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# 2016 Final Results | Analyst Briefing

16th March 2017

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# Key Developments



**Three Brickell City Centre & EAST, Miami** opened.

Mar / Jun 2016



Artist Impression

**ALASSIO**

pre-sale with all units sold.

Apr 2016



Artist Impression

**One & Two Taikoo Place**

HK\$15 bn redevelopment announced.

Jul 2016



Artist Impression

**HKRI Taikoo Hui**

shopping mall & one office tower completed.

Aug 2016



Artist Impression

**Kowloon Bay Project Co.**

sold for HK\$6.5 bn.

Oct 2016



**Brickell City Centre**

shopping centre opened.

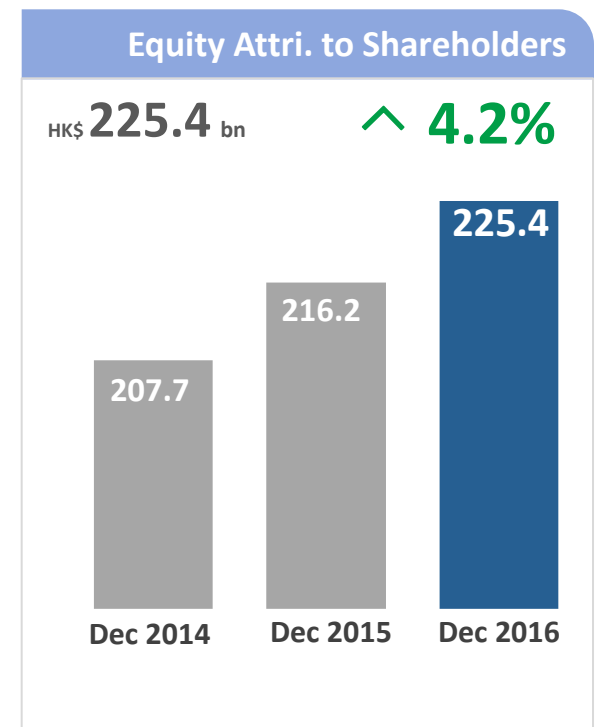
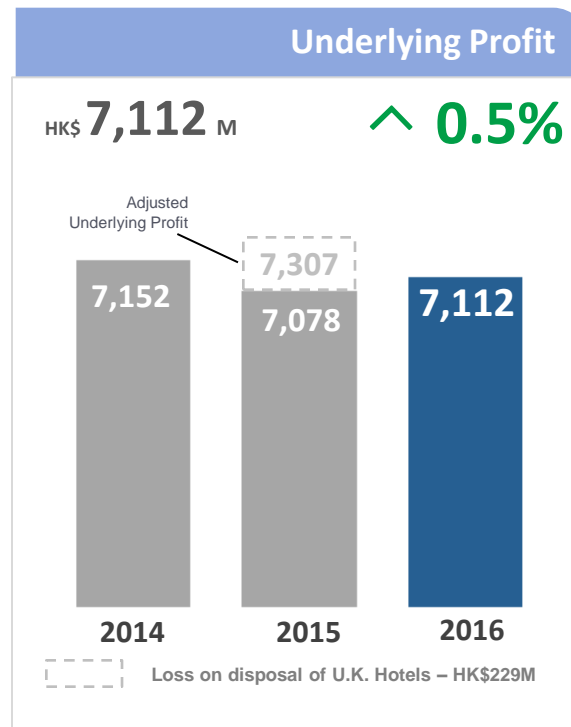
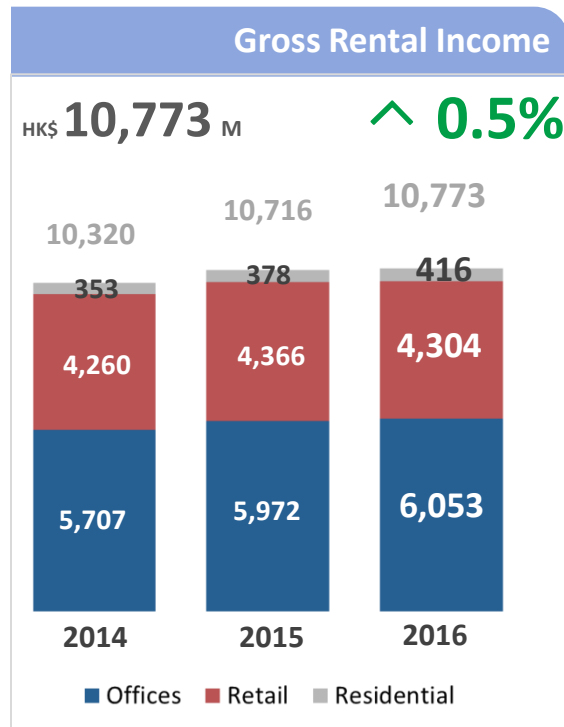
Nov 2016



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# Financial Summary

# Result Highlights



**Underlying profit ^ 0.5% to HK\$7,112M**, due to a small decrease in underlying profit from property investment and a small increase in underlying profit from property trading.

## Highlights in 2016

HK\$ **38.52** per share  
(2015 Dec: HK\$ 36.97 per share)

Equity Attributable  
to Shareholders

HK\$ **15,050 M**  
(2015: HK\$ 14,072 M)

Reported  
Profit

HK\$ **0.71** *HK\$ 0.23 (1<sup>st</sup>)*  
(2015: HK\$ 0.71) *HK\$ 0.48 (2<sup>nd</sup>)*

Dividends  
per Share

# Results Highlights

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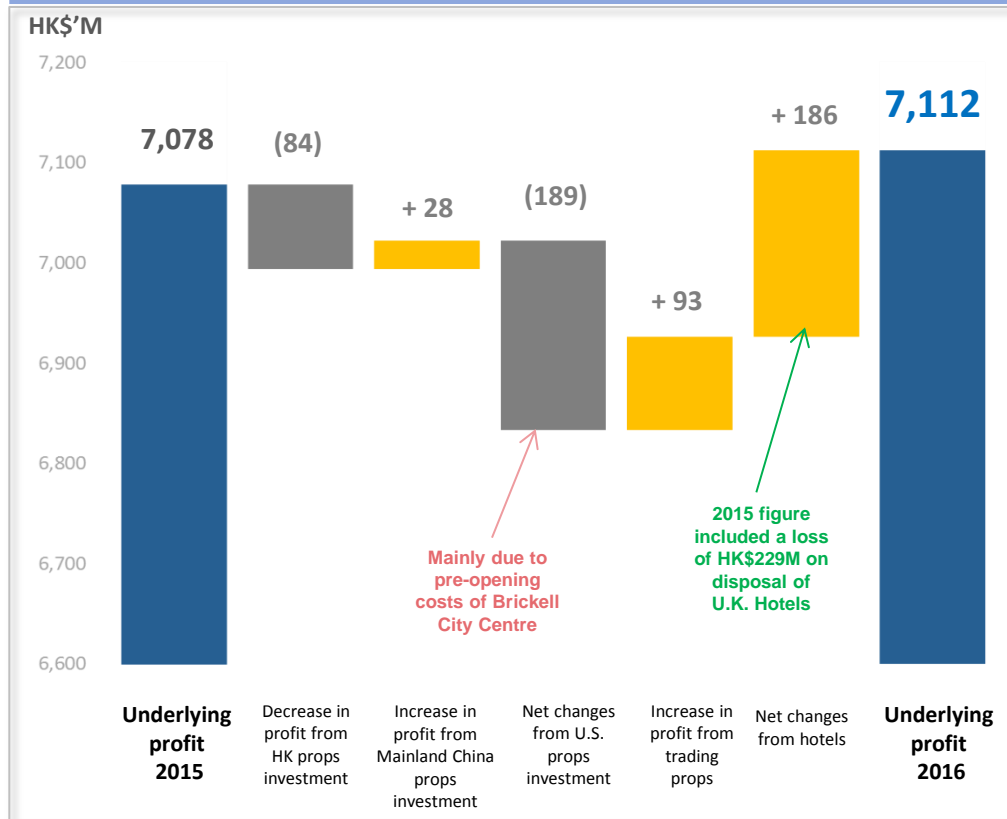
- ❑ Underlying profit recorded a marginal increase of 0.5%, reflecting a small decrease in underlying profit from property investment and a small increase in underlying profit from property trading.
- ❑ Office rental income in Hong Kong increased despite the loss of rental income resulting from the Taikoo Place redevelopment. Strong development pipeline will continue to drive sustainable long-term growth: 8-10 Wong Chuk Hang (2018), One Taikoo Place (2018) and Two Taikoo Place (2021 / 2022).
- ❑ Lower retail rental income reflected lower retail sales in HK and tenant mix changes. The mix of retail tenants continues to be adjusted in line with changing consumer preferences.
- ❑ In Mainland China, rental income increased by 2% despite a 6% depreciation of RMB against HKD. The shopping mall and one of two office towers of HKRI Taikoo Hui, a landmark development in Shanghai, were completed in August 2016.
- ❑ Brickell City Centre in Miami opened and started to contribute rental income.
- ❑ Trading profits are expected to be recognised in 2017 from the handover of pre-sold units at ALASSIO, sales of units at WHITESANDS and sales of units at Reach and Rise in Miami.

# Financial Summary

HK\$M	FY 2015	FY 2016	Change
Revenue	16,447	<b>16,792</b>	^ 2.1%
Valuation gains on investment properties	7,116	<b>8,418</b>	^ 18.3%
Operating profit	16,207	<b>17,320</b>	^ 6.9%
Underlying profit	7,078	<b>7,112</b>	^ 0.5%
Reported profit	14,072	<b>15,050</b>	^ 6.9%
Underlying earnings per share (HK\$ per share)	1.21	<b>1.22</b>	^ 0.8%
Reported earnings per share (HK\$ per share)	2.41	<b>2.57</b>	^ 6.6%
First interim dividend per share (HK\$ per share)	0.71 { 0.23	0.71 { <b>0.23</b>	-
Second interim dividend per share (HK\$ per share) <sup>(1)</sup>	0.48	<b>0.48</b>	-
HK\$M	Dec 2015	Dec 2016	Change
NAV attributable to the Company's shareholders <sup>(2)</sup>	216,247	<b>225,369</b>	^ 4.2%
Net debt	33,348	<b>35,377</b>	^ 6.1%
Gearing ratio	15.3%	<b>15.6%</b>	^ 0.3%pt.
NAV per share (HK\$ per share)	36.97	<b>38.52</b>	^ 4.2%

# Earnings Reconciliation

## Movement in Underlying Profit



## Underlying Profit by Segment

	FY 2015	FY 2016	Change
Property investment	6,274	6,029	- 3.9%
Property trading	1,107	1,200	+ 8.4%
Hotels	(303)	(117)	N/A
<b>Total</b>	<b>7,078</b>	<b>7,112</b>	<b>+ 0.5%</b>

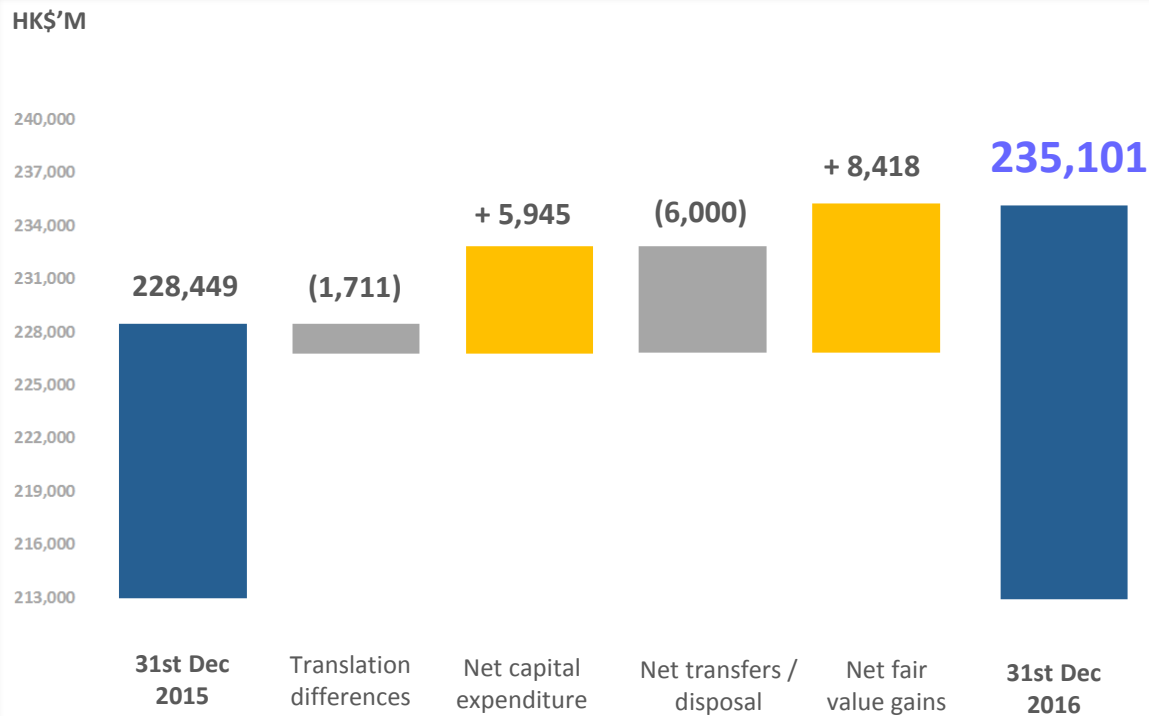
HK\$ 7,112 M,  $\uparrow$  0.5%

Underlying Profit  
(2016)

# Movement in Investment Properties

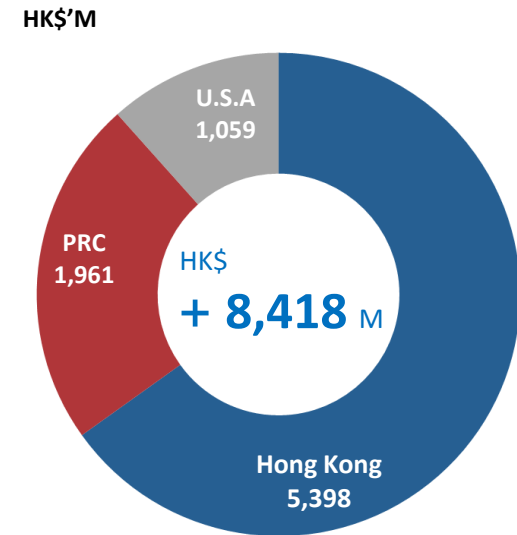
## Movement in Investment Properties

(excl. Hotels & Investment Properties held under JVCs)



The increase in the valuation of the investment property portfolio is mainly due to an increase in the valuation of the office properties in Hong Kong, partially offset by a decrease in the valuation of the retail properties in Hong Kong.

## Fair Value Gains Breakdown



HK\$ **235,101**<sub>M</sub> ^ 2.9%

Investment Props Valuation  
(2016)





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# Investment Portfolio

# Gross Rental Income

## HK Office

^ 0.7%

- Strong demand for office space with high occupancy at 99%.
- Positive rental reversions.
- Higher rental income despite Taikoo Place redevelopment.

## HK Retail

v 4.3%

- Occupancy level at 100%.
- Lower rental income reflected lower retail sales in HK and tenant mix changes.

## PRC Props \*

^ 2.4%

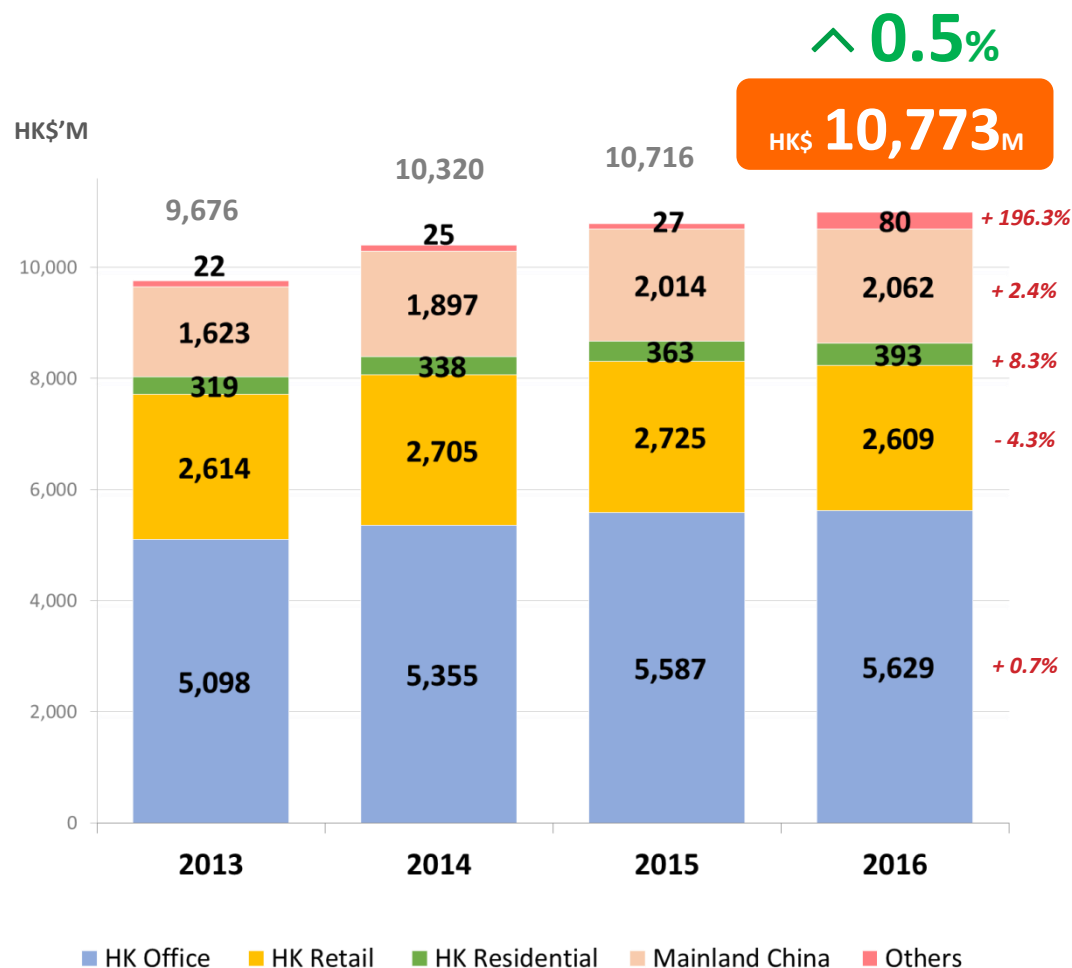
- Higher retail sales and positive rental reversions.
- Demand for our retail space was firm.

### PRC Props Rental Breakdown

	FY 2015	FY 2016	Change
Retail	1,641	1,688	+2.9%
Office	360	361	+0.3%
Serviced Apt	13	13	+0.0%
<b>Total</b>	<b>2,014</b>	<b>2,062</b>	<b>+2.4%</b>

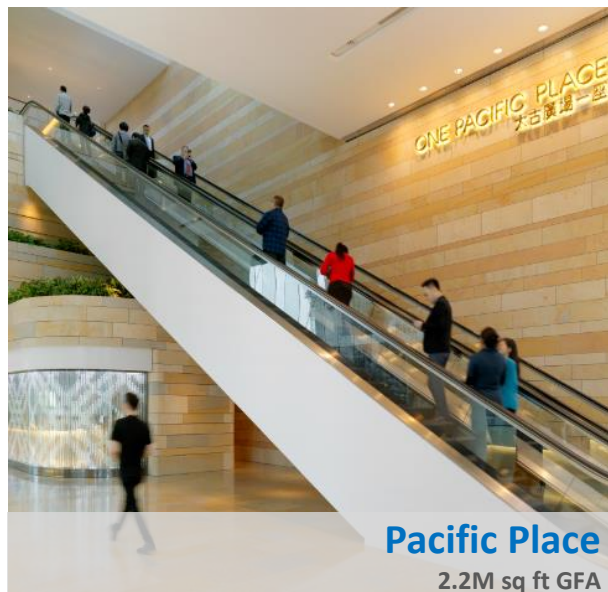
(in RMB +8.3%)

## Gross Rental Income



\* Rental contributions from INDIGO and Sino-Ocean Taikoo Li Chengdu were not included in gross rental income as were accounted for under joint venture companies. On attributable basis, gross rental income from PRC increased by 6% from HK\$2,463M in 2015 to HK\$2,614M in 2016.

# HK Office



**Pacific Place**  
2.2M sq ft GFA



**TKP office towers**  
3.1M sq ft GFA



**One Island East**  
1.5M sq ft GFA



**Cityplaza**  
1.4M sq ft GFA

Latest Rental	1PP/2PP : 115-135 3PP : 100-105	low 40s to high 40s	mid 50s to high 60s	mid 40s to high 40s
Occupancy	100%	98%	100%	100%
Rental Reversion <sup>(1)</sup>	+ 14%	+ 15%	+ 29%	+ 9%

## Highlights

HK\$ **129.0** bn  
Attributable  
Valuation

**9.3** M sq ft  
Completed GFA

HK\$ **5,956** M  
Attributable  
Gross Rental <sup>(2)</sup>

**99** %  
Occupancy  
(31st Dec 2016)

# HK Retail



Occupancy	100%	100%	100%
Retail Sales Growth	-12.8%	-3.7%	-8.0% <sup>(1)</sup>

## Highlights

HK\$ **45.5** bn

Attributable  
Valuation

**2.8**M sq ft

Completed GFA

HK\$ **2,687** M

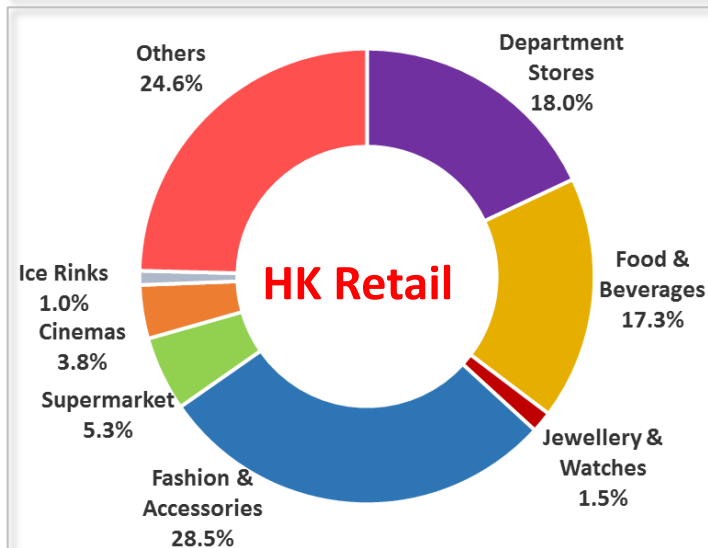
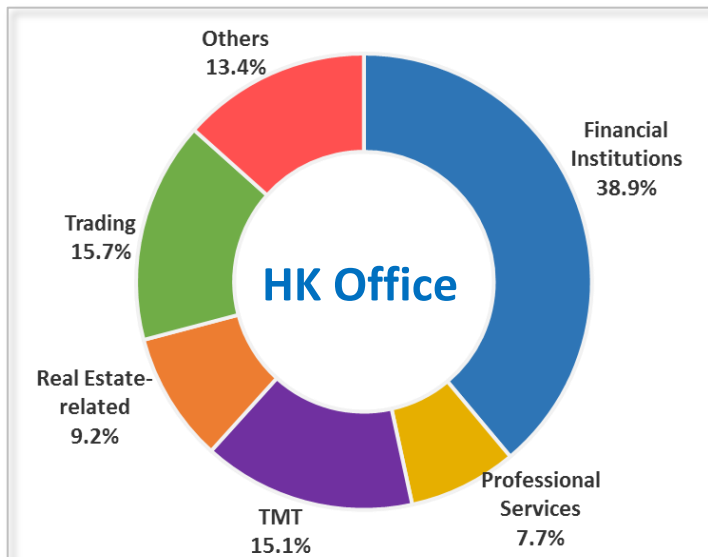
Attributable  
Gross Rental<sup>(2)</sup>

**100 %**

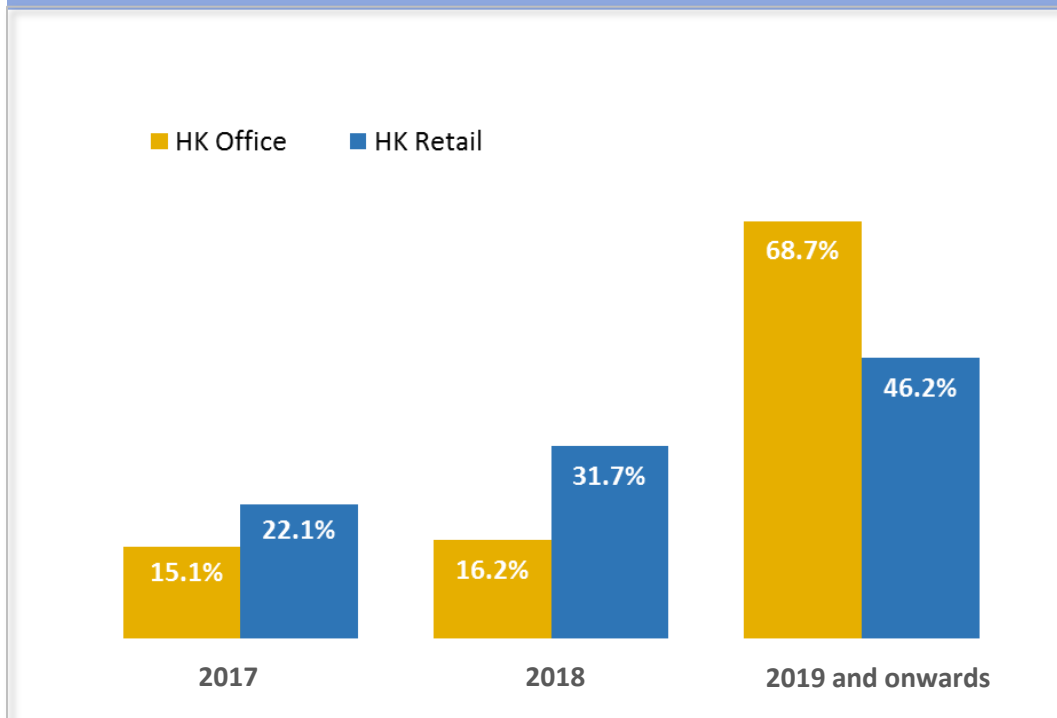
Occupancy  
(31st Dec 2016)

12 (1) Excluding area closed for renovation and upgrading works during the fourth quarter.  
(2) Reported gross rental income (excluding rental contributions from JVCs and associates) was HK\$2,609M.

# HK Portfolio – Tenant Mix and Lease Expiries



## Lease Expiry Profile <sup>(1)(2)</sup>

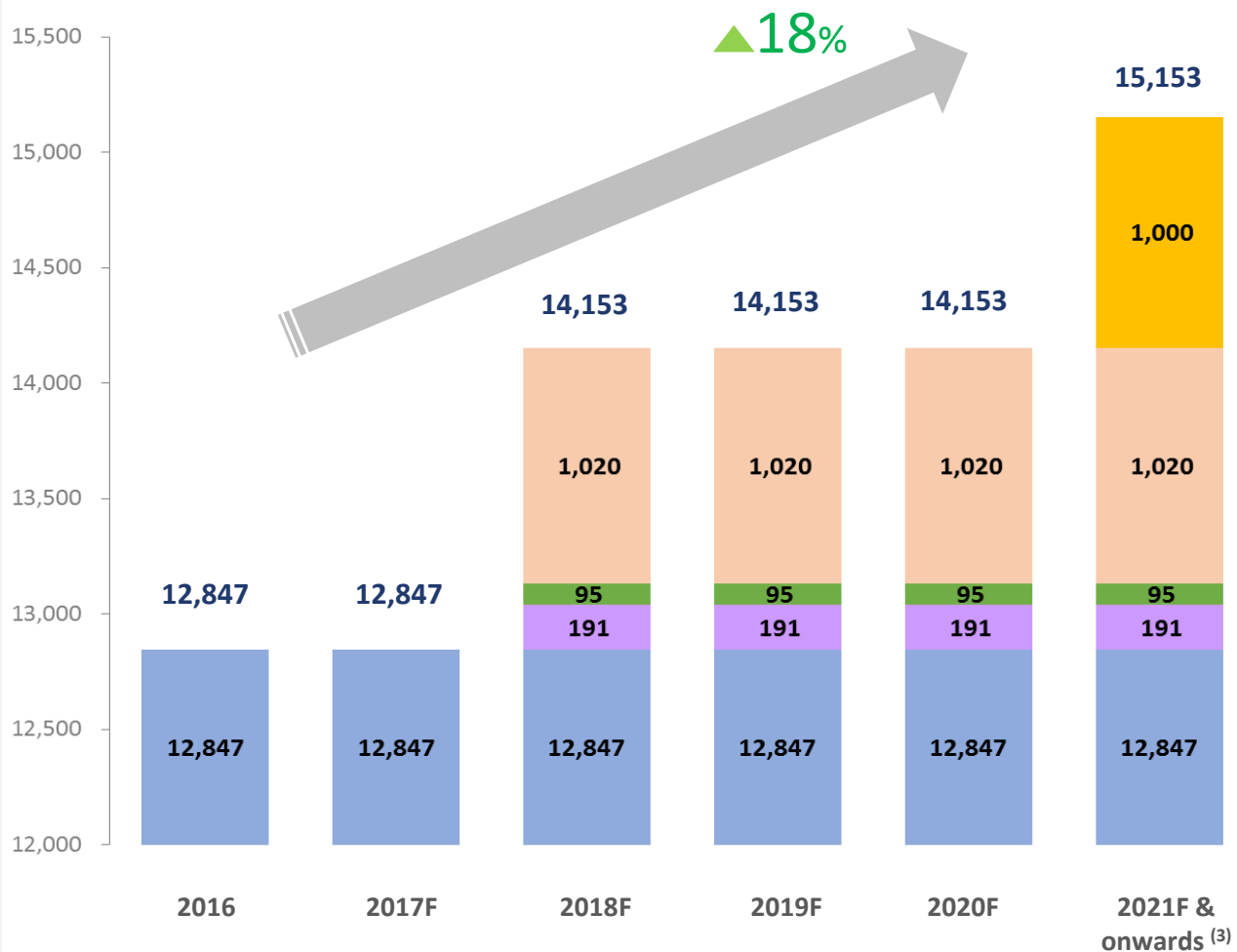


- ❑ Strong and diverse tenant base.
- ❑ Well-balanced lease expiry profile.
- ❑ Top 10 office tenants occupied approx. **21%** of office area in HK.
- ❑ Top 10 retail tenants occupied approx. **26%** of retail area in HK.

# Property Portfolio – Hong Kong

## Expected Attributable GFA of Completed Property Portfolio in Hong Kong <sup>(1)(2)</sup>

GFA ('000 sq ft)



15.2 M sq ft

Exp. Attributable  
Completed GFA <sup>(1)</sup>  
(Investment Props)



(1) Includes GFA of the hotels.

(2) At 31st Dec 2016.

(3) The second phase of the Taikoo Place redevelopment is expected to be completed in 2021 or 2022.

# Hong Kong Investment Properties Update

## 2018 Tung Chung Town Lot 11

Artist Impression



- ❑ 20% owned commercial building with retail and hotel.
- ❑ Excavation, substructure and superstructure works in progress.

~ 475,000 sf GFA

## 2018\* New Kowloon Inland Lot 6312



- ❑ Superstructure works in progress.
- ❑ Conditionally agreed to sell the company which owns the investment property.

~ 555,000 sf GFA

## 2018 8-10 Wong Chuk Hang Road

Artist Impression



- ❑ 50% owned office building
- ❑ Substructure and superstructure works in progress.

~ 382,500 sf GFA

## 2018+ Taikoo Place Redevelopment

Artist Impression



- ❑ **One Taikoo Place:** A 48-storey Grade-A office building, substructure and superstructure works in progress.
- ❑ **Two Taikoo Place:** Demolition of Warwick House in progress.

~ 2M sf GFA

Office

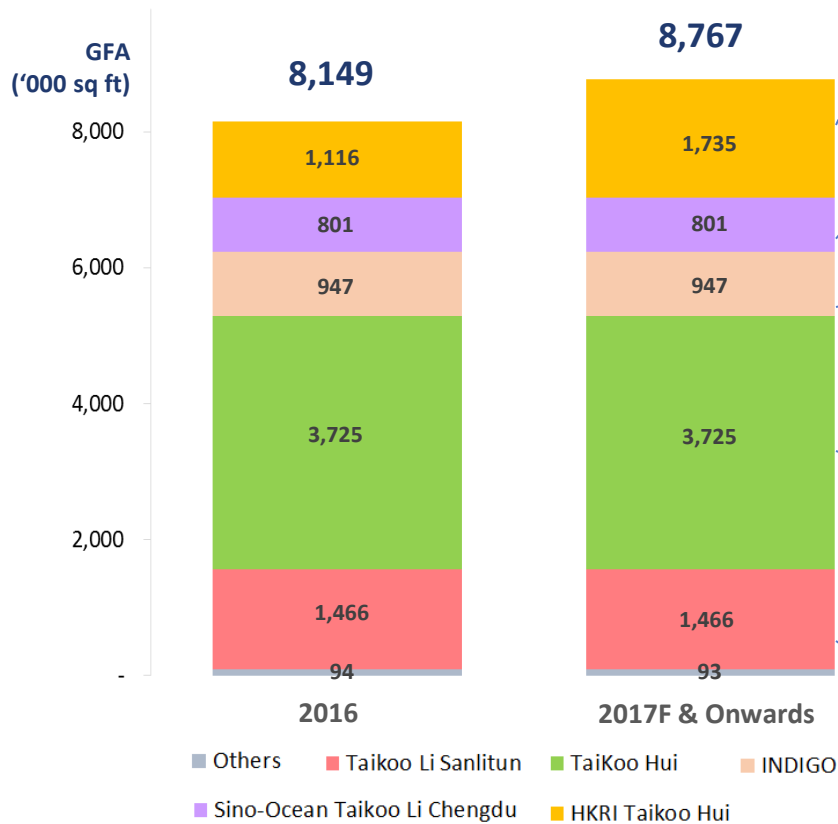
Retail-Led

# Property Portfolio – Mainland China

## Attributable GFA of Completed Property Portfolio in Mainland China <sup>(1)(2)(3)</sup>

HK\$ **42.6** bn  
Attributable Valuation  
(Investment Props)

**8.8** M sq ft  
Exp. Attributable  
Completed GFA <sup>(1)</sup>  
(Investment Props)



- Completed – Shopping mall & HKRI Centre 1
- Works in progress – HKRI Centre 2, hotels and serviced apartments

Retail Sales **+78%**  
Occupancy **92%**  
*Retail*

Retail Sales **+20%**  
Occupancy **98%** **90%**  
*Retail Office*

Retail Sales **+10%**  
Occupancy **99%** **99%**  
*Retail Office*

Retail Sales **+6%**  
Occupancy **94%**  
*Retail*

(1) Includes GFA of the hotel but excludes GFA of car parks at these projects as at 31st Dec 2016.

(2) Excludes Pinnacle One, which was developed for trading purposes.

(3) Retail sales growth quoted in RMB and Occupancy at 31st Dec 2016.

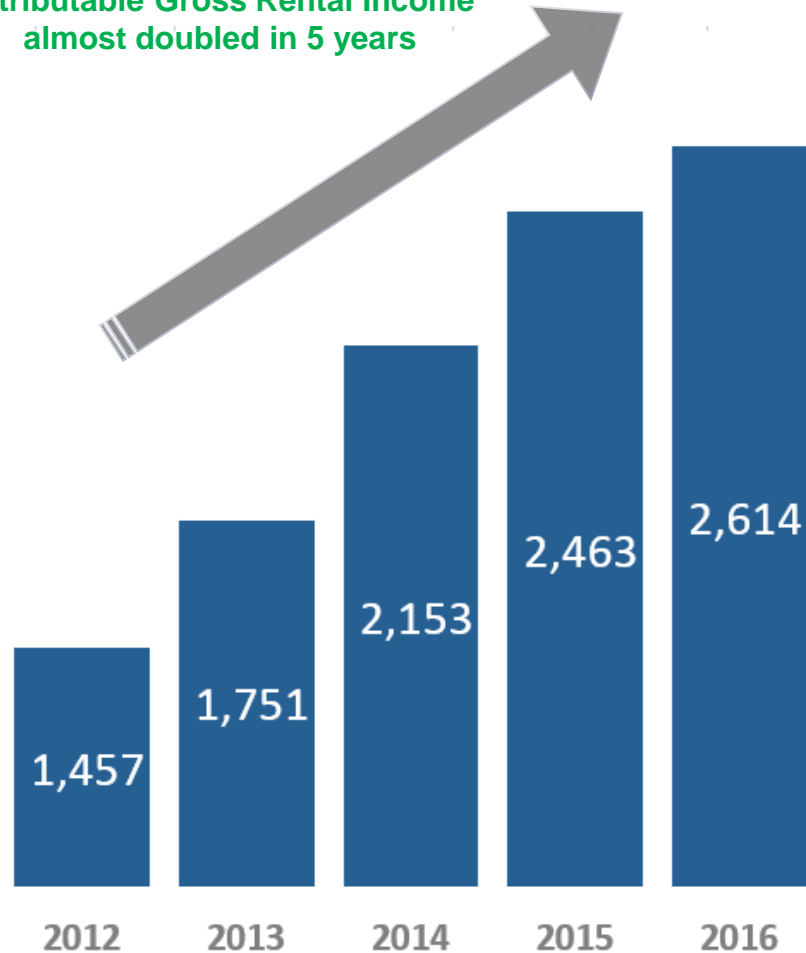


# Property Portfolio – Mainland China

## Attributable Gross Rental Income

HK\$'M

Attributable Gross Rental Income  
almost doubled in 5 years



## Potential Pipeline

### Qiantan Project, Shanghai

- Framework Agreement signed.
- Retail development

### Dalian Port Project

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

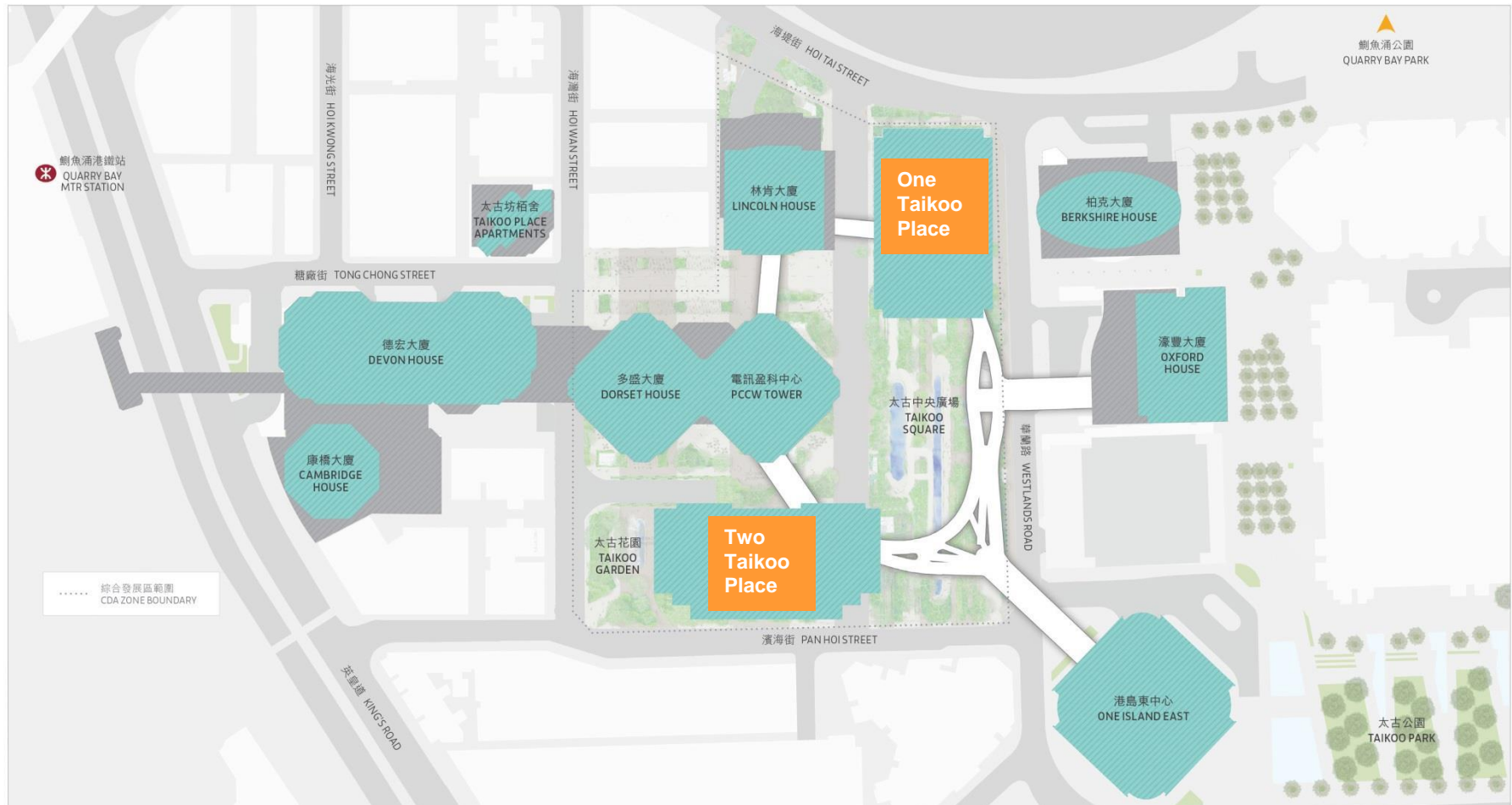
HK\$ 2,614 M,  $\wedge$  6%

RMB 2,244 M,  $\wedge$  12%

Attributable Gross Rental <sup>(1)</sup>  
(2016)

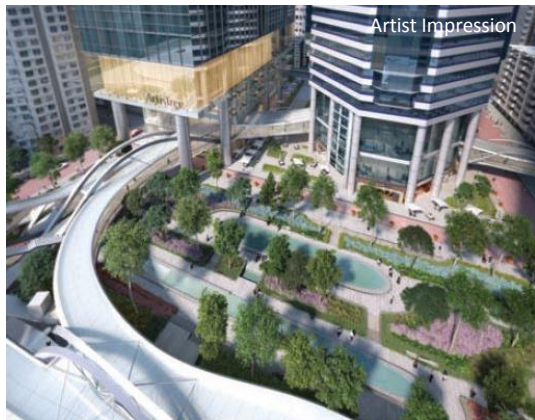
# Taikoo Place Redevelopment

*“Transform the Taikoo Place into a more connected, people-friendly commercial centre with 69,000 sq ft of new open public spaces and 2 million sq ft of new Grade-A office space”*



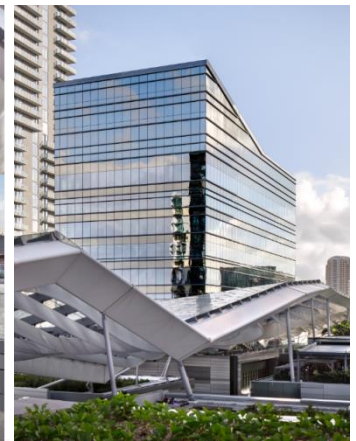
# Taikoo Place Redevelopment

- ❑ GFA: ~2M sq ft
- ❑ 2 Grade-A Office Towers
- ❑ Open space – Taikoo Square

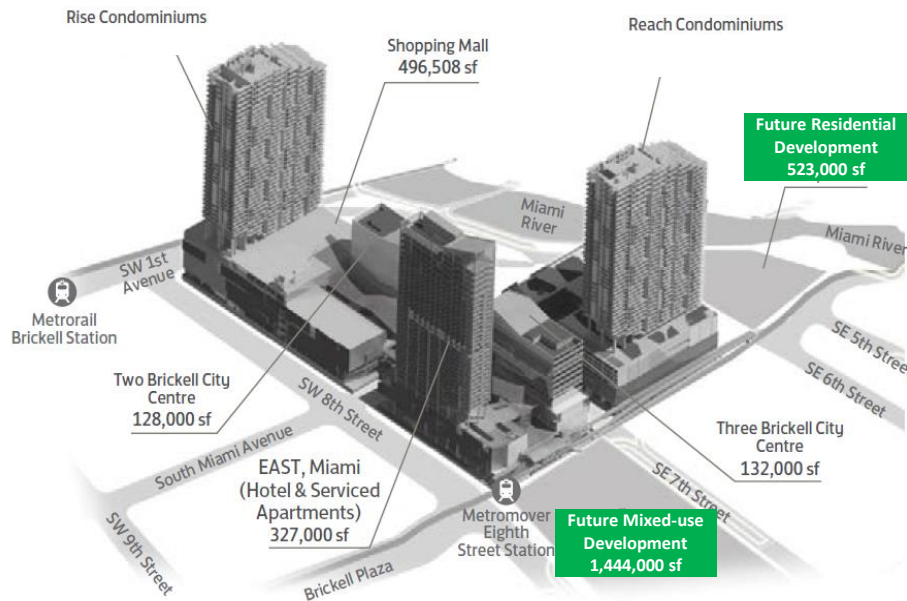


# Brickell City Centre, Miami

- ❑ Shopping Mall: **91%** occupancy, opened in Nov 2016.
- ❑ Three BCC office: **100%** occupancy, opened in Mar 2016.
- ❑ Two BCC office: **61%** occupancy, opened in Feb 2017.



# Brickell City Centre, Miami



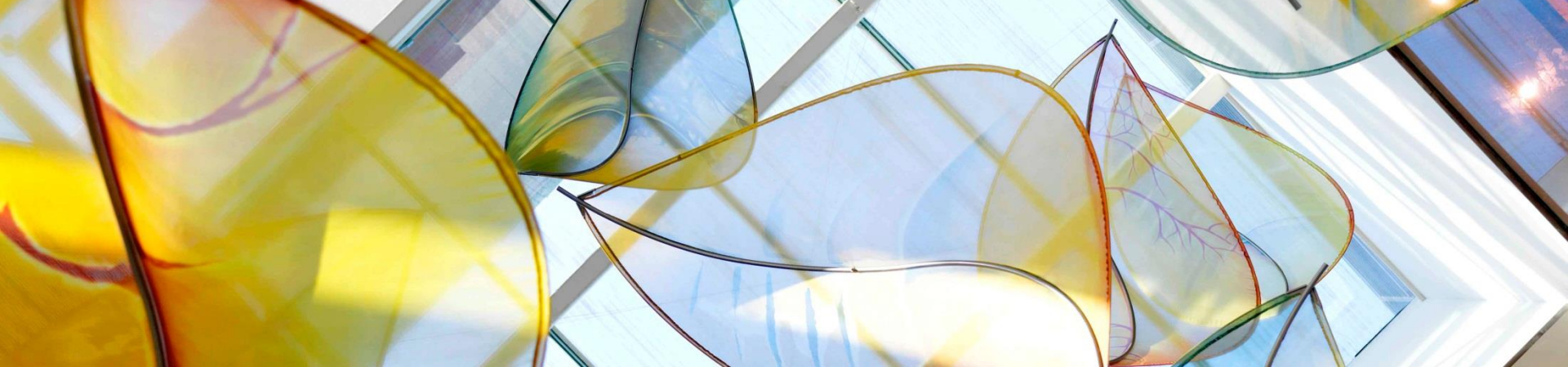
\*Rise and Reach Condominiums are developed for trading purpose.  
Floor area shown represents the unsold portion.



- ❑ Located in the centre of the Brickell financial district of Miami, with a light rail system station within the site.
- ❑ Brickell City Centre, completed in 2016, comprises a shopping centre, two office buildings (Two and Three BCC), a hotel with serviced apartments (EAST, Miami) and two residential towers (Reach and Rise, for sale).
- ❑ Joint venture with Bal Harbour Shops (14.1%) and Simon Property Group (25%) for the shopping centre of BCC. Swire Props holds 60.9% interest.
- ❑ The future mixed-use development is planned to be a 80-storey tower “One Brickell City Centre” comprising retail, office, hotel and residential space, incorporating the site at 700 Brickell Avenue acquired in 2013.

## Project Summary (100% Basis)

GFA	1.50 M sq ft (BCC) 1.97 M sq ft (OBCC & Others)
Components	Retail 2 office buildings EAST Miami (w Serv Apmt) 2 Condo Towers (Reach / Rise) One BCC and a Condo Tower
Interest	Retail: 60.9% Others: 100%
Yr of Opening	2016 (BCC) TBC (OBCC & others)



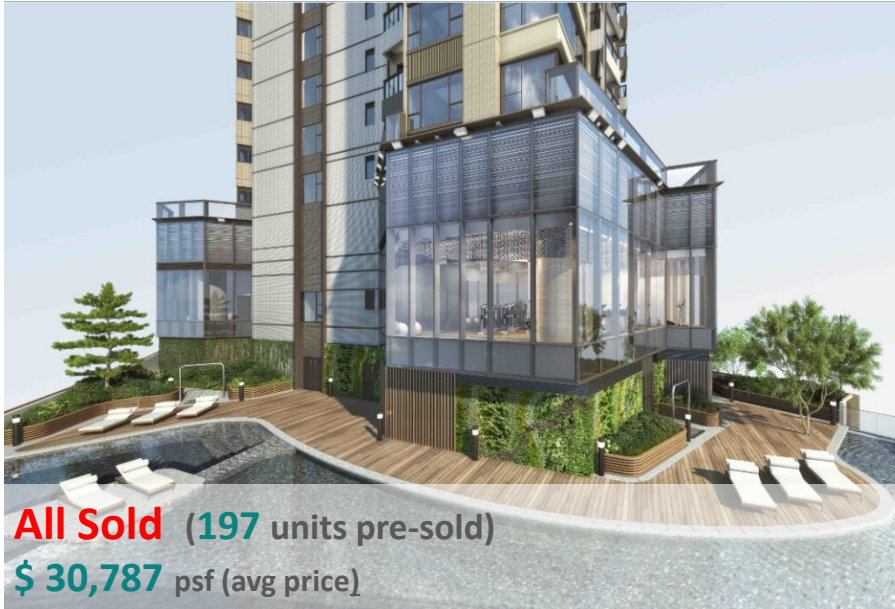
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# Trading Portfolio

# Trading Portfolio

## Hong Kong

### ALASSIO



**All Sold** (197 units pre-sold)  
**\$ 30,787** psf (avg price)

### AREZZO



**All Sold** (127 units sold)  
**\$30,477** psf (avg price)

### WHITESANDS



**2 units out of 28 units sold**  
**\$23,031** psf (avg price)

## Brickell City Centre, Miami

### Reach



**~90%** or **355** units sold <sup>(1)</sup>  
**mid US\$ 600s** psf  
 (avg price) <sup>(2)</sup>

### RISE



**~ 48%** or **187** units sold <sup>(1)</sup>  
**high US\$ 600s** psf  
 (avg price) <sup>(2)</sup>

(1) At 14th March 2017.

(2) Average selling price is based on saleable area (excluding carpark).



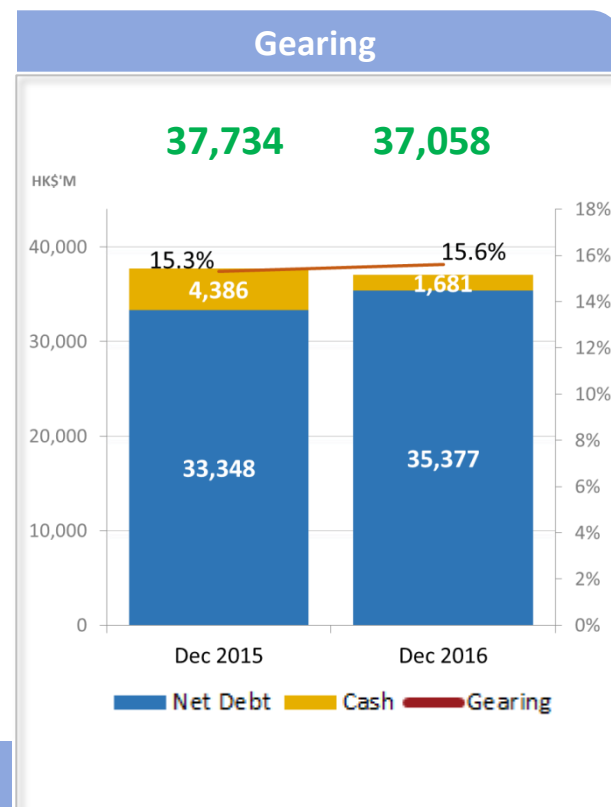
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# Financing



# Net Debt and Gearing

Net Debt Reconciliation (HK\$M)	
<b>Net debt at 31st Dec 2015</b>	<b>(33,348)</b>
Net rental and fees receipts	8,806
Proceeds from property trading / development	3,877
Capex- PP&E and property investment	(6,486)
Development costs – property trading	(1,300)
Net investments in JVCs / Associates	427
Net interest paid	(1,228)
Profit tax paid	(1,413)
Dividends paid to the Company's shareholders	(4,154)
Other operating items	(558)
<b>Net debt at 31st Dec 2016</b>	<b>(35,377)</b>



Financial Ratios	2012	2013	2014	2015	2016
Total Equity (HK\$ M)	193,076	203,150	208,547	217,949	<b>227,225</b>
Net Debt (HK\$ M)	28,921	32,014	34,071	33,348	<b>35,377</b>
Gearing	15.0%	15.8%	16.3%	15.3%	<b>15.6%</b>
Underlying Interest Cover	7.9	6.4	7.6	7.8	<b>8.9</b>
Underlying Cash Interest Cover	6.0	5.1	5.6	5.9	<b>6.3</b>

### Highlights

HK\$ **35,377** M

Net Debt

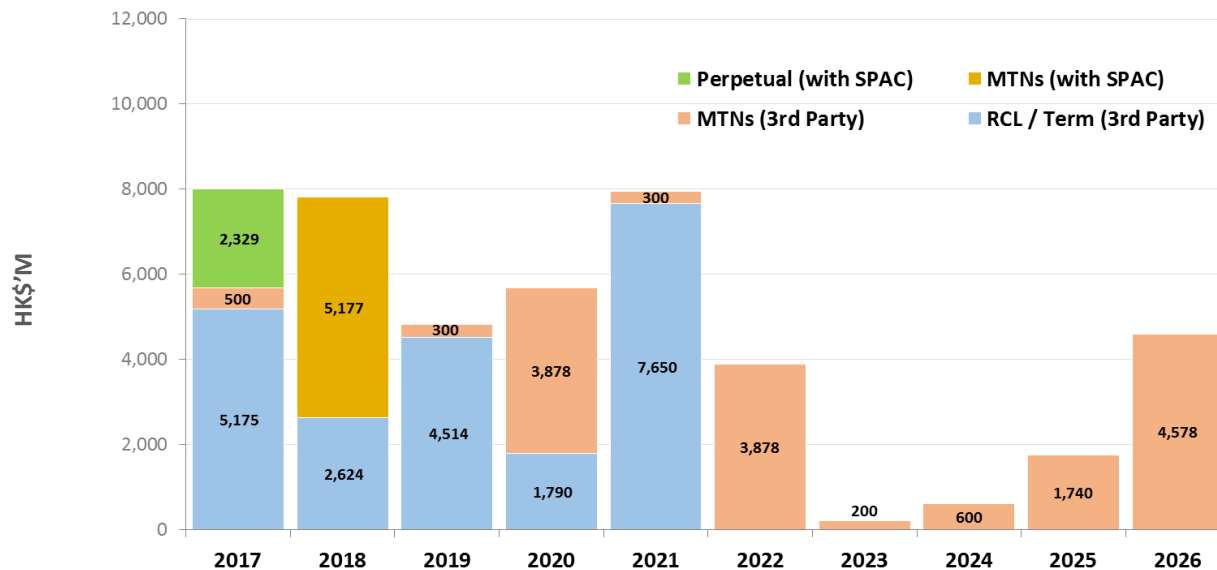
**15.6%**

Gearing

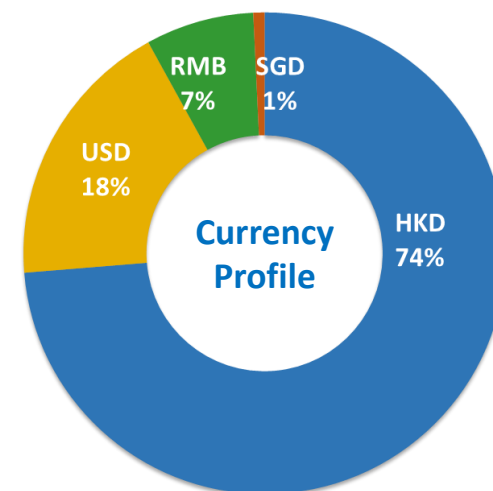
# Maturity Profile & Liquidity

## Maturity Profile of Available Committed Facilities (at 31st Dec 2016)

<b>Total</b>	<b>45,233</b>	8,004	7,801	4,814	5,668	7,950	3,878	200	600	1,740	4,578
<b>Drawn</b>	<b>36,736</b>	7,004	7,607	2,486	4,868	3,775	3,878	200	600	1,740	4,578



HK\$M	Dec 2015	Dec 2016
Cash	4,386	1,681
Undrawn - committed	7,807	8,497
	12,193	10,178
Undrawn - uncommitted	1,553	1,149
	13,746	11,327



### Major financing activities in 2016:

- Arranged three 5-yr term and revolving loan facilities aggregating HK\$4,250M.
- Issued medium-term notes of US\$500M and HK\$1,200M.
- refinancing of a revolving loan facility of US\$300M.
- refinancing of a term loan facility of RMB700M.

### Subsequent to 31st Dec 2016:

- Issued medium-term notes of HK\$660M.

Fixed : Floating  
**63% : 37%**

Available Committed Facilities  
**HK\$ 45,233 M**

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

Cash & Undrawn  
Committed Facilities  
**HK\$ 10,178 M**

# Capital Commitments

## Profile of Capital Commitments – at 31st Dec 2016

HK\$'M	Expenditure	Forecast Year of Expenditure				Commitments*
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Hong Kong	<b>5,549</b>	5,673	2,747	1,750	5,541	<b>15,711</b>
Mainland China	<b>1,070</b>	1,087	567	181	47	<b>1,882</b>
U.S.A. and elsewhere	<b>950</b>	360	255	67	53	<b>735</b>
<b>Total</b>	<b>7,569</b>	7,120	3,569	1,998	5,641	<b>18,328</b>

\* The capital commitments represent the Group's capital commitments of HK\$15,835 million plus the Group's share of the capital commitments of joint venture companies of HK\$2,493 million. The Group is committed to funding HK\$814 million of the capital commitments of joint venture companies.



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# Prospects

# Prospects

## Hong Kong Office

- ❑ In the central district of Hong Kong, high occupancy and limited supply will continue to underpin office rents in 2017.
- ❑ High occupancy is expected to result in office rents in our Taikoo Place and Cityplaza developments being resilient despite increased supply in Kowloon East and other districts.

## Mainland China

- ❑ Retail sales are expected to grow modestly in Guangzhou and Beijing and more briskly in Chengdu.
- ❑ In Shanghai, demand for retail space is expected to remain firm except for space for luxury goods.
- ❑ In Guangzhou, office rents are expected to be stable in 2017 despite a substantial supply of new office space.
- ❑ In Shanghai, there will be limited new supply of office space in the Puxi business district.

## Hotels

- ❑ Trading conditions for our hotels are expected to remain difficult in 2017.

## Hong Kong Retail

- ❑ Demand for space from Hong Kong retailers dependent on tourism is likely to remain weak in 2017.
- ❑ Demand for space from other retailers is likely to be stable.

## Miami, U.S.A.

- ❑ Weak retail sales have made some retailers cautious about expansion.
- ❑ There is limited new supply of Grade-A office space.

## Property Trading

- ❑ In Hong Kong, notwithstanding the expectation of a gradual increase in interest rates, overall demand for residential property remains resilient.
- ❑ Trading profits are expected to be recognised in 2017 from the handover of pre-sold units at ALASSIO and sales of units at WHITESANDS.
- ❑ In Miami, profits are expected to be recognised on the sales of units at the Reach and Rise developments.

# Sustainable Development

## Places



**LEED Gold** certification for Neighbourhood Development (BCC Miami)

**69,000 sq ft** open spaces (Taikoo Place redevelopment)

## Performance (Environment)



**GRAND AWARD** Green Building Leadership 2016

**32 BEAM/BEAM Plus / 12 LEED** buildings

**18.9%** energy reduction vs 16.1% GFA increase of HK portfolio (from 2001 to 2016)

## People



**ZERO** workplace fatalities

**41%** decrease of lost day rate

**1,500** community ambassadors

**75,000** hours services (cum. 15 years)

**> 65,000** hours of employee training

## Partners



**FREE** energy audits for tenants

**~ 6.3 M kWh** potential energy savings p.a.

**GREEN PLEDGE** with tenants

**HK\$ 34M** green procurement

## Performance (Economic)



**Top 15%** RobecoSAM's Sustainability 2017

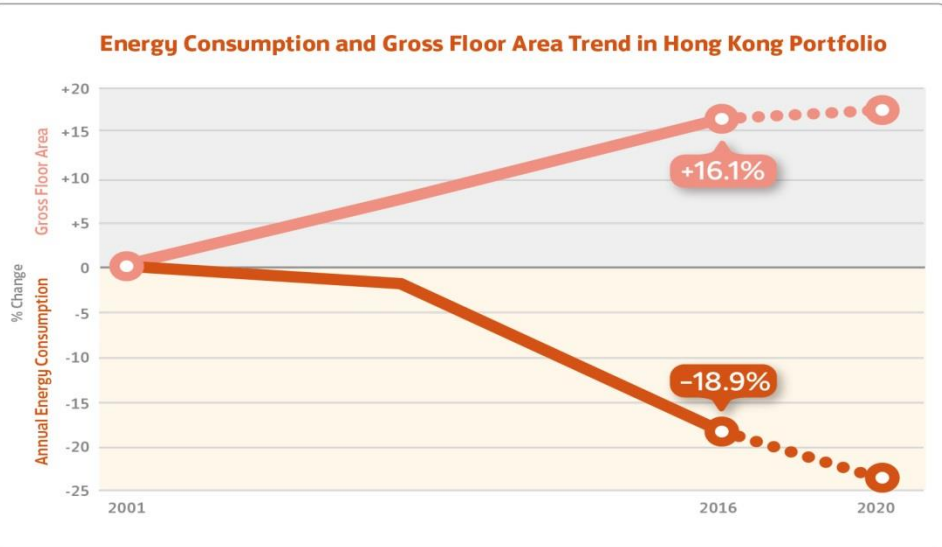
**5** leading SD indices / rankings

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



Hang Seng Corporate Sustainability Index Series Member 2016-2017

MSCI Global Sustainability Indexes



LOVE'S team



Grand Award, 2016 Green Building Awards

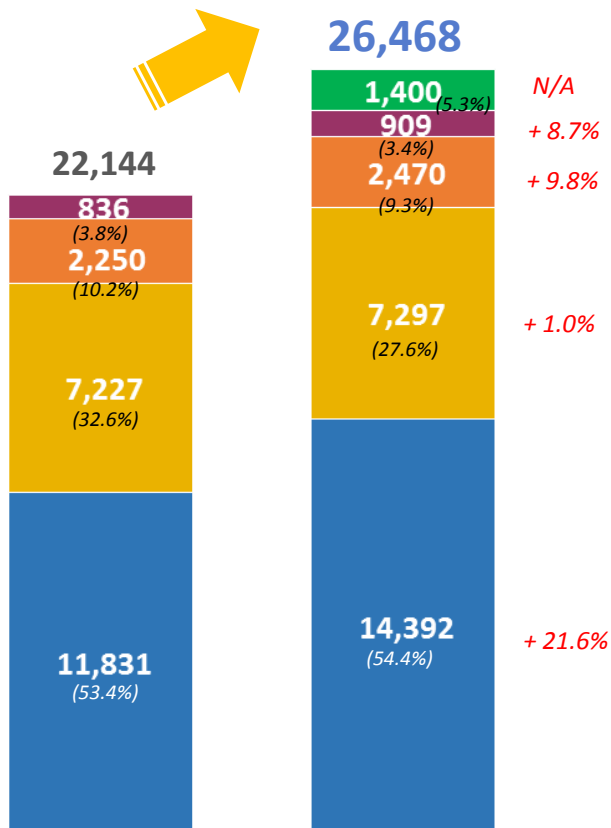


# Swire Properties in Five Years

## Expected Attributable GFA by Segment

GFA ('000 sq ft)

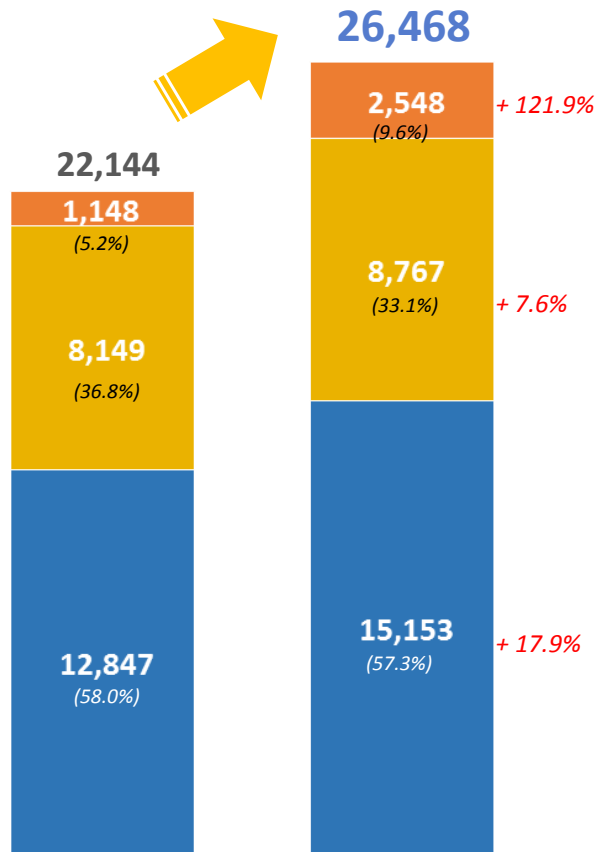
▲ 20%



## Expected Attributable GFA by Region

GFA ('000 sq ft)

▲ 20%



## Expected Attri. Trading GFA Sales to Complete

523,000 sq ft  
(BCC Future Development)

Exp. Units

N/A

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

4.3 M sq ft

- Office
- Retail
- Hotels
- Resid. & S.A.
- Underplanning
- HK
- Mainland China
- U.S.A. and elsewhere



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# Appendix

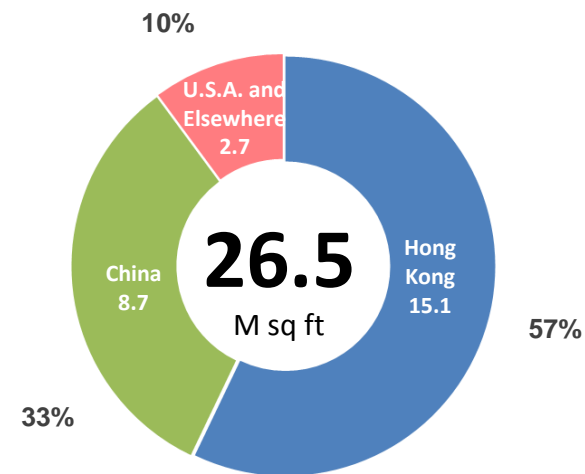


# Property Portfolio

Investment Props / Hotels Attributable GFA (M sq ft) <sup>(1)</sup>	Office	Retail	Hotels <sup>(2)</sup>	Resid./Serviced apartment	Under- Planning	Total
<b>Completed</b>						
<i>Hong Kong</i>	9.0	2.5	0.7	0.6	-	<b>12.8</b>
<i>Mainland China</i>	2.5	4.5	1.0	0.1	-	<b>8.1</b>
<i>U.S.A.</i>	0.3	0.3	0.5	0.1	-	<b>1.2</b>
<b>Sub-Total (A)</b>	<b>11.8</b>	<b>7.3</b>	<b>2.2</b>	<b>0.8</b>	-	<b>22.1</b>
<b>Under Development or Held for Future Development</b>						
<i>Hong Kong</i>	2.2	0.1	-	-	-	<b>2.3</b>
<i>Mainland China</i>	0.3	-	0.2	0.1	-	<b>0.6</b>
<i>U.S.A. and elsewhere</i>	-	-	-	0.1	1.4	<b>1.5</b>
<b>Sub-Total (B)</b>	<b>2.5</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>1.4</b>	<b>4.4</b>
<b>TOTAL = (A) + (B)</b>	<b>14.3</b>	<b>7.4</b>	<b>2.4</b>	<b>1.0</b>	<b>1.4</b>	<b>26.5</b>

Trading Props Attributable GFA (M sq ft)	Completed Prop Held for Sale	Under Development / Held for Development	Total
<i>Hong Kong</i>	0.3	-	<b>0.3</b>
<i>Mainland China</i>	0.3	-	<b>0.3</b>
<i>U.S.A.</i>	0.4	1.9	<b>2.3</b>
<b>Total</b>	<b>1.0</b>	<b>1.9</b>	<b>2.9</b>

## Attributable Investment Props by Region (GFA)



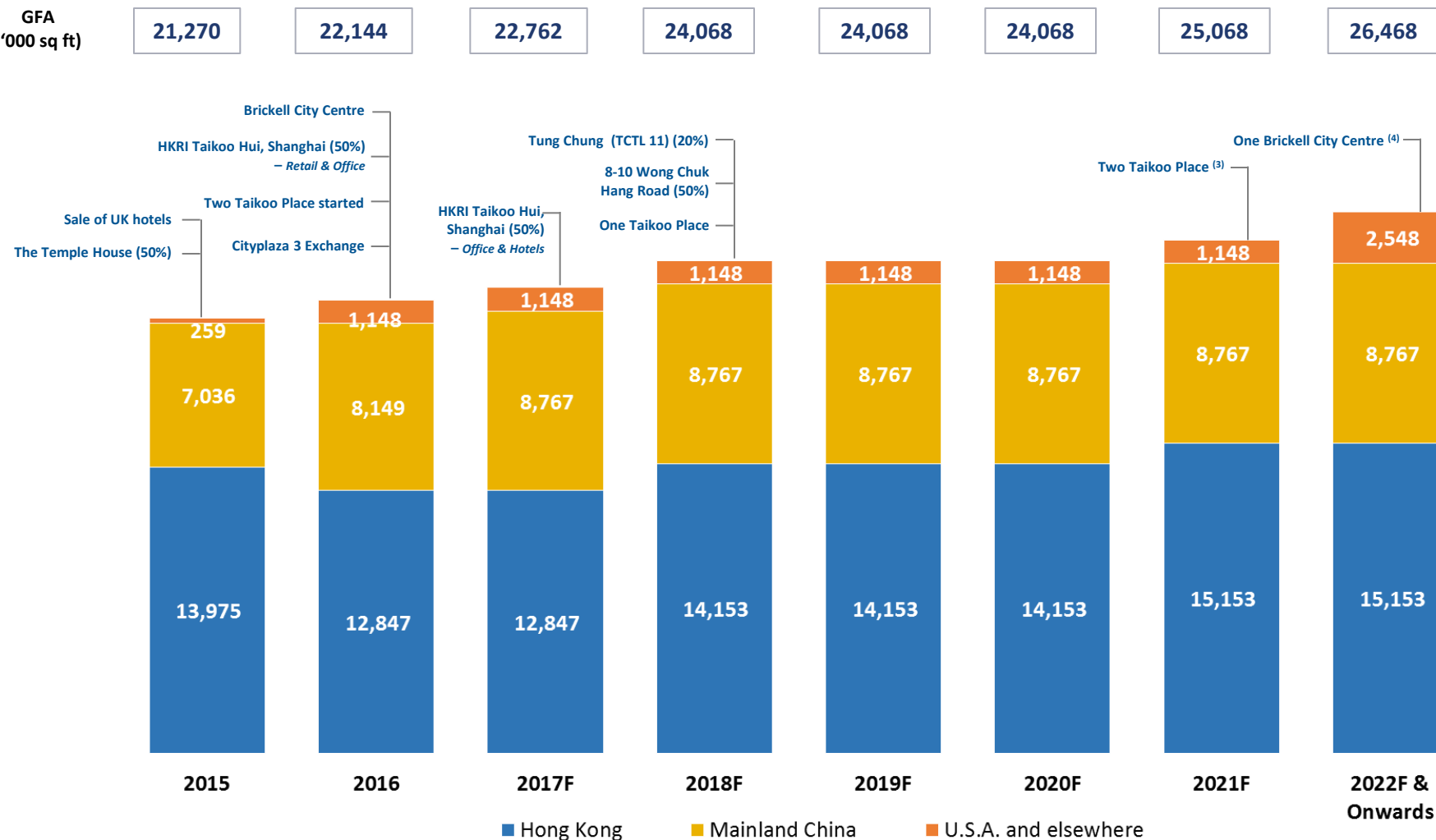
Attri. Investment Portfolio <b>26.5 M sq ft</b>	Attri. Trading Portfolio <b>2.9 M sq ft</b>
--	--

**Total Attri. Property Portfolio  
29.4 M sq ft**

33 (1) Excludes GFA of car parks.  
(2) Hotels are accounted for under property, plant and equipment in the financial statements.

# Completed Investment Portfolio

Expected Attributable GFA of Completed Investment Portfolio (incl. Hotels) <sup>(1)(2)(3)</sup>



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

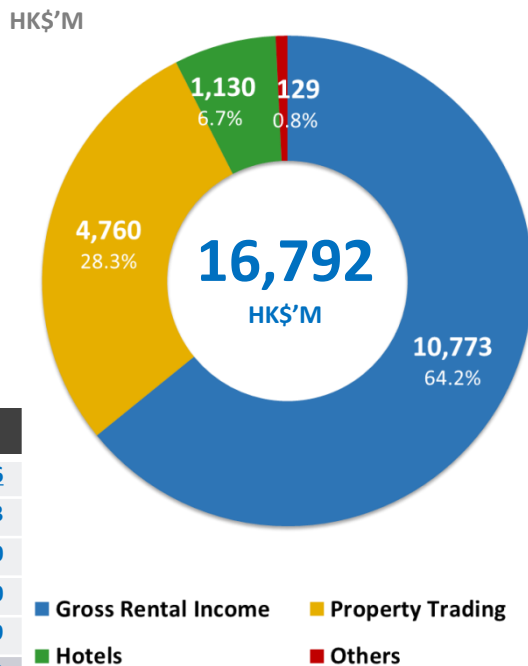
(2) Excludes GFA of property trading components and car parks but includes GFA of the hotel portion of these projects.

(3) The second phase of the Taikoo Place redevelopment is expected to be completed in 2021 or 2022.

(4) Development subject to further review.

# Revenue Analysis

## 2016 Revenue Breakdown by Segment

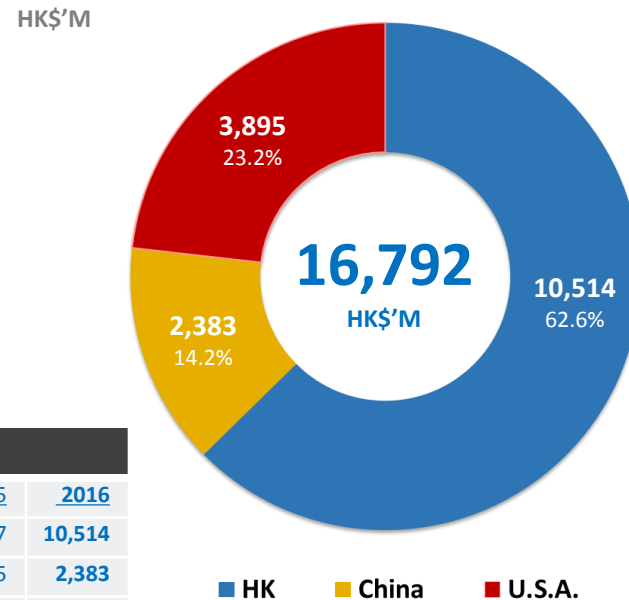


### Comparison

	2015	2016
Rental	10,716	10,773
Trading	4,463	4,760
Hotels	1,127	1,130
Others	141	129
<b>Total</b>	<b>16,447</b>	<b>16,792</b>

■ Gross Rental Income ■ Property Trading  
■ Hotels ■ Others

## 2016 Revenue Breakdown by Region



### Comparison

	2015	2016
HK	13,917	10,514
China	2,335	2,383
U.S.A.	26	3,895
U.K. & Others	169	-
<b>Total</b>	<b>16,447</b>	<b>16,792</b>

■ HK ■ China ■ U.S.A.

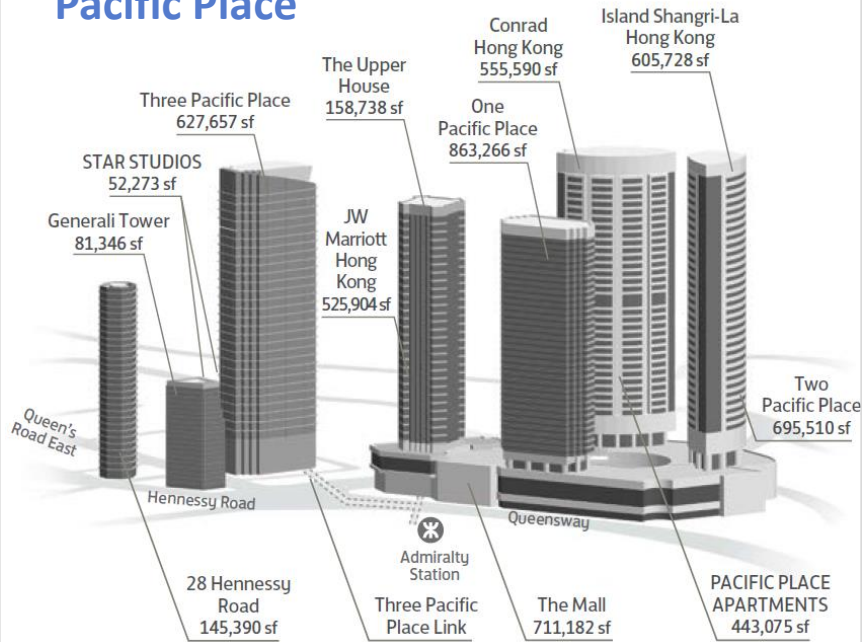
The turnover increased by 2.1 % principally due to higher sales revenue from the sale of residential units in Miami, U.S.A. and higher rental income from investment properties.

HK\$ 16,792M, ^ 2.1%

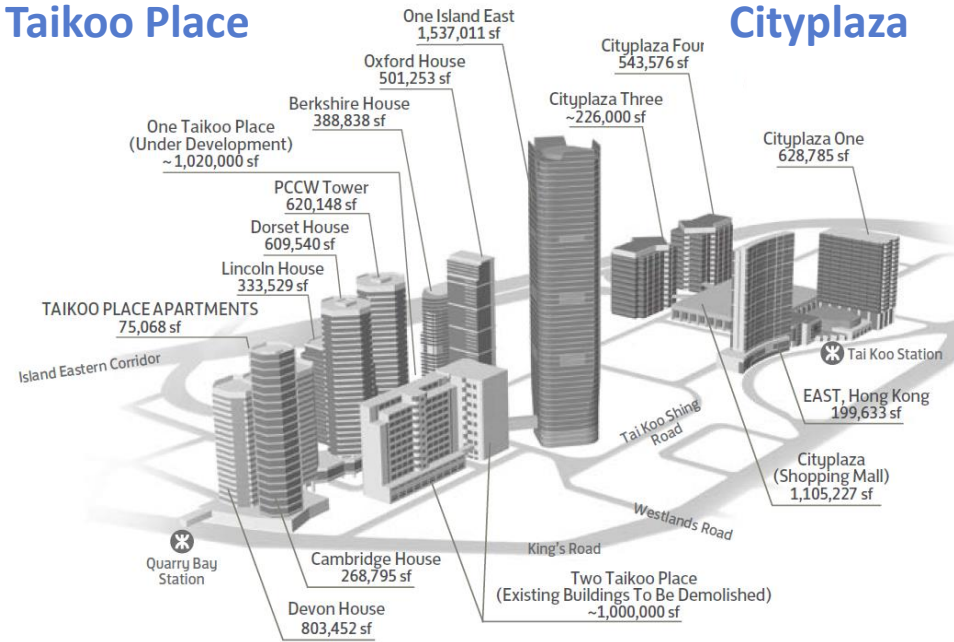
Revenue (2016)

# HK Portfolio Map

## Pacific Place



## Taikoo Place



(1) The simplified maps are not to scale and are for illustrative purpose only.  
 (2) GFA figures are for reference only.

# Taikoo Li Sanlitun, Beijing



- ❑ Gross rental income at Taikoo Li Sanlitun recorded satisfactory growth in 2016.
- ❑ Overall occupancy<sup>(1)</sup> at Taikoo Li Sanlitun was **94%** at 31st Dec 2016.
- ❑ Retail sales grew by **6%** in 2016.
- ❑ Retail sales are expected to grow modestly in Beijing in 2017. Demand for space for luxury goods is weak, but demand for space for fashion and lifestyle brands and food and beverages is expected to remain solid.

## 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<sup>(1)</sup> of the shopping mall was **99%** at 31st Dec 2016.
- ❑ Retail sales increased by **10%** in 2016.
- ❑ Retail sales are expected to grow modestly in Guangzhou in 2017. Demand for retail space for high quality brands and food and beverage outlets is strong.
- ❑ Occupancy of the office towers was **99%** at 31st Dec 2016.
- ❑ Office rents are expected to be stable in 2017 despite a substantial supply of new office space.

## 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

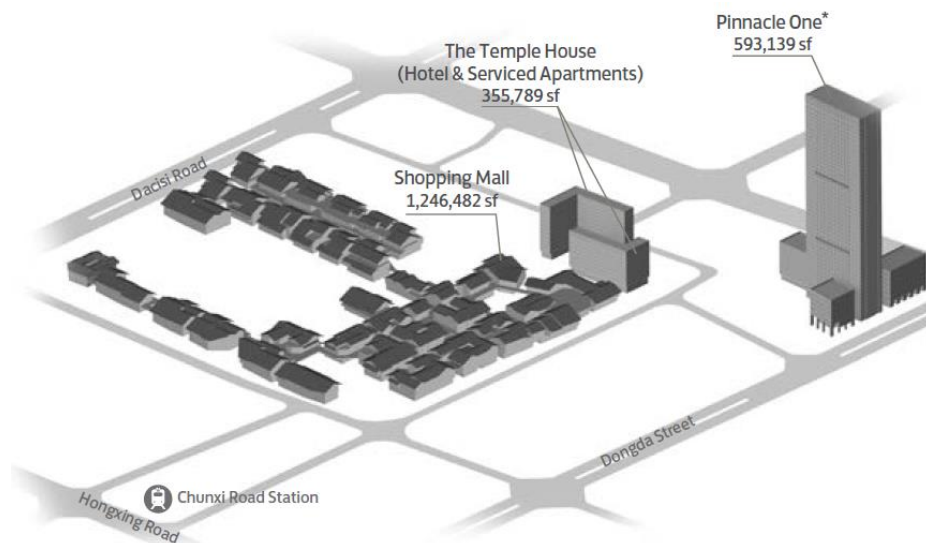


- ❑ Occupancy <sup>(1)</sup> at the shopping mall was **98%** at 31st Dec 2016.
- ❑ Retail sales increased by **20%** in 2016.
- ❑ The office tower, ONE INDIGO, was **90%** leased <sup>(1)</sup> at 31st Dec 2016.
- ❑ Business at EAST, Beijing improved despite increasing competition.
- ❑ Office rents in Beijing are expected to be weak in 2017, with only modest demand and increased supply.

## Project Summary (100% Basis)

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

# Sino-Ocean Taikoo Li Chengdu



\*Pinnacle One is developed for trading purpose. Floor area shown represents the unsold portion.



- ❑ A large-scale retail-led development comprising a retail complex, a boutique hotel and serviced apartment (the Temple House), and a Grade A office tower (Pinnacle One) served by the metro.
- ❑ Retail sales increased by **78%** in 2016.
- ❑ At 31st Dec 2016, tenants had committed (including by way of letters of intent) to take **92%** of the retail space and 87% of the total lettable retail space was open for business.
- ❑ Retail sales are expected to grow more briskly in Chengdu in 2017. Demand for retail space for high quality brands and food and beverage outlets is firm.

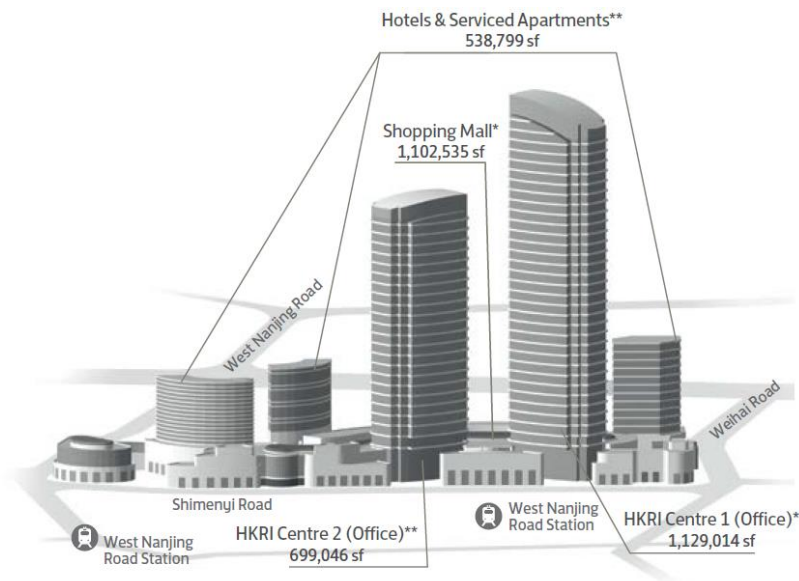
## Project Summary (100% Basis)

GFA	2.20 M sq ft
Components	Retail Office (for trading) The Temple House Serviced Apartments
Interest	50%
Yr of Opening	2014 / 2015

(1) Including those who have signed letters of intent.



# HKRI Taikoo Hui, Shanghai



\*Shopping mall and HKRI Centre 1 were completed in 2016.

\*\*HKRI Centre 2 and Hotels & Serviced Apartments are expected to complete in 2017.



- ❑ A large-scale retail-led mixed-use development comprising a retail mall, two office towers, two hotels and a serviced apartment tower. It is expected to become a landmark development in Shanghai.
- ❑ Prime location with significant frontage to Nanjing West Road, one of Shanghai's major shopping and business thoroughfares, being adjacent to the existing Nanjing West Road metro station (which serves three metro lines) and near the Yan'an Expressway.
- ❑ Shopping mall and HKRI Centre 1 completed in August 2016 and tenants fit out work in progress. Interior decoration and mechanical and electrical installation works of HKRI Centre 2, hotels and serviced apartments in progress.

## Project Summary (100% Basis)

GFA	3.47 M sq ft
Components	Retail Mall 2 Office Towers 2 Hotels Serv Apmt Tower
Interest	50%
Yr of Opening	2016 onwards

# Trading Portfolio

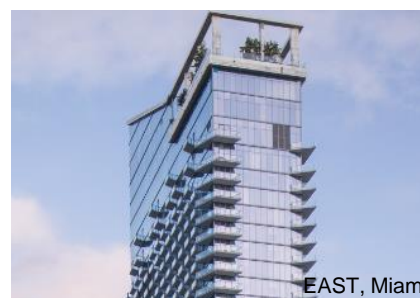
Trading Properties Sold or Being Sold or Pre-sold (At 14th Mar 2017)	Total Units	Unit Sold	Actual Completion	Actual Handover (from)	Units for which Profit Recognised or Expected to be Recognised (Year)	Interest
<b>Hong Kong</b>						
MOUNT PARKER RESIDENCES	92	92	2013	2014	- 91 (before 2016) and 1 (2016)	80%
AREZZO	127	127	2015	2015	- 112 (2015) and 15 (2016)	100%
ALASSIO	197	197	2016	2017	- 197 (2017)*	100%
WHITESANDS, Lantau	28	2	2015	2015	- 1 (2015) and 1 (2016)	100%
<b>Miami, Florida, USA</b>						
REACH, Brickell City Centre	390	355	2016	2016	- 347 (2016) and 8 (2017)*	100%
RISE, Brickell City Centre	390	187	2016	2016	- 171 (2016) and 16 (2017)*	100%

\* The profit from the sale of these units is expected to be recognised in 2017.

# Hotel Portfolio

Managed Hotels		No. of Rooms	Interest
<b>Completed</b>		<i>(100% basis)</i>	
HK	<i>The Upper House</i>	117	100%
HK	<i>EAST, Hong Kong</i>	345	100%
HK	<i>Headland Hotel <sup>(1)</sup></i>	501	0%
China	<i>The Opposite House, Beijing</i>	99	100%
China	<i>EAST, Beijing</i>	369	50%
China	<i>The Temple House, Chengdu <sup>(2)</sup></i>	142	50%
U.S.A.	<i>EAST, Miami <sup>(2)</sup></i>	352	100%
<b>Sub-Total (A)</b>		<b>1,925</b>	
<b>Under Development</b>			
China	<i>One hotel and one serviced apartment tower at HKRI Taikoo Hui, Shanghai <sup>(2)</sup></i>	213	50%
<b>Sub-Total (B)</b>		<b>213</b>	
<b>Total = (A) + (B)</b>		<b>2,138</b>	

Owned but Non-managed Hotels		No. of Rooms	Interest
<b>Completed</b>		<i>(100% basis)</i>	
HK	<i>Island Shangri-La HK</i>	565	20%
HK	<i>JW Marriott Hotel HK</i>	602	20%
HK	<i>Conrad HK</i>	513	20%
HK	<i>Novotel Citygate HK</i>	440	20%
China	<i>Mandarin Oriental, Guangzhou <sup>(2)</sup></i>	287	97%
U.S.A.	<i>Mandarin Oriental, Miami</i>	326	75%
<b>Sub-Total (C)</b>		<b>2,733</b>	
<b>Under Development</b>			
China	<i>Hotel at HKRI Taikoo Hui, Shanghai</i>	201	50%
<b>Sub-Total (D)</b>		<b>201</b>	
<b>Total = (C) + (D)</b>		<b>2,934</b>	



EAST, Miami

Expected Total Managed Rooms

**2,138**

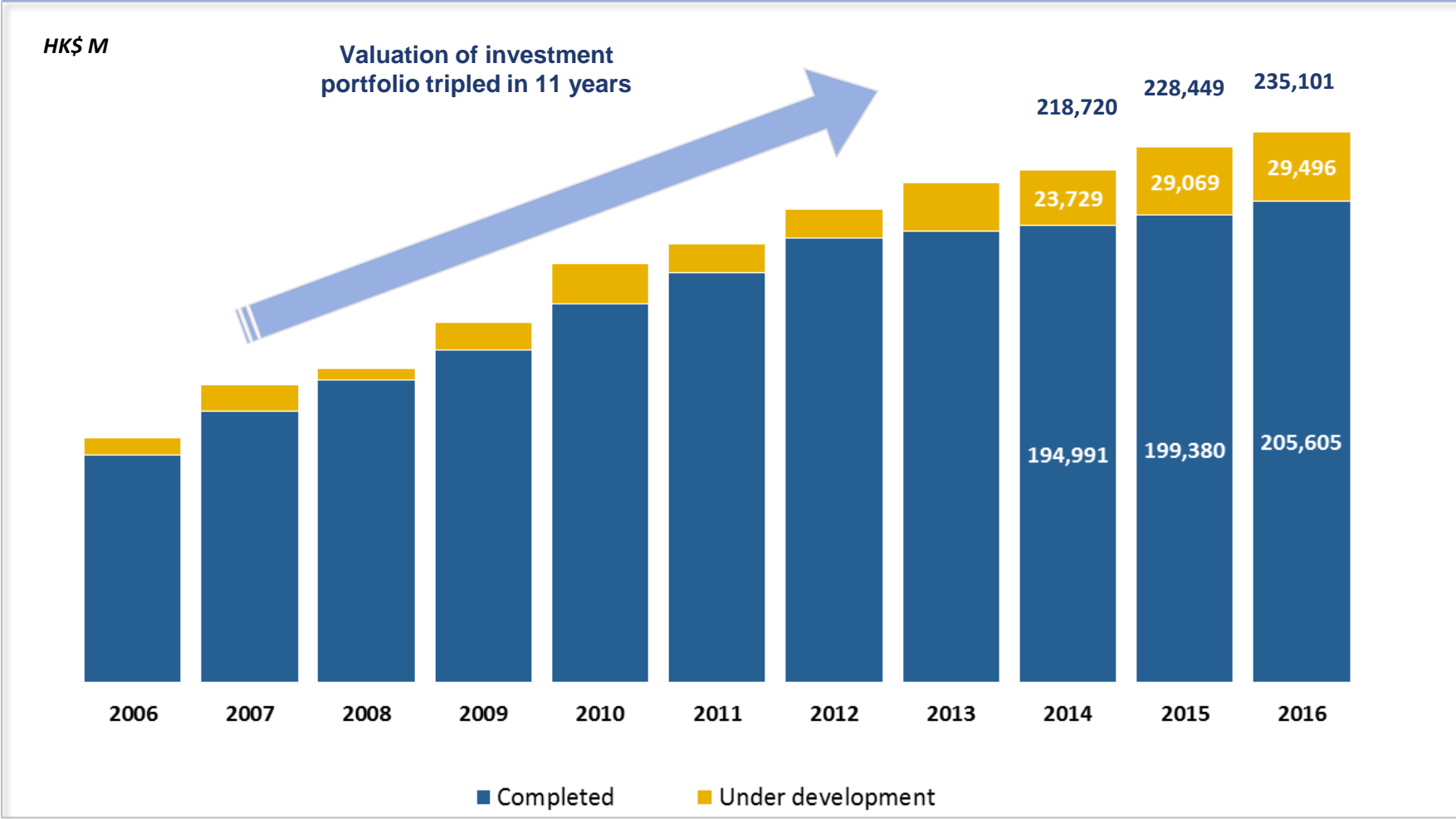
(1) Headland Hotel is owned by Airline Hotel Limited, a wholly-owned subsidiary of Cathay Pacific Airways Limited.

(2) Including serviced apartments.

# Valuation of Completed Investment Properties

Consistent value creation through continuous property investment and asset reinforcement.

2006 – 2016 Valuation of Completed Investment Properties (excl. Hotels) \*



\* Per 2016 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 2011 for HK\$ 18.8 bn.

# Sustainable Development Strategy

*Our new vision is to be the leading sustainable development performer in our industry globally by 2030.*

