



2017 Final Results | Analyst Briefing

15th March 2018

Agenda

Speakers : Guy Bradley, Chief Executive and Fanny Lung, Finance Director

1. Financial Highlights
2. Investment Portfolio
3. Trading Portfolio
4. Financing
5. Prospects
6. Q&A

Highlights

- ❑ Solid performance in 2017 underpinned by higher rental income from Hong Kong, Mainland China and Miami, U.S.A.
- ❑ Well-placed for growth in investment property income with key projects - One Taikoo Place, South Island Place and Tung Chung Town Lot No. 11, scheduled for completion in 2018.
- ❑ Building project pipeline with new investments in Hong Kong, Shanghai and Beijing.

^ **14.2%** y-y

Equity Attributable
to Shareholders

HK\$ **44.00** per share
(2016 Dec: HK\$ 38.52 per share)

^ **10.2%** y-y

Underlying Profit

HK\$ **7,834** M
(2016: HK\$ 7,112 M)

^ **8.5%** y-y

Dividend per Share
(2017 Full Year)

HK\$ **0.77**
(2016: HK\$ 0.71)

Key Developments

Feb 2018 **Qiantan Project, Shanghai** ~ 1.3M sq ft GFA
Entered into a conditional equity transfer agreement for the acquisition of a 50% interest

Jan 2018 **One Taikoo Place** ~ 1.0M sq ft GFA
Topped out

Jan 2018 **First Green Bond**
Issued for US\$500M

Dec 2017 **Po Wah Building, 1-11 Landale Street and 2-12 Anton Street**
Successfully bid in the compulsory sale of the site

Dec 2017 **Beijing Sanlitun Yashow Building** ~ 0.3M sq ft GFA
Signed long-term lease agreement

Nov 2017 **HKRI Taikoo Hui** ~ 3.5M sq ft GFA
Grand opening

Aug 2017 **21-31 Wing Fung Street** ~ 34,000 sq ft GFA
Acquired a 100% interest for redevelopment

Apr 2017 **ALASSIO** All Sold
Units handed over



One Taikoo Place
Artist Impression



Qiantan Project



ALASSIO

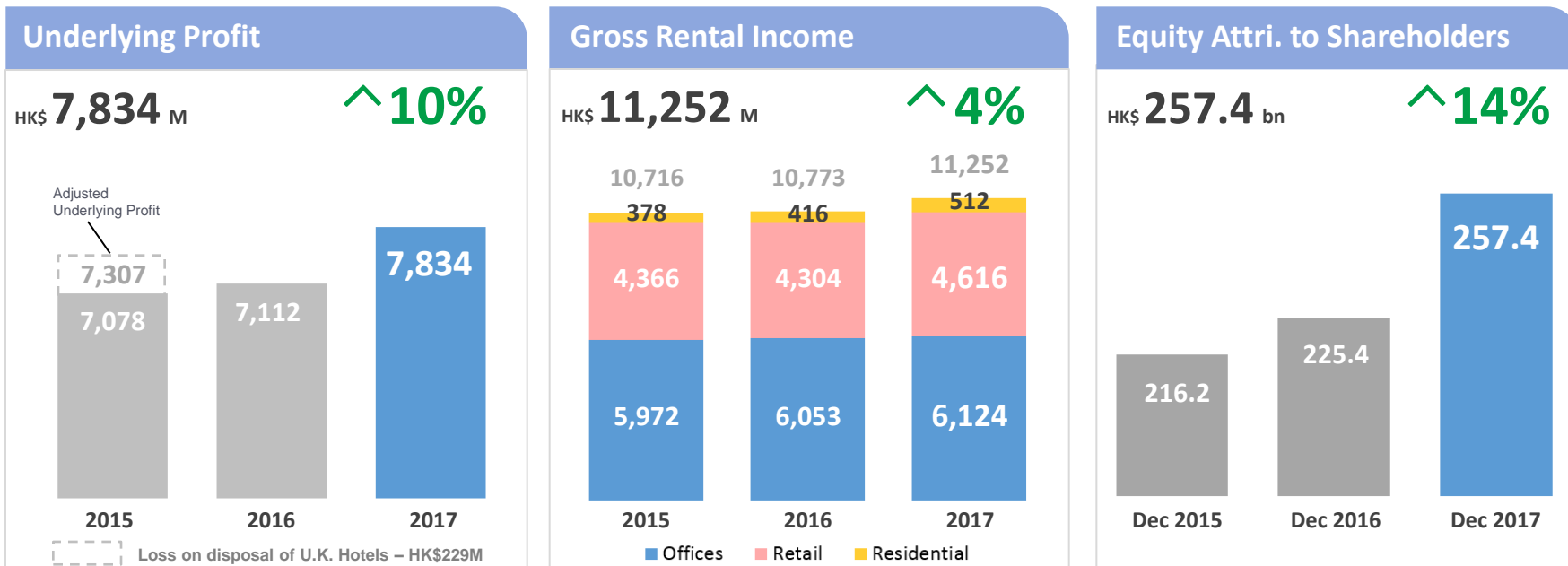


HKRI Taikoo Hui



Financial Highlights

Financial Highlights



- **Underlying profit** ^ 10% mainly on a higher profit from property investment.
- **Reported profit** ^ 126% after including investment property valuation gains.
- **Gross rental income** ^ 4% reflecting increased contributions from office properties in Hong Kong as well as properties in Mainland China and the U.S.A.
- **Full year dividend per share** ^ 8.5% to HK\$0.77 including a second interim dividend per share of HK\$0.52.

Financial Summary

HK\$M	FY 2016	FY 2017	Change
Revenue	16,792	18,558 ^	11%
Valuation gains on investment properties	8,418	25,463 ^	202%
Operating profit	17,320	34,930 ^	102%
Underlying profit	7,112	7,834 ^	10%
Reported profit	15,050	33,957 ^	126%
Underlying earnings per share (HK\$ per share)	1.22	1.34 ^	10%
Reported earnings per share (HK\$ per share)	2.57	5.80 ^	126%
First interim dividend per share (HK\$ per share)	0.71 { 0.23	0.77 { 0.25 ^	9%
Second interim dividend per share (HK\$ per share) ⁽¹⁾	0.48	0.52 ^	8%
HK\$M	Dec 2016	Dec 2017	Change
NAV attributable to the Company's shareholders ⁽²⁾	225,369	257,381 ^	14%
Net debt	35,377	35,347 v	0%
Gearing ratio	15.6%	13.6% v	2%pt.
NAV per share (HK\$ per share)	38.52	44.00 ^	14%

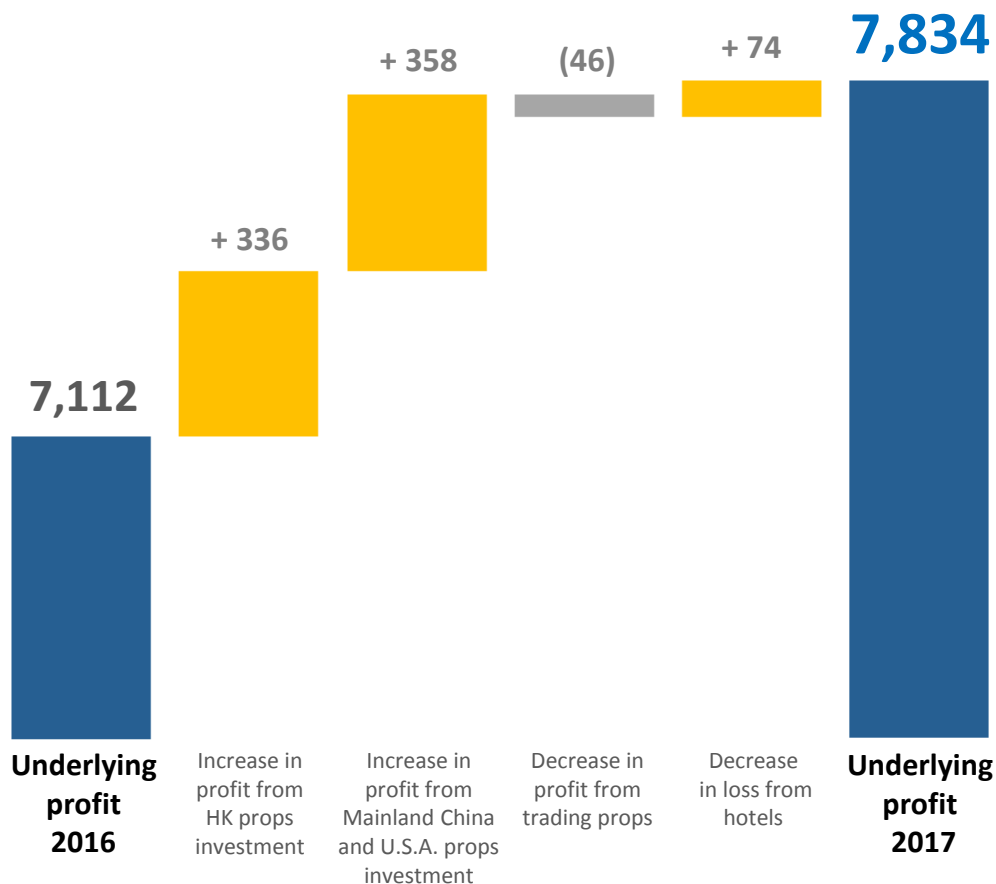
7 (1) Second interim dividend for 2017 was declared on 15th March 2018 and will be paid on 3rd May 2018.

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

Movement in Underlying Profit

Movement in Underlying Profit

HK\$'M



Underlying Profit by Segment

	FY 2016	FY 2017	Change
Property investment	6,029	6,723	↑ 12%
Property trading	1,200	1,154	↓ 4%
Hotels	(117)	(43)	N/A
Total	7,112	7,834	↑ 10%

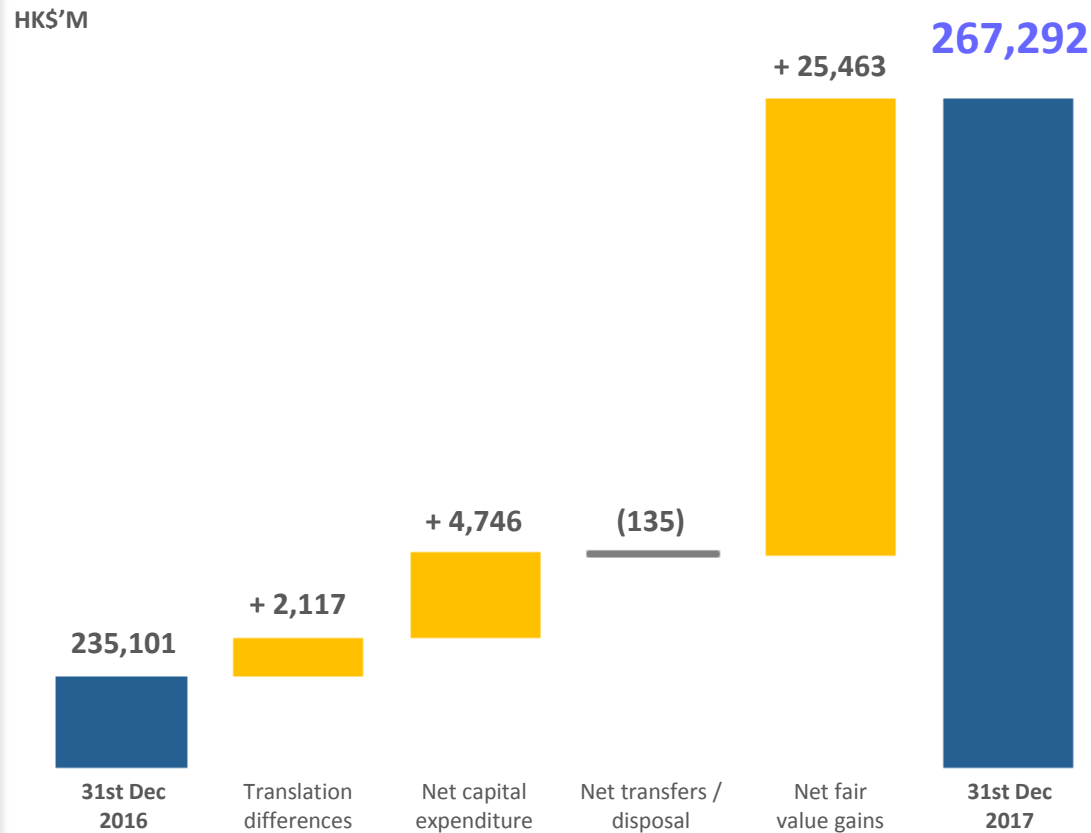
HK\$ **7,834** M, ↑ 10%

Underlying Profit
(2017)

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 and properties in Mainland China arising from rental increases, together with a reduction of 25 basis points in the capitalisation rate for Hong Kong office properties.

HK\$ **267,292** M ^ 14%

Investment Props Valuation
(2017)



Investment Portfolio

Rental Income – Continuous Growth

HK Office ^ 1%

- ☐ Increase in rental income despite Taikoo Place redevelopment.
- ☐ Positive rental reversions.
- ☐ Firm occupancy at 99% supported by strong demand for office space.

HK Retail Stable

- ☐ Stable rental income with near 100% occupancy.
- ☐ Solid recovery in retail sales at Pacific Place mall.

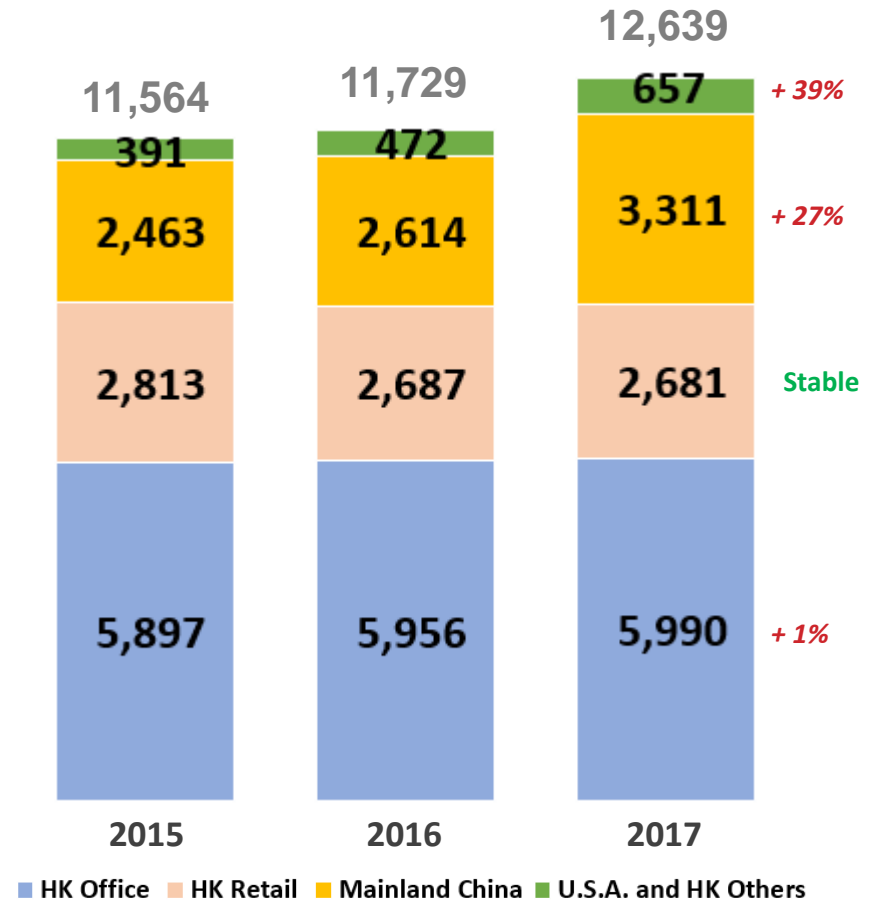
PRC Props ^ 27%

- ☐ Positive rental reversions and improved occupancy.
- ☐ HKRI Taikoo Hui open and starting to contribute to rental income.
- ☐ In RMB terms, this also represents a rental growth of 27%.

Attributable Gross Rental Income ⁽¹⁾

HK\$'M

HK\$ 12,639 M, ^ 8%



HK Office – A Balanced Portfolio with Solid Performance

Pacific Place

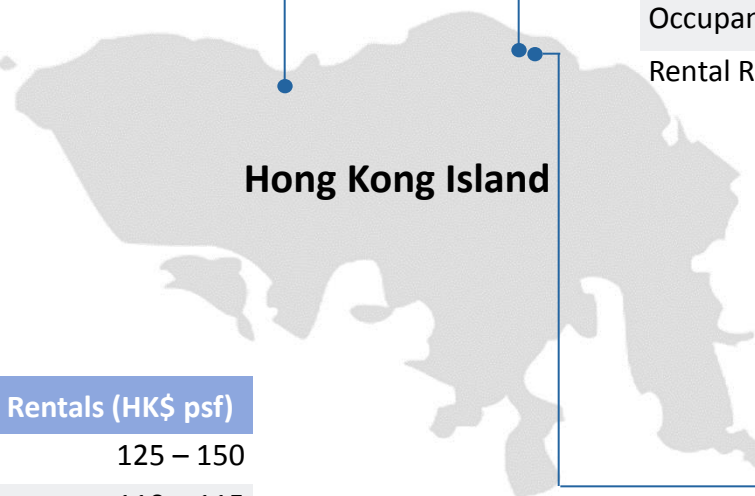


GFA (M sq ft)	2.2
Occupancy	100%
Rental Reversion ⁽¹⁾	+15%

TKP office towers One Island East



GFA (M sq ft)	3.1	1.5
Occupancy	99%	100%
Rental Reversion ⁽¹⁾	+3%	+10%



Hong Kong Island

Latest Rentals (HK\$ psf)

One/Two Pacific Place	125 – 150
Three Pacific Place	110 – 115
Cityplaza	mid 40s to high 40s
Taikoo Place	low 40s to low 50s
One Island East	mid 50s to high 60s




HK\$ **149.8** bn, **↑16%**
(Vs. 2016)
Attributable Valuation

Cityplaza



GFA (M sq ft)	1.4
Occupancy	97%
Rental Reversion ⁽¹⁾	+6%

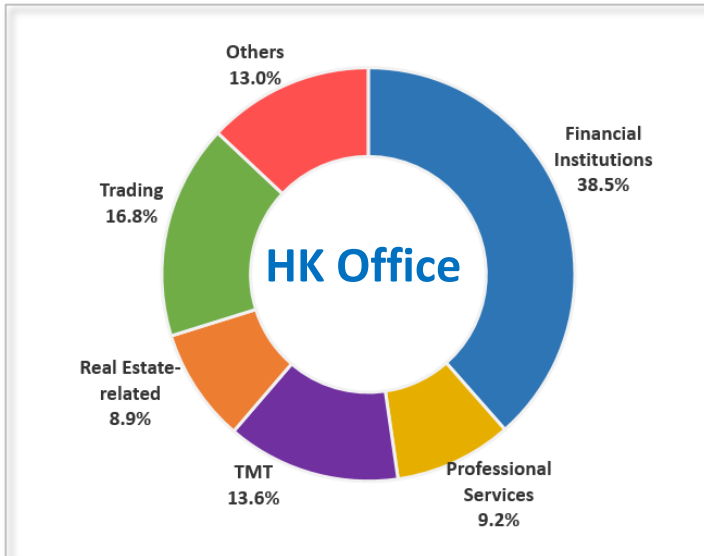
HK Retail – Retail Sales Growth Mostly Picked up in Second Half

	The Mall, Pacific Place	Cityplaza	Citygate Outlets
			
GFA (M sq ft)	0.7	1.1	0.5
Occupancy	100%	100%	100%
Retail Sales Growth	+ 7.2%	- 3.0%	+0.2% ⁽¹⁾

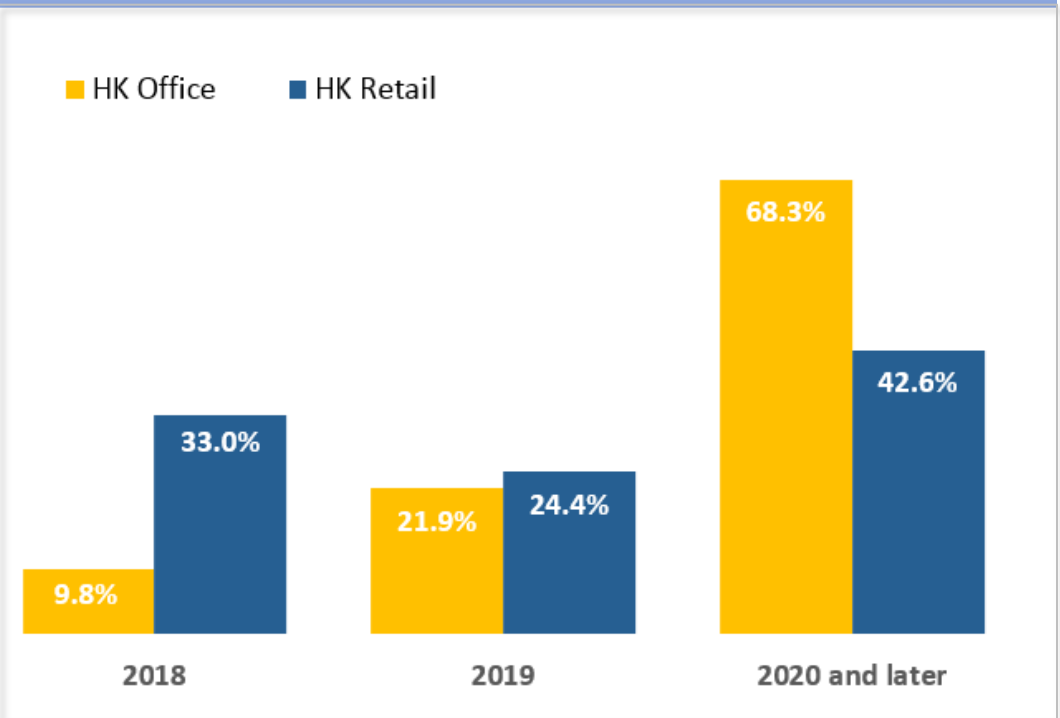
- At the Mall at Pacific Place, tenant mix was changed and a customer loyalty programme called “above” was introduced.
- Retail sales at both Cityplaza and Citygate Outlets were affected by temporary closure of some shops and reconfiguration works.

HK\$ 47.0 bn, ^ 3%
(Vs. 2016)
Attributable Valuation

HK Portfolio – Well-balanced Tenant Mix and Lease Expiries



Lease Expiry Profile ⁽¹⁾⁽²⁾



- Strong and diverse tenant base.
- Well-spread lease expiry profile.
- Top 10 office tenants occupied approx. **20%** of office area in HK.
- Top 10 retail tenants occupied approx. **25%** of retail area in HK.

One Taikoo Place Pre-leasing Progress Encouraging

One Taikoo Place

- **75%** of space committed.
- **~1,020,000** sq ft GFA.
- Nearly **70,000** sq ft of new open public space.
- Topped out in Jan 2018.
- Facade and finishing works are in progress.
- Expected completion in late 2018.



Artist Impression



Artist Impression



Artist Impression

Hong Kong Investment Properties Pipeline Growing

South Island Place



Expected Completions in 2018

	South Island Place	Tung Chung Town Lot No. 11
Location	Aberdeen	Tung Chung
Interest	50%	20%
GFA (100% basis)	~382,500 sq ft	~474,000 sq ft
Components	Office	Retail and Hotel
Status	Superstructure works in progress.	Superstructure works in progress.

Beyond 2018

	Two Taikoo Place	Po Wah Building, 1-11 Landale Street and 2-12 Anton Street
Location	Quarry Bay	Wanchai
Interest	100%	100%
GFA (100% basis)	~1,000,000 sq ft	TBD
Components	Office	TBD
Status	Demolition of Cornwall House in progress. Foundation works in progress.	Redevelopment under planning.
Expected Completion	2021/2022	TBD

Tung Chung Town Lot No. 11

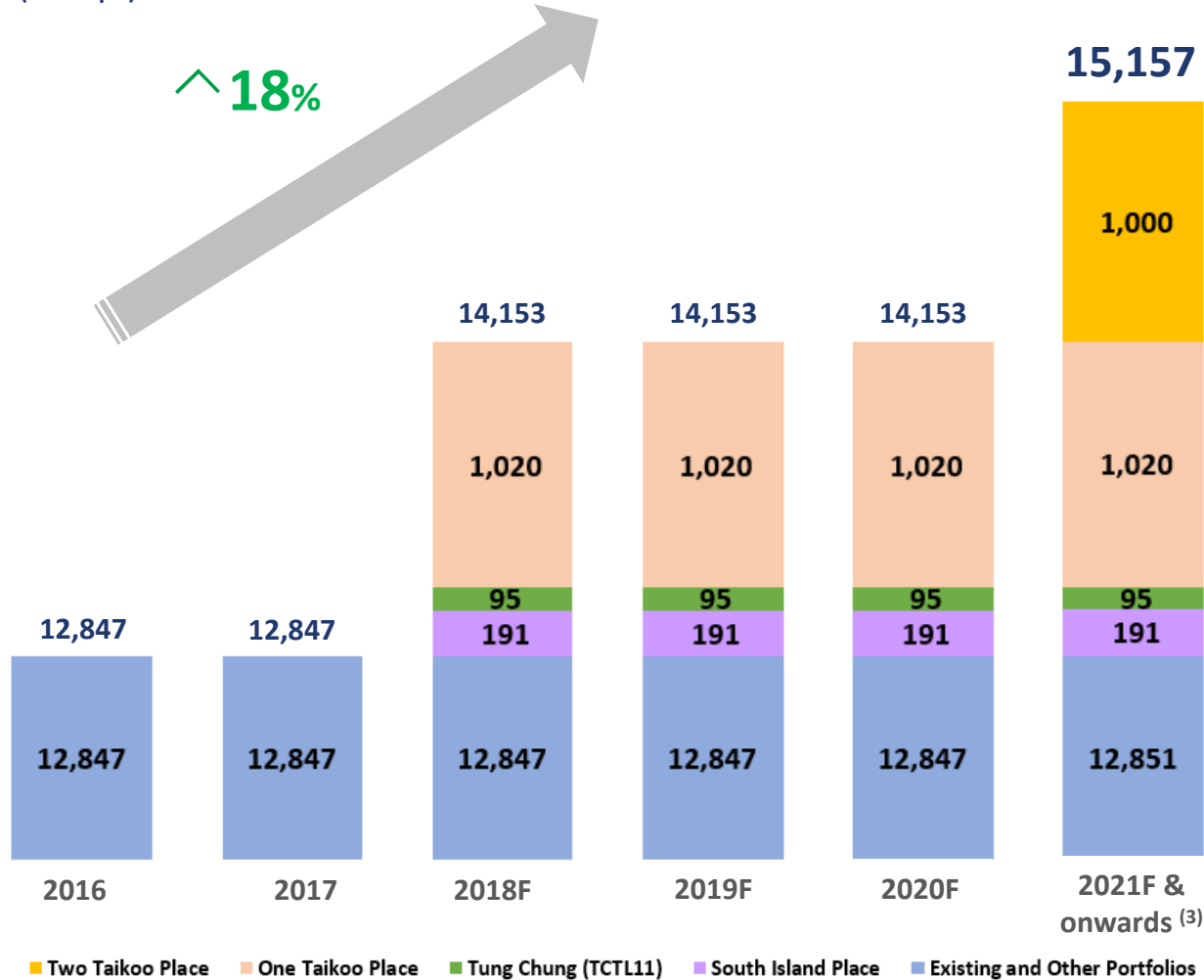


Artist Impression

Hong Kong Portfolio – Well-positioned for Growth

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

GFA ('000 sq ft)



Under Planning

Po Wah Building, 1-11 Landale Street and 2-12 Anton Street

- Site area: ~14,400 sq ft
- Redevelopment under planning.

15.1 M sq ft

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

(1) Includes GFA of the hotels and excludes the site (Po Wah Building, 1-11 Landale Street and 2-12 Anton Street) redevelopment of which is under planning.

(2) At 31st Dec 2017.

(3) Two Taikoo Place is expected to be completed in 2021 or 2022.

Mainland China Portfolio Bearing Fruit

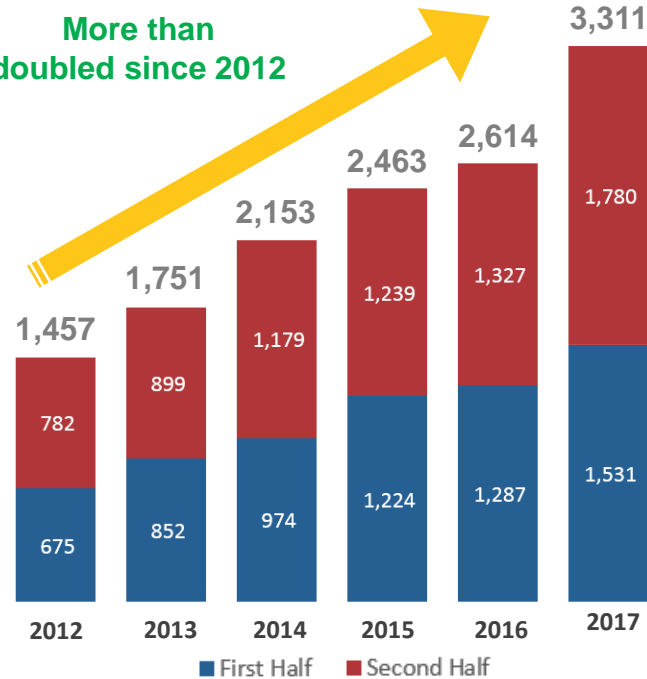
Attributable Gross Rental Income ⁽¹⁾

HK\$'M

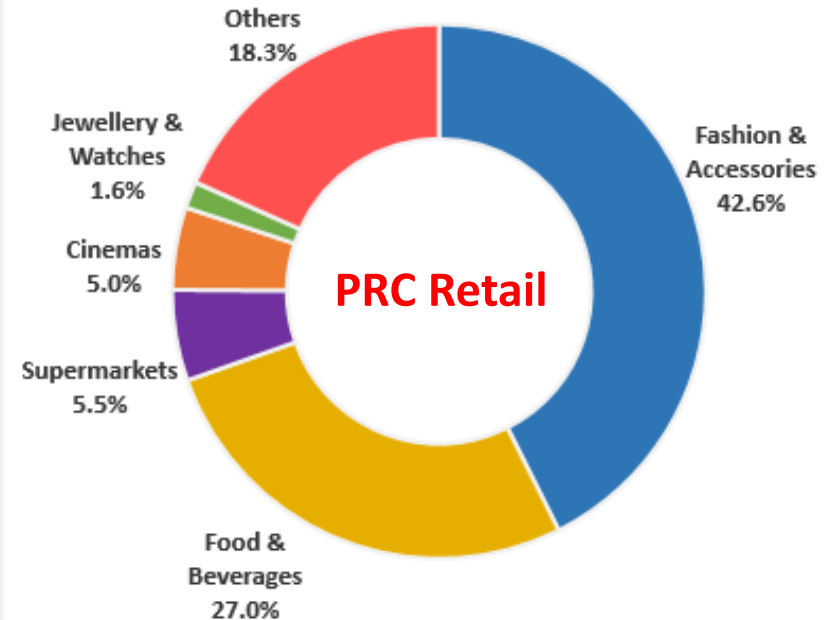
HK\$ 3,311 M, \uparrow 27%

RMB 2,860 M, \uparrow 27%

More than doubled since 2012



Retail Tenant Mix ⁽²⁾



- Attributable gross rental income more than doubled since 2012.
- Rental income from Mainland China is underpinned by a retail portfolio with a diverse tenant mix.

Mainland China Portfolio – Strong Growth in Retail Sales

Sino-Ocean Taikoo Li Chengdu



Occupancy **95%** Retail Sales **+48.8%**
Retail

Taikoo Li Sanlitun

Beijing Sanlitun Yashow Building

Long-term lease agreement signed.

□ ~0.3 M sq ft GFA.



Occupancy **99%** Retail Sales **+4.3%**
Retail

INDIGO



Occupancy **98%** **99%** Retail Sales **+59.7%**
Office Retail

TaiKoo Hui



Occupancy **99%** Retail Sales **+27.3%**
Office Retail

Qiantan Project

Conditional equity transfer agreement signed.

- For the acquisition of a 50% interest.
- Retail project with ~1.25 M sq ft GFA.

HKRI Taikoo Hui



Occupancy ⁽⁴⁾ **82%** **96%**
Office Retail

HK\$ **48.9** bn, **↑15%**
(Vs. 2016)
Attributable Valuation
(Investment Props)

8.8 M sq ft
Exp. Attributable
Completed GFA ⁽¹⁾
(Investment Props)

(1) Excluding Pinnacle One which was developed for trading purposes and Qiantan project.

(2) Retail sales growth quoted in RMB.

(3) Occupancy at 31st Dec 2017.

(4) Taking into account letters of intent.

HKRI Taikoo Hui, Shanghai – Opened

Shopping mall (officially opened in Nov 2017)

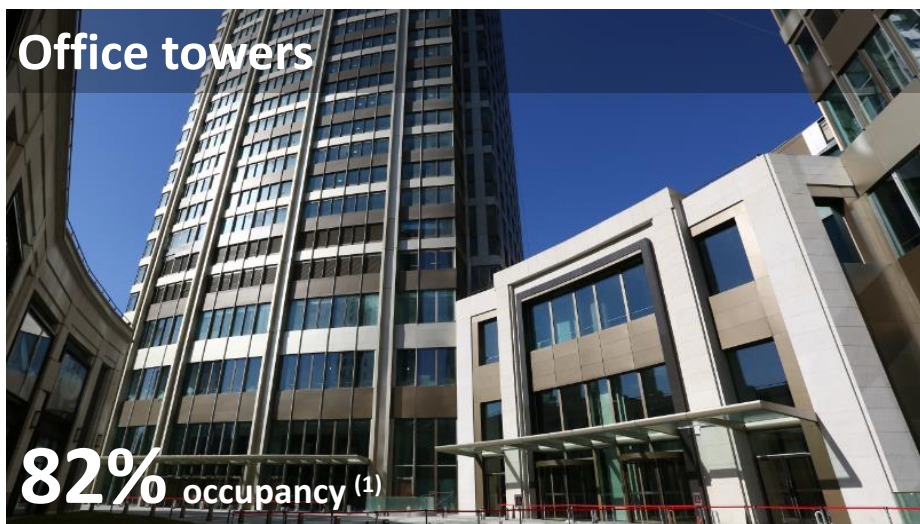
96% occupancy ⁽¹⁾

*86% opened



Office towers

82% occupancy ⁽¹⁾

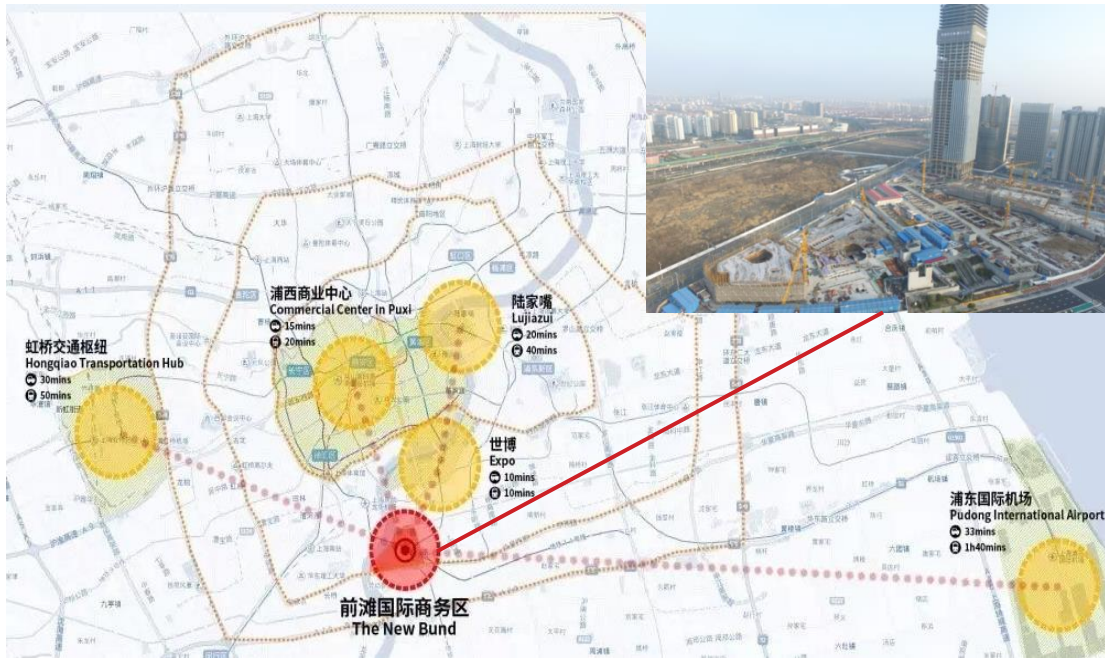


The Middle House

To open later in 1H 2018



Multiple Growth Channels in Mainland China



Qiantan Project

Location

- Pudong, Shanghai
- Second project in Shanghai

GFA (100% basis)

- ~1,250,000 sq ft

Interest

- Entered into a conditional equity transfer agreement for the acquisition of a 50% stake in Feb 2018.

Components

- Retail development

Beijing Sanlitun Yashow Building

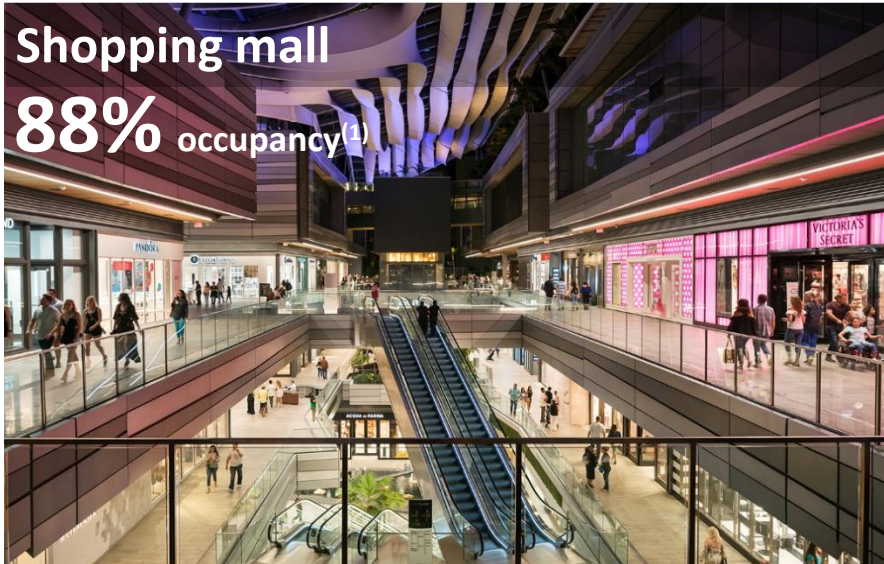
- Chaoyang district, Beijing

- ~296,000 sq ft

- Entered into a long-term lease agreement in Dec 2017.

- The retail building will be redeveloped as an extension to Taikoo Li Sanlitun.

Brickell City Centre, Miami - Ramping Up



Retail Tenants

- Saks Fifth Avenue
- Apple
- CMX The VIP Cinema
- La Centrale Italian Food Hall
- Zara

Office Tenants

- McKinsey&Company
- Akerman
- WeWork



Trading Portfolio

Trading Portfolio - New Project Added

Hong Kong



WHITESANDS

~ **75%** or **21** houses sold ⁽¹⁾

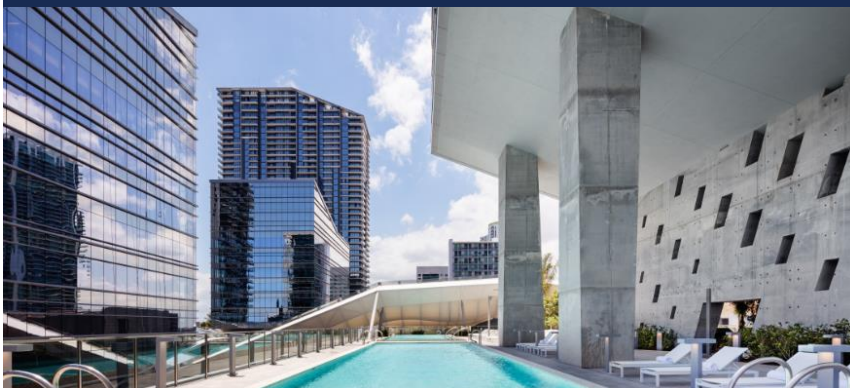
HK\$ 20,203 psf
(avg price) ⁽²⁾

21-31 Wing Fung Street

~ **29,928** sq ft GFA ⁽³⁾

- ❑ Redevelopment under planning.
- ❑ Expected to be completed in 2021.

Brickell City Centre, Miami



REACH

~ **93%** or **363** units sold ⁽¹⁾

mid US\$600s psf
(avg price) ⁽²⁾



RISE

~ **55%** or **214** units sold ⁽¹⁾

high US\$600s psf
(avg price) ⁽²⁾

24 (1) At 13th March 2018.
(2) Average selling price is based on saleable area.
(3) Excluding a retail podium of ~ 4,200 sq ft which will be retained for investment purposes.

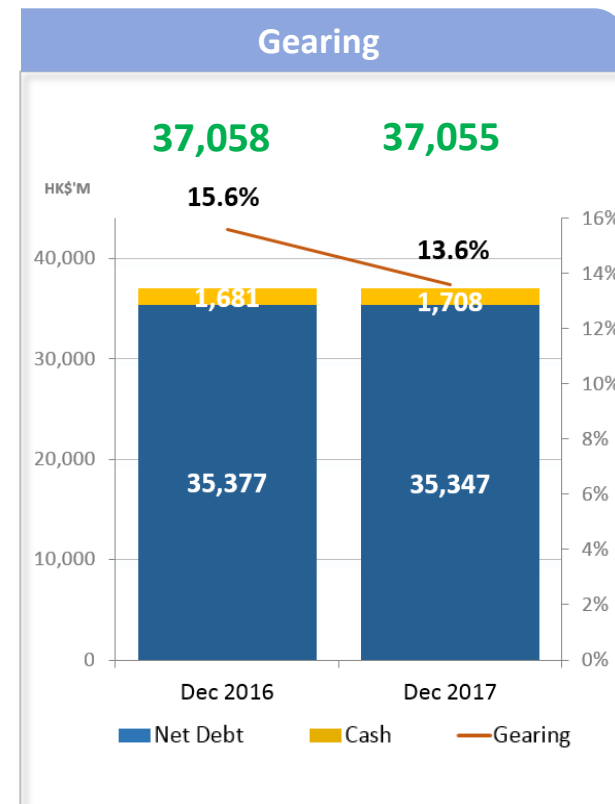


Financing

Net Debt and Gearing

Net Debt Reconciliation (HK\$M)	
Net debt at 31st Dec 2016	(35,377)
Net rental and fee receipts	9,060
Proceeds from property trading / development	5,168
Capex – PP&E and property investment	(5,396)
Development costs – property trading	(627)
Net investments in JVCs / Associates	(616)
Net interest paid	(1,129)
Tax paid	(1,044)
Dividends paid to the Company's shareholders	(4,271)
Other operating items	(1,145)
Net proceeds after development costs incurred for NKIL 6312 ⁽¹⁾	30
Net debt at 31st Dec 2017	(35,347)

Financial Ratios	2013	2014	2015	2016	2017
Total Equity (HK\$ M)	203,150	208,547	217,949	227,225	259,378
Net Debt (HK\$ M)	32,014	34,071	33,348	35,377	35,347
Gearing	15.8%	16.3%	15.3%	15.6%	13.6%
Underlying Interest Cover	6.4	7.6	7.8	8.9	10.7
Underlying Cash Interest Cover	5.1	5.6	5.9	6.3	7.5
Weighted Average Cost of Debt	5.2%	4.4%	4.3%	4.1%	3.6%



Highlights

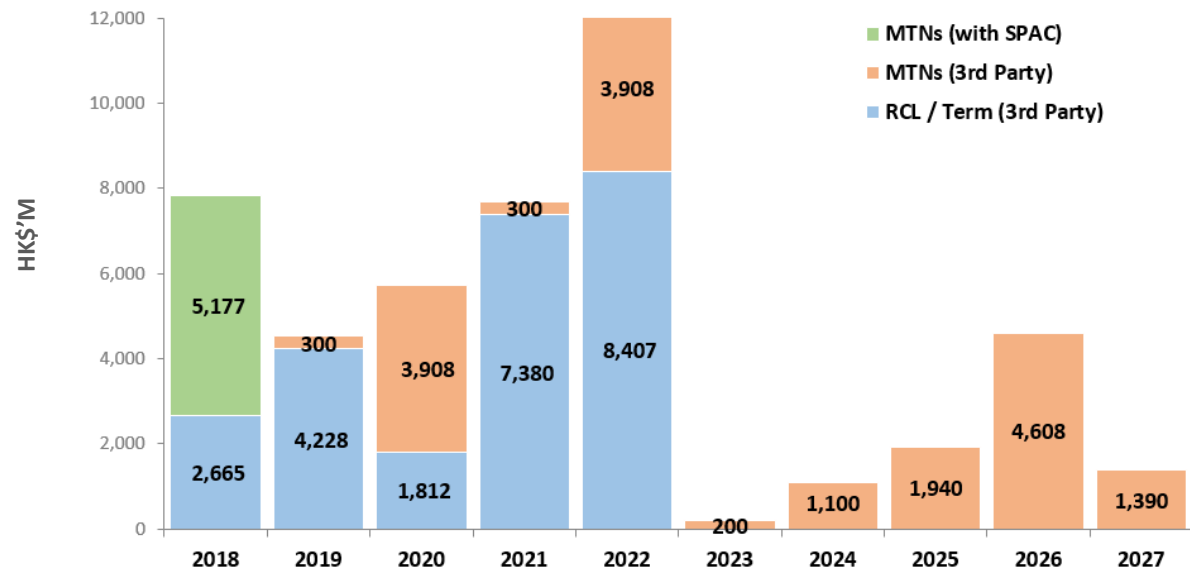
HK\$ **35,347** M
Net Debt

13.6%
Gearing

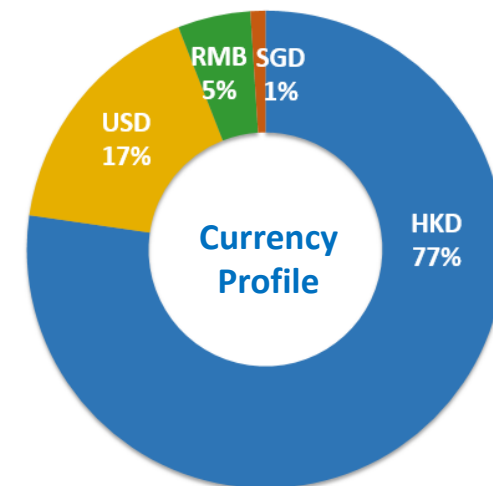
Maturity Profile & Liquidity

Maturity Profile of Available Committed Facilities (at 31st Dec 2017)

Total	47,323	7,842	4,528	5,720	7,680	12,315	200	1,100	1,940	4,608	1,390
Drawn	36,762	7,842	2,242	4,920	2,955	9,565	200	1,100	1,940	4,608	1,390



HK\$M	Dec 2016	Dec 2017
Cash	1,681	1,708
Undrawn - committed	8,497	10,561
	10,178	12,269
Undrawn - uncommitted	1,149	804
	11,327	13,073



Major financing activities in 2017:

- Arranged term and revolving loan facilities aggregating HK\$4,500M.
- Issued medium-term notes of HK\$2,090M.
- Refinancing of a term loan facility of US\$500M.

Subsequent to 31st Dec 2017:

- Issued first green bond in Jan 2018, raising US\$500M for 10 years at a coupon rate of 3.5%.

Fixed : Floating
65% : 35%

Available Committed Facilities
HK\$ 47,323 M

Credit Rating
Fitch "A"
Moody's "A2"

Cash & Undrawn
Committed Facilities
HK\$ 12,269 M

Capital Commitments

Profile of Capital Commitments for Investment Properties and Hotels – at 31st Dec 2017

HK\$'M	Expenditure	Forecast Year of Expenditure				Commitments*
		<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Hong Kong	5,017	4,047	1,361	2,768	3,994	12,170
Mainland China	917	789	646	118	-	1,553
U.S.A. and elsewhere	926	151	281	26	19	477
Total	6,860	4,987	2,288	2,912	4,013	14,200

* The capital commitments represent the Company's capital commitments of HK\$12,773 million plus the Company's share of the capital commitments of joint venture companies of HK\$1,427 million. The Company is committed to funding HK\$341 million of the capital commitments of joint venture companies.



Prospects

Prospects

Hong Kong

- ❑ Office rents are expected to be underpinned by high occupancy across our developments.
- ❑ Demand for retail space is expected to be stable.
- ❑ Notwithstanding the expectation of a gradual increase in interest rates and increased private housing supply, demand for residential property is expected to remain resilient.
- ❑ Completion of the sale of the Kowloon Bay development is expected in 2018.

Mainland China

- ❑ Retail sales are expected to grow satisfactorily in Beijing and Guangzhou, and to be robust in Chengdu. In Shanghai, after the opening of HKRI Taikoo Hui, retail sales should continue to grow steadily. Retail rents in Chengdu and Shanghai are expected to grow moderately despite increased supply of space and competition.
- ❑ Office rents are expected to increase in Guangzhou, to come under pressure in Beijing, and to be stable in the Jingan district in Shanghai reflecting the supply-demand dynamics in the respective markets.

Miami, U.S.A.

- ❑ Weak retail sales have made some retailers cautious about expansion.
- ❑ Higher office rents are expected given the limited new supply of Grade-A office space and stable demand.
- ❑ The exchange rate of the US dollar against major South American currencies is strong compared with what it was earlier in the decade. Demand for condominiums by non-US buyers continues to be affected.

Across Regions - Hotels

- ❑ Trading conditions for our hotels are expected to be stable in 2018.

Sustainable Development (SD) 2030 Strategy: 2017 Highlights

People



2017 Progress

Safety, Health and Wellbeing

Lost Time Injury Rate (LTIR): **1.43**
↓ **21%** vs. 2016

Diversity and Inclusion

Women hold
49% of **management positions**

Talent Attraction

↑ **16%** vs. 2016
Training hours/
employee/year

Partners



2017 Progress

Suppliers

HK\$378 million
Green Procurement spending

Tenants

~ **53%** of **office space** occupied by tenants who have signed **Green Pledges** in **TaiKoo Hui**, Guangzhou

7.9 million kWh potential energy savings from **free energy audits** for HK and Mainland China tenants (since 2008)

Places



Taikoo Place, Hong Kong

A Transformation that Continues



HKRI Taikoo Hui, Shanghai

A New Hub for Business & Lifestyle

Performance (Environment)



2017 Progress

Climate Change

Carbon Intensity ⁽¹⁾
↓ **23%**

Mainland China Portfolio

↓ **21%**

Energy

Energy consumption ⁽¹⁾
↓ **51 million kWh/year**
↓ **22%**

↓ **17 million kWh/year**
↓ **20%**

Waste

Commercial waste
diversion rate
20%

Waste recycling rate
22%

Building/Asset Investment ⁽²⁾

30 buildings with BEAM/BEAM Plus certification
30 buildings with LEED certification

Performance (Economic)



2017 Progress

Green Financing

Issued first green bond
US\$500 million coupon rate of 3.5%

Disclosure and Reporting

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

The Sustainability
Yearbook 2018

FTSE4Good

Hang Seng Corporate
Sustainability Index
Series Member 2017-2018

GRESB
GREEN LEADER
SUSTAINABILITY 2017

MSCI 2017 Constituent
MSCI ESG
Leaders Indexes

- 31 (1) HK portfolio: compared to the business-as-usual ("BAU") baseline level in 2008; Mainland China portfolio: compared to the BAU baseline level in the first year for which a complete calendar year of data was available for projects in Mainland China portfolio.
(2) Cumulative figures till 31st January 2018.



Q & A



Appendix

Key Business Strategies

1

Continue to create long-term value by conceiving, designing, developing, owning and managing transformational mixed-use and other projects in urban areas.

2

Maximise the earnings and value of our completed properties through active asset management and by reinforcing our assets through enhancement, redevelopment and new additions.

3

Continue with our luxury residential property activities.

4

Remain focused principally on Hong Kong and Mainland China.

5

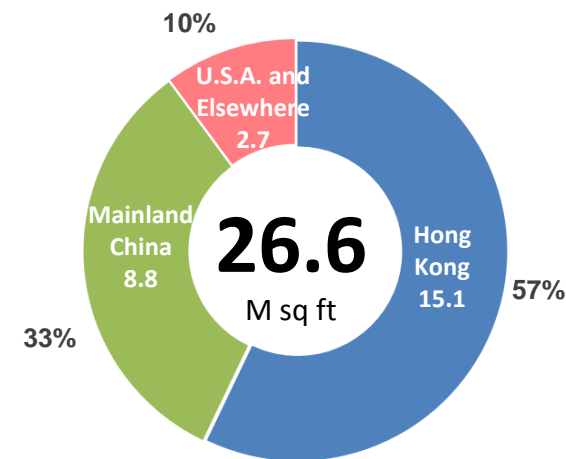
Manage our capital base conservatively.

Property Portfolio

Investment Props / Hotels Attributable GFA (M sq ft) ⁽¹⁾	Office	Retail	Hotels ⁽²⁾	Resid./Serviced apartments	Under Planning	Total
Completed						
<i>Hong Kong</i>	9.0	2.5	0.7	0.6	-	12.8
<i>Mainland China</i>	2.9	4.5	1.0	0.1	-	8.5
<i>U.S.A.</i>	0.3	0.3	0.5	0.1	-	1.2
Sub-Total (A)	12.2	7.3	2.2	0.8	-	22.5
Under Development or Held for Future Development						
<i>Hong Kong</i>	2.2	0.1	-	-	-	2.3
<i>Mainland China</i>	-	-	0.2	0.1	-	0.3
<i>U.S.A. and elsewhere</i>	-	-	-	0.1	1.4	1.5
Sub-Total (B)	2.2	0.1	0.2	0.2	1.4	4.1
TOTAL = (A) + (B)	14.4	7.4	2.4	1.0	1.4	26.6

Trading Props Attributable GFA (M sq ft)	Completed Prop Held for Sale	Under Development / Held for Development	Total
<i>Hong Kong</i> ⁽³⁾	-	-	-
<i>Mainland China</i>	0.3	-	0.3
<i>U.S.A.</i>	0.4	1.9	2.3
Total	0.7	1.9	2.6

Attributable Investment Props by Region (GFA)



Attri. Investment
Portfolio
26.6 M sq ft

Attri. Trading
Portfolio
2.6 M sq ft

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

(1) Excludes GFA of car parks.

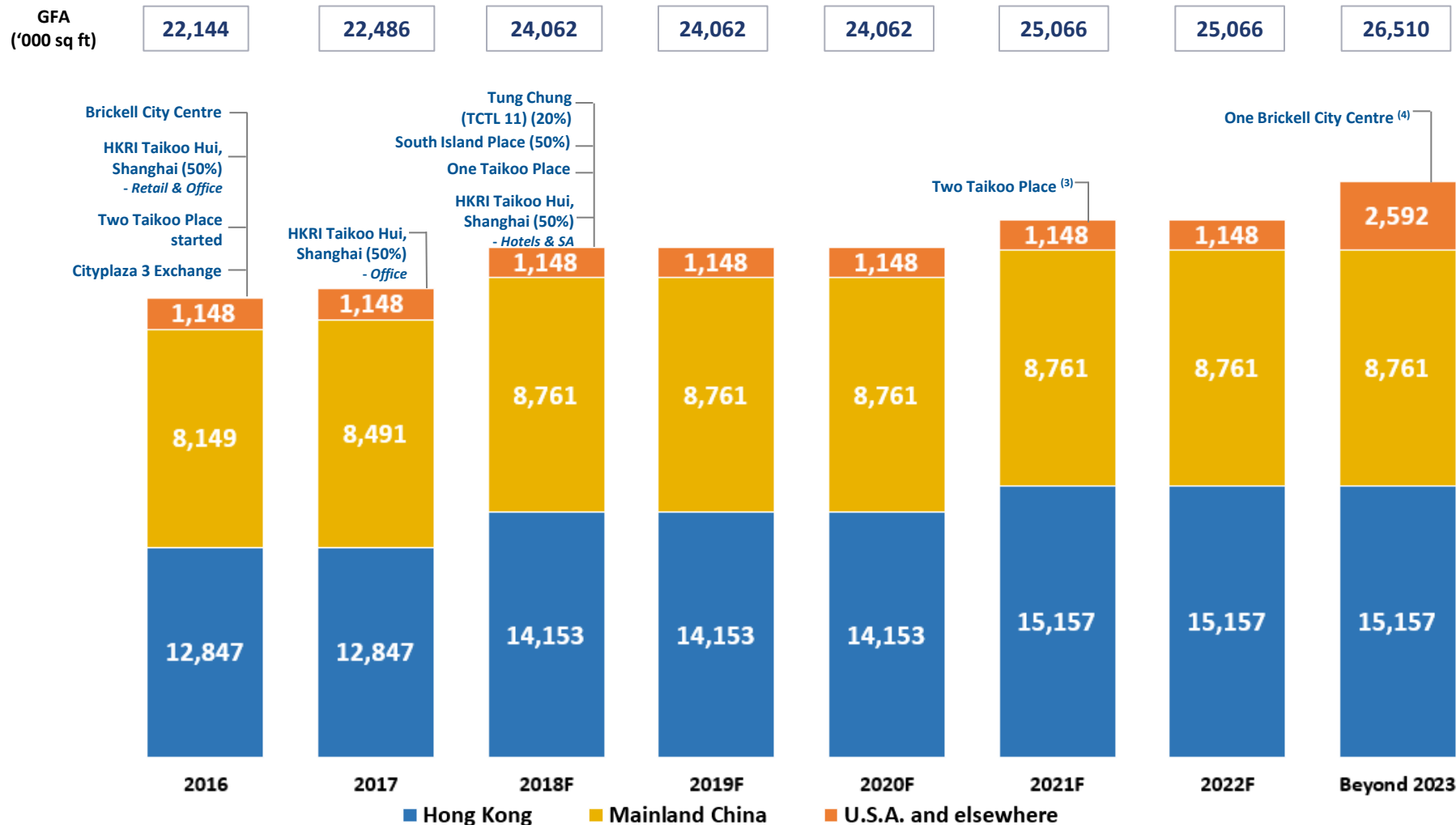
(2) Hotels are accounted for under property, plant and equipment in the financial statements.

(3) The aggregate GFA in Hong Kong is less than 0.1 million.

(4) As at 31st Dec 2017.

Completed Investment Portfolio

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



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

(2) Excludes GFA of property trading components, Qiantan project, Po Wah Building, 1-11 Landale Street and 2-12 Anton Street, and car parks but includes GFA of the hotel portion of these projects.

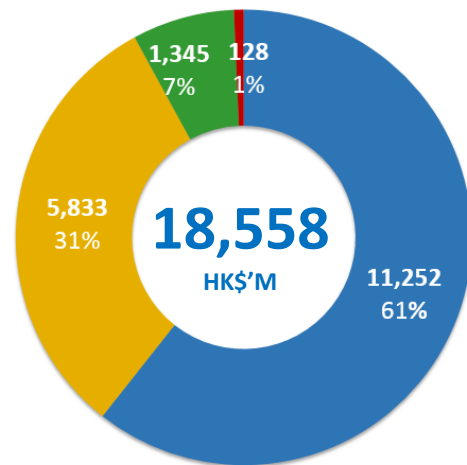
(3) Two Taikoo Place is expected to be completed in 2021 or 2022.

(4) Development under planning.

Revenue Analysis

2017 Revenue Breakdown by Segment

HK\$'M



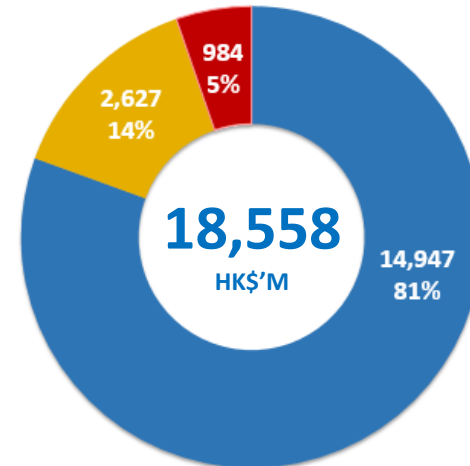
■ Gross Rental Income ■ Property Trading
■ Hotels ■ Others

Comparison

	2016	2017
Rental	10,773	11,252
Trading	4,760	5,833
Hotels	1,130	1,345
Others	129	128
Total	16,792	18,558

2017 Revenue Breakdown by Region

HK\$'M



■ Hong Kong ■ Mainland China ■ U.S.A.

Comparison

	2016	2017
HK	10,514	14,947
Mainland China	2,383	2,627
U.S.A.	3,895	984
Total	16,792	18,558

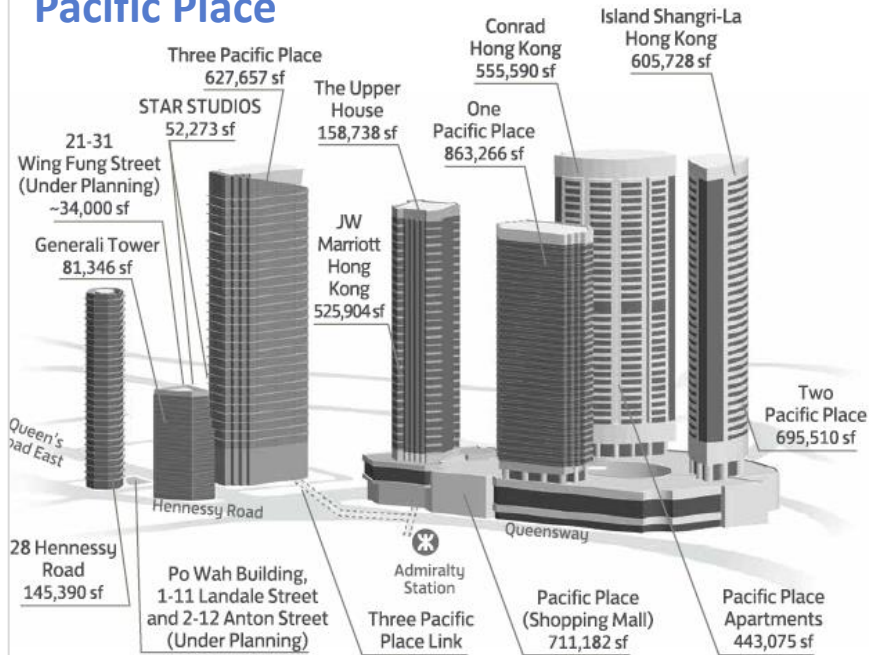
The turnover increased by 11% principally due to higher revenue from the sale of residential units in Hong Kong and higher rental income from investment properties.

HK\$ 18,558 M, ^11%

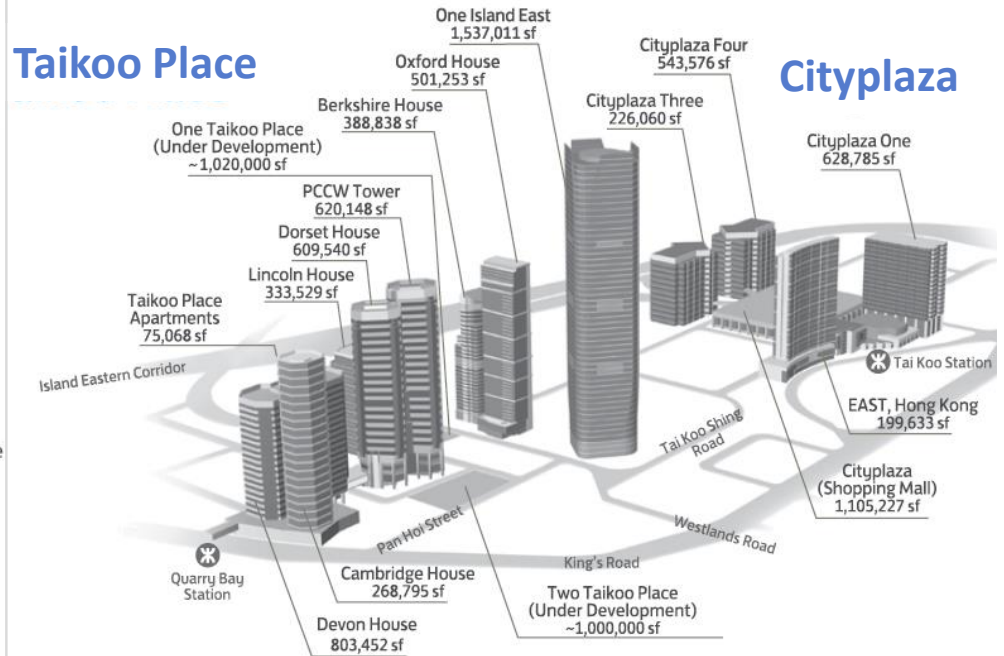
Revenue
(2017)

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



Retail Sales

Occupancy ⁽¹⁾

+4.3%

99%

Retail

- Gross rental income at Taikoo Li Sanlitun recorded satisfactory growth in 2017, reflecting positive growth in reversionary rents.
- In December 2017, Swire Properties entered into a long-term agreement for the lease of the **Beijing Sanlitun Yashow Building** (GFA: ~296,000 sq ft). The retail building will be redeveloped as an extension to Taikoo Li Sanlitun.
- Retail sales are expected to grow satisfactorily in Beijing in 2018. Demand for luxury goods remains weak, but demand 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



Retail Sales

+27.3%

Occupancy ⁽¹⁾

99%

Retail

99%

Office

- ❑ In 2017, gross rental income grew satisfactorily and retail sales increased, reflecting in part improvements to the tenant mix and a customer loyalty programme.
- ❑ Office vacancy rates in Guangzhou are expected to decrease and rents to increase in 2018.
- ❑ Retail sales are expected to grow satisfactorily in Guangzhou in 2018. Demand for retail space from international retailers and food and beverage operators is strong.

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



Retail Sales

+59.7%

Occupancy ⁽¹⁾

99%

Retail

98%

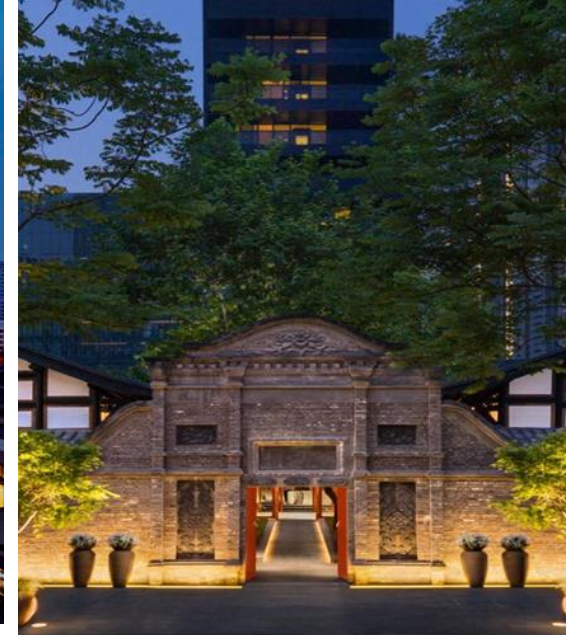
Office

- ❑ The mall is becoming a significant lifestyle shopping centre in north-east Beijing.
- ❑ Office rents in Beijing are expected to come under pressure in 2018, with 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



Retail Sales

Occupancy ⁽¹⁾

+48.8%

95%

Retail

- Sino-Ocean Taikoo Li Chengdu is our second Taikoo Li project in Mainland China and it is gaining popularity as a shopping destination in Chengdu.
- Retail sales in Chengdu are expected to be robust in 2018. Demand for retail space in prime locations is solid and is expected to grow in 2018. Retail rents are expected to grow moderately despite increased supply of space and competition.

Project Summary (100% Basis)

GFA	2.18 M sq ft
Components	Retail Office (for trading) The Temple House Serviced Apartments
Interest	50%
Yr of Opening	2014 / 2015

HKRI Taikoo Hui, Shanghai



Occupancy ⁽¹⁾

96%

Retail

82%

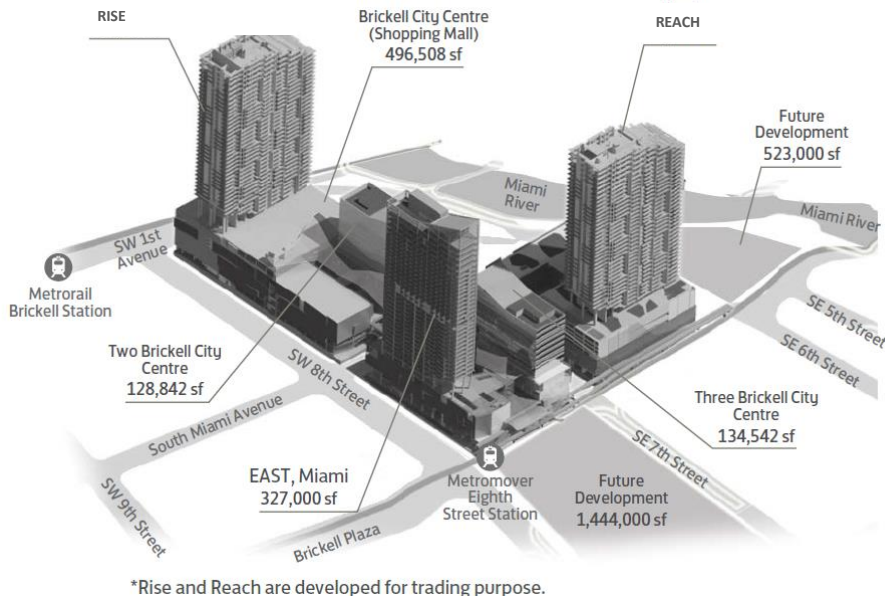
Office

- ❑ HKRI Taikoo Hui is our second Taikoo Hui project in Mainland China. The shopping mall officially opened in November 2017.
- ❑ Interior decoration works at the two hotels and a serviced apartment tower are in progress. They are expected to open later in the first half of 2018.
- ❑ After the opening of HKRI Taikoo Hui, retail sales should continue to grow steadily. Retail rents are expected to grow moderately despite increased supply of space and competition.
- ❑ With limited new supply in the Jingan district and stable demand, office rents are expected to be stable in 2018.

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

Brickell City Centre, Miami



Occupancy ⁽¹⁾

88%

Retail

100%

Office

- ❑ Gross rental income increased following the opening of the first phase of the Brickell City Centre development in 2016.
- ❑ Joint venture with Bal Harbour Shops (14.75%) and Simon Property Group (25%) for the shopping centre of BCC. Swire Properties holds 60.25% interest.

Project Summary (100% Basis)

GFA	1.41 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: 60.25% Others: 100%
Yr of Opening	2016 (BCC) TBC (OBCC & others)

Trading Portfolio

Trading Properties Sold or Being Sold (At 13th March 2018)	Total Units/ Houses	Units/ Houses Sold	Actual Completion	Actual Handover (from)	Units/Houses for which Profit Recognised or Expected to be Recognised (Year)	Interest
Hong Kong						
WHITESANDS, Lantau	28	21	2015	2015	- 1(2015), 1(2016), 14(2017) and 5(2018) ⁽¹⁾	100%
Miami, Florida, U.S.A.						
REACH, Brickell City Centre	390	363	2016	2016	- 347 (2016), 12(2017) and 4(2018) ⁽¹⁾	100%
RISE, Brickell City Centre	390	214	2016	2016	- 171 (2016), 28(2017) and 15(2018) ⁽¹⁾	100%

Hotel Portfolio

Managed Hotels				Owned but Non-managed Hotels			
		No. of Rooms	Interest			No. of Rooms	Interest
Completed		(100% basis)		Completed		(100% basis)	
Hong Kong	The Upper House	117	100%	Hong Kong	Island Shangri-La HK	565	20%
	EAST, Hong Kong	345	100%		JW Marriott Hotel HK	602	20%
	Headland Hotel ⁽¹⁾	501	0%		Conrad HK	513	20%
Mainland China	The Opposite House, Beijing	99	100%		Novotel Citygate HK	440	20%
	EAST, Beijing	369	50%	Mainland China	Mandarin Oriental, Guangzhou ⁽²⁾	287	97%
	The Temple House, Chengdu ⁽²⁾	142	50%	U.S.A.	Mandarin Oriental, Miami	326	75%
U.S.A.	EAST, Miami ⁽²⁾	352	100%				
Sub-Total (A)		1,925		Sub-Total (C)		2,733	
Under Development				Under Development			
Mainland China	The Middle House, Shanghai ⁽³⁾	213	50%	Hong Kong	Hotel at Tung Chung Town Lot No. 11	206	20%
				Mainland China	The Sukhothai, Shanghai	201	50%
Sub-Total (B)		213		Sub-Total (D)		407	
Total = (A) + (B)		2,138		Total = (C) + (D)		3,140	



Expected Total Managed Rooms

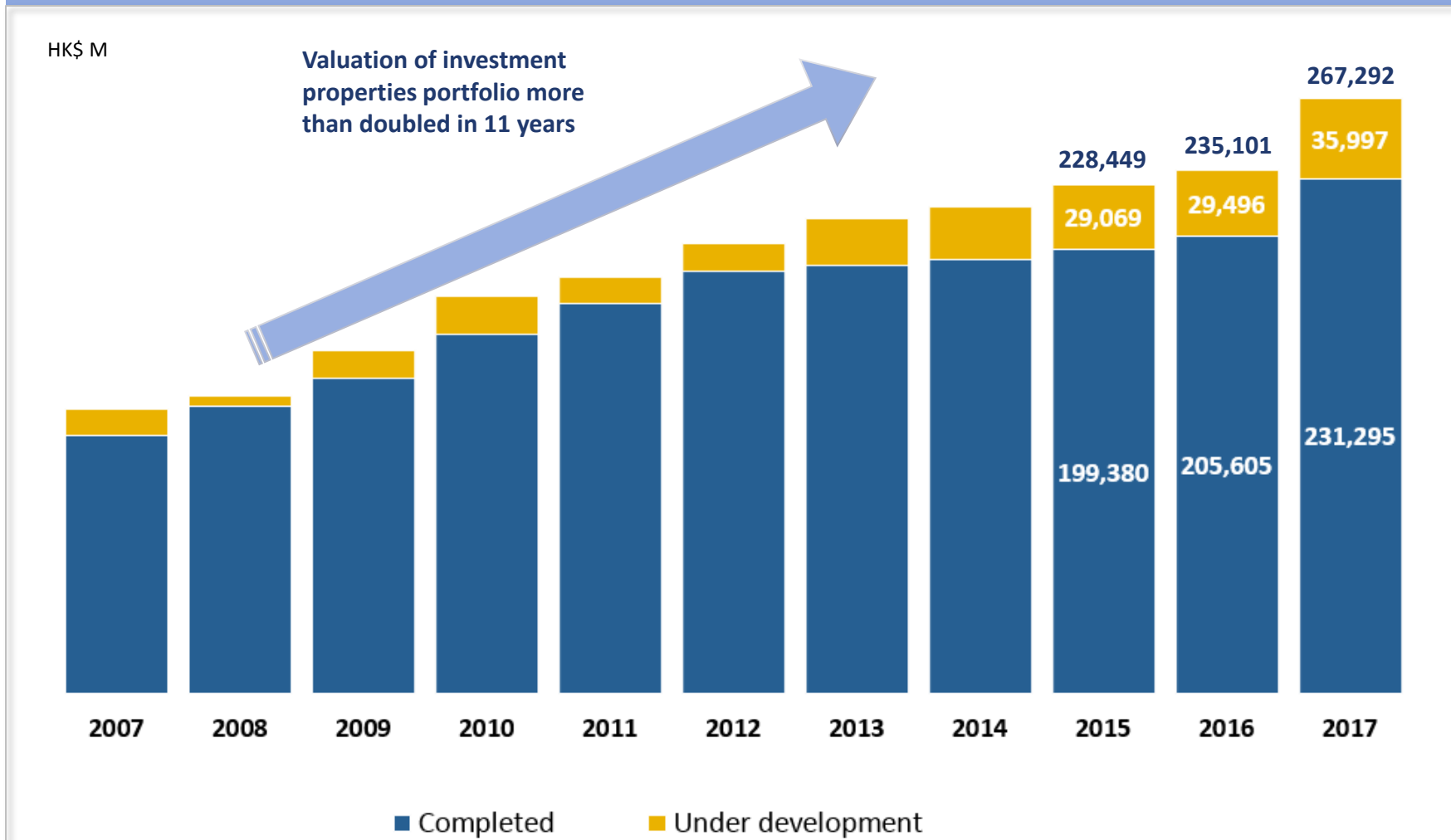
2,138

(1) Headland Hotel is owned by Airline Property Limited, a wholly-owned subsidiary of Cathay Pacific Airways Limited.
 (2) Including serviced apartments in the hotel tower.
 (3) Including one hotel and one serviced apartment tower.

Valuation of Completed Investment Properties

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

2007 – 2017 Valuation of Completed Investment Properties (excl. Hotels) *



* Per Dec 2017 financial statements on accounting basis. Hotels are accounted for under property, plant and equipment in the financial statements. Valuation after 2010 does not include Festival Walk, which was sold in August 2011 for HK\$ 18.8 bn.