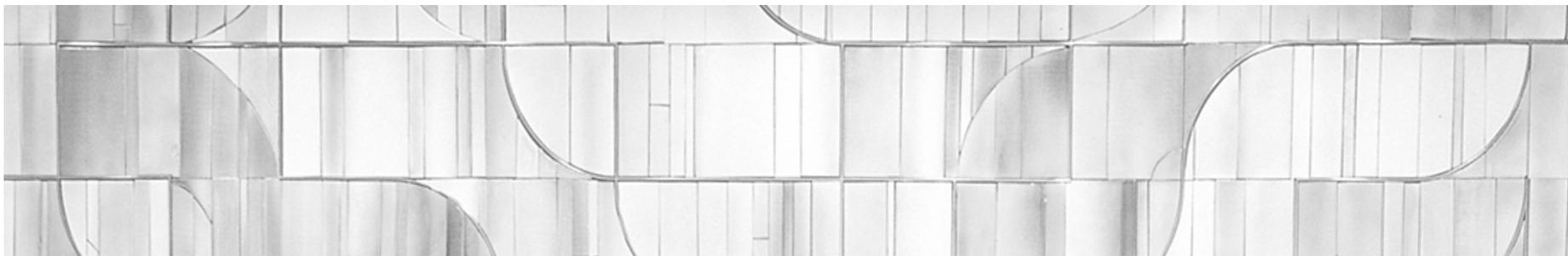




## 2012 Interim Results | Analyst Briefing



10th Aug 2012

TaiKoo Hui,  
Guangzhou



INDIGO,  
Beijing



# Financial Summary

Island East,  
Hong Kong





## Financial Summary

HK\$M	1H 2011	(excl. FW)	1H 2012	Change	(excl. FW)
Turnover	4,665	4,159	<b>4,907</b>	+5.2%	+18.0%
Valuation gains on investment properties	17,553	16,455	<b>7,103</b>	-59.5%	-56.8%
Operating profit	20,686	19,183	<b>10,364</b>	-49.9%	-46.0%
Attributable profit	20,023	18,634	<b>9,862</b>	-50.7%	-47.1%
Underlying profit	2,354	2,063	<b>2,443</b>	+3.8%	+18.4%
Adjusted underlying profit	2,283	1,992	<b>2,443</b>	+7.0%	+22.6%
Earnings per share (HK\$ per share)	3.52	-	<b>1.69</b>	-52.0%	-
Underlying earnings per share (HK\$ per share)	0.41	-	<b>0.42</b>	+2.4%	-
First interim dividend per share <sup>(1)</sup> (HK\$ per share)	-	-	<b>0.22</b>	n.m.	-
HK\$M	Dec 2011		Jun 2012	Change	
NAV attributable to the Company's shareholders <sup>(2)</sup>	176,043	-	<b>184,640</b>	+4.9%	-
Net debt	27,700	-	<b>30,535</b>	+10.2%	-
Gearing ratio	15.7%	-	<b>16.5%</b>	n.m.	-
NAV per share <sup>(2)</sup> (HK\$ per share)	30.09	-	<b>31.56</b>	+4.9%	-

(1) First interim dividend for 2012 was declared on 10th Aug 2012 and is payable on 4th Oct 2012. For reference, an interim dividend (in lieu of a final dividend) of HK\$0.18 per share for the full year 2011 was declared on 15th March 2012 and paid on 3rd May 2012.

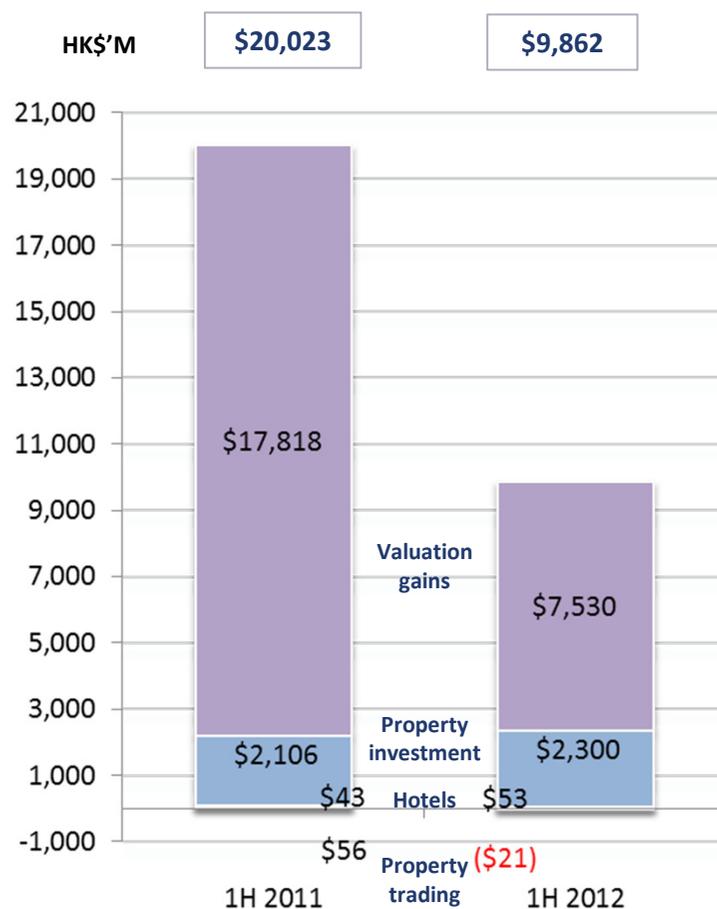
(2) NAV refers to total equity attributable to the Company's shareholders.

(3) Gross rental income of Festival Walk for 1H 2011 was HK\$ 506 million.



# Earnings Reconciliation

## Attributable Profit by Segments



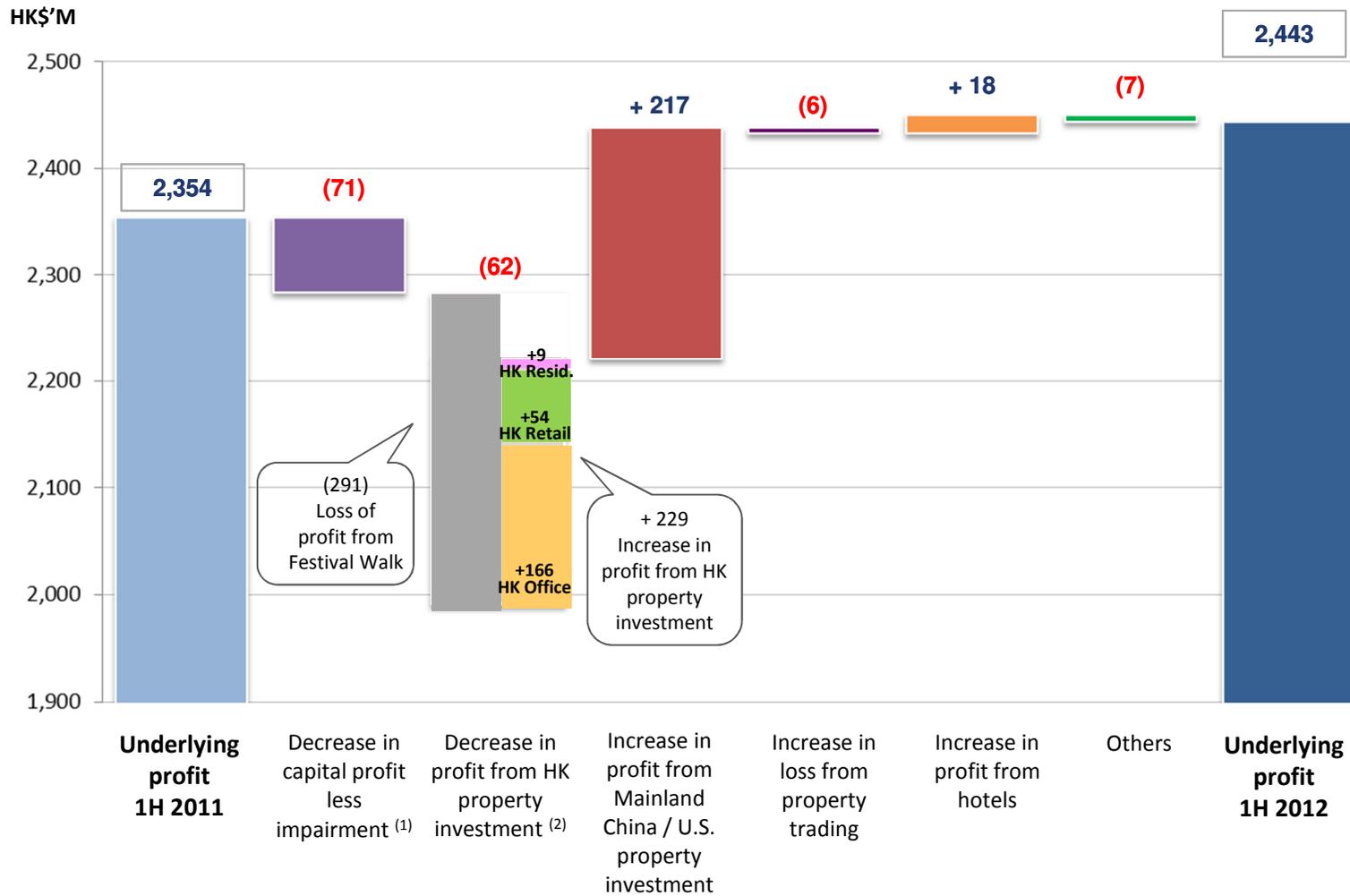
## Underlying Profit Reconciliation

HK\$M	1H 2011	1H 2012
Attributable profit	20,023	9,862
Revaluation of investment properties	(18,167)	(7,905)
Deferred tax on revaluation movements	306	357
Depreciation of owner occupied investment properties	10	8
Non-controlling interests' share of revaluation movements less deferred tax	43	18
Adjustments on fair value of Sanlitun Village put option	139	103
<b>Underlying profit</b>	<b>2,354</b>	<b>2,443</b>
Net impairment reversal	(71)	-
<b>Adjusted underlying profit</b>	<b>2,283</b>	<b>2,443</b>



# Movement in Underlying Profit

## Movement in Underlying Profit



1H 2012  
Underlying Profit  
**HK\$ 2,443 m**  
**+ 3.8%**

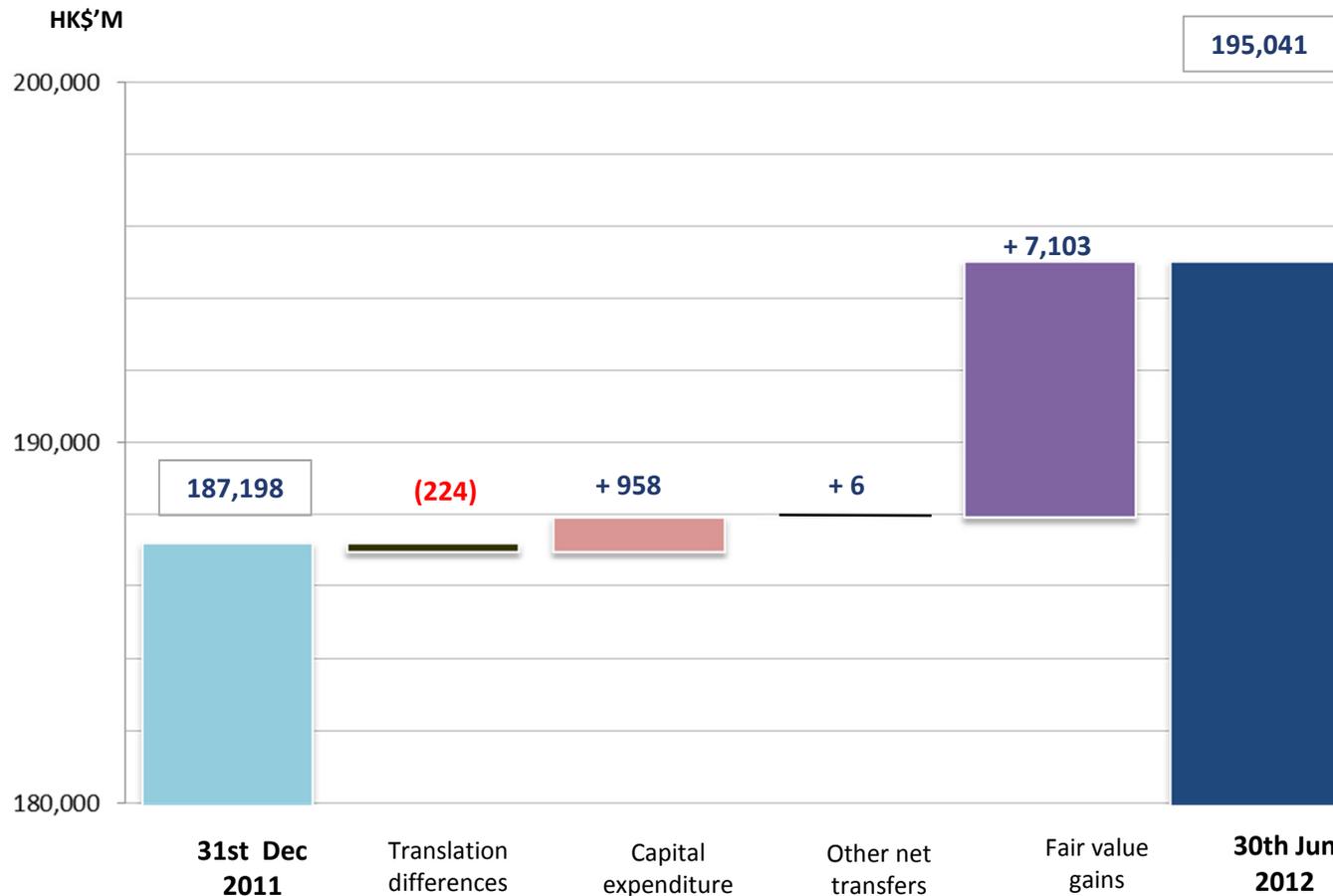
- (1) Reduction in capital profit less impairment reflects reversal of a previously recorded impairment made for a property held for future development in 1H 2011.
- (2) Decrease in profit from HK property investment was mainly due to the loss of rental income from Festival Walk. The net rental income for Festival Walk was HK\$416 million in 1H 2011.



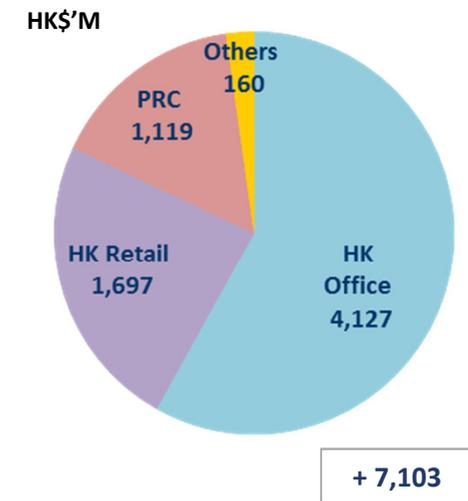
# Movement in Investment Properties

□ The increase in the valuation of investment property portfolio principally reflects higher rental income.

## Movement in Investment Properties \* (excl. Hotels / Investment Properties held under JCE)



## Fair Value Gains Breakdown



*Others include HK residential, properties under development and adjustments related to owner occupied properties.*

Jun 2012 Investment  
Props Valuation  
**HK\$ 195,041 m**  
**+ 4.2%** (vs Dec 2012)

# Investment Portfolio

Sanlitun Village,  
Beijing





# Gross Rental Income

## Gross Rental Income



- Gross rental income increased by 5.1% (or 19.6% excl. FW)
- Positive rental reversions in HK office portfolio, notwithstanding a slowdown in leasing activity. (rental + 7.1% in 1H 2012, HK office) (rental + 9.7% in 1H 2012, HK office excl. FW)
- Retail sales and the demand for retail space in HK continued to be good, although sales growth has slowed when compared to 1H 2011. (rental + 5.8% in 1H 2012, HK retail excl. FW)
- Improved rental performance from Sanlitun Village, together with full rental contribution from TaiKoo Hui in 1H 2012. (rental + 184.7% in 1H 2012, Mainland China)

Mainland China Breakdown		
1H	2011	2012
Retail	228	572
Office	1	80
<b>Total</b>	<b>229</b>	<b>652</b>

Total Gross  
 Rental Income  
**HK\$ 4,390 m**  
**+5.1%**

(1) Total gross rental income from Festival Walk (retail & office) for 1H 2011 was HK\$ 506 million.  
 (2) INDIGO also started to open in Mar 2012 but its rental contribution was not reflected in gross rental income as it was accounted for as jointly controlled company.



# HK Office Occupancy

Completed HK Office Properties	GFA (sq ft) (100% basis)	Occupancy (30th Jun 2012)	Area LFA (sq ft) Renewed / Concluded (1H 2012)	Reversion <sup>(5)</sup> (1H 2012)	Attri. Interest
Pacific Place	2,186,433	99%	98,296	+ 34%	100%
Cityplaza	1,632,930	98%	80,972	+ 29%	100%
TaiKoo Place Office Towers <sup>(1)</sup>	3,136,541	98%	309,045	+ 33%	50% / 100%
One Island East	1,537,011	100%	0	N/A	100%
Techno Centres <sup>(2)</sup>	1,816,667	96%	197,583	+ 23%	100%
Others <sup>(3)</sup>	461,587	98%	N/A	N/A	20% / 50%
<b>Total (100% basis)</b>	<b>10,771,169</b>				



Vacancy LFA= 156,493 sq.ft.

Latest rentals	HK\$ per sq ft
One & Two Pacific Place	110 to 120
Three Pacific Place	95 - 100
Island East	high 30s to mid 40s
Techno Centres <sup>(6)</sup>	Low to mid 20s
One Island East	mid 50s to high 60s

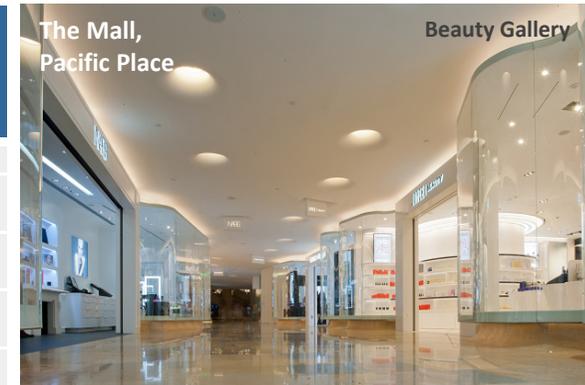


- (1) Including PCCW Tower (50% owned), managed by Swire Properties.
- (2) The valuation of Somerset House reflects the fact that it is to be redeveloped.
- (3) Others comprise One Citygate (20% owned) and 625 King's Road (50% owned), managed by Swire Properties.
- (4) Reported gross rental income (excluding rental contributions from JCC and associates) was HK\$2,372m.
- (5) Reversion is the percentage increase in rent achieved upon lease renewals and entry into new leases.
- (6) Excluding Somerset House.



# HK Retail Occupancy

Completed HK Retail Properties	GFA (sq.ft.) (100% basis)	Occupancy (30th Jun 2012)	Reversion <sup>(4)</sup> (Base Rent) (1H 2012)	Attri. Interest
The Mall, Pacific Place	711,182	100%	+ 20%	100%
Cityplaza Mall	1,105,227	100%	+ 14%	100%
Citygate Outlets	462,439	100%	N/A <sup>(5)</sup>	20%
Others <sup>(2)</sup>	530,467	99%	N/A	20% / 60% / 100%
<b>Total (100% Basis)</b>	<b>2,809,315</b>			



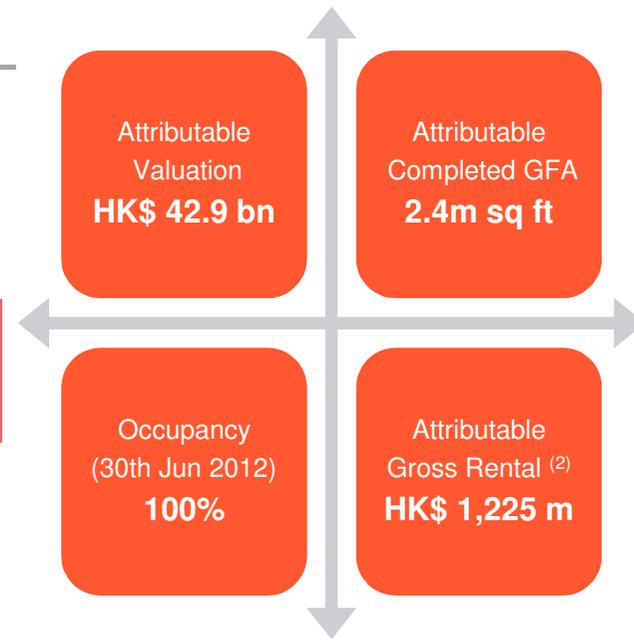
## The Mall, Pacific Place

- ❑ Refurbishment of the exterior façade is scheduled to be completed by 2013.
- ❑ Space previously occupied by a department store is being reconfigured and a beauty gallery has recently opened to house retailers of high quality cosmetic and skin care brands.
- ❑ An additional arcade has linked up two sides of The Mall to improve pedestrian flow.

## Retail Sales Growth in 1H

	2011	2012
The Mall <sup>(1)</sup>	+21.1%	+5.4%
Cityplaza Mall	+8.2%	+6.8%
Citygate Outlets	+34.9%	+23.7%

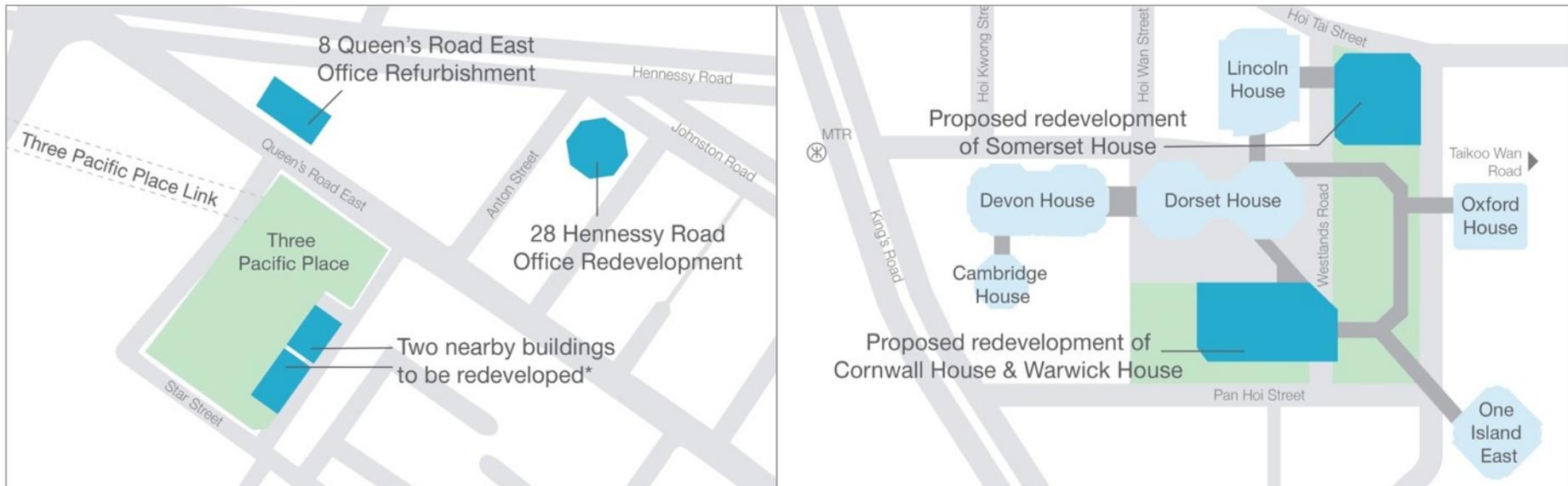
**Turnover Rent  
1H 2012  
+ 14%**



(1) For comparison purposes, sales of a department store (which was closed in January 2012) were excluded.  
 (2) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (which are wholly-owned), Island Place (60% owned) and Tung Chung retail premises (20% owned).  
 (3) Reported gross rental income (excluding rental contributions from JCC and associates) was HK\$1,188m  
 (4) Reversion is the percentage increase in rent achieved upon lease renewals and entry into new leases.  
 (5) Not disclosed.



# HK Investment Properties Under Development



Note: This simplified diagram is not to scale and is for illustration purpose only.

\*Redevelopment subject to government approval

## New Props to Lease



28 Hennessy Road



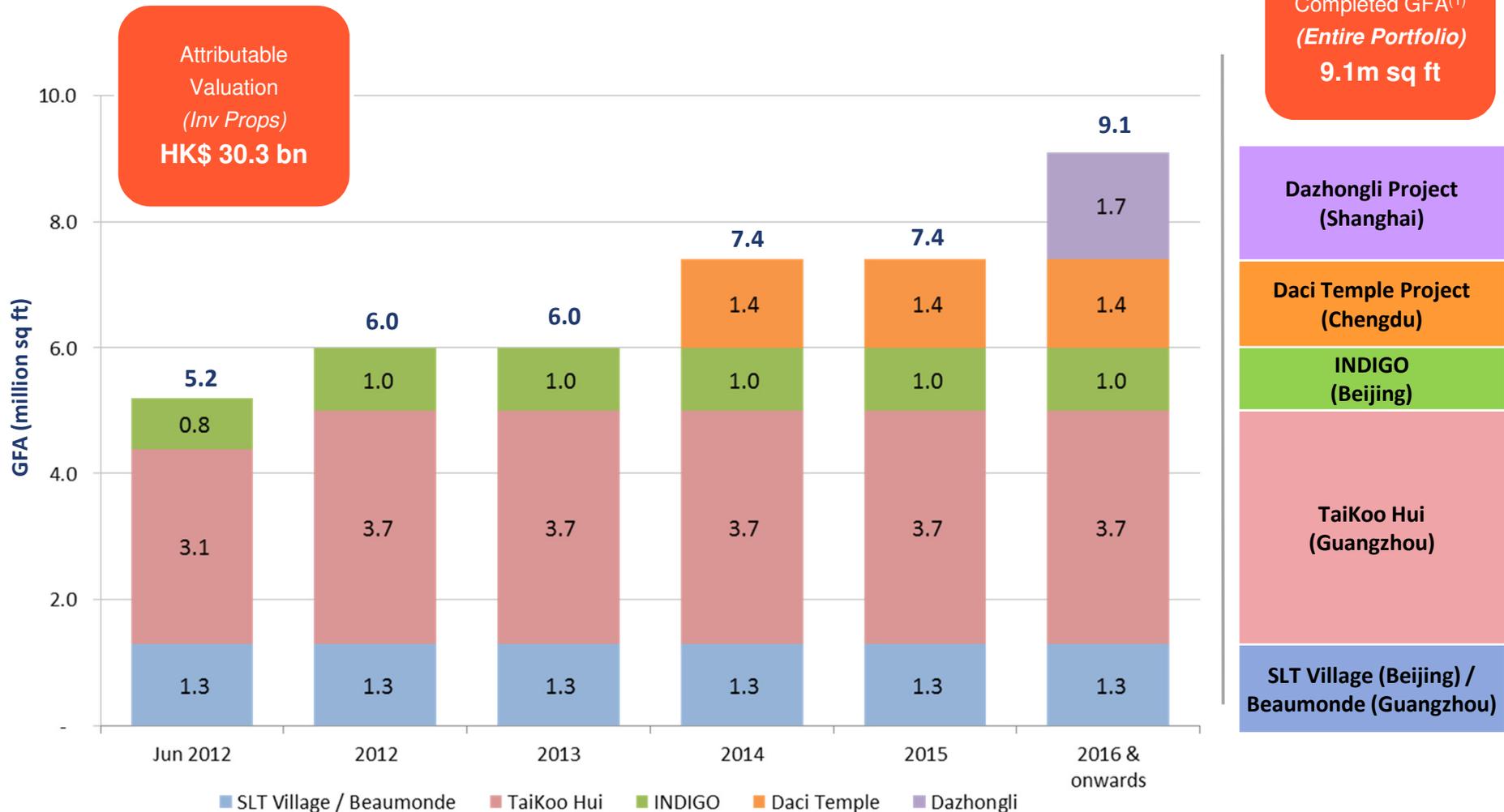
8 Queen's Road East

- ❑ **28 Hennessy Road** – Curtain wall installation completed, and interior fit-out works are progressing. Expected completion in 3Q 2012, providing 145,390 sq ft of office space. Smaller businesses, currently based in Central, are showing interest.
- ❑ **8 Queen's Road East** – Window wall installation and interior works are in progress. Refurbishment is expected to be completed in phases during 1H 2013, providing 81,346 sq ft of office space. A binding offer has been signed to lease the whole of the building for a ten year term.
- ❑ **23 Tong Chong Street** – Demolition work completed and foundation work has started. The site will be developed into serviced apartments with approx. 75,000 sq ft, expected to be completed in late 2014.
- ❑ **Redevelopment of Somerset House** – Under planning to start in 2013.



# Property Portfolio – Mainland China

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



(1) Excludes GFA of car parks but includes GFA of the hotel portion of all developments and GFA of the office portion (intended for trading purpose) of Daci Temple project.

(2) As at 30th Jun 2012.



# Property Portfolio – Mainland China

## Daci Temple Project



- ❑ Site preparation, excavation and piling works in progress.
- ❑ Expected completion in phases from 2014 onwards.

## TaiKoo Hui



- ❑ Mall: **100%** leased.
- ❑ Office: **74%** committed.
- ❑ Mandarin Oriental Hotel to open in Dec 2012.

## Sanlitun Village



- ❑ Occupancy: Village South at **93%** & North at **92%**.
- ❑ Retail sales growth <sup>(1)</sup> at Village South **+14.8%** & North **+69.8%**
- ❑ Gross rental <sup>(1)</sup> **+17%**

## INDIGO



- ❑ Mall: **83%** committed.
- ❑ ONE INDIGO: **73%** committed.
- ❑ EAST, BJ to open in Sep 2012.

## Dazhongli Project



- ❑ Site clearance & resettlement works have largely been completed.
- ❑ Foundation works commenced at end 2011.
- ❑ Expected completion in phases from 2016 onwards.



**Property  
Trading**

**ARGENTA,  
Mid-Levels West  
Hong Kong**

Artist Impression



# Trading Property Update

## AZURA, Mid-Levels West



- ❑ A 50-storey residential tower.
- ❑ Pre-sold 100 out of 126 available units.
- ❑ Expected completion in 2H 2012.
- ❑ Handover expected in Q4 2012.
- ❑ Avg Selling Price Achieved = HK\$ 22,341 psf
- ❑ Interest : 87.5%

## ARGENTA, Mid-Levels West



- ❑ A 37-storey tower of 30 whole-floor residential units.
- ❑ 4 units pre-sold since May 2012.
- ❑ Superstructure works in progress.
- ❑ Expected completion in 2013.
- ❑ Avg Selling Price Achieved = HK\$ 30,091 psf
- ❑ Interest : 100%



# HK Trading Portfolio

## Expected Attributable Residential GFA Completions in Hong Kong in 2012 - 2016



## Hong Kong --- Mid-Levels West Portfolio



Note: This simplified map is not to scale and is for illustrative purpose only

HK Residential  
Exp. Attributable Completed GFA  
**847,898 sq ft**

Total Units  
(on 100% basis)  
**655**

# Financing

The Mall,  
Pacific Place  
Hong Kong

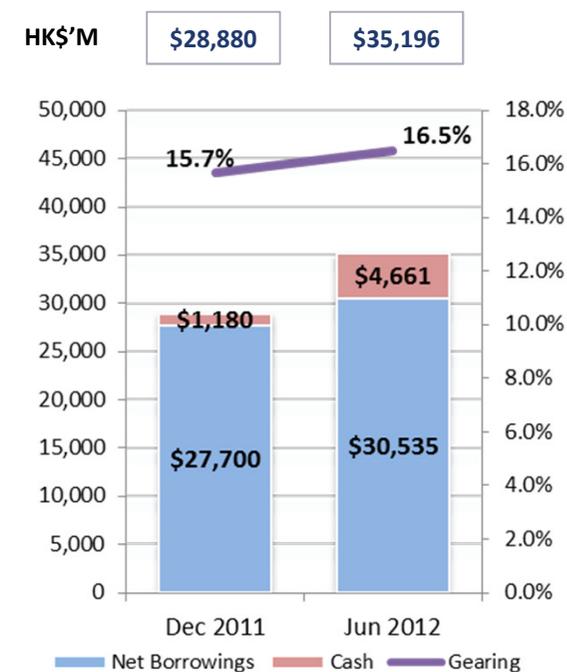




## Net Debt and Gearing

HK\$M	1H 2012
<b>Net debt as at 31st December 2011</b>	<b>(27,700)</b>
Net rental and fees receipts	3,741
Proceeds from property trading / development	612
Capex – PP&E and property investment	(1,465)
Development costs – property trading	(1,069)
Net investments in jointly controlled entities	(832)
Net interest paid	(838)
Profits tax paid	(176)
Dividends paid to the Company's shareholders	(1,053)
Other operating items	(1,755)
<b>Net debt as at 30th June 2012</b>	<b>(30,535)</b>

### Gearing



Net Debt  
HK\$ 30,535 m

Gearing  
16.5%

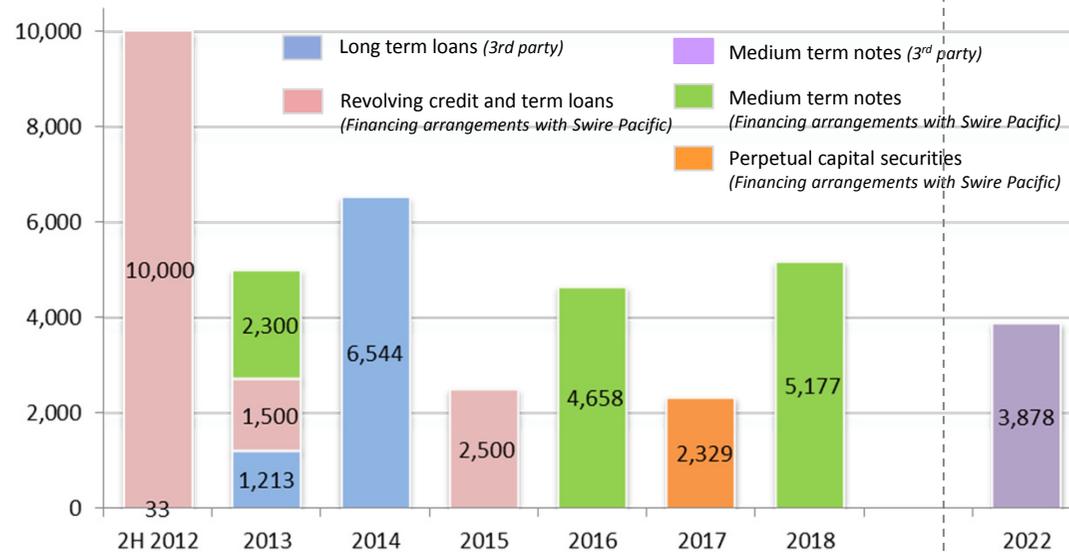


# Maturity Profile & Liquidity

## Maturity Profile of Available Committed Facilities

HK\$'M

Total	40,132	10,033	5,013	6,544	2,500	4,658	2,329	5,177	3,878
Drawn	(33,794)	(8,633)	(2,922)	(6,197)	(0)	(4,658)	(2,329)	(5,177)	(3,878)



- Credit Rating: Fitch "A", Moody's "A2" and S&P "A-"
- Major financing activities:
  - During 1H 2012 - Issuance of US\$ 500 m Notes under MTN Programme.
  - Subsequent to Jun 2012
    - Obtained four term & RCL bilateral loans totalling HK\$ 5.75 bn.
    - Repaid the drawn portions of RCL and terminated the facility of HK\$ 5 bn.
- Fixed : Floating = 65% : 35%

HK\$M	Dec 2011	Jun 2012
Cash	1,180	4,661
Undrawn - committed	8,003	6,338
	9,183	10,999
Undrawn - uncommitted	1,446	1,162
	10,629	12,161

- Invest in and finance projects in a disciplined and targeted manner.
- Strong capital base paving way for future growth.

Available  
Committed Facilities  
HK\$ 40,132 m

Cash & Undrawn  
Committed Facilities  
HK\$ 10,999 m



## Capital Commitments

### Profile of Capital Commitments – at 30th Jun 2012

HK\$'M	Expenditure		Forecast Year of Expenditure				Commitments
	<u>2011</u>	<u>1H 2012</u>	<u>2H 2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 &amp; beyond</u>	<u>At 30th Jun 2012</u>
Hong Kong	3,104	<b>852</b>	663	593	663	4,408	<b>6,327</b>
Mainland China	3,180	<b>1,144</b>	1,500	2,862	2,123	1,405	<b>7,890</b>
U.S.A.	95	<b>32</b>	396	828	1,100	107	<b>2,431</b>
U.K.	7	<b>27</b>	-	-	-	-	-
<b>Total</b>	<b>6,386</b>	<b>2,055</b>	<b>2,559</b>	<b>4,283</b>	<b>3,886</b>	<b>5,920</b>	<b>16,648*</b>

*\* The capital commitments represents the Group's capital commitments plus the Group's share of the capital commitments of jointly controlled companies. The Group is committed to funding HK\$1,685 million of the capital commitments of HK\$6,722 million of jointly controlled companies.*

Prospects

TaiKoo Hui,  
Guangzhou





### Hong Kong Office

- ❑ Demand for office space has slowed. However, market rentals at Pacific Place and Island East are expected to be relatively resilient due to high occupancy levels and limited new supply.
- ❑ Reversion is likely to remain positive for 12 months.

### Mainland China

- ❑ The contribution from Sanlitun Village is expected to continue to improve following the introduction of new tenants with significantly higher reversionary rents.
- ❑ The contribution from TaiKoo Hui is also expected to improve as more shops open and more office tenants move in.

### Hotels

- ❑ Demand for hotel space is uncertain in the second half but still expect good revenue growth on prior year.

### Hong Kong Retail

- ❑ Despite slower growth in the first half, the HK retail market is expected to continue to benefit from low unemployment rates in HK and from tourists from Mainland China.
- ❑ Record rents paid by large US and European retailers at prime locations have put upward pressure on retail rents elsewhere.

### Hong Kong Trading

- ❑ Profits from property trading are expected to be significant in 2H 2012, with the securing of the occupation permit for and the completion of the sale of pre-sold units in AZURA.
- ❑ We will continue to market the remaining units for sale.

**40th  
Anniversary**



**Thank you**



## Appendix



## Key Business Strategies

To enhance Swire Properties' position as a leading developer, owner and operator of mixed use commercial properties in Mainland China and Hong Kong by continuing to implement the following business strategies

- 1** Continue to create value through transformational projects
- 2** Maximise the earnings and value of completed properties through active asset management and by reinforcing assets through enhancement, redevelopment and new additions
- 3** Continue to expand luxury residential property activities
- 4** Remain focused principally on Hong Kong and Mainland China
- 5** Manage capital base conservatively



## Key Developments

Jan 2012	<ul style="list-style-type: none"><li>❑ <b>Listed</b> on the Hong Kong Stock Exchange on 18th Jan 2012 by way of introduction.</li><li>❑ Redevelopment works commenced at <b>23 Tong Chong Street</b> in Quarry Bay. This property is being redeveloped into serviced apartments and the redevelopment is expected to be completed in late 2014.</li></ul>
Mar 2012	<ul style="list-style-type: none"><li>❑ Retail component of <b>INDIGO</b> mixed-use development in Beijing started to open. We have a 50% economic interest in INDIGO, which has a total area of 1.9 million sq ft.</li></ul>
May 2012	<ul style="list-style-type: none"><li>❑ Pre-sales of units started in the <b>ARGENTA</b> luxury residential development in Hong Kong.</li><li>❑ Establishment of a US\$3 billion medium term note (“<b>MTN</b>”) programme.</li></ul>
June 2012	<ul style="list-style-type: none"><li>❑ <b>US\$500 million Notes</b> were issued under the MTN programme.</li><li>❑ Occupation permit for the property at <b>28 Hennessy Road</b>, a 145,390 sq ft Grade A office building, was issued. Handover to tenants is expected to take place in Q4 2012.</li><li>❑ <b>Groundbreaking</b> of <b>Brickell CitiCentre</b> project in Miami, Florida in the U.S.A. This US\$1 billion mixed-use development of approx. 2.9 million sq ft will comprise retail, office, hotel (with serviced apartments) and residential components over two phases of development.</li></ul>

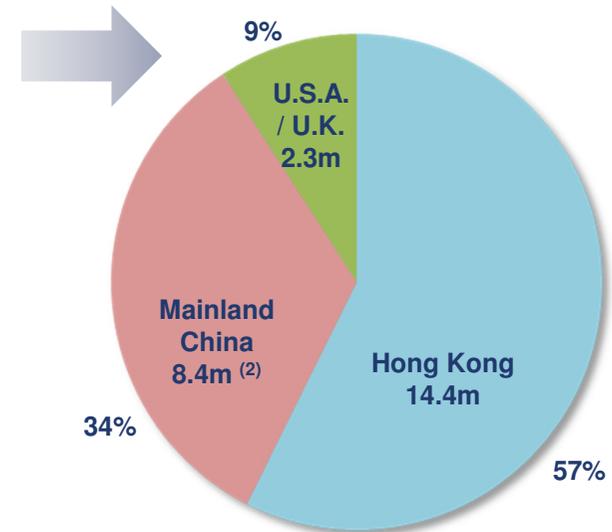


# Property Portfolio

Investment Props / Hotels Attributable GFA ('m sq ft) <sup>(1)</sup>	Office	Retail	Hotels <sup>(3)</sup>	Resid.	Total
<b>Completed</b>					
Hong Kong	10.5	2.4	0.7	0.6	14.2
Mainland China	2.0	3.0	0.2	0.0	5.2
U.S.A. and U.K.	0.0	0.0	0.5	0.0	0.5
<b>Sub-Total (A)</b>	<b>12.5</b>	<b>5.4</b>	<b>1.4</b>	<b>0.6</b>	<b>19.9</b>
<b>Under Development or Held for Future Development</b>					
Hong Kong	0.1	0.0	0.0	0.1	0.2
Mainland China <sup>(2)</sup>	0.9	1.1	1.1	0.1	3.2
U.S.A.	1.0	0.5	0.2	0.1	1.8
<b>Sub-Total (B)</b>	<b>2.0</b>	<b>1.6</b>	<b>1.3</b>	<b>0.3</b>	<b>5.2</b>
<b>TOTAL = (A) + (B)</b>	<b>14.5</b>	<b>7.0</b>	<b>2.7</b>	<b>0.9</b>	<b>25.1</b>

Trading Props Attributable GFA ('m sq ft)	Completed Prop Held for Sale	Under Development / Held for Future Development	Total
Hong Kong	0.0	1.0	1.0
Mainland China	0.0	0.7	0.7
U.S.A.	0.1	2.8	2.9
<b>Total</b>	<b>0.1</b>	<b>4.5</b>	<b>4.6</b>

## Attributable Investment Props by Region



Attributable Investment Portfolio 25.1 m sq ft	Attributable Trading Portfolio 4.6 m sq ft
---	---

**Total Attributable Property Portfolio  
29.7 m sq ft**

(1) Excludes GFA of car parks.

(2) Excludes GFA of the office portion of Daci Temple project which is intended to be developed for trading purposes. Attributable GFA of such office portion is approx. 0.65m sq ft and, if it was included, the overall Mainland China property portfolio would be 9.1m sq ft

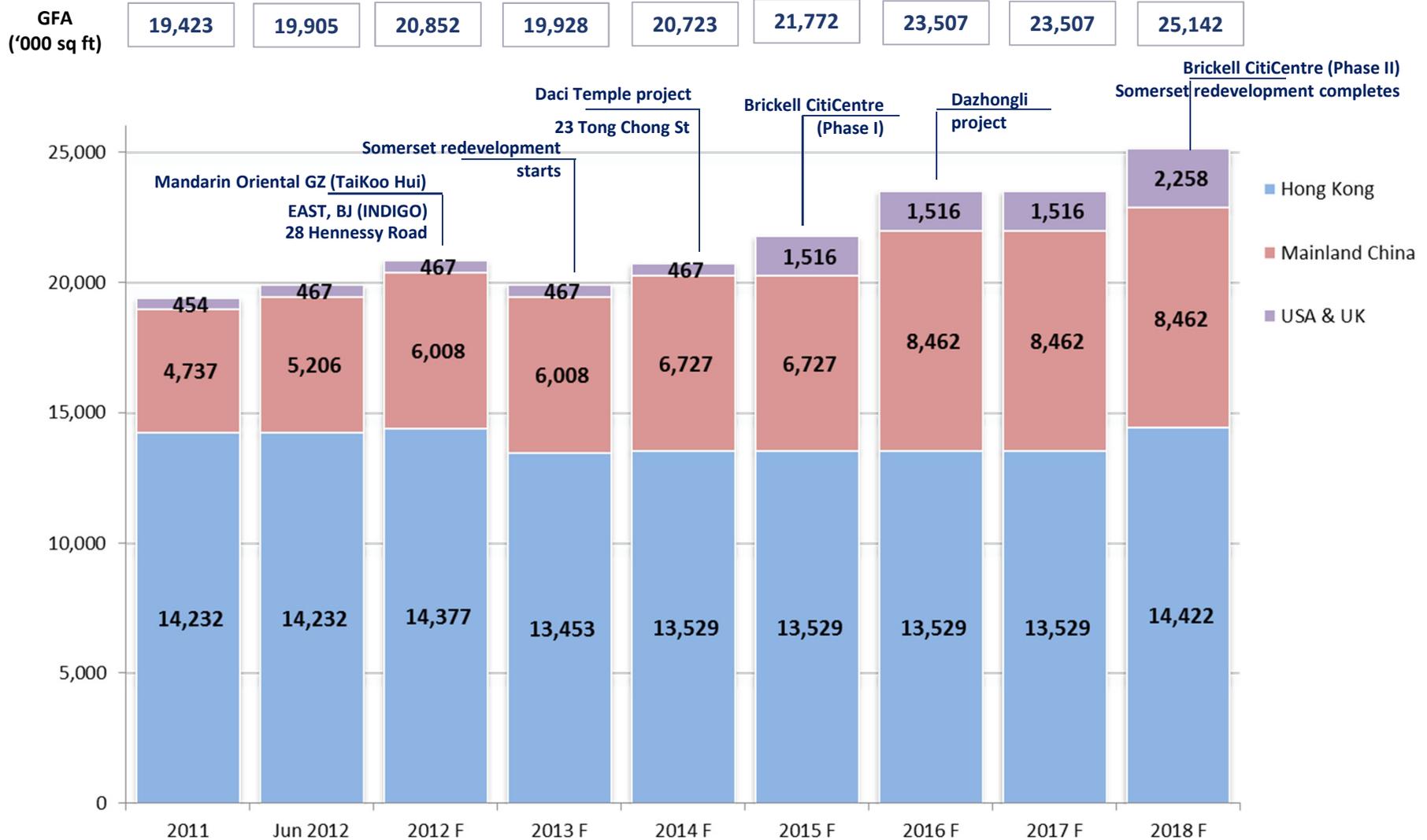
(3) Hotels are accounted for under property, plant and equipment in the accounts.

\* All figures as at 30th June 2012



# Completed Investment Portfolio

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

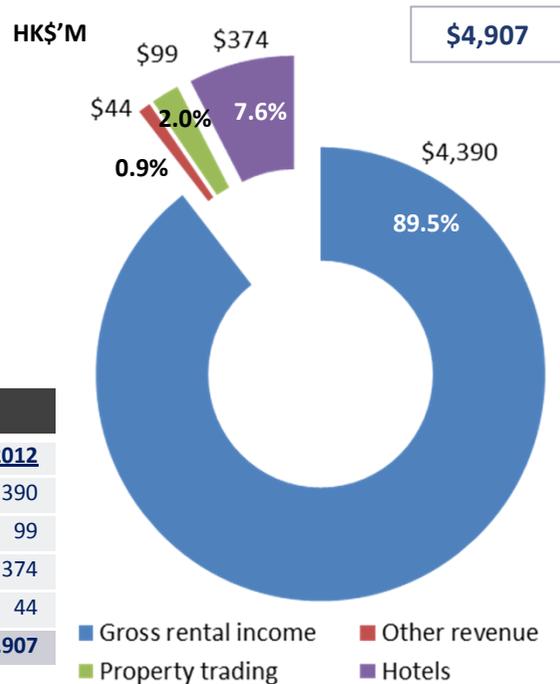


(1) Hotels are accounted for under property, plant and equipment in the accounts.



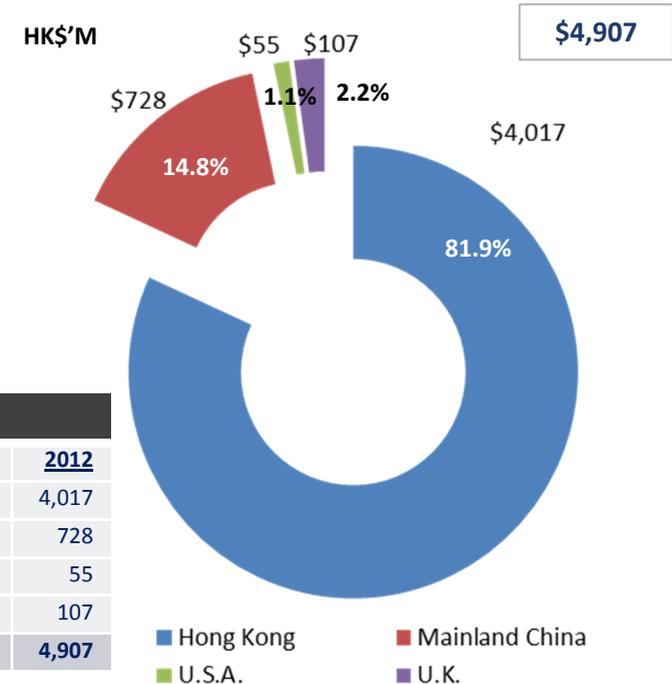
# Turnover Analysis

## 1H 2012 Turnover Breakdown by Segments



Comparison		
1H	2011	2012
Rental	4,176	4,390
Trading	99	99
Hotels	343	374
Others	47	44
<b>Total</b>	<b>4,665</b>	<b>4,907</b>

## 1H 2012 Turnover Breakdown by Segments



Comparison		
1H	2011	2012
HK	4,252	4,017
China	299	728
U.S.A.	62	55
U.K.	52	107
<b>Total</b>	<b>4,665</b>	<b>4,907</b>

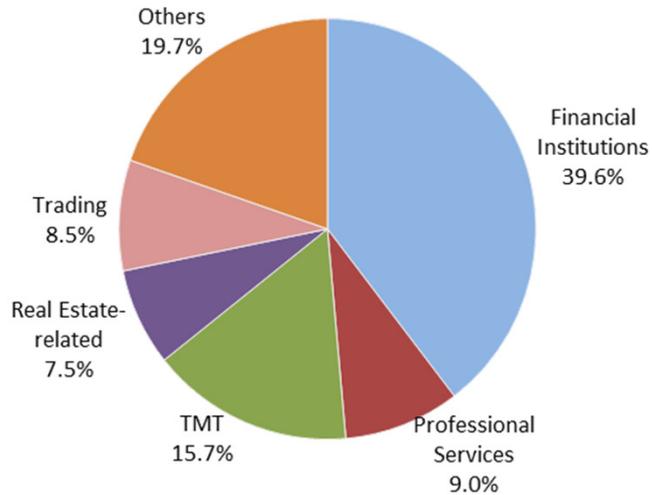
- Turnover increased by 5.2% in 1H 2012 due to higher rental income from our investment properties and higher turnover from our owned and managed hotel operations.
- Strong and stable revenue stream derived from investment properties, principally from Hong Kong operations.
- Turnover from Mainland China is expected to increase as various projects start to contribute rental income.

Turnover  
+ 5.2%

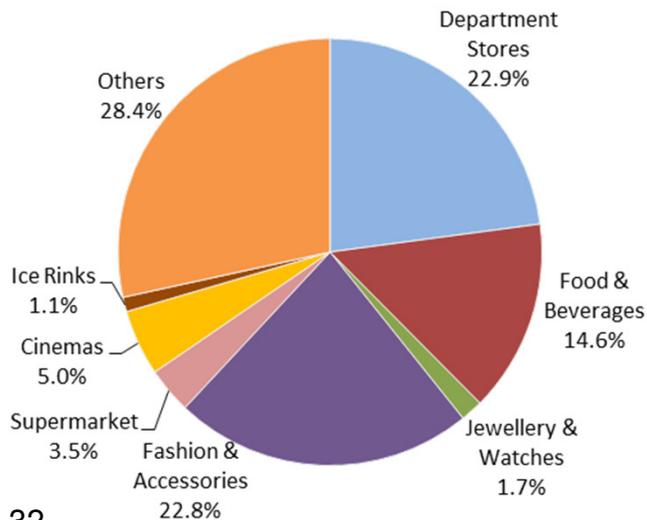


# HK Portfolio – Tenant Mix and Lease Expiry Profile

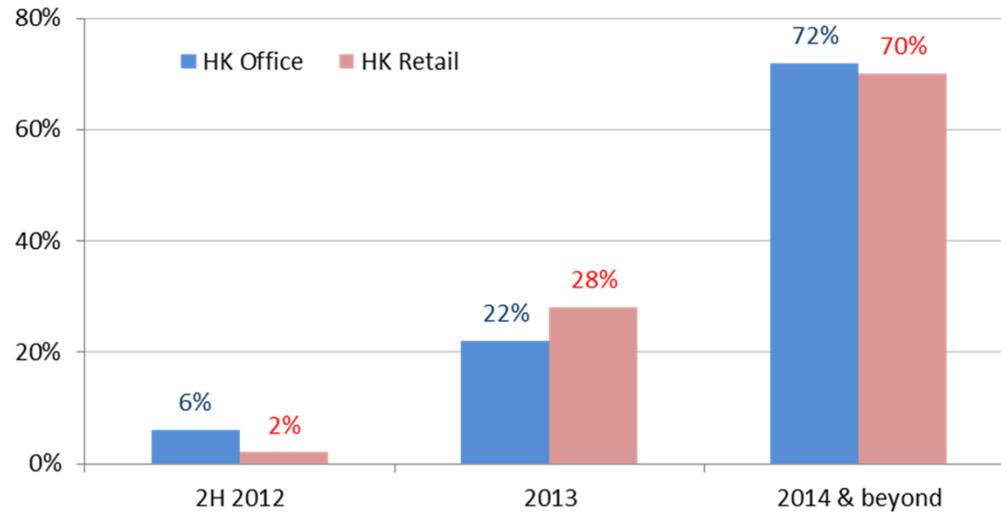
## HK Office Tenant Mix<sup>(1)</sup>



## HK Retail Tenant Mix<sup>(1)</sup>



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



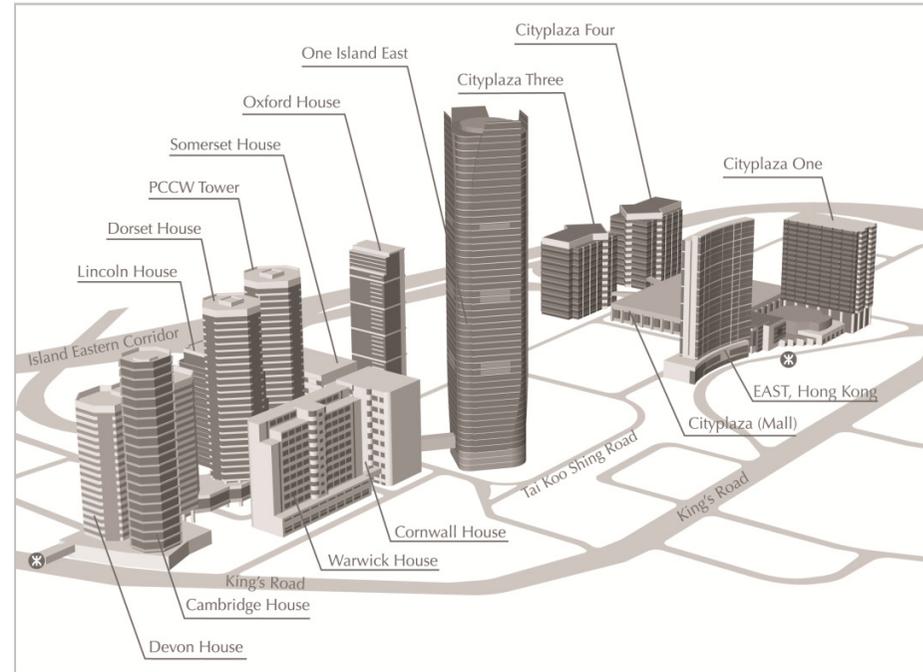
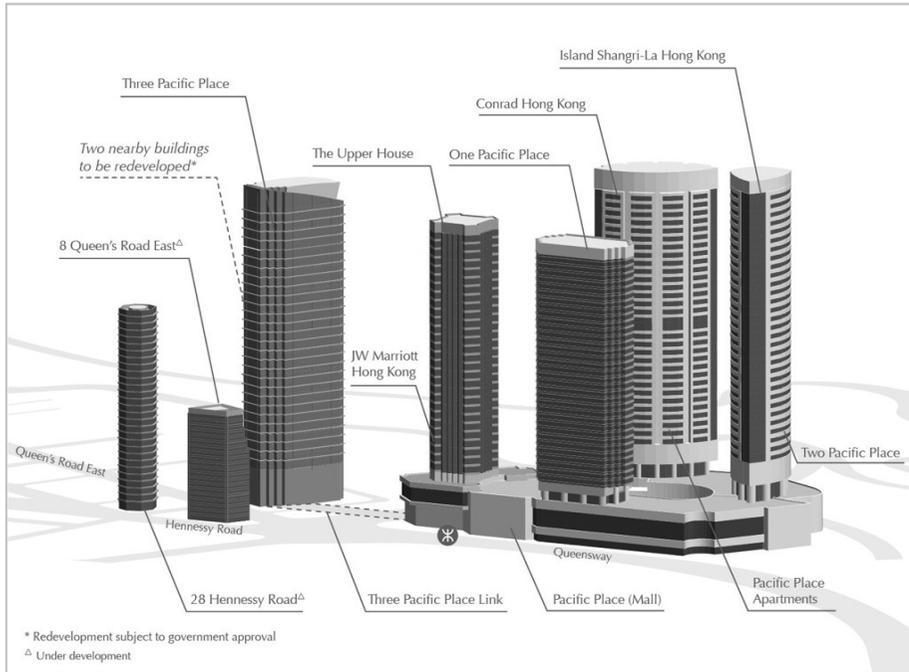
- ❑ Strong and diverse tenant base.
- ❑ Well-balanced lease expiry profile.
- ❑ Top 10 office tenants occupied approx. 21% of office area in HK.
- ❑ Top 10 retail tenants occupied approx. 29% of retail area in HK.

(1) As at 30th June 2012.

(2) Based on the percentage of the total rental income attributable to the Group for the month ended 30th June 2012.



# HK Portfolio Map



**Note:**

- The simplified maps are not to scale and are for illustrative purpose only



# Pacific Place Reinforcement

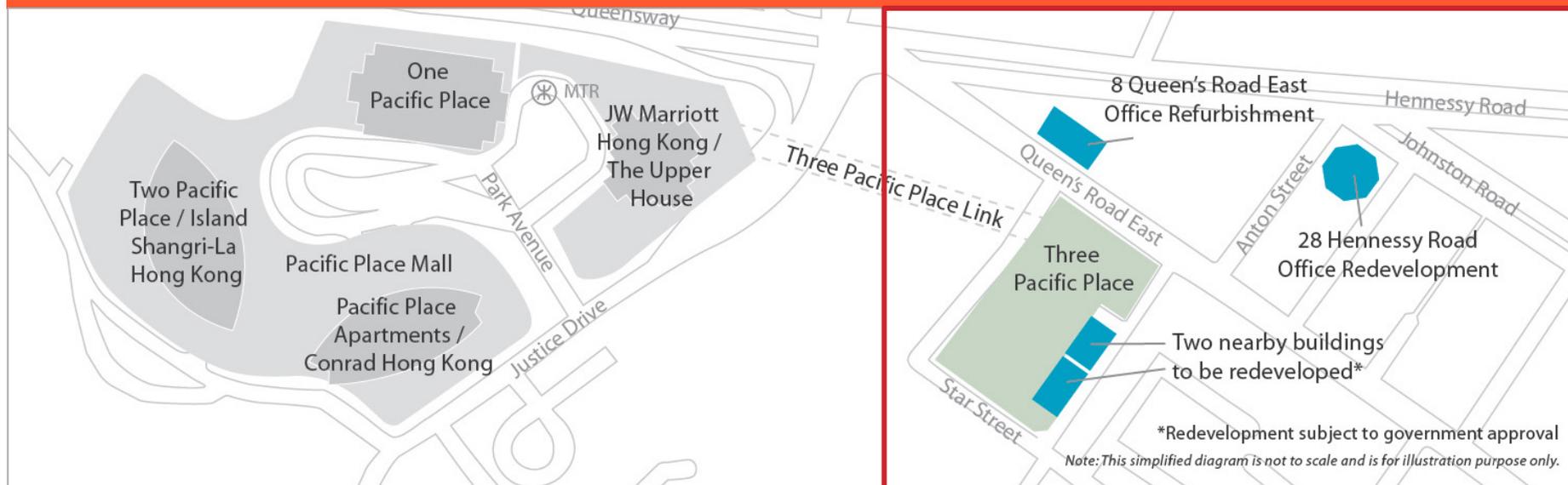
HK\$2 billion<sup>(1)</sup>  
contemporisation project  
substantially completed  
in Oct 2011

Completion of an office  
tower at 28 Hennessy  
Road<sup>(2)</sup> which adds GFA  
145,390 sq ft

Refurbishment of the  
office tower at 8 Queen's  
Road East<sup>(3)</sup> with GFA  
81,346 sq ft

Propose to expand Three  
Pacific Place with the  
redevelopment of two  
nearby buildings<sup>(4)</sup>

## Pacific Place Initiatives



- (1) Excludes the cost associated with the addition of The Upper House
- (2) Expected to be completed in 3Q 2012
- (3) Expected to be completed in phases during 1H 2013.
- (4) Subject to obtaining lease modification and government approvals



# Pacific Place Reinforcement



Pacific Place Contemporisation



Artist's Impression

8 Queen's Road East



Artist's Impression

28 Hennessy Road



Beauty Gallery at The Mall, Pacific Place



The Upper House



# Island East Reinforcement

Working on long term plan for Island East with a view to increasing its size and attractiveness to high quality tenants

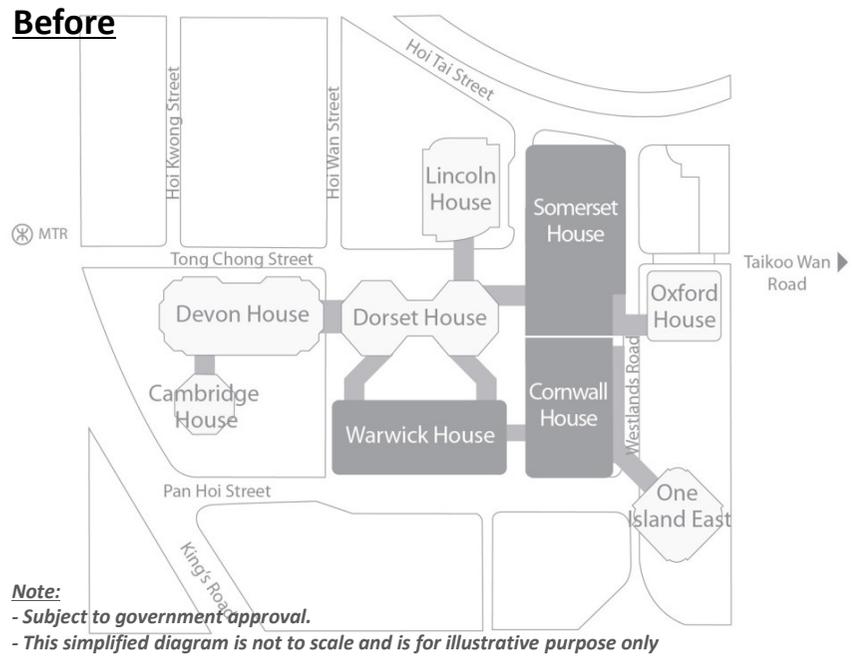
Have secured planning approvals for the three Techno-centres to be redeveloped as two Grade-A office buildings

Plan to commence first phase of the project with the redevelopment of Somerset House in 2013 upon obtaining vacant possession

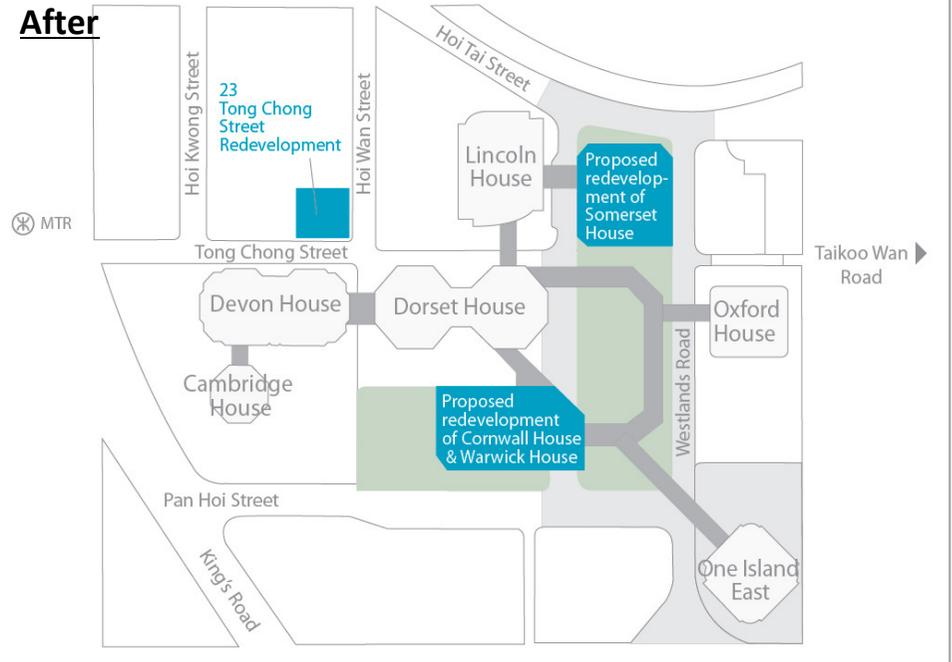
23 Tong Chong Street (about 75,000 sq ft) now under redevelopment into serviced apartments, to be completed in late 2014

## Techno-centres Proposed Redevelopment

### Before



### After





# Sanlitun Village, Beijing

Ongoing development works to increase footfall and circulation

Refining and optimising retail tenant mix

Rationalising the cost base and reducing unrecovered outgoings



- ❑ Increase in gross rental income reflected improved reversionary rents from Village South and higher occupancy rates at Village North.
- ❑ Improved occupancy at Village South (93%) and Village North (92%) as at Jun 2012.
- ❑ Retail sales growth at Village South (14.8%) and Village North (69.8%) in 1H 2012.
- ❑ Development work to increase footfall and circulation at the Village South.
- ❑ Retail sales at Sanlitun Village are expected to be encouraging in 2H 2012.

## Project Summary (100% Basis)

GFA	1.47m sq ft
Components	Village South Village North The Opposite House
Interest	Retail : 80% <sup>(1)</sup> TOH : 100%
Yr of Opening	2008 (Village South) 2008 (TOH) 2010 (Village North)

(1) We own 80% of the retail component of Sanlitun Village with the remaining 20% interest held by a fund. The fund has an option to sell its 20% interest to Swire Properties before the end of 2013.



# TaiKoo Hui, Guangzhou



- ❑ Retail sales at the shopping mall have been encouraging since the opening in Sep 2011, with close to 100% leased as at Jun 2012.
- ❑ Two office towers with 74% committed<sup>(1)</sup> as at Jun 2012. HSBC has leased 29 floors representing 47% of total floor area and is the largest office tenant.
- ❑ Retail sales for 2H 2012 are expected to increase as more shops open and more office tenants move in.
- ❑ Office rental income is expected to increase in 2H 2012, as new tenants take up the majority of the remaining vacant units.
- ❑ Mandarin Oriental Guangzhou to open in Dec 2012.

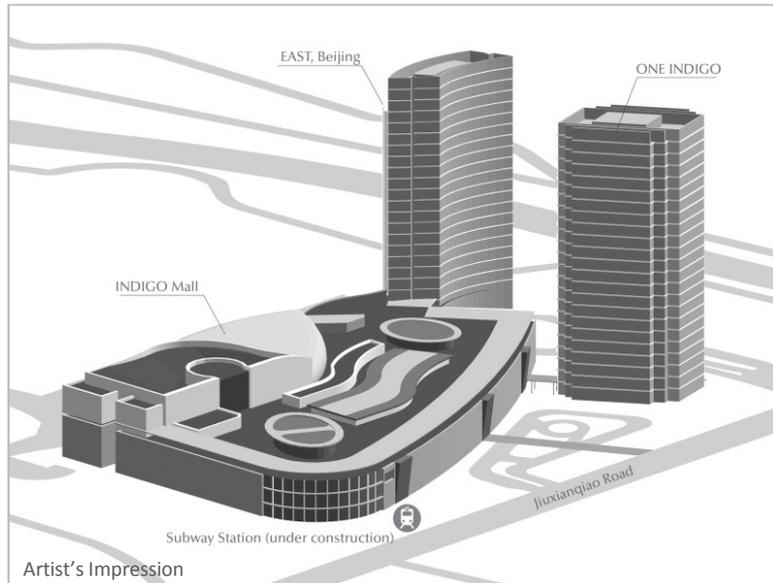
### Project Summary (100% Basis)

GFA	3.85m sq ft
Components	Shopping Mall 2 Office Towers Mandarin Oriental GZ
Interest	97%
Yr of Opening	2011 / 2012

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



# INDIGO, Beijing



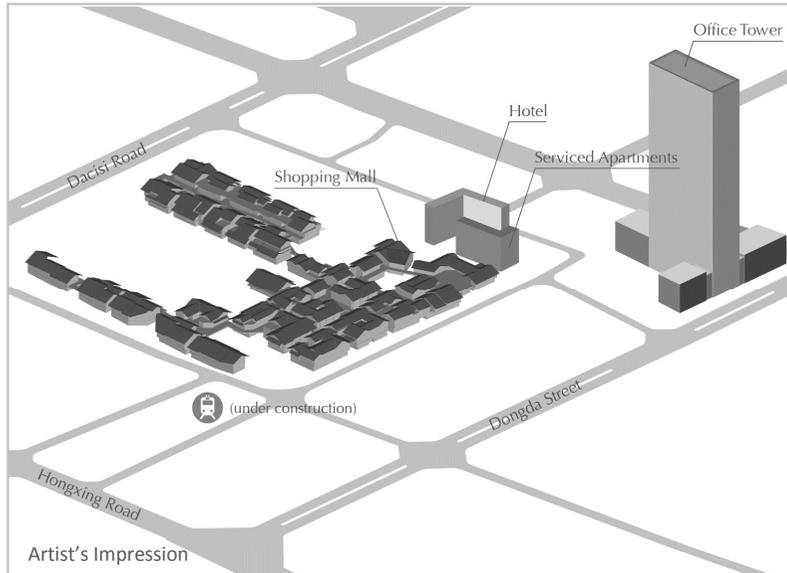
- ❑ Office tower – ONE INDIGO started to open in late 2011, with 73% committed<sup>(1)</sup> as at Jun 2012.
- ❑ Shopping mall started to open in Mar 2012, with 83% committed<sup>(1)</sup> as at Jun 2012.
- ❑ Retail and office rental income is expected to increase gradually in 2H 2012 as more shops open and the remaining office space is handed over to tenants.
- ❑ INDIGO should benefit from the opening of EAST, Beijing Hotel in 2H 2012 and from the opening of the Beijing Metro Line 14, expected in 2014.

Project Summary (100% Basis)	
GFA	1.89m sq ft
Components	Shopping Mall ONE INDIGO EAST, Beijing
Interest	50%
Yr of Opening	2011 / 2012

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



# Daci Temple Project, Chengdu



- ❑ A large-scale urban development comprising a street style retail complex (2-3 storey blocks), a boutique hotel, serviced apartments and a Grade A office tower, served by the planned metro.
- ❑ Integrates harmoniously with the cultural heritage of the ancient Daci Temple.
- ❑ Site preparation, excavation and piling works are in progress.
- ❑ The project is expected to open in phases from 2014 onwards.
- ❑ Pinnacle One, the office tower, is intended to be developed for trading purposes.

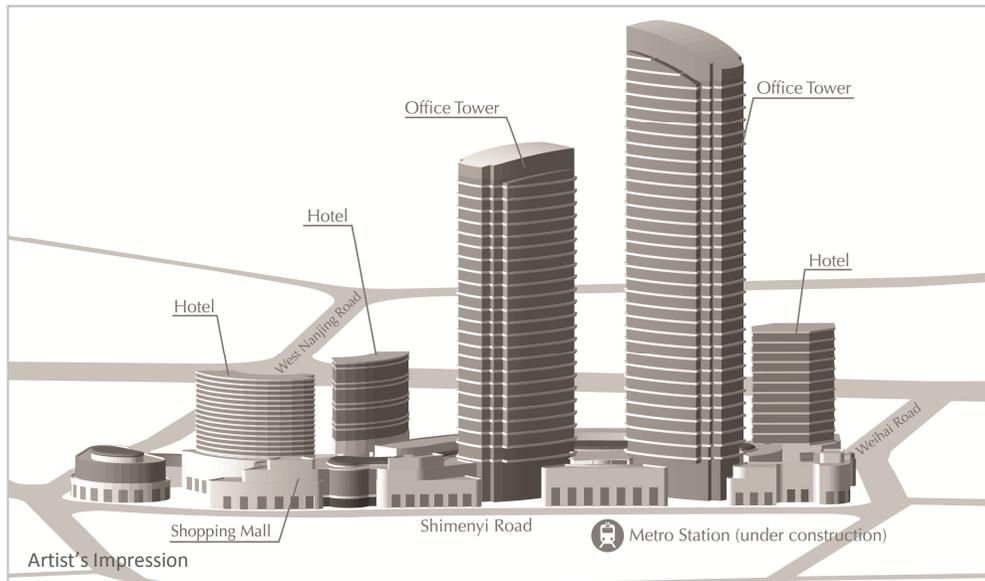
(1) The Daci Temple development is a 50:50 joint venture with Sino-Ocean Land Holdings Limited. In January 2012, the Group entered into an agreement with Sino-Ocean Land Limited, a wholly-owned subsidiary of Sino-Ocean Land Holdings Limited to fund the whole of the remaining land premium (and associated taxes) payable in respect of the Daci Temple project and certain working capital requirements in an aggregate amount of US\$230 million.

## Project Summary (100% Basis)

GFA	2.75m sq ft
Components	Retail Office (for trading) Hotel Serviced Apartments
Interest	50% <sup>(1)</sup>
Yr of Opening	2014 onwards



# Dazhongli Project, Shanghai

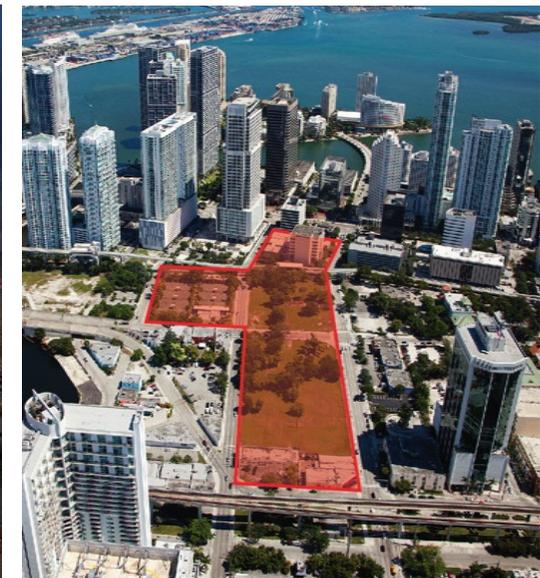
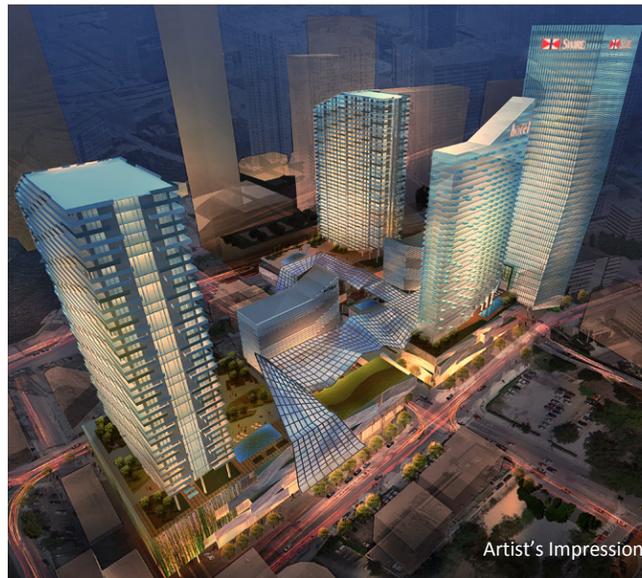
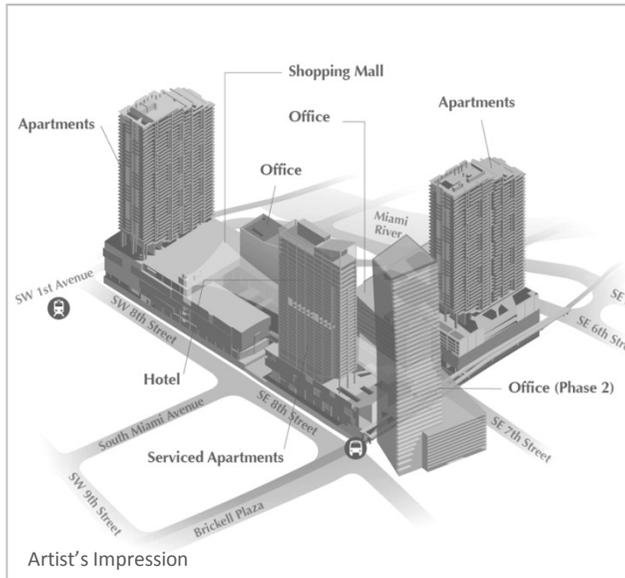


- ❑ A large-scale retail-led mixed-use development comprising a retail mall, two office towers and three hotels.
- ❑ Prime location with significant frontage to Nanjing West Road and connections to two planned metro stations.
- ❑ Site clearance and resettlement works have largely been completed.
- ❑ Foundation works commenced at the end of 2011.
- ❑ The project is expected to open in phases from 2016 onwards.

Project Summary (100% Basis)	
GFA	3.47m sq ft
Components	Retail Mall 2 Office Towers 3 Hotels
Interest	50%
Yr of Opening	2016 onwards



# Brickell CitiCentre, Miami, United States



- ❑ Located in the centre of the Brickell financial district of Miami. The planned Metromover light rail runs through the site.
- ❑ A mixed-use development of approx. 2,891,000 sq.ft. (excluding car parks), comprising 520,000 sq.ft. of shopping and dining retail space, three office buildings, two residential towers (for trading purposes) and a hotel with serviced apartments.
- ❑ Construction work on Phase I began in Jun 2012 and is scheduled to be completed by the end of 2015.
- ❑ Phase II, a high-rise office building, will be completed in 2018, subject to market conditions.

## Project Summary (100% Basis)

GFA	2.89m sq ft
Components	Retail 3 Office Buildings Hotel & Serv Apt. 2 Residential Towers
Interest	100%
Yr of Opening	2015 / 2018



## HK Trading Portfolio (Mid-Levels West)

### AZURA

- ❑ A 50-storey residential tower.
- ❑ Pre-sold 100 out of 126 available units.
- ❑ Expected completion in 2H 2012.
- ❑ Handover expected in Q4 2012.
- ❑ Interest : 87.5%.

### 33 Seymour Road (Phase I)

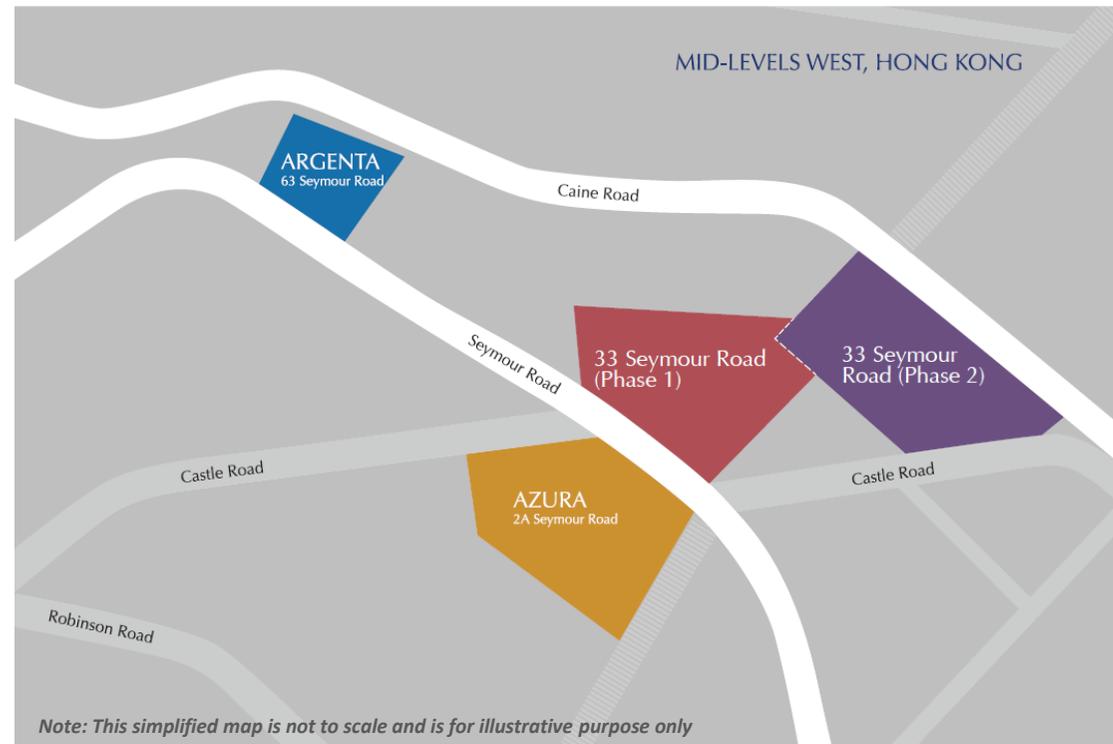
- ❑ A 48-storey tower of 127 residential units.
- ❑ Construction works in progress.
- ❑ Expected completion in 2014.
- ❑ Interest : 100%.

### 33 Seymour Road (Phase II)<sup>(1)</sup>

- ❑ A 50-storey tower of 197 residential units.
- ❑ Foundation works in progress.
- ❑ Expected completion in 2016.
- ❑ Interest : 100%.

### ARGENTA

- ❑ A 37-storey tower of 30 whole-floor residential units.
- ❑ Pre-sold 4 out of 30 available units.
- ❑ Superstructure works in progress.
- ❑ Expected completion in 2013.
- ❑ Interest : 100%.

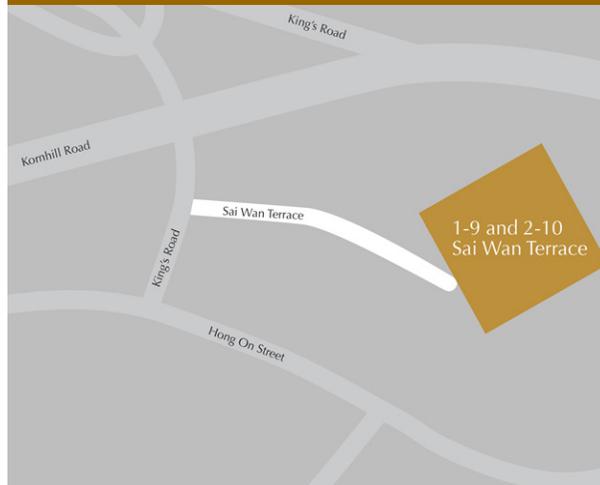


(1) Formerly known as 92-102 Caine Road.



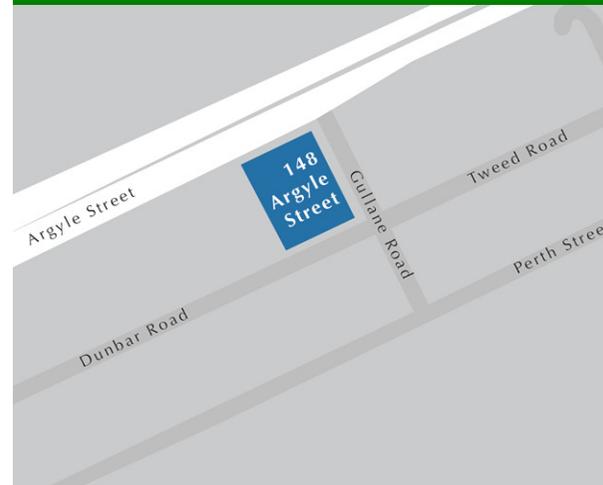
## HK Trading Portfolio

### Sai Wan Terrace



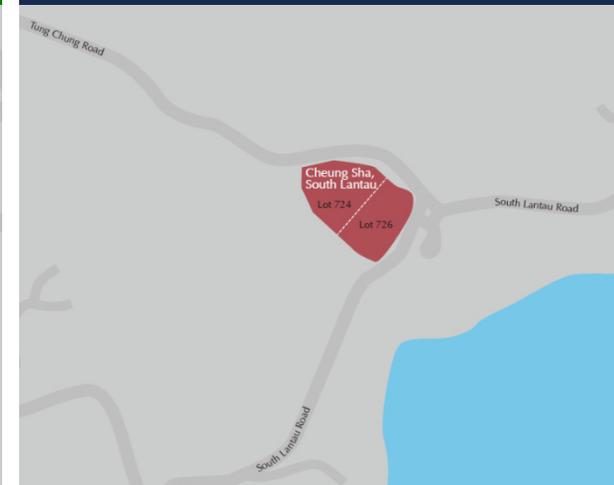
- ❑ Two 21-storey towers of 92 residential units in Quarry Bay.
- ❑ Superstructure works in progress.
- ❑ Expected completion in 2013.
- ❑ Interest : 80%.

### 148 Argyle Street



- ❑ A 23-storey tower with 53 residential units in Ho Man Tin.
- ❑ Superstructure works in progress.
- ❑ Expected completion in 2013.
- ❑ Interest : 50%.

### Cheung Sha, South Lantau



- ❑ Acquired two adjacent sites in Cheung Sha, Lantau Island in Dec 2011 through public tender.
- ❑ Detached houses to be developed.
- ❑ Expected completion in 2015.
- ❑ Interest : 100%.

Note:

- The above simplified maps are not to scale and are for illustrative purpose only



# Hotel Portfolio

Managed Hotels		No. of Rooms	Interest
<b>Completed</b>		<i>(100% basis)</i>	
HK	The Upper House	117	100%
HK	EAST, Hong Kong	344	100%
HK	Headland Hotel	501	0%
China	The Opposite House, Beijing	99	100%
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%
<b>Sub-Total (A)</b>		<b>1,327</b>	
<b>Under Development</b>			
China	EAST, Beijing	369	50%
China	Daci Temple Project, Chengdu	100	50%
China	Dazhongli Project, Shanghai	124	50%
<b>Sub-Total (B)</b>		<b>593</b>	
<b>Total = (A) + (B)</b>		<b>1,920</b>	

Owned but Non-managed Hotels <sup>(1)</sup>		No. of Rooms	Interest
<b>Completed</b>		<i>(100% basis)</i>	
HK	Island Shangri-La	565	20%
HK	JW Marriott Hotel	602	20%
HK	Conrad	513	20%
HK	Novotel Citygate	440	20%
U.S.A.	Mandarin Oriental, Miami	326	75%
<b>Sub-Total (C)</b>		<b>2,446</b>	
<b>Under Development</b>			
China	Mandarin Oriental, Guangzhou	287	97%
China	Dazhongli Project, Shanghai	433	50%
<b>Sub-Total (D)</b>		<b>720</b>	
<b>Total = (C) + (D)</b>		<b>3,166</b>	

Expected Total  
Managed Rooms  
**1,920**



(1) Information as at 31st December 2011.



# Hotels Update

## The House Collection



The Upper House

## EAST Hotels



EAST, Hong Kong

## Chapter Hotels



The Montpelier Chapter, Cheltenham, U.K.



The Opposite House



EAST, Beijing <sup>(1)</sup>



The Magdalen Chapter, Exeter, U.K.

- ❑ Hotels in HK performed well in 1H 2012, with growth in profits and revenue per available room compared with 1H 2011.
- ❑ The Opposite House experienced steady growth in room rates in 1H 2012 and continued to be competitive in the Beijing market.
- ❑ Occupancy and room rates of our U.K. hotels are satisfactory although trading conditions remain challenging. The Magdalen Chapter hotel in Exeter reopened in Jun 2012 following a major refurbishment.

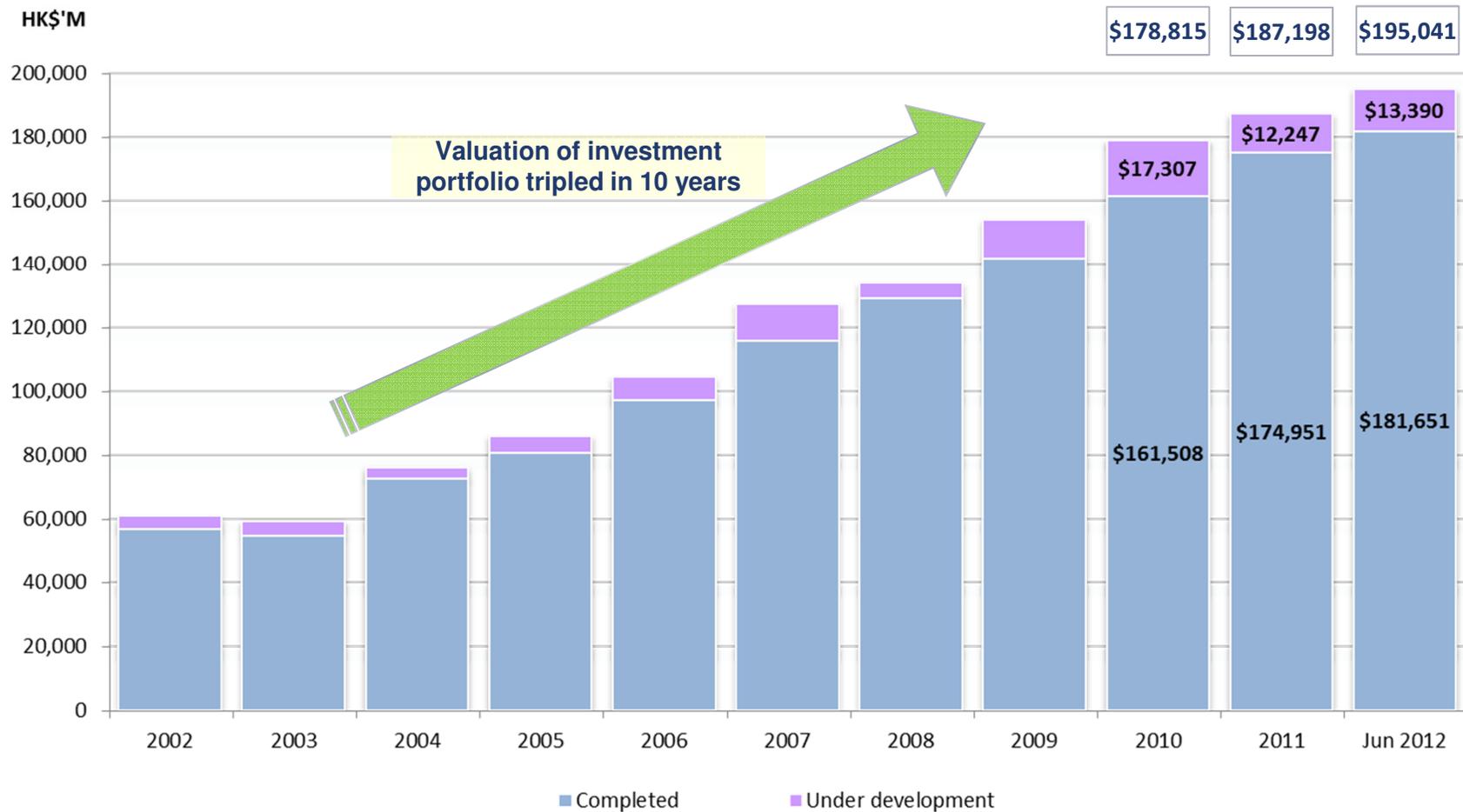
(1) Expected to open in late 2012.



# Valuation of Completed Investment Properties

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

## 2002 – 1H 2012 Valuation of Completed Investment Properties (excl. Hotels) \*



\* Per 2012 interim accounts on accounting basis. Hotels are accounted for under property, plant and equipment in the accounts. 2011 does not include Festival Walk which was sold in August for HK\$ 18.8 bn.