**
- ❑ ONE INDIGO: **100%** leased.
- ❑ Metro Line 14 opened in Dec 2014.

TaiKoo Hui



- ❑ Mall: **99%** leased.
- ❑ Office: **100%** leased.
- ❑ Retail sales growth⁽¹⁾ : **+ 11%**

Dazhongli Project



- ❑ Foundation works completed.
- ❑ Basement works and above ground construction works in progress.
- ❑ Expected to open in phases from **2016**.

2014 Attri. Gross Rental ⁽²⁾

HK\$ **2,153** M

↑ 23%

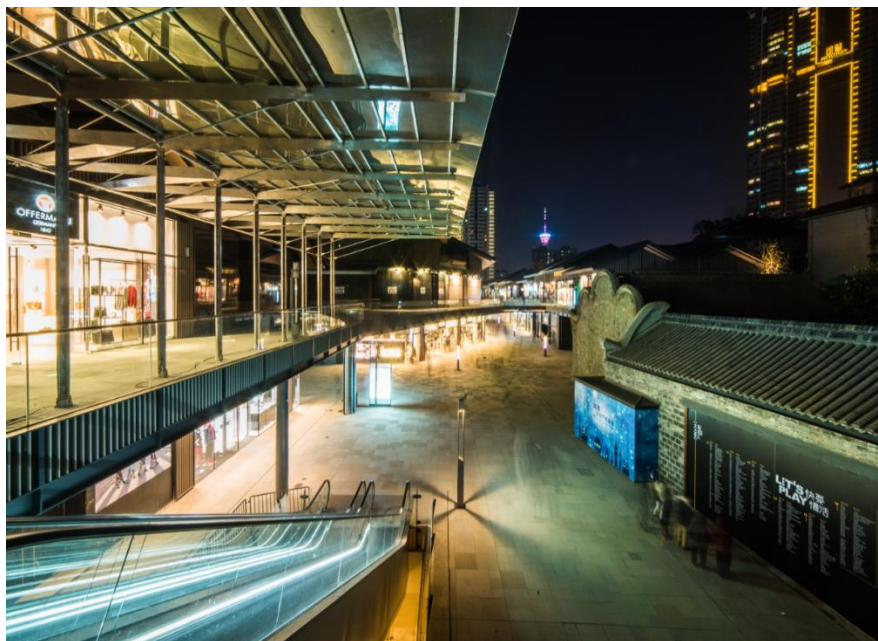
Daci Temple Project, Chengdu

Sino-Ocean Taikoo Li Chengdu (Retail)

- ❑ Started to open in Oct 2014.
- ❑ 83% of the space is committed ⁽¹⁾.
- ❑ Accommodating approx. 300 retail and F&B brands.
- ❑ Gucci, Hermes, Muji, Fangsuo, Ole' and ZARA shops have opened.



Daci Temple Project, Chengdu



The Temple House (Serviced Apartments & Hotel)

- ❑ Hotel Rooms: 100
- ❑ No. of Serviced Apartment: 42
- ❑ Interior decoration, mechanical and electrical installation works are in progress.
- ❑ Expected to open in 1H 2015.

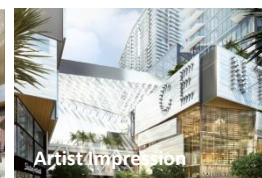
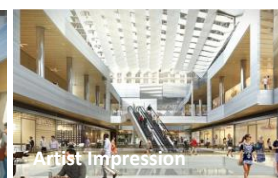
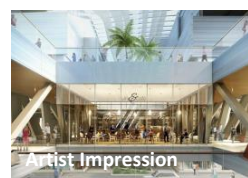
Pinnacle One (Office)

- ❑ 89% of the total office GFA (~ 1.15M sq ft) and 350 car parking spaces were pre-sold for ~ RMB 2.1 bn in Aug 2013.
- ❑ Construction was completed in Dec 2014.

Project Summary (100% Basis)

GFA	2.86 M sq ft
Components	Retail Office (for trading) The Temple House Serviced Apartments
Interest	50%
Yr of Opening	2014 Onwards

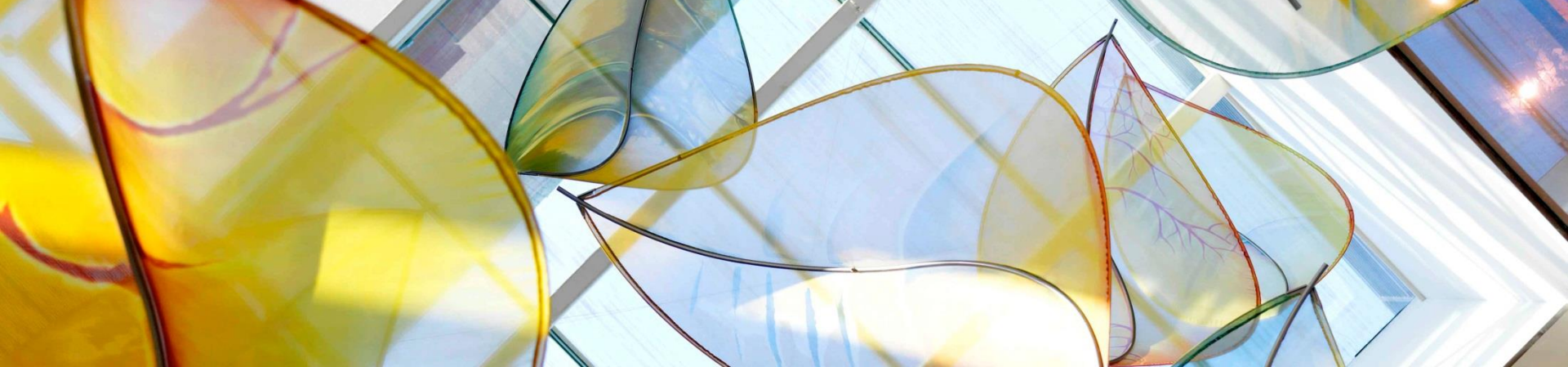
Brickell City Centre, Miami - Investment



- ❑ Located in the centre of the Brickell financial district of Miami, with a light rail system station within the site.
- ❑ Phase I consists of a shopping centre, East Miami hotel and serviced apartments, two office buildings and two residential towers (REACH and RISE).
- ❑ Phase I construction works commenced in 2012 with completion scheduled by end of 2015.
- ❑ Phase II is planned to be a 80-storey mixed-use tower comprising retail, office, hotel and residential space, which incorporates the site at 700 Brickell Avenue acquired in Jul 2013.
- ❑ Joint venture with Bal Harbour Shops to develop the retail component of BCC. Bal Harbour Shops holds a 13.5% interest in the joint venture.

Project Summary (100% Basis)

GFA	2.21 M sq ft (Phase I) 1.82 M sq ft (Phase II)
Components	Retail 2 Office Buildings EAST Miami 2 / 3 Resid. Towers One BCC
Interest	Retail: 86.5% Others: 100%
Yr of Opening	2015 (Ph I); TBC (Ph II)



Trading Portfolio

HK Trading Portfolio

MOUNT PARKER RESIDENCES



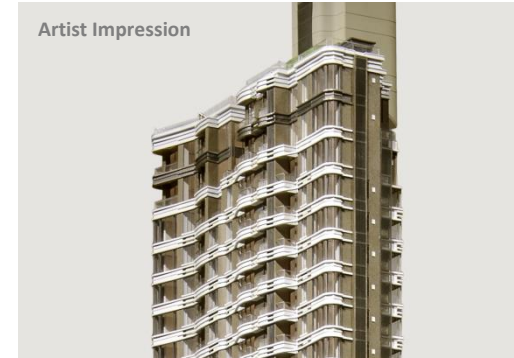
86 out of 92 units sold since launch
\$24,831 psf (avg price)

ARGENTA



27 out of 30 units sold since launch
\$32,470 psf (avg price)

AREZZO



79 out of 127 units sold since launch
\$27,360 psf (avg price)

AZURA



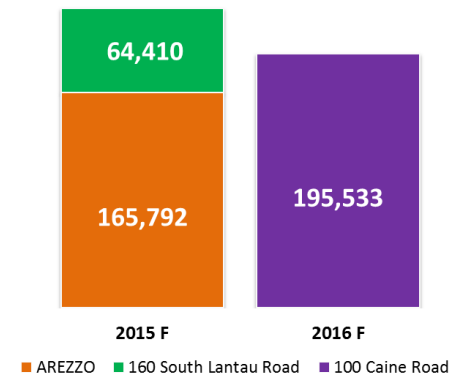
122 out of 126 units sold since launch
\$30,787 psf (avg price)

DUNBAR PLACE



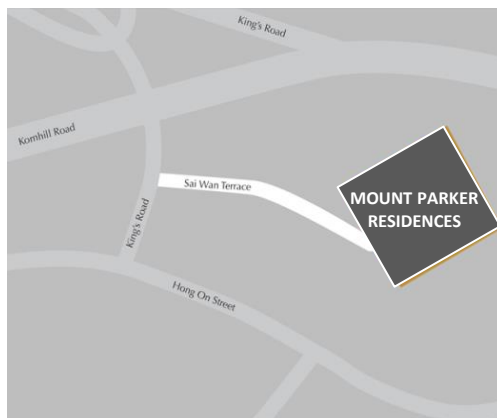
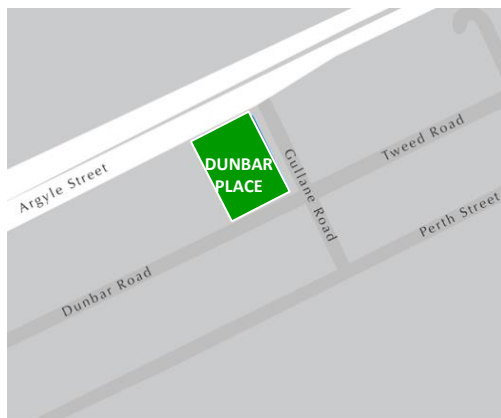
52 out of 53 units sold since launch
\$22,231 psf (avg price)

Expected Attributable Residential GFA Completions in Hong Kong in 2015 – 2016



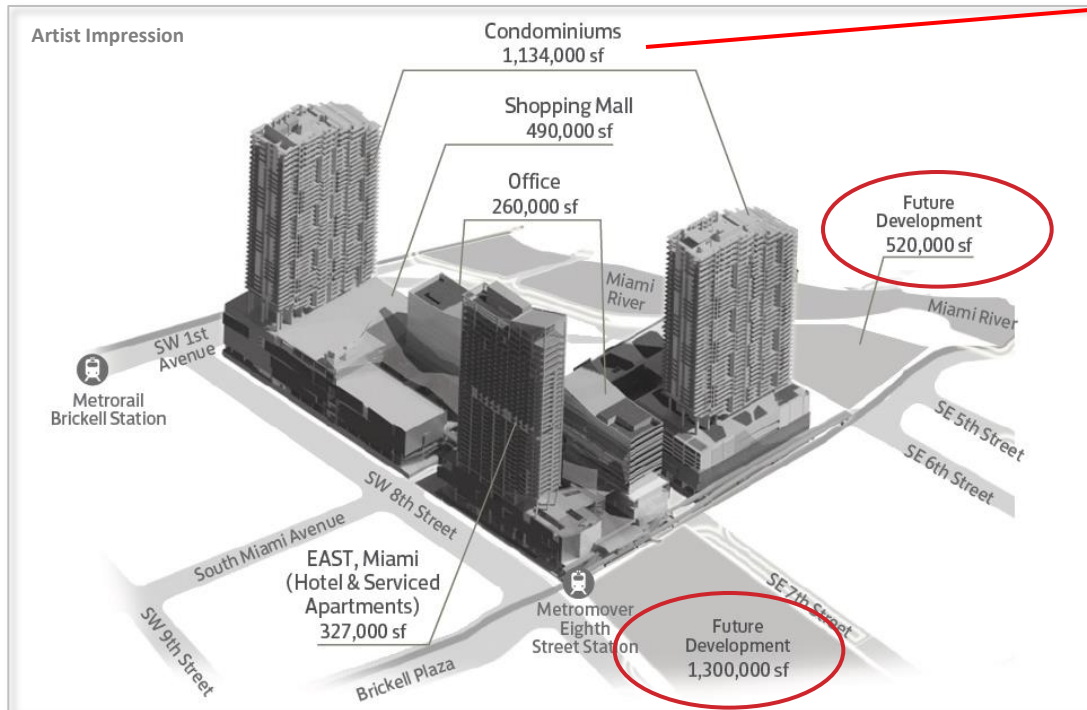
HK Trading Portfolio

Trading Properties being Sold (At 17th Mar 2015)	Saleable Area ⁽¹⁾ (sq ft) (100% basis)	Total Units	Unit Sold	Actual Completion	Actual / Expected Handover	Units for which Profit Recognised or Expected to be Recognised (Year)	Int.
AZURA, 2A Seymour Road	6,923	126	122	2012	2012	- 98 (2012) ; 21 (2013) and 3 (2014)	87.5%
ARGENTA, 63 Seymour Road	7,921	30	27	2013	2013	- 12 (2013) and 15 (2014)	100%
DUNBAR PLACE, 23 Dunbar Road	1,830	53	52	2013	2014	- 52 (2014)	50%
MOUNT PARKER RESIDENCES, 1 Sai Wan Terrace	9,612	92	86	2013	2014	- 82 (2014) and 4 (Exp. 2015)	80%
AREZZO, 33 Seymour Road	61,303	127	79	2015	2015	- 79 (Exp. 2015)	100%
Trading Properties under Development	Total GFA (sq ft) (100% basis)	Total Units	Unit Sold / Pre-sold	Actual / Expected Completion	Expected Handover	Development Status	Int.
160 South Lantau Road, Cheung Sha	64,410	28	N/A	2015	2015	- Interior and exterior finishing works in progress.	100%
100 Caine Road	195,533	197	N/A	2016	2017	- Superstructure works in progress.	100%

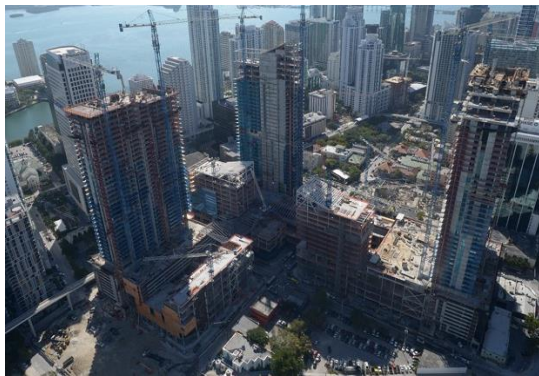
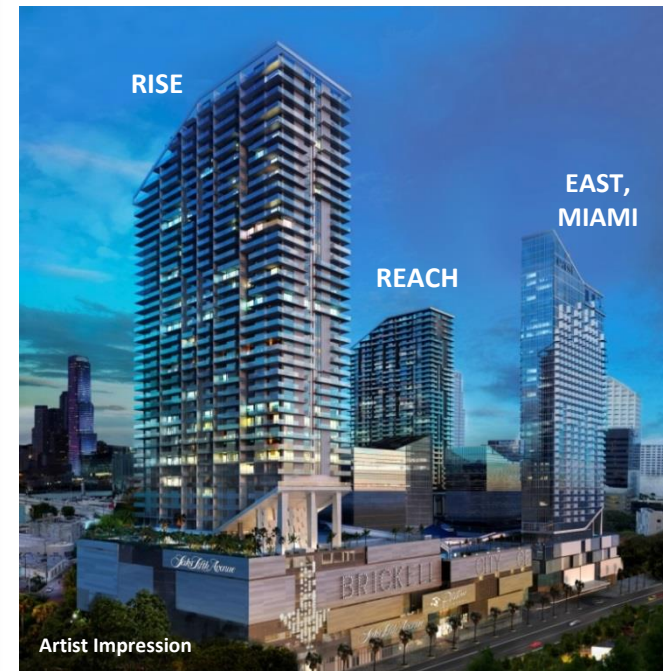


- 22
- (1) Represents the saleable area of remaining unsold units.
 - (2) The above simplified maps are not to scale and are for illustrative purpose only.

Brickell City Centre, Miami - Trading



Condominiums – REACH and RISE



REACH

304 out of 390 units sold since launch ⁽¹⁾

US\$ 634 psf (avg price) ⁽²⁾

RISE

65 out of 390 units sold since launch ⁽¹⁾

US\$ 664 psf (avg price) ⁽²⁾

- (1) At 17th March 2015, a total of 22 units of REACH and RISE are still subject to the statutory rescission period.
- (2) Average selling price is based on saleable area.
- (3) The above simplified diagram is not to scale and is for illustration purpose only.



Financing

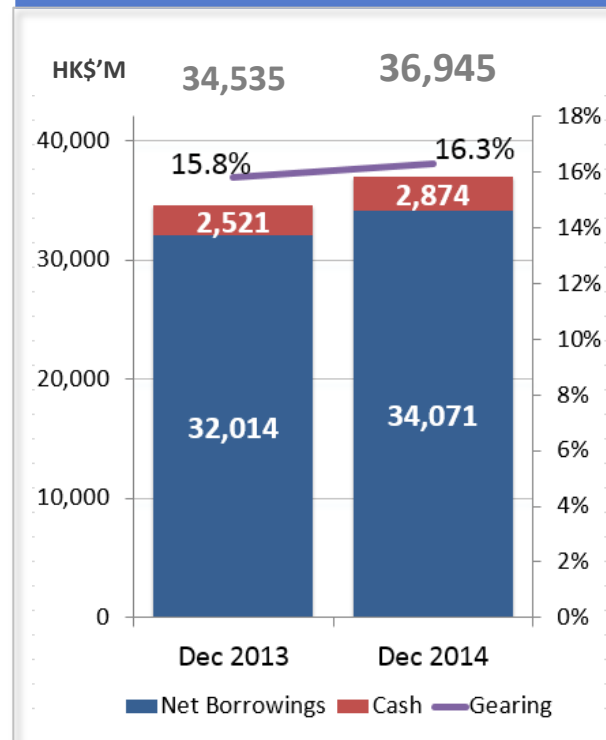
Net Debt and Gearing

Net Debt Reconciliation (HK\$M)

Net debt as at 31st Dec 2013	(32,014)
Net rental and fees receipts	8,801
Proceeds from property trading / development	4,683
Capex - PP&E and property investment	(4,951)
Development costs – property trading	(2,709)
Net investments in jointly controlled entities	(613)
Net interest paid	(1,477)
Profit tax paid	(760)
Purchase of 20% interest in Taikoo Li Sanlitun	(1,256)
Dividends paid to the Company's shareholders	(3,627)
Other operating items	(148)
Net debt as at 31st Dec 2014	(34,071)

Financial Ratios	2010 (Restated)	2011 (Restated)	2012 (Restated)	2013	2014
Total Equity (HK\$ M)	158,326	176,418	193,076	203,150	208,547
Net Debt (HK\$ M)	36,836	27,700	28,921	32,014	34,071
Gearing	23.3%	15.7%	15.0%	15.8%	16.3%
Underlying Interest Cover	5.4	12.0	7.9	6.4	7.6
Underlying Cash Interest Cover	4.3	9.2	6.0	5.1	5.6

Gearing



Net Debt

HK\$ **34,071** M

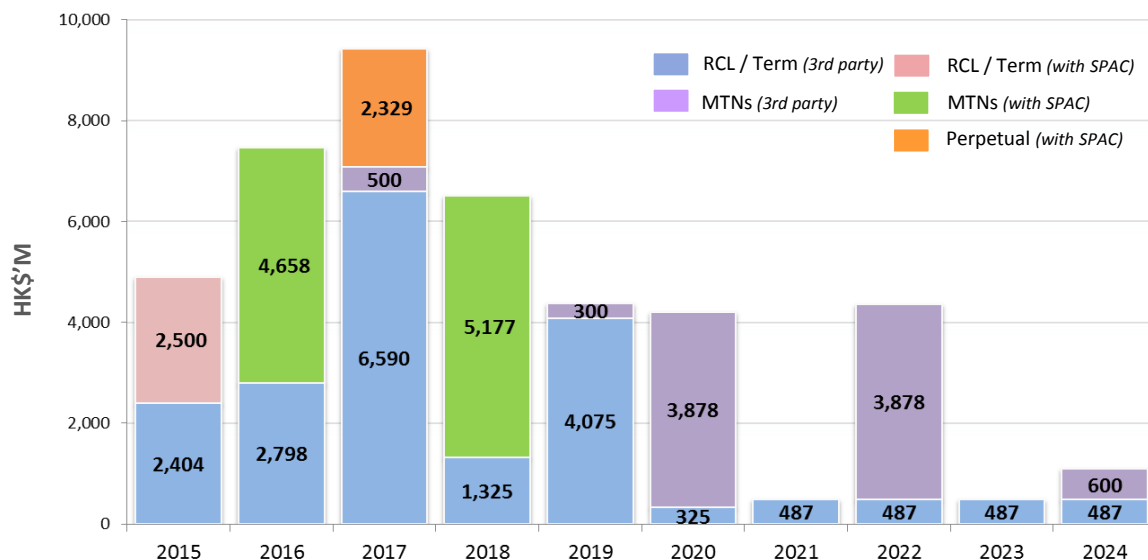
Gearing

16.3 %

Maturity Profile & Liquidity

Maturity Profile of Available Committed Facilities (as at 31st Dec 2014)

Total	43,285	4,904	7,456	9,419	6,502	4,375	4,203	487	4,365	487	1,087
Drawn	36,537	3,655	6,707	8,419	6,002	1,125	4,203	487	4,365	487	1,087



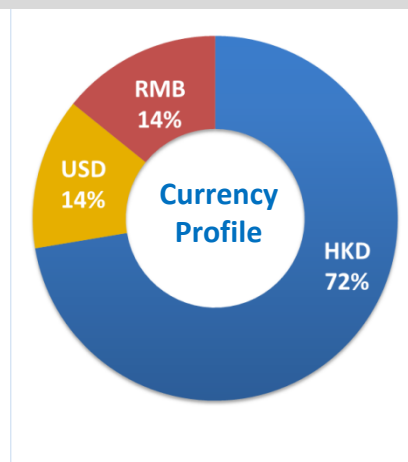
Major financing activities in 2014:

- Arranged term & revolving loan facilities in an aggregate amount of HK\$3,750M and issues of MTN of HK\$600M.
- Arranged a 3-yr term loan of RMB2,440M to refinance an expired RMB2,700M facility. Subsequently approx. RMB1,300M was early repaid.
- Arranged a 10-yr term loan of RMB2,597M to refinance an expired facility.

Subsequent to 31st Dec 2014:

- Issues of MTNs of HK\$400M.
- Arranged a new revolving loan of US\$200M.

HK\$M	Dec 2013	Dec 2014
Cash	2,521	2,874
Undrawn - committed	7,333	6,748
	9,854	9,622
Undrawn - uncommitted	1,304	1,665
	11,158	11,287



Fixed : Floating
57% : 43%

Credit Rating
Fitch "A"
Moody's "A2"
S&P "A-"

Available Committed Facilities

HK\$ 43,285 M

Cash & Undrawn Committed Facilities

HK\$ 9,622M

Capital Commitments

Profile of Capital Commitments of Investment Properties and Hotels – at 31st Dec 2014


HK\$'M	Expenditure	Forecast Year of Expenditure					Commitments*
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 & beyond</u>	
Hong Kong	4,657	1,564	4,122	4,030	7,781	17,497	
Mainland China	2,272	1,955	1,620	244	827	4,646	
U.S.A. and others	2,051	1,707	290	-	-	1,997	
Total	8,980	5,226	6,032	4,274	8,608	24,140	

* The capital commitments represent the Group's capital commitments of HK\$18,671M plus the Group's share of the capital commitments of joint venture companies of HK\$5,469M. The Group is committed to funding HK\$2,634M of the capital commitments of joint venture companies.

Sustainable Development


□ Long-term value creation depends on the sustainable development of our business and the communities in which we operate. We wish to excel as corporate citizens.

Environment




- ↓ **3%** energy intensity (2014)
- ↓ **64 million kWh / yr** by 2020 (target)
- 26 BEAM & 6 LEED** certified projects
- ISO 14001 / ISO 50001**

Health & Safety




- ↓ **15%** lost time injury rate (2014)
- OHSAS 18001** Health & Safety Mgmt

Community Involvement




- 1,300** community ambassadors
- 5,500** hours of service
- Blueprint** project
- Community Caring Fund** established

Staff

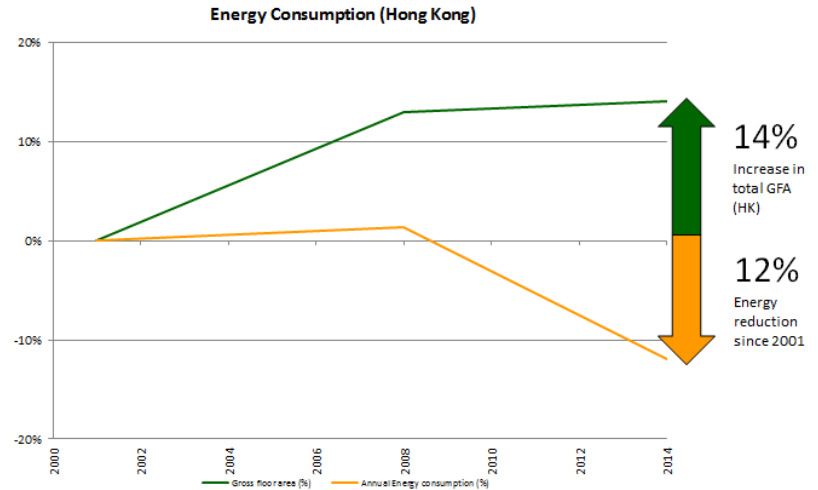


- ~ **4,500** employees
- > **1,800** trainings for employees (2014)
- Staff Engagement & Communication**

Working With Others



- Free Energy Audit** to tenants
- HK Green Purchasing Charter**
- Industry Leader** Sustainability
- Grand Award** Green Building Award 2014





Prospects

Prospects

Hong Kong Office

- ❑ Demand for office space, particularly from financial institutions, is likely to remain subdued. As a result, rents will be under pressure in the Central district.
- ❑ Pacific Place, however, has no major leases expiring in 2015 and occupancy rates are expected to remain stable.
- ❑ At Taikoo Place and Cityplaza, rents are expected to remain resilient owing to high occupancy.

Mainland China Office

- ❑ In Guangzhou and Beijing, office rents are expected to be under pressure in 2015 as a substantial supply of new office space becomes available.

Property Trading

- ❑ In Hong Kong, there is demand for luxury residential properties but there are not many transactions.
- ❑ Our profits from property trading are still expected to be significant in 2015, with the completion of the sales of AREZZO, 160 South Lantau Road, and remaining units at other completed residential developments, as well as Pinnacle One.

Hong Kong Retail

- ❑ Demand for luxury goods in Hong Kong has weakened. But overall retail sales in Hong Kong are expected to grow modestly in 2015.
- ❑ Demand for retail space at prime locations and well-managed shopping malls is expected to remain high.

Mainland China Retail

- ❑ In Guangzhou and Beijing, demand for luxury goods has weakened but that for mid-price products is expected to grow satisfactorily. Retailers are cautious about expanding.
- ❑ In Chengdu, the retail market is expected to grow steadily in 2015, reflecting demand from consumers for international and local branded goods.

Hotels

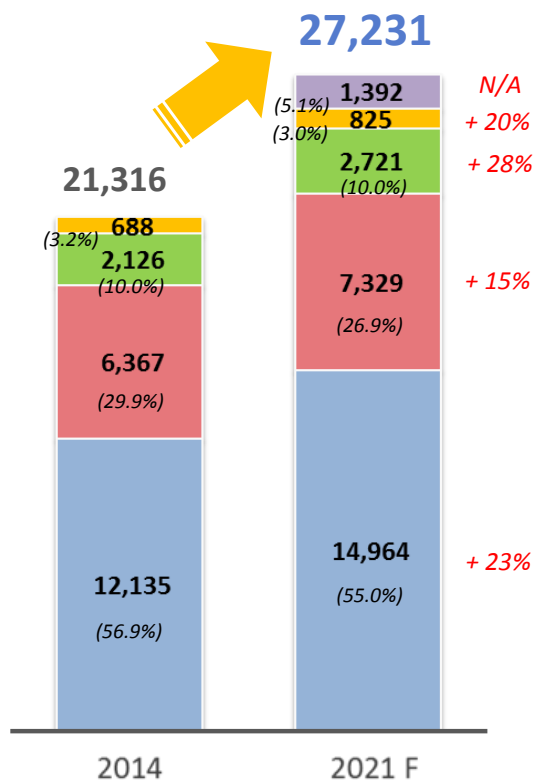
- ❑ The performance of our hotels in Hong Kong is expected to be stable in 2015.
- ❑ Trading conditions for our hotels in Mainland China remain challenging because of oversupply.

Swire Properties in Five Years

Expected Attributable GFA by Segment

GFA ('000 sq ft)

+ 28%

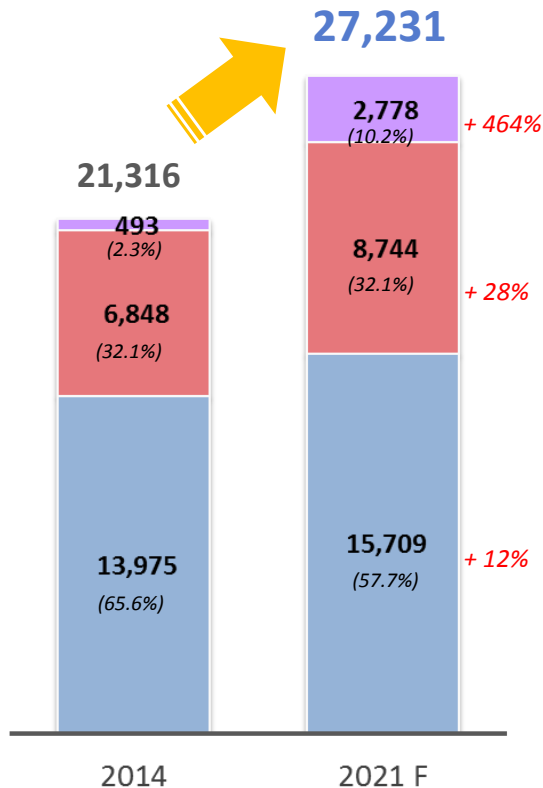


■ Office
■ Retail
■ Hotels
■ Resid. & SA
■ Under Planning

Expected Attributable GFA by Region

GFA ('000 sq ft)

+ 28%



■ HK
■ Mainland China
■ USA & Others

Expected Attri. Trading GFA Sales to Complete

	Exp. Units
HK Residential 425,735 sq ft	352
PRC Office 649,941 sq ft	N/A
US Residential 1,134,000 sq ft (BCC Phase 1)	780
520,000 sq ft (Potential Development)	N/A

Total Exp. Attri. GFA (Trading) to Complete

2.7 M sq ft

Total Exp. Attri. GFA (Investment Props) to Complete (by 2021)

5.9 M sq ft

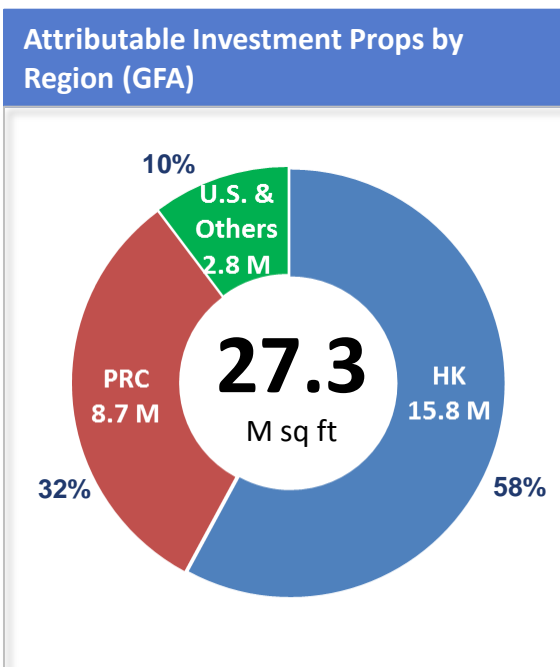


Appendix

Property Portfolio

Investment Props / Hotels Attributable GFA (M sq ft) ⁽¹⁾	Office	Retail	Hotels ⁽²⁾	Resid.	Under- Planning	Total
Completed						
<i>Hong Kong</i>	10.2	2.5	0.7	0.6	-	14.0
<i>Mainland China</i>	2.0	3.8	0.9	0.1	-	6.8
<i>U.S.A. and others</i>	-	-	0.5	-	-	0.5
Sub-Total (A)	12.2	6.3	2.1	0.7	-	21.3
Under Development or Held for Future Development						
<i>Hong Kong</i>	1.7	-	-	-	0.1	1.8
<i>Mainland China</i>	0.9	0.5	0.4	0.1	-	1.9
<i>U.S.A. and others</i>	0.3	0.4	0.2	0.1	1.3 ⁽³⁾	2.3
Sub-Total (B)	2.9	0.9	0.6	0.2	1.4	6.0
TOTAL = (A) + (B)	15.1	7.2	2.7	0.9	1.4	27.3

Trading Props Attributable GFA (M sq ft)	Completed Prop Held for Sale	Under Development / Held for Future Development	Total
<i>Hong Kong</i>	-	0.4	0.4
<i>Mainland China</i>	0.7	-	0.7
<i>U.S.A.</i>	-	2.9	2.9
Total	0.7	3.3	4.0



Attri. Investment
Portfolio
27.3 M sq ft

Attri. Trading
Portfolio
4.0 M sq ft

Total Attri. Property Portfolio
31.3 M sq ft

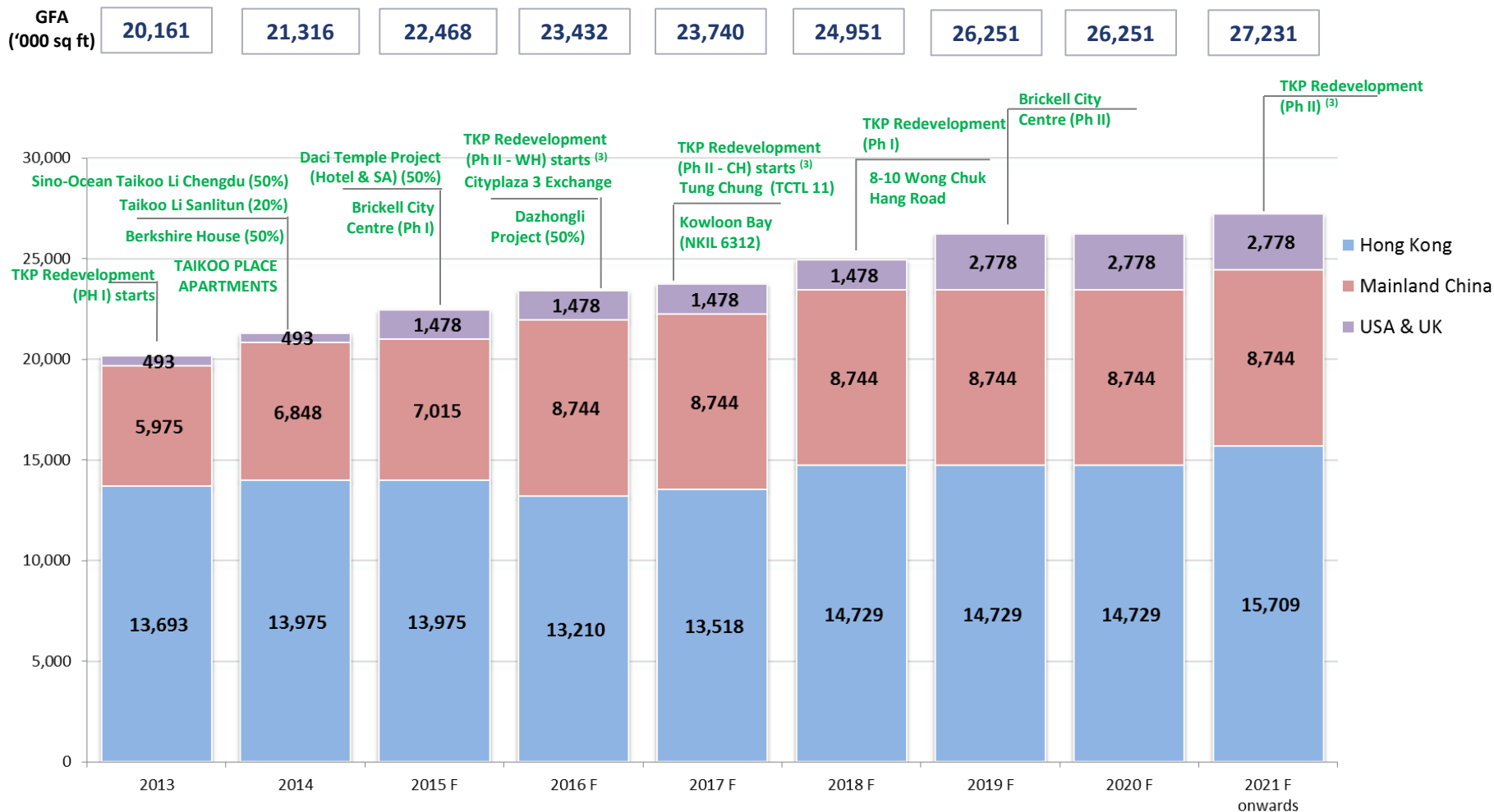
(1) Excludes GFA of car parks.

(2) Hotels are accounted for under property, plant and equipment in the financial statements.

(3) GFA of 558,000 sq ft relating to a site acquired in Jul 2013 are accounted for as properties held for development in the financial statements.

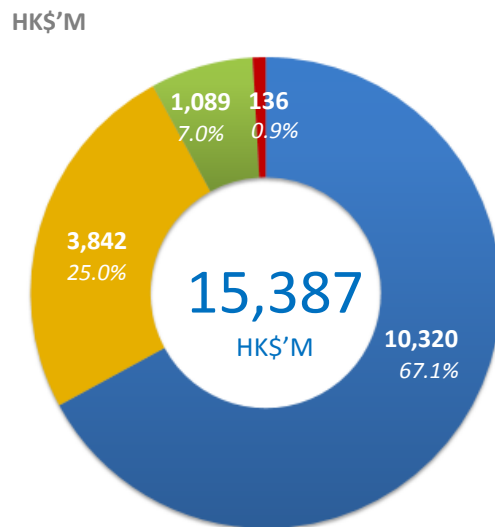
Completed Investment Portfolio

Expected Attributable GFA of Completed Investment Portfolio (incl. Hotels) ⁽¹⁾ ⁽²⁾ ⁽³⁾



Revenue Analysis

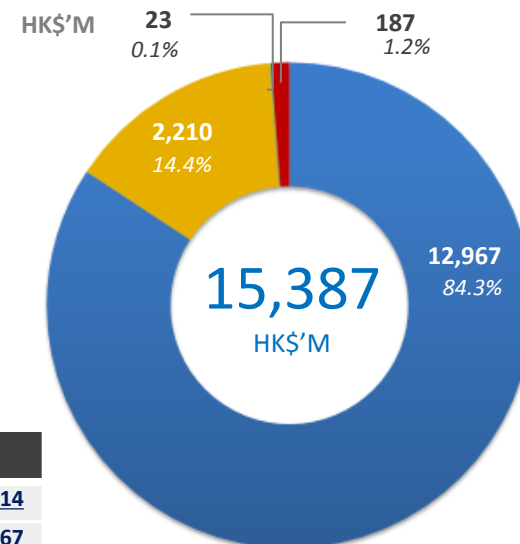
2014 Revenue Breakdown by Segment



■ Gross Rental Income ■ Property Trading
■ Hotels ■ Others

Comparison	2013	2014
Rental	9,676	10,320
Trading	2,207	3,842
Hotels	942	1,089
Others	110	136
Total	12,935	15,387

2014 Revenue Breakdown by Region



■ HK ■ China
■ U.S.A. ■ U.K. & Others

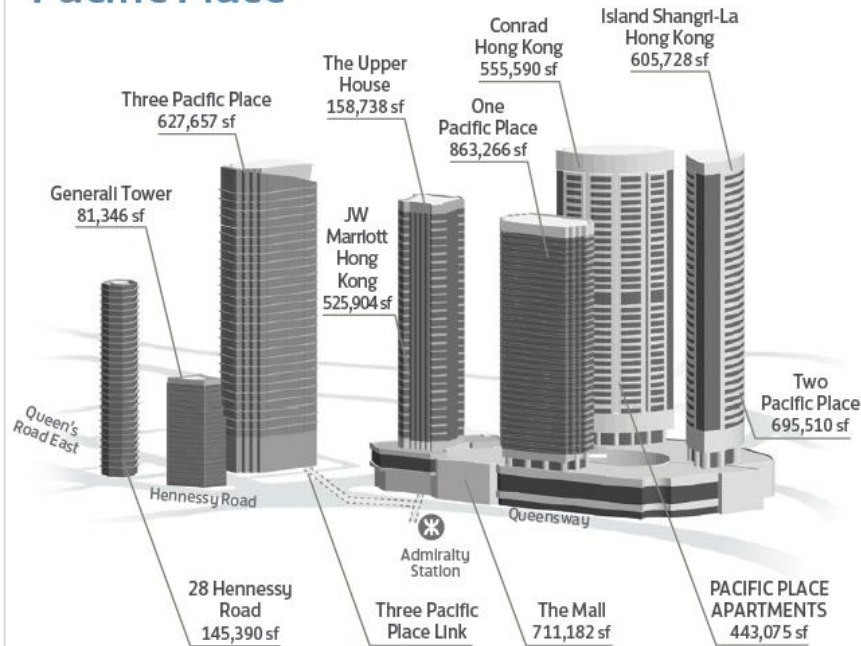
Comparison	2013	2014
HK	10,722	12,967
China	1,854	2,210
U.S.A.	186	23
U.K. & Others	173	187
Total	12,935	15,387

- The revenue increased by 19% principally due to higher sales revenue from property trading (i.e. 82 MOUNT PARKER RESIDENCES units, 15 ARGENTA units and 3 AZURA units), higher rental income from investment properties and higher revenue from hotel operations.
- Strong and stable revenue stream derived from investment properties, principally from Hong Kong operations with increasing contribution from Mainland China.

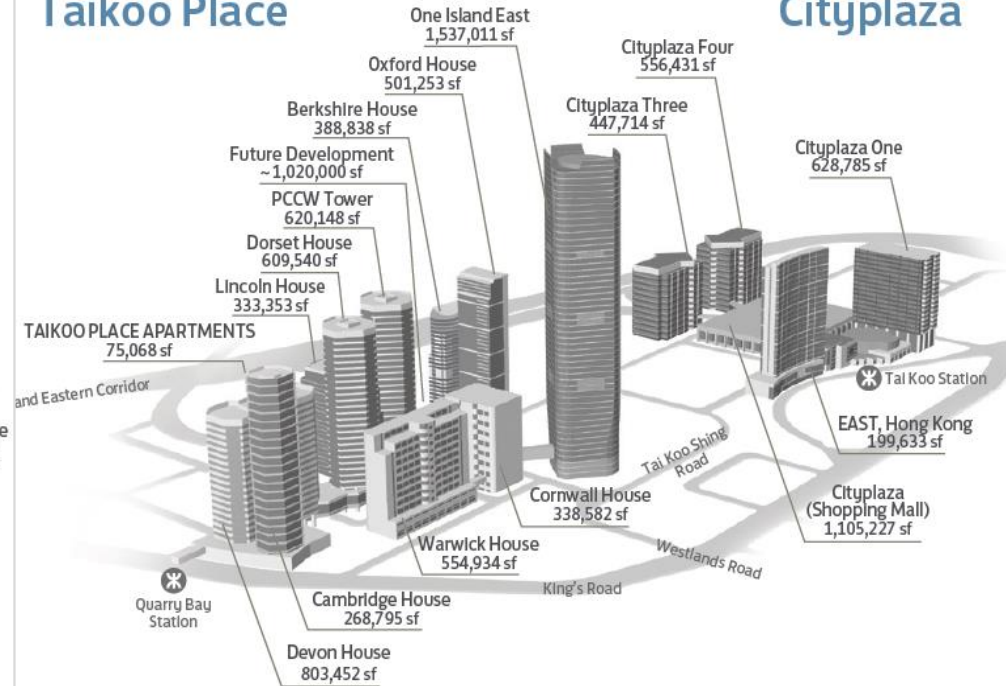
Revenue
+19%

HK Portfolio Map

Pacific Place



Taikoo Place



Taikoo Li Sanlitun, Beijing



- ❑ Gross rental income at Taikoo Li Sanlitun recorded satisfactory growth in 2014.
- ❑ Overall occupancy at Taikoo Li Sanlitun was **95%** at 31st Dec 2014.
- ❑ Retail sales grew by **19%**. Demand for retail space in Taikoo Li Sanlitun is solid and this is expected to have a positive impact on occupancy and rents.
- ❑ In Feb 2014, Swire properties completed the purchase of a 20% interest in Taikoo Li Sanlitun from a fund managed by Gaw Capital Partners. Following this transaction, Taikoo Li Sanlitun became wholly owned by the Group.

Project Summary (100% Basis)

GFA	1.47 M sq ft
Components	TKL Sanlitun South TKL Sanlitun North The Opposite House
Interest	Retail : 100% TOH : 100%
Yr of Opening	2008 (TKL South) 2008 (TOH) 2010 (TKL North)

TaiKoo Hui, Guangzhou



- ❑ TaiKoo Hui is our largest investment property in Mainland China.
- ❑ Occupancy rate of the shopping mall was **99%** at 31st Dec 2014.
- ❑ Retail sales increased by **11%** in 2014. Retailers of 39 new brands became tenants, 21 of them opening shops for the first time in Guangzhou.
- ❑ Occupancy rate of the office towers was **100%** at 31st Dec 2014.
- ❑ The Mandarin Oriental, Guangzhou opened in Jan 2013 with 263 guest rooms and 24 service apartments, has established itself as a leading luxury hotel in Guangzhou. Occupancy and room rates increased in 2014.

Project Summary (100% Basis)

GFA	3.84 M sq ft
Components	Shopping Mall 2 Office Towers Mandarin Oriental GZ
Interest	97%
Yr of Opening	2011 / 2012 / 2013

INDIGO, Beijing



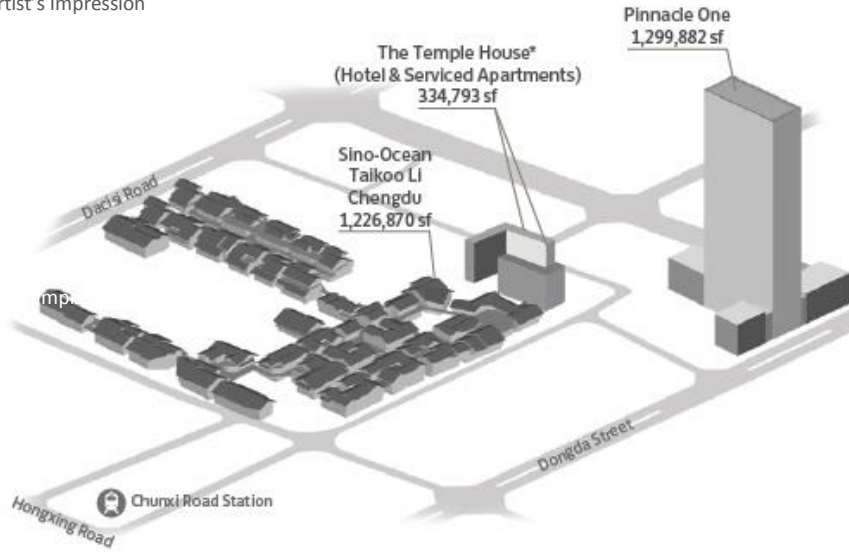
- ❑ Occupancy ⁽¹⁾ at the shopping mall was **95%** at 31st Dec 2014 and 93% of the shops were open.
- ❑ Retail sales increased by **66%** in 2014.
- ❑ The office tower, ONE INDIGO, was **100%** leased at 31st Dec 2014 .
- ❑ East, Beijing continues to build its position in the market despite increasing competition.
- ❑ The development is linked to the Beijing Metro Line 14, which opened in December 2014.

Project Summary (100% Basis)

GFA	1.89 M sq ft
Components	Shopping Mall ONE INDIGO EAST, Beijing
Interest	50%
Yr of Opening	2011 / 2012

Daci Temple Project, Chengdu

Artist's Impression



*The Temple House (Hotel & Serviced Apartments) will be completed in the first half of 2015

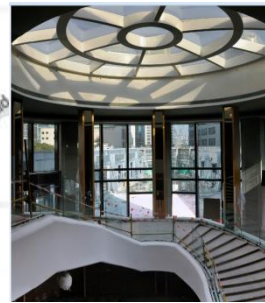
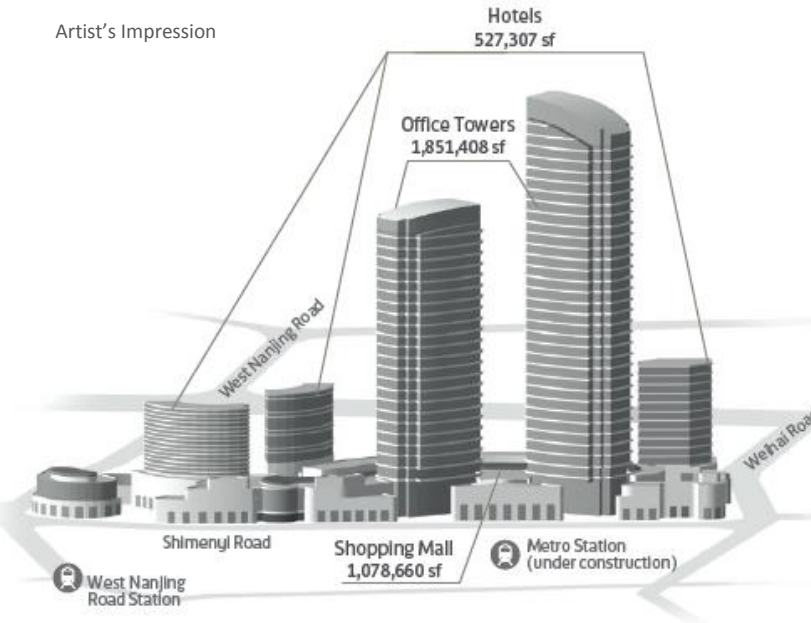
- ❑ A large-scale retail-led development comprising a street style retail complex (2-3 storey blocks)- Sino-Ocean Taikoo Li Chengdu, a boutique hotel and serviced apartment-the Temple House, and a Grade A office tower, Pinnacle One, served by the metro.
- ❑ Integrates architecturally with the Daci Temple and other neighbouring old buildings.
- ❑ Sino-Ocean Taikoo Li Chengdu started to open in Oct 2014. At 31st Dec 2014, tenants had committed⁽¹⁾ to take **83%** of the space at the complex.
- ❑ Construction of Pinnacle One was completed in Dec 2014.
- ❑ Interior decoration, mechanical and electrical installation works for the Temple House are in progress.

Project Summary (100% Basis)

GFA	2.86 M sq ft
Components	Retail Office (for trading) The Temple House Serviced Apartments
Interest	50%
Yr of Opening	2014 onwards

Dazhongli Project, Shanghai

Artist's Impression



- ❑ A large-scale retail-led mixed-use development comprising a retail mall, two office towers and three hotels, and is expected to become a landmark development in Shanghai.
- ❑ Prime location with significant frontage to Nanjing West Road, one of Shanghai's major shopping thoroughfares, being adjacent to an existing metro line and two planned metro stations.
- ❑ Foundation work has been completed; basement work and above ground construction of the office towers, shopping mall and one of the hotels are in progress.
- ❑ The project is expected to open in phases from 2016 onwards.



Project Summary (100% Basis)

GFA	3.46 M sq ft
Components	Retail Mall 2 Office Towers 3 Hotels
Interest	50%
Yr of Opening	2016 onwards

Hotel Portfolio

Managed Hotels		No. of Rooms	Interest
Completed		<i>(100% basis)</i>	
HK	The Upper House	117	100%
HK	EAST, Hong Kong	345	100%
HK	Headland Hotel	501	0%
China	The Opposite House, Beijing	99	100%
China	EAST, Beijing	369	50%
U.K.	The Montpellier Chapter, Cheltenham	61	100%
U.K.	Avon Gorge Hotel, Bristol	75	100%
U.K.	The Magdalen Chapter, Exeter	59	100%
U.K.	Hotel Seattle, Brighton	71	100%
Sub-Total (A)		1,697	
Under Development			
China	The Temple House, Chengdu ⁽¹⁾	142	50%
China	Hotel at Dazhongli, Shanghai	119	50%
U.S.A.	EAST, Miami	352	100%
Sub-Total (B)		613	
Total = (A) + (B)		2,310	

Owned but Non-managed Hotels		No. of Rooms	Interest
Completed		<i>(100% basis)</i>	
HK	Island Shangri-La HK	565	20%
HK	JW Marriott Hotel HK	602	20%
HK	Conrad HK	513	20%
HK	Novotel Citygate HK	440	20%
China	Mandarin Oriental, Guangzhou ⁽¹⁾	287	97%
U.S.A.	Mandarin Oriental, Miami	326	75%
Sub-Total (C)		2,733	
Under Development			
China	Hotel at Dazhongli, Shanghai	396	50%
Sub-Total (D)		396	
Total = (C) + (D)		3,129	



Expected Total Managed Rooms

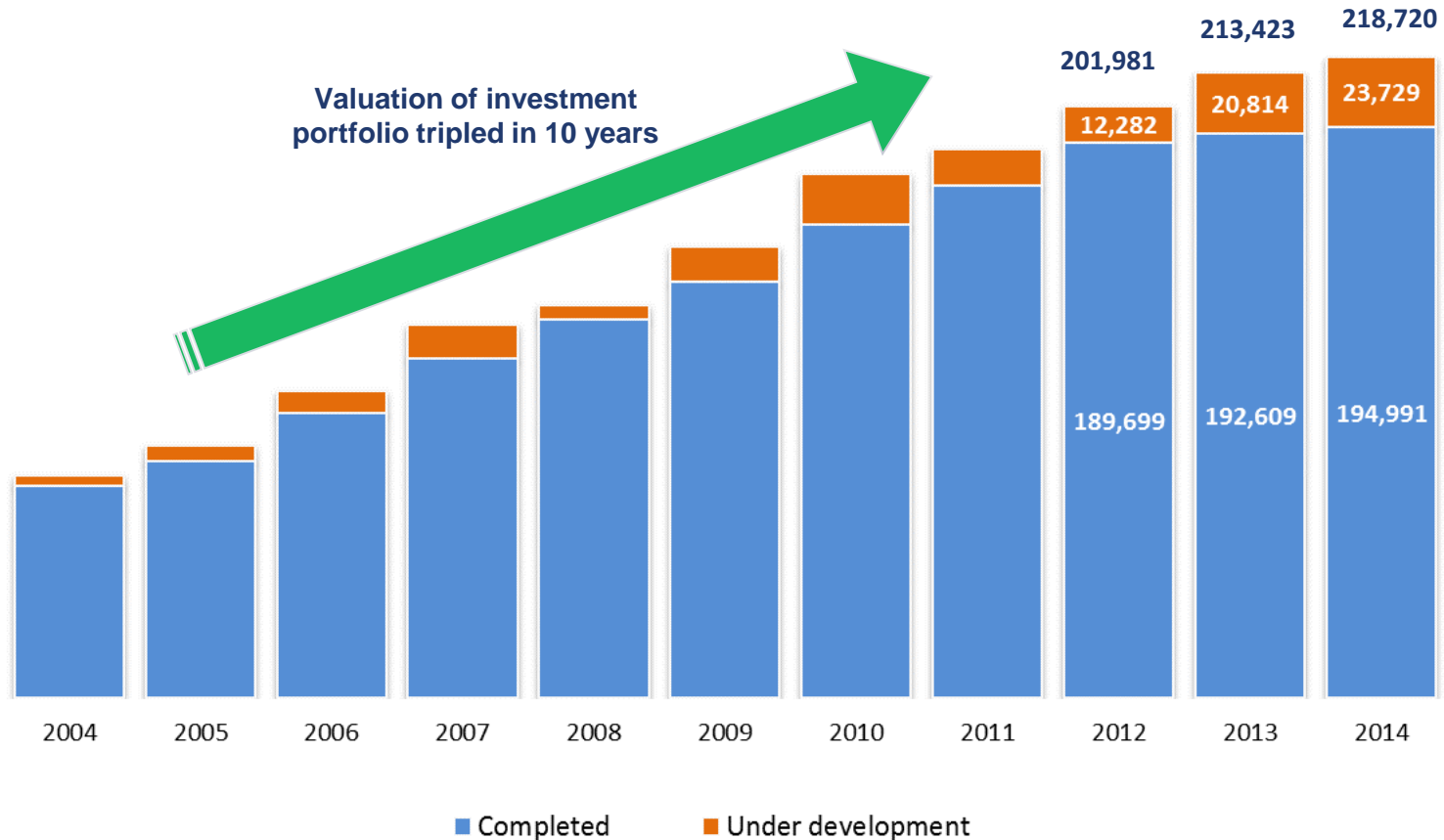
2,310

Valuation of Completed Investment Properties

- Consistent value creation through continuous property investment and asset reinforcement.

2004 – 2014 Valuation of Completed Investment Properties (excl. Hotels) *

HK\$'M



43 * Per 2014 financial statements on accounting basis. Hotels are accounted for under property, plant and equipment in the financial statements. 2011 does not include Festival Walk which was sold in August for HK\$ 18.8 bn.