



2012 Annual Results | Analyst Briefing



14th Mar 2013



The Mall, Pacific Place

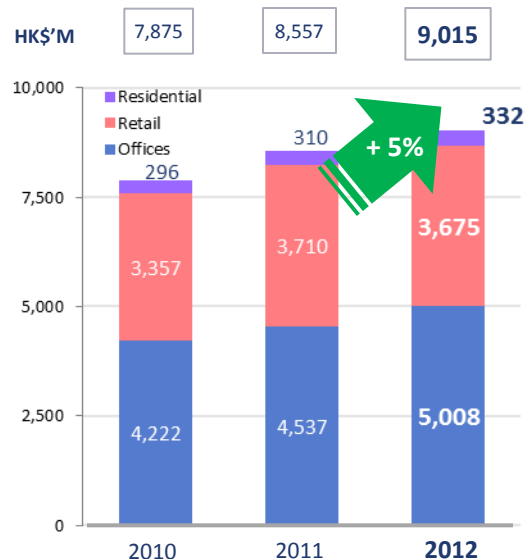


Financial Summary

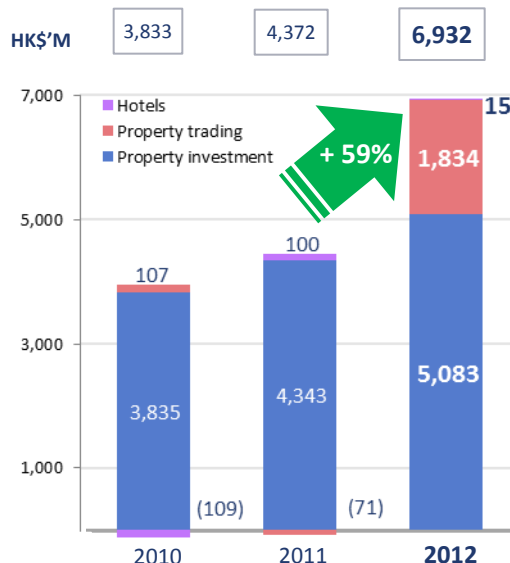


Results Highlights

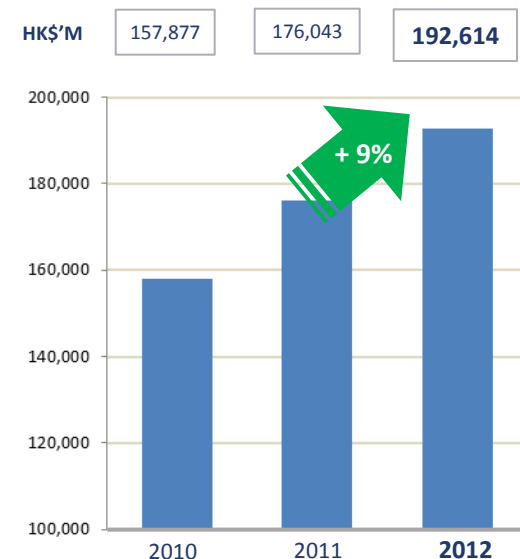
Gross Rental Income



Adjusted Underlying Profit



Equity Attri. to Shareholders



- Gross rental income **up 5.4%** to **HK\$ 9,015 M** with positive rental reversions as well as increasing contribution from Mainland China.
- Adjusted underlying profit **up 58.6%** to **HK\$ 6,932 M** principally reflects a contribution of **HK\$ 1,834 M** from property trading (mainly from completion of sales of AZURA units).
- Reported profit **down 25.3%** to **HK\$ 18,763 M** mainly on lower valuation gains.
- 2nd interim dividend per share: **HK\$ 38 cents**.
Full year dividends per share: **HK\$ 60 cents**.

Equity Attri. to Shareholders
HK\$ 32.93 Per Share

Dividends Per Share
2nd Interim **HK\$ 0.38**
(1st Interim HK\$ 0.22)



Key Developments

Mar 2013

- **Citygate JV** (20% owned) won a **tender** to develop an adjacent commercial site.
- Issuance of US\$ 500 million notes.

Jan 2013

- Partnership with **Bal Harbour Shops** to jointly develop the **retail** component of **Brickell CityCentre**.
- Opening of **Mandarin Oriental Guangzhou** at TaiKoo Hui.

Dec 2012

- Acquisition of 8 residential units at **Hampton Court** in Singapore.
- Celebrations for **40th anniversary** at TaiKoo Place.

Nov 2012

- Addition to **MSCI World Index**.

Sep 2012

- Started handover of **AZURA** units.

Jun 2012

- Occupation permit for **28 Hennessy Road** was issued.

- Development works commenced at **Brickell CityCentre**.

May 2012

- Establishment of a US\$ 3 billion **MTN Programme** and subsequent issuance of notes of US\$ 500 million and HK\$ 800 million in 2012.
- Pre-sale of **ARGENTA** units.

Mar 2012

- Completion of **OPUS HONG KONG**, a luxury residential property designed by Frank Gehry and owned by Swire Pacific.
- Phased opening of the retail component of **INDIGO, Beijing**.

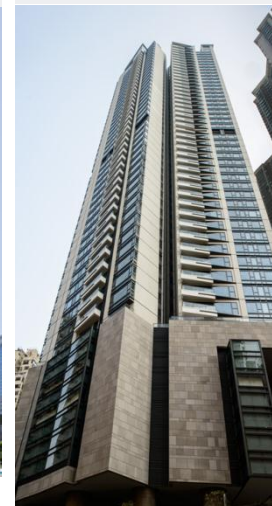
Jan 2012

- **Listing** of Swire Properties by way of Introduction.

Mandarin Oriental GZ



AZURA



28 Hennessy Road



INDIGO, BJ





Financial Summary

HK\$M	FY 2011	(excl. FW)	FY 2012	Change	(excl. FW)
Turnover	9,581	8,937	14,052	+ 46.7%	+57.2%
Valuation gains on investment properties	20,345	19,247	12,273	- 39.7%	-36.2%
Operating profit	26,945	24,725	21,508	- 20.2%	-13.0%
Reported profit	25,126	22,984	18,763	- 25.3%	-18.4%
Underlying profit	12,932	3,866	6,945	- 46.3%	+79.6%
Adjusted underlying profit	4,372	3,921	6,932	+ 58.6%	+76.8%
Reported Earnings per share (HK\$)	4.40	-	3.21	- 27.0%	-
Underlying earnings per share (HK\$)	2.27	-	1.19	- 47.6%	-
Adjusted underlying earnings per share (HK\$)	0.77	-	1.18	+ 53.2%	-
Second interim dividend per share ⁽¹⁾ (HK\$)	-	-	0.38	n.m.	-
First interim dividend per share (HK\$)	0.18	-	0.22	+ 22.2%	-
HK\$M	Dec 2011		Dec 2012	Change	
NAV attributable to the Company's shareholders ⁽²⁾	176,043	-	192,614	+ 9.4%	-
Net debt	27,700	-	28,921	+ 4.4%	-
Gearing ratio	15.7%	-	15.0%	- 0.7% pt	-
NAV per share ⁽²⁾ (HK\$ per share)	30.09	-	32.93	+ 9.4%	-

(1) Second interim dividend for 2012 was declared on 14th Mar 2013 and will be paid on 2nd May 2013.

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

(3) Gross rental income of Festival Walk for 2011 was HK\$ 644 million.

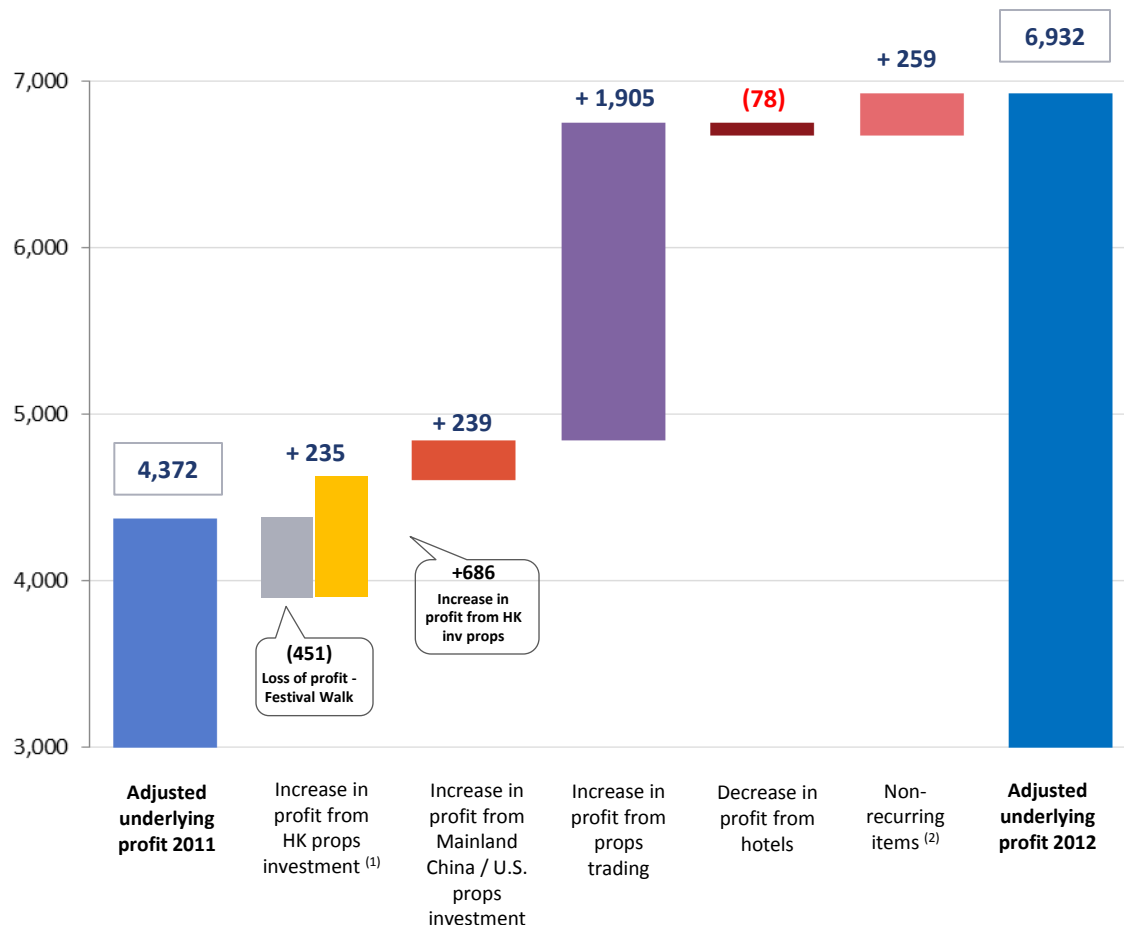


SWIRE PROPERTIES



Earnings Reconciliation

Movement in Adjusted Underlying Profit



Earnings Reconciliation

HK\$M	2011	2012
Attributable profit	25,126	18,763
Revaluation of inv. props	(21,066)	(12,865)
Deferred tax on inv. props	526	664
Realised profit on sale of inv. props	8,020	176
Dep. of owner-occupied inv. props	22	15
Non-controlling interests' share of revaluation movements less deferred tax	45	17
Adjustments on fair value of Sanlitun Village put option	259	175
Underlying profit	12,932	6,945
Profit on sale of inv. props	(8,615)	(9)
Net impairment loss / (reversal)	55	(4)
Adjusted underlying profit	4,372	6,932

2012 Adj. Underlying Profit
HK\$ 6,932 M
+ 58.6%

(1) Increase in profit from HK property investment was partially offset by loss of rental income from Festival Walk. Net rental income from Festival Walk was HK\$529 million in 2011.

(2) Movement in non-recurring items reflected the absence of one-off expenses incurred in connection with the listing of the shares of the Company on HKSE.

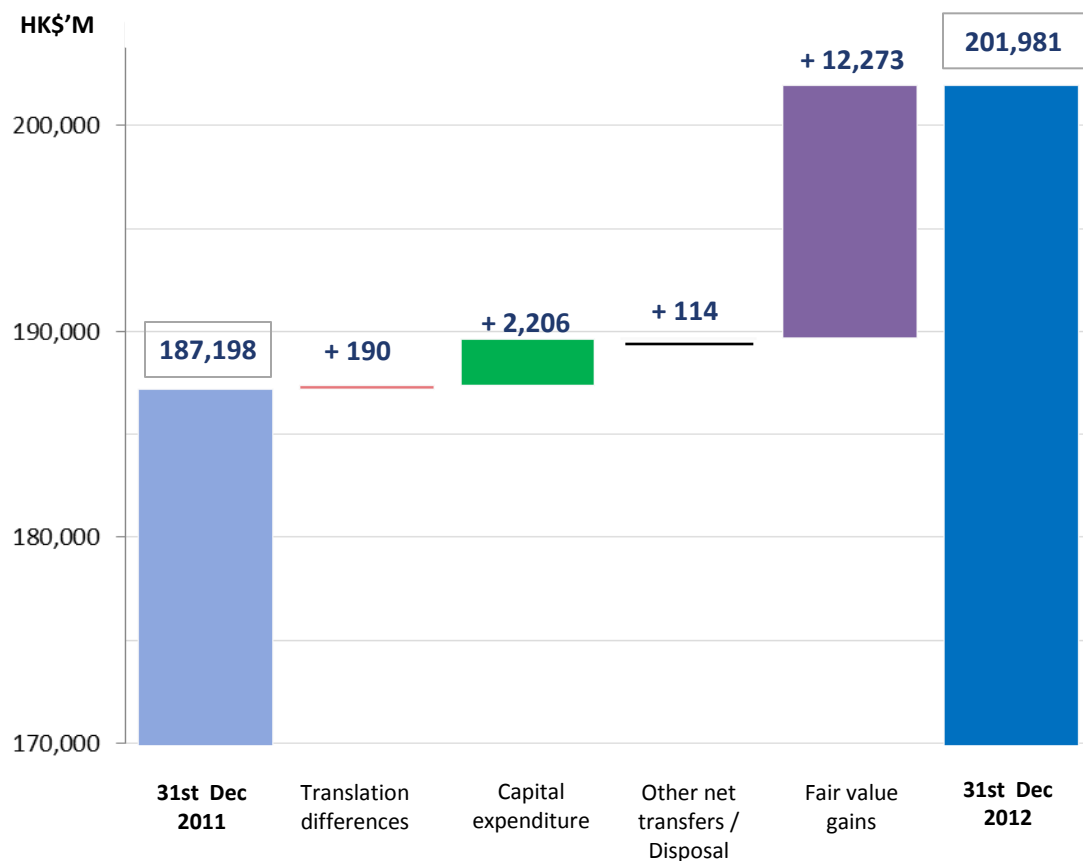




Movement in Investment Properties

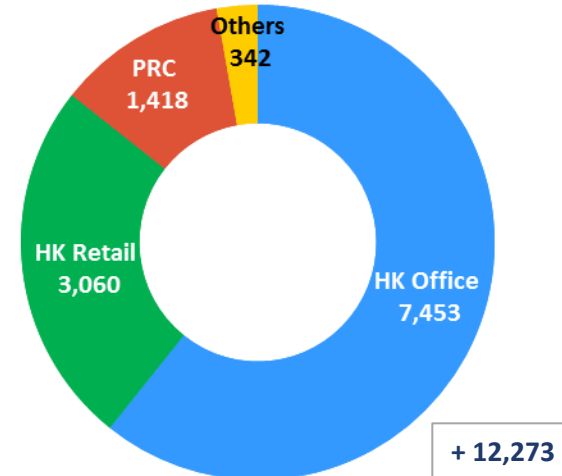
☐ The increase in the valuation of investment property portfolio principally reflects higher rental income.

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



Fair Value Gains Breakdown

HK\$'M



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

2012 Investment Props Valuation
HK\$ 201,981 M
+ 7.9%

* Per 2012 annual accounts on accounting basis

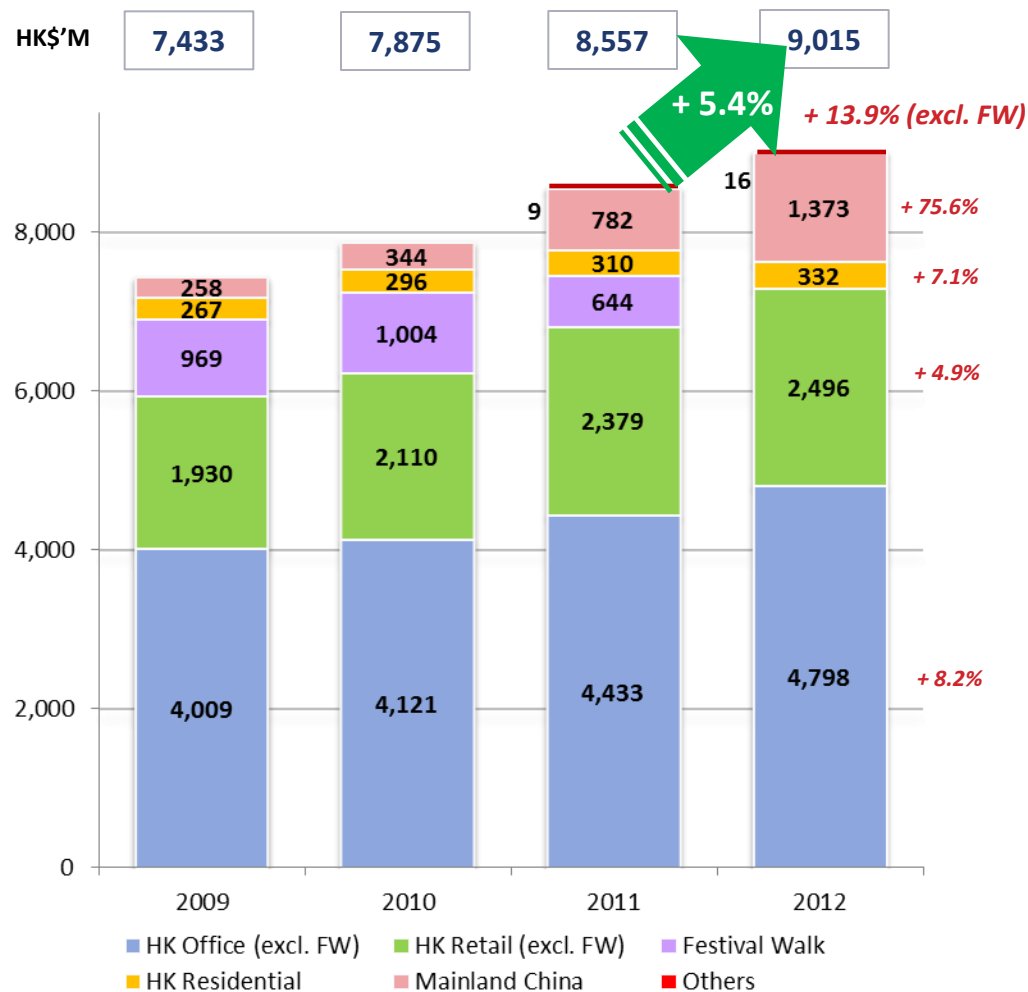


Investment Portfolio



Gross Rental Income

Gross Rental Income



- Gross rental income increased by 5.4% (or 13.9% excl. FW).
- Positive rental reversions in HK office portfolio throughout the year. Occupancy remained high despite a slowdown in leasing activity.
~ (rental + 6.7%, HK office)
~ (rental + 8.2%, HK office excl. FW)
- Demand for retail space continued to be robust.
~ (rental + 4.9%, HK retail excl. FW)
- Full year contribution from TaiKoo Hui, together with improved rental performance from Sanlitun Village.
~ (rental + 75.6%, Mainland China)

Mainland China Breakdown

	2011	2012
Retail	749	1,179
Office	33	194
Total	782	1,373

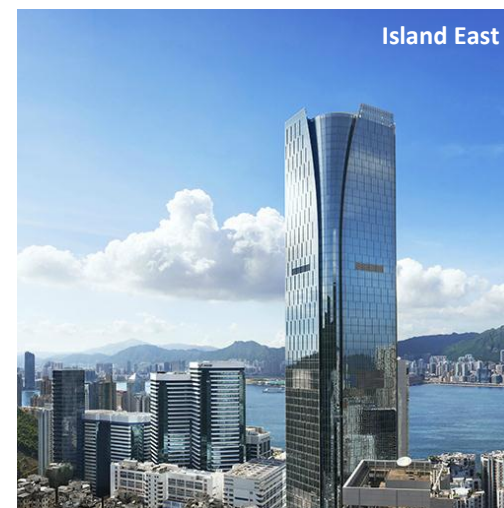
Total Gross Rental Income
HK\$ 9,015 M
+ 5.4%

(1) 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 (31st Dec 2012)	Area Let (sq ft) (New and Renewed Tenancies)	Reversion ⁽⁵⁾ (incl. Rent Reviews)	Attri. Interest
Pacific Place	2,186,433	97%	215,720	+ 32%	100%
Cityplaza	1,632,930	98%	191,928	+ 30%	100%
TKP Office Towers ⁽¹⁾	3,136,541	99%	571,226	+ 29%	50% / 100%
One Island East	1,537,011	100%	N/A	+ 51%	100%
Techno Centres ⁽²⁾	1,816,876	100%	153,683	+ 20%	100%
Others ⁽³⁾	606,977	99%	N/A	N/A	20% / 50% / 100%
Total (100% basis)	10,916,768				

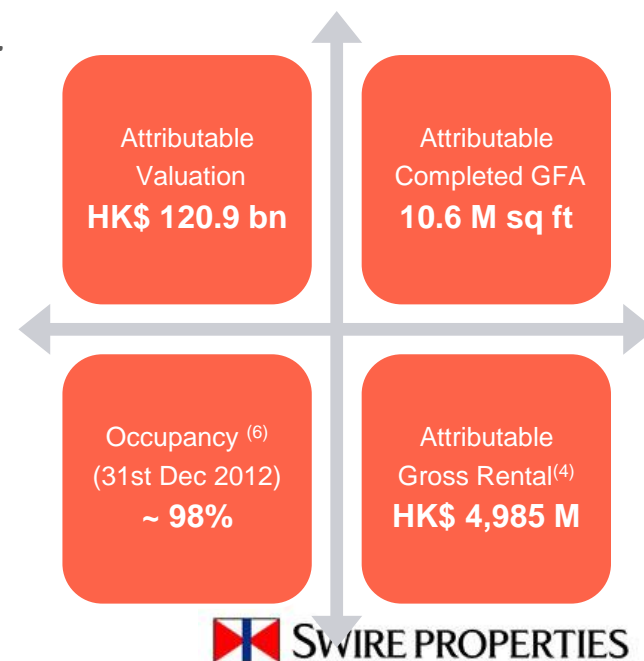


Vacancy LFA ⁽⁶⁾ = 117,146 sq.ft.

Latest rentals HK\$ per sq ft

One & Two Pacific Place	100 to 110
Three Pacific Place	95 – 100
Island East	low 40s to mid 40s
Techno Centres (excl. Somerset)	low 20s to mid 20s
One Island East	mid 50s to high 60s

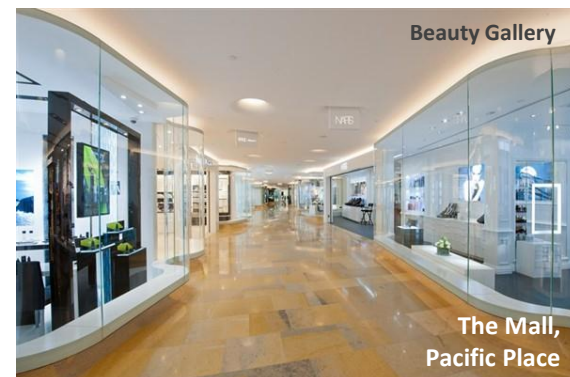
- (1) Including PCCW Tower (50% owned), managed by Swire Properties.
 (2) The occupancy rate, area let and reversion figures exclude Somerset House.
 (3) Others comprise One Citygate (20% owned), 625 King's Road (50% owned) and 28 Hennessy Road (100% owned). The occupancy rate excludes 28 Hennessy Road.
 (4) Reported gross rental income (excluding rental contributions from JCC and associates) was HK\$4,798M.
 (5) Reversion is the percentage increase in rent on lease renewals, entry into new leases and rent reviews.
 (6) Excluding Somerset House and 28 Hennessey Road.





HK Retail Occupancy

Completed HK Retail Properties	GFA (sq.ft.) (100% basis)	Occupancy (31st Dec 2012)	Retail Sales Growth	Attri. Interest
The Mall, Pacific Place	711,182	100%	+ 0.3% ⁽¹⁾	100%
Cityplaza Mall	1,105,227	100%	+ 6.0%	100%
Citygate Outlets	462,439	100%	+ 21.2%	20%
Others ⁽²⁾	530,467	100%	N/A	20% / 60% / 100%
Total (100% Basis)	2,809,315			

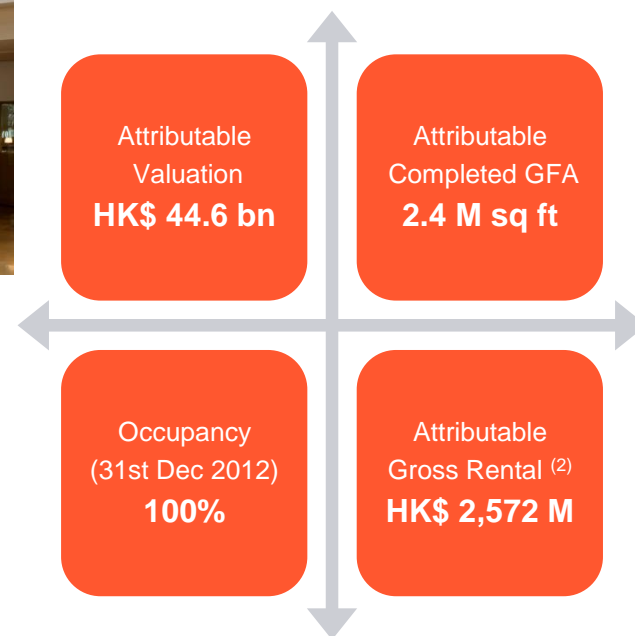


The Mall, Pacific Place

- ❑ The space previously occupied by a dept store has been reconfigured to include Burberry's flagship store and a beauty gallery to house retailers of upscale cosmetic and skin care brands.
- ❑ An additional arcade has been created to enhance pedestrian flow within the Mall.

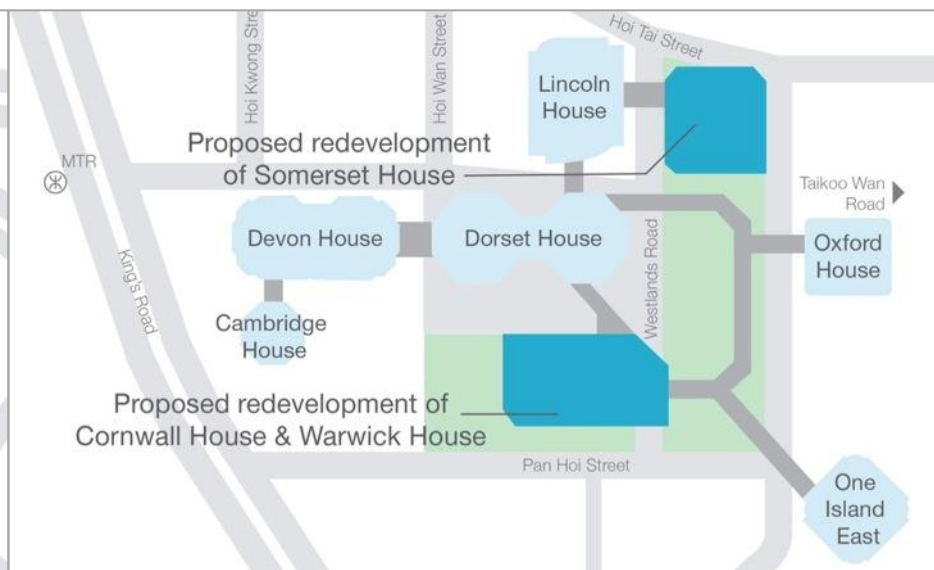
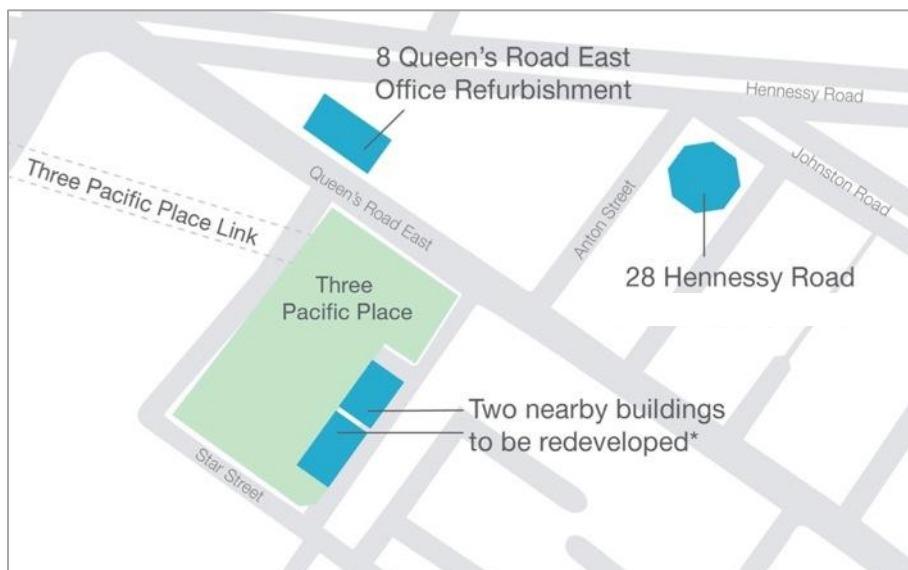


- (1) During periods in which department stores were closed or being fitted out in 2011 or 2012, their sales in those periods and in corresponding periods in 2012 and 2011 respectively were disregarded for the purpose of calculating the percentage change. **Average same-store sales growth (disregarding major shops which were closed or being fitted out in 2011 or 2012) was 3.3%.**
- (2) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (100% 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\$2,496M.





HK Investment Properties Development



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

*Redevelopment subject to government approval



Lobby



Sky Garden

28 Hennessy Road

- ❑ **28 Hennessy Road** – Completed in 4Q 2012 with two floors of the 24 floors having been leased. The property continues to attract interest from smaller businesses currently based in Central.
- ❑ **8 Queen's Road East** – Refurbishment is expected to be completed in 1H 2013. The entire building has been leased for a ten-year term.
- ❑ **23 Tong Chong Street** – Foundation works in progress. The site will be developed into serviced apartments with approx. 75,000 sq ft, expected to be completed in 2014.
- ❑ **Redevelopment of Somerset House** – Under planning to start in 2013.



Artist's Impression

8 Queen's Road East

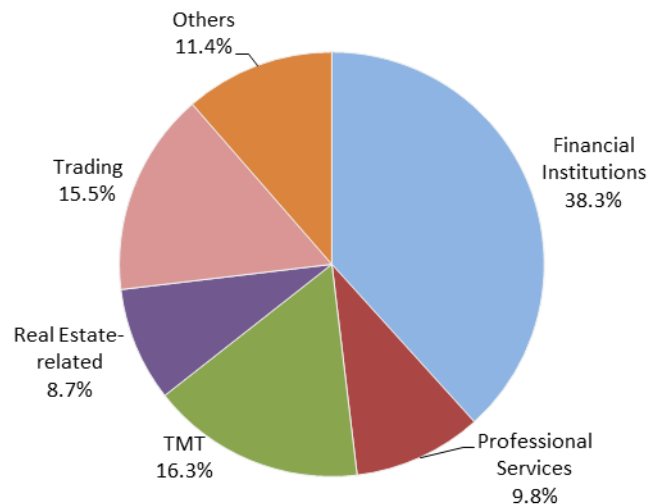


SWIRE PROPERTIES

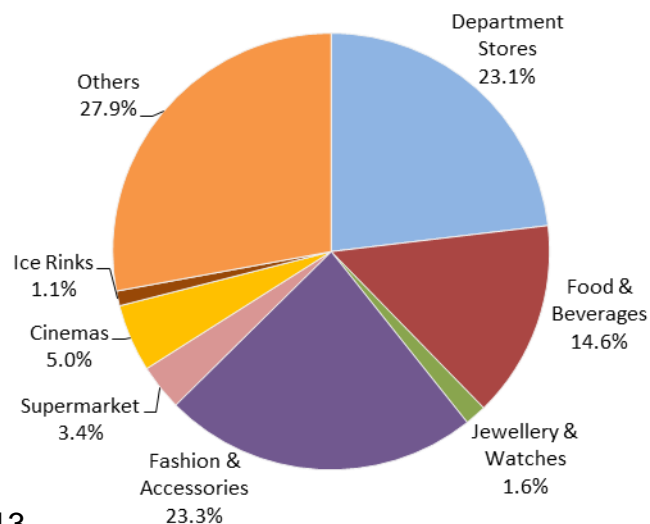


HK Portfolio – Tenant Mix and Lease Expiry Profile

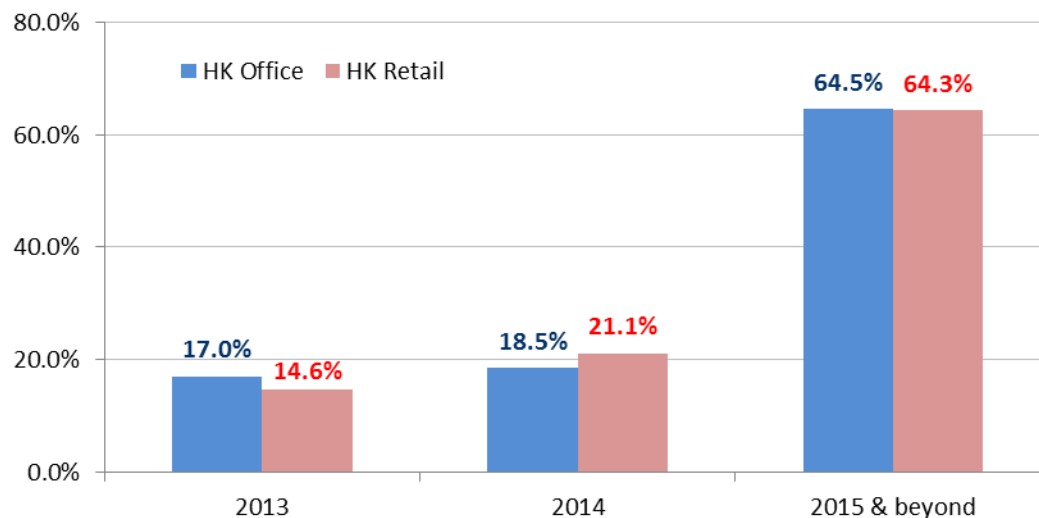
HK Office Tenant Mix⁽¹⁾



HK Retail Tenant Mix⁽¹⁾



Lease Expiry Profile⁽¹⁾⁽²⁾



- ❑ 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. 30% of retail area in HK.

(1) As at 31st December 2012.

(2) Based on the percentage of the total rental income attributable to the Group for the month ended 31st December 2012.

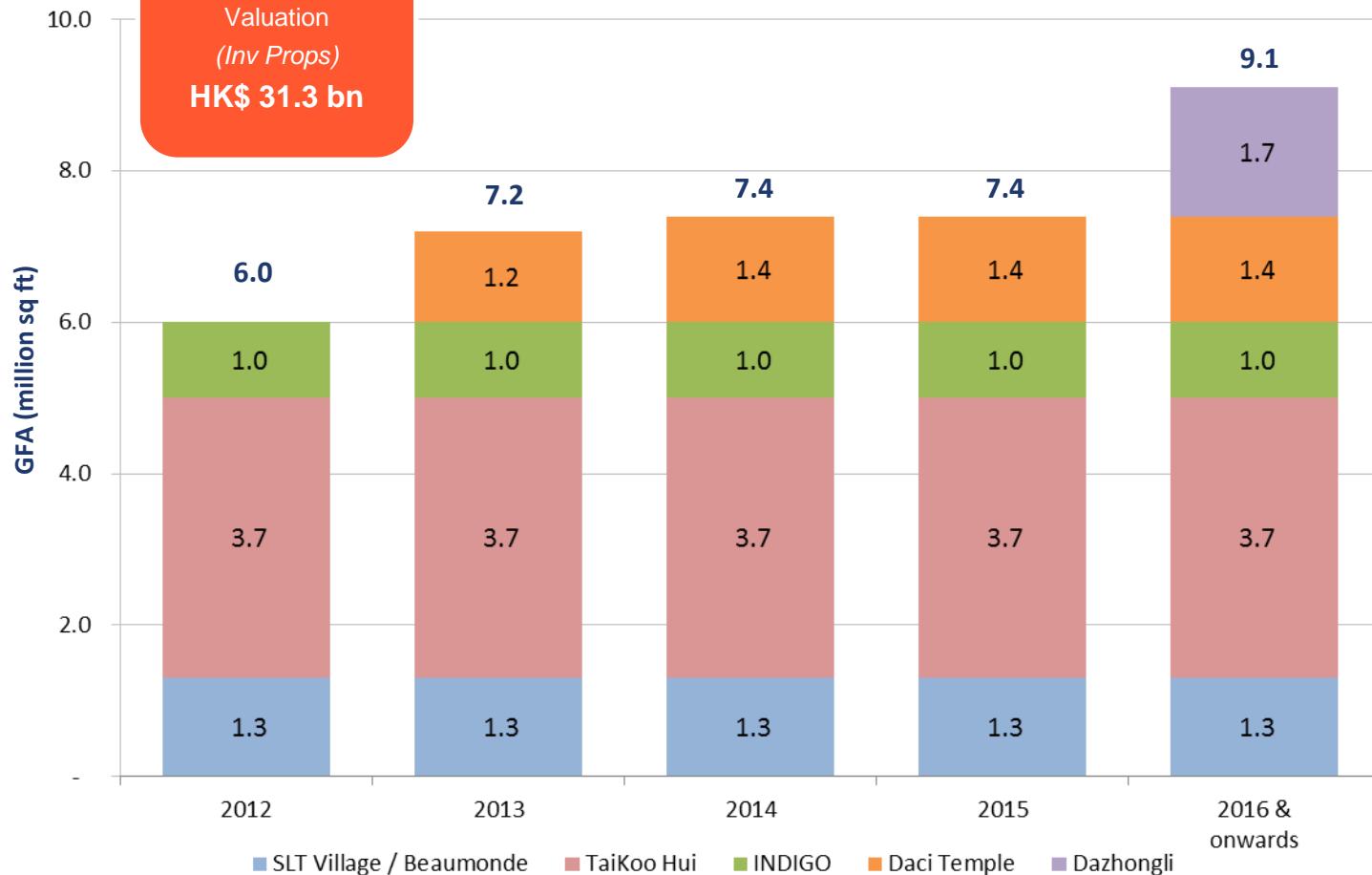


Property Portfolio – Mainland China

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

Attributable
Valuation
(Inv Props)
HK\$ 31.3 bn

Exp. Attributable
Completed GFA⁽¹⁾
(Entire Portfolio)
9.1 M sq ft



Dazhongli Project
(Shanghai)

Daci Temple Project
(Chengdu)⁽³⁾

INDIGO
(Beijing)

TaiKoo Hui
(Guangzhou)

SLT Village (Beijing) /
Beaumonde (Guangzhou)

(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 31st Dec 2012

(3) For Daci Temple project, the development is expected to open in phases commencing from early 2014.



SWIRE PROPERTIES



Property Portfolio – Mainland China

Daci Temple Project



- ❑ Excavation and foundation works have commenced.
- ❑ Expected to **open** in phases from **2014** onwards.

Sanlitun Village



- ❑ Occupancy: Village South at **97%** & North at **90%**.
- ❑ Retail sales growth ⁽¹⁾ at Village South **+ 8.9%** & North **+ 43.2%**

INDIGO



- ❑ Mall: **84%** committed.
- ❑ ONE INDIGO: **95%** committed.
- ❑ EAST, BJ opened in Sep 2012.

TaiKoo Hui



- ❑ Mall: **99%** leased.
- ❑ Office: **79%** committed.
- ❑ Mandarin Oriental Hotel opened in Jan 2013.

2012 Attri.
Gross Rental ⁽²⁾
HK\$ 1,457 M

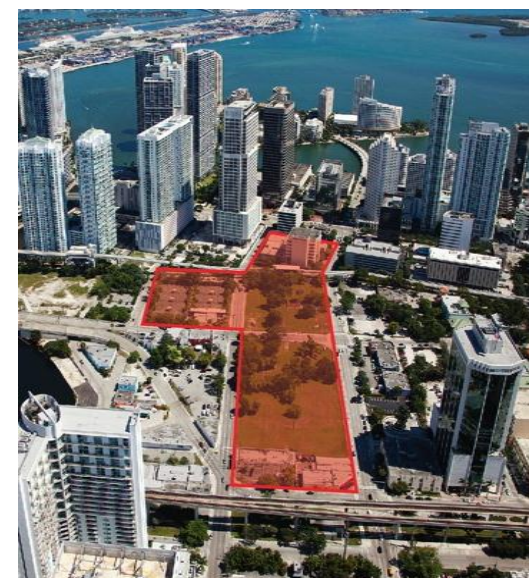
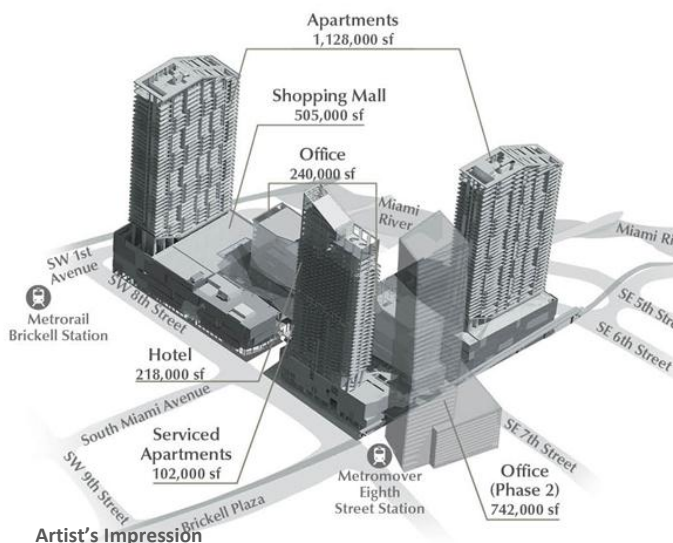
Dazhongli Project



- ❑ Site clearance & resettlement works have largely been completed.
- ❑ Foundation, excavation & basement construction works have commenced.
- ❑ Expected to **open** in phases from **2016** onwards.



Brickell CityCentre, 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. 2,935,000 sq.ft. (excluding car parks), comprising 505,000 sq.ft. of shopping and dining retail space, three office buildings, two residential towers (for trading purposes) and a 264-room hotel with 87 serviced apartments.
- ❑ Construction work on Phase I has commenced 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.
- ❑ Joint venture with Bal Harbour Shops to develop the retail component of BCC. Bal Harbour Shops holds an 12.5% interest in the joint venture.

Project Summary (100% Basis)

GFA	2.94 M sq ft
Components	Retail 3 Office Buildings Hotel & Serv Apt. 2 Residential Towers
Interest	100% *
Yr of Opening	2015 / 2018
Valuation (excl. hotels & residential)	HK\$ 554 M



Trading Portfolio



Trading Property Update

AZURA, Mid-Levels West



- ❑ A 50-storey residential tower.
- ❑ Sold 111 out of 126 available units (as at 13th Mar 2013).
- ❑ Completed with handover in 4Q 2012.
- ❑ Avg Selling Price Achieved = HK\$ 22,587 psf
- ❑ Interest : 87.5%

* Average selling price excludes carpark.

ARGENTA, Mid-Levels West



- ❑ A 37-storey tower of 30 whole-floor residential units.
- ❑ 6 units pre-sold since May 2012.
- ❑ Superstructure works in progress.
- ❑ Expected completion in 2013.
- ❑ Avg Selling Price Achieved = HK\$ 28,117 psf
- ❑ Interest : 100%

..... Coming Up

DUNBAR PLACE

88,555 sq ft
(100% basis)

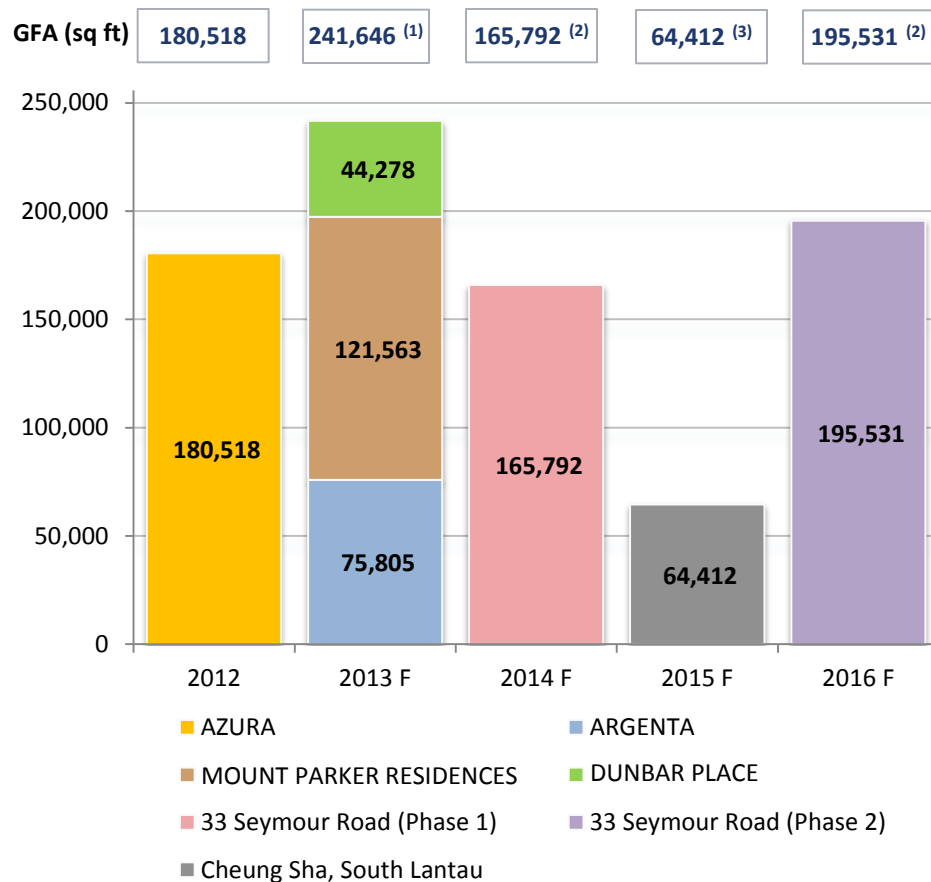
MOUNT PARKER RESIDENCES

151,954 sq ft
(100% basis)



HK Trading Portfolio

Finished / Expected Attributable Residential GFA Completions in Hong Kong in 2012 - 2016



- (1) Handover of DUNBAR PLACE and MOUNT PARKER RESIDENCES are expected in 2014.
 (2) Handover of 33 Seymour Road (Phase 1) and (Phase 2) are expected in 2015 and 2017 respectively.
 (3) Maximum GFA of the Cheung Sha development.

Hong Kong --- Mid-Levels West Portfolio



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

HK Resid. – Expected Attri. Completed GFA (2013 – 2016)

667,381 sq ft

Total Units to Complete (on 100% Basis)

527 Units



SWIRE PROPERTIES



Sanlitun Village, Beijing

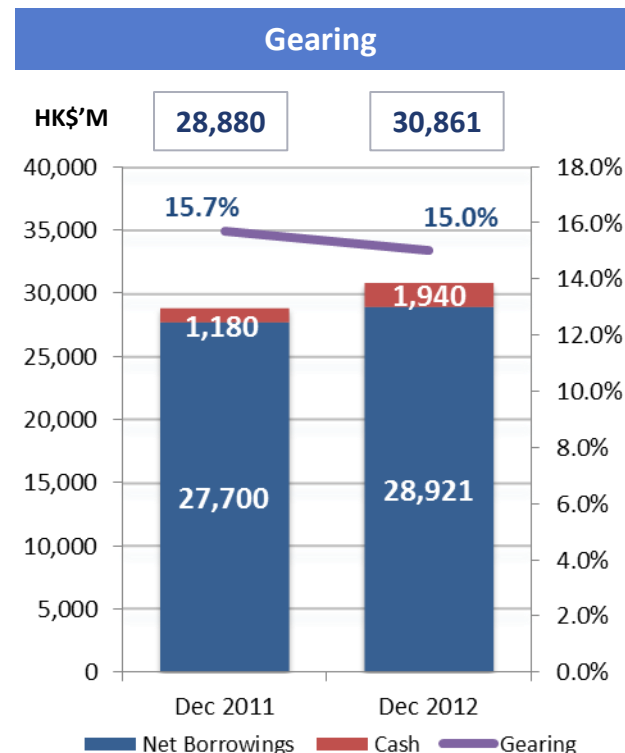


Financing



Net Debt and Gearing

Net Debt Reconciliation (HK\$M)	2012
Net debt as at 31st December 2011	(27,700)
Net rental and fees receipts	7,679
Proceeds from property trading / development	3,627
Capex – PP&E and property investment	(3,004)
Development costs – property trading	(1,623)
Net investments in jointly controlled entities	(1,105)
Net interest paid	(1,549)
Profits tax paid	(875)
Dividends paid to the Company's shareholders	(2,340)
Other operating items	(2,031)
Net debt as at 31st December 2012	(28,921)



Financial Ratios	2008	2009	2010	2011	2012
Total Equity (HK\$ M)	111,373	130,239	158,356	176,575	193,256
Net debt (HK\$ M)	36,670	34,467	36,836	27,700	28,921
Gearing	32.9%	26.5%	23.3%	15.7%	15.0%
Underlying interest cover	4.5	4.3	5.4	12.0	7.9
Underlying cash interest cover	3.4	3.7	4.3	9.2	6.0

Net Debt
HK\$ 28,921 M

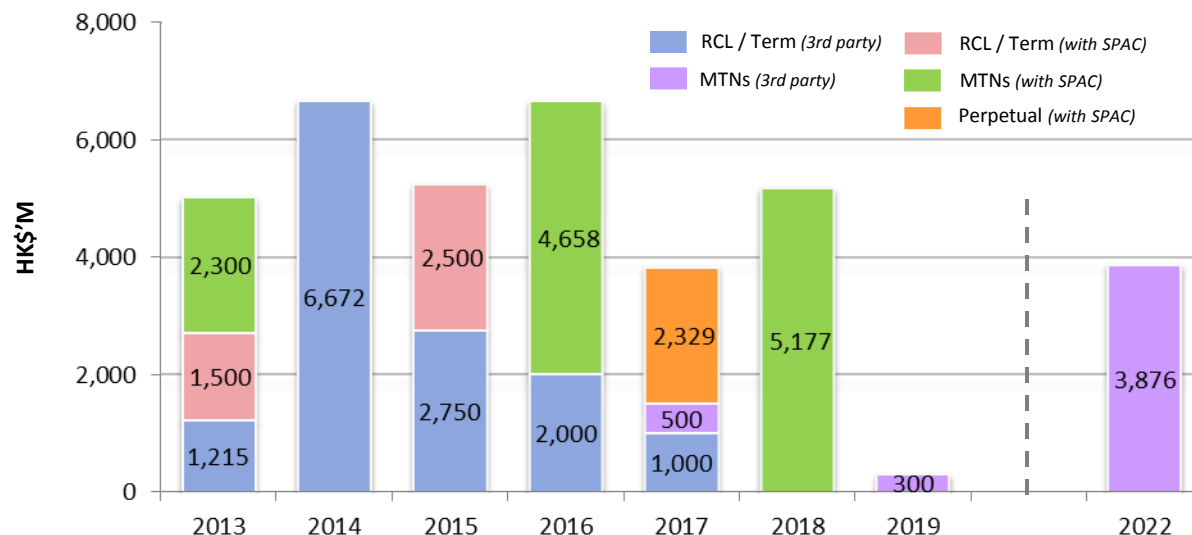
Gearing
15.0%



Maturity Profile & Liquidity

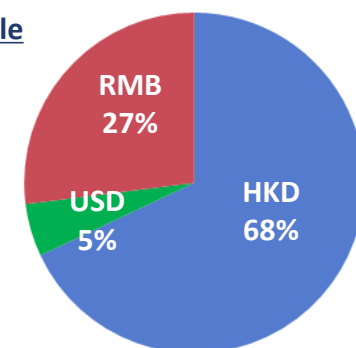
Maturity Profile of Available Committed Facilities (as at 31st Dec 2012)

Total	36,777	5,015	6,672	5,250	6,658	3,829	5,177	300	3,876
Drawn	29,439	3,178	6,631	2,490	4,958	2,829	5,177	300	3,876



HK\$M	Dec 2011	Dec 2012
Cash	1,180	1,940
Undrawn - committed	8,003	7,338
	9,183	9,278
Undrawn -uncommitted	1,446	1,408
	10,629	10,686

Currency Profile



Major financing activities:

- Issuance of Notes of US\$ 500 M and HK\$ 800 M in 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 in Jul 2012.
- Repaid the drawn portions of term loans of HK\$ 5 bn upon expiry in Oct 2012.
- Subsequent issuance of Notes of US\$ 500 M in Mar 2013.

Fixed : Floating = 61% : 39%

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

Available Committed Facilities

HK\$ 36,777 M

Cash & Undrawn Committed Facilities

HK\$ 9,278 M



SWIRE PROPERTIES



Capital Commitments

Profile of Capital Commitments – at 31st Dec 2012

HK\$'M	Expenditure		Forecast Year of Expenditure				Commitments*
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 & beyond</u>	<u>At 31st Dec 2012</u>
Hong Kong	3,104	1,828	879	548	606	3,372	5,405
Mainland China	3,180	1,776	3,680	2,361	831	674	7,546
U.S.A. and others	102	239	1,360	1,603	-	-	2,963
Total	6,386	3,843	5,919	4,512	1,437	4,046	15,914

* The capital commitments represents the Group's capital commitments of HK\$9,294 M plus the Group's share of the capital commitments of jointly controlled companies of HK\$6,620 M. The Group is committed to funding HK\$818 M of the capital commitments of jointly controlled companies.



TaiKoo Hui, Guangzhou



Prospects



Hong Kong Office

- ❑ Cautious about the outlook for office properties.
- ❑ Demand from financial services companies for office space in Central is likely to remain soft.
- ❑ Rents are expected to remain robust at Island East, due to very high occupancy and stronger demand.

Hong Kong Retail

- ❑ Despite slower growth in the second half, the HK retail market is expected to continue to benefit from local economic growth and from tourists from Mainland China.
- ❑ Demand for retail space, particularly at prime locations, continues to be strong. Rents are expected to continue to increase.

Mainland China

- ❑ Demand for office space and rental rates are expected to remain stable.
- ❑ Some reduction in consumer confidence and lower growth in spending, but international brands in the few high quality shopping malls remain popular.
- ❑ Retail rents are expected to be steady.

Hong Kong Trading

- ❑ Profits from property trading are expected to be lower, but nevertheless significant, with the completion of ARGENTA and the expected sale of the remaining units at AZURA.
- ❑ The effect of substantial increases and other changes in HK stamp duty on demand for luxury residential properties is uncertain.

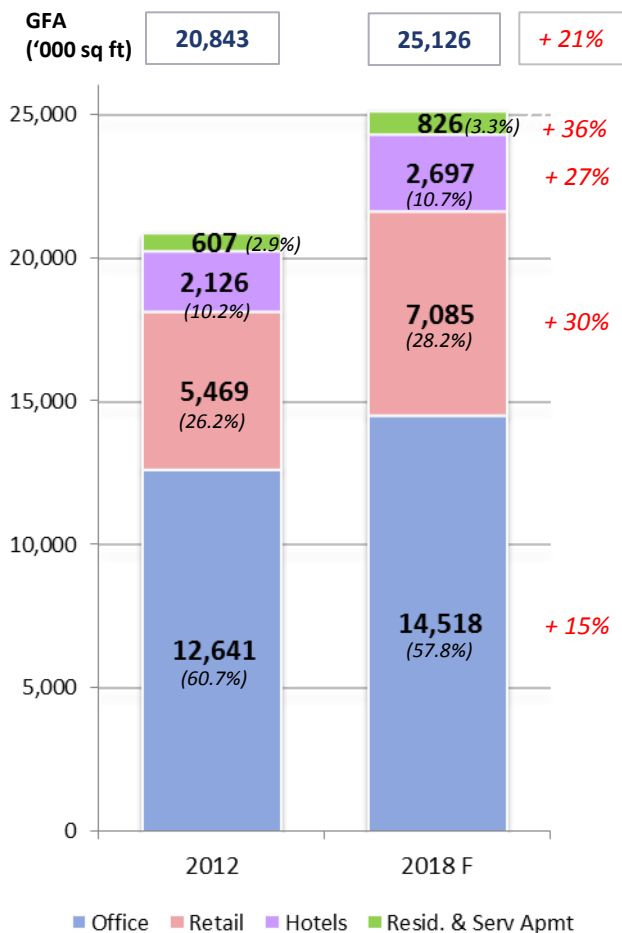
Hotels

- ❑ Hotel operations will benefit from the first year operation of EAST, Beijing, as well as from the contribution from Mandarin Oriental Guangzhou.

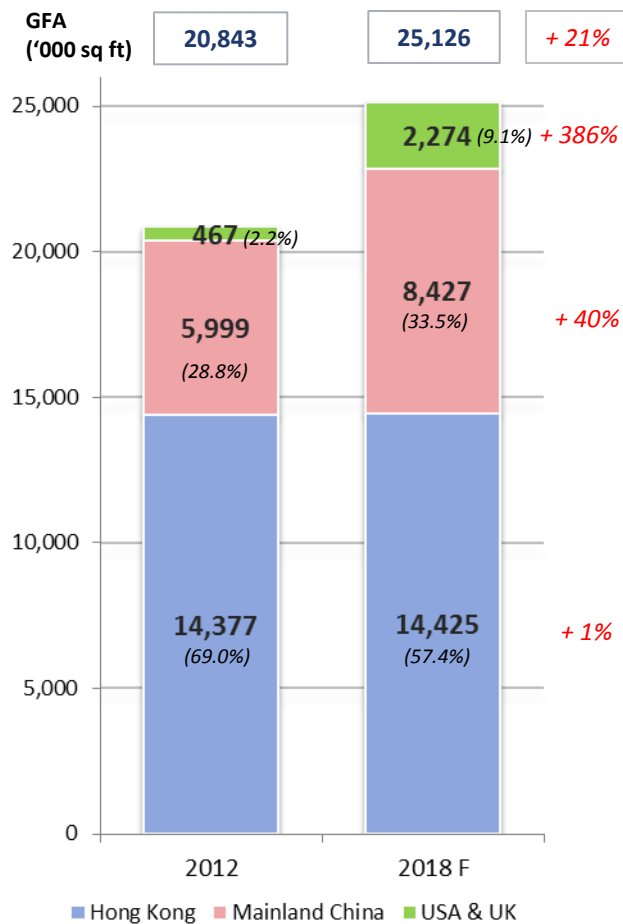


Swire Properties in Five Years

Expected Attributable GFA by Segments



Expected Attributable GFA by Regions



Expected Attri. Trading GFA Sales to Complete

	Exp. Units
HK Residential 667,381 sq ft	527
US Residential 1,128,000 sq ft	820
PRC Office 662,287 sq ft	N/A

Total Exp. Attri GFA to Complete
2.46 M sq ft

Total Exp. Attri GFA
Investment Props (by 2018)
25.1 M sq ft

Note: Figures do not take into account the recent acquisition in Singapore and the joint venture with Bal Harbour shops in the retail component of Brickell CityCentre.



TaiKoo Hui Mall,
Guangzhou

Thank you



Appendix



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**

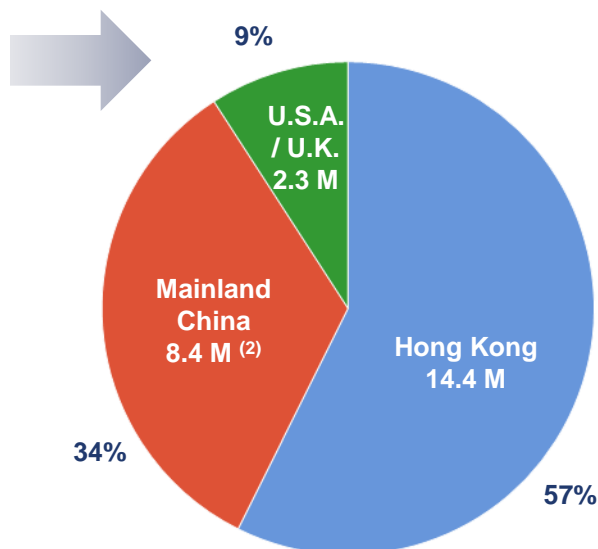


Property Portfolio

Investment Props / Hotels Attributable GFA (M sq ft) ⁽¹⁾	Office	Retail	Hotels ⁽³⁾	Resid.	Total
Completed					
<i>Hong Kong</i>	10.6	2.4	0.7	0.6	14.3
<i>Mainland China</i>	2.0	3.0	0.9	0.1	6.0
<i>U.S.A. and Others</i>	0.0	0.0	0.5	0.0	0.5
Sub-Total (A)	12.6	5.4	2.1	0.7	20.8
Under Development or Held for Future Development					
<i>Hong Kong</i>	0.0	0.0	0.0	0.1	0.1
<i>Mainland China ⁽²⁾</i>	0.9	1.1	0.4	0.0	2.4
<i>U.S.A.</i>	1.0	0.5	0.2	0.1	1.8
Sub-Total (B)	1.9	1.6	0.6	0.2	4.3
TOTAL = (A) + (B)	14.5	7.0	2.7	0.9	25.1

Trading Props Attributable GFA (M sq ft)	Completed Prop Held for Sale	Under Development / Held for Future Development	Total
<i>Hong Kong</i>	0.1	0.8	0.9
<i>Mainland China</i>	0.0	0.7	0.7
<i>U.S.A.</i>	0.0	2.9	2.9
Total	0.1	4.4	4.5

Attributable Investment Props by Region (GFA)



Attri. Investment Portfolio

25.1 M sq ft

Attri. Trading Portfolio

4.5 M sq ft

Total Attri. Property Portfolio

29.6 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. 0.66M 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 31st Dec 2012

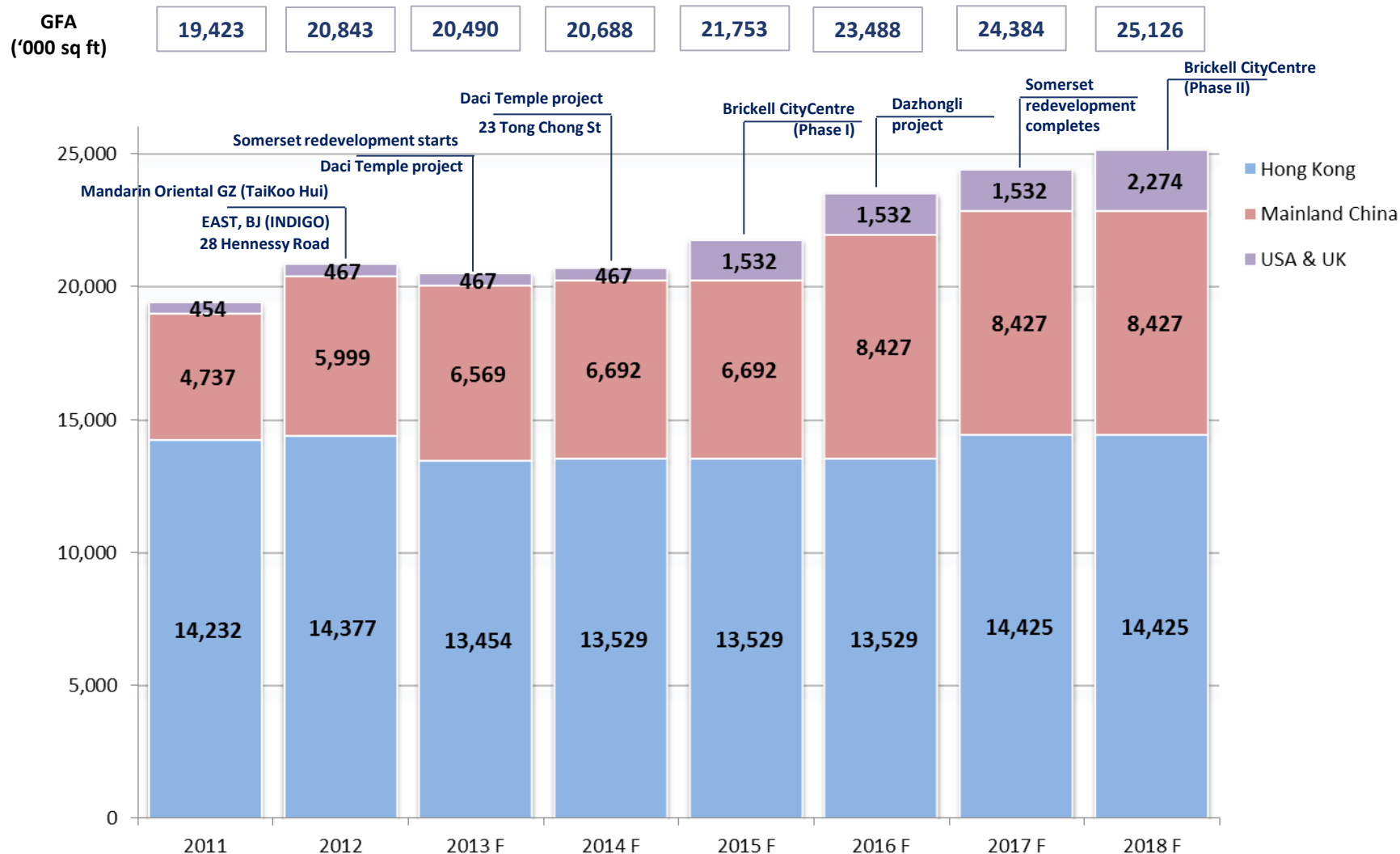


SWIRE PROPERTIES



Completed Investment Portfolio

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



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

(2) Figures do not take into account the recent acquisition in Singapore and the joint venture with Bal Harbour shops in the retail component of Brickell CityCentre.

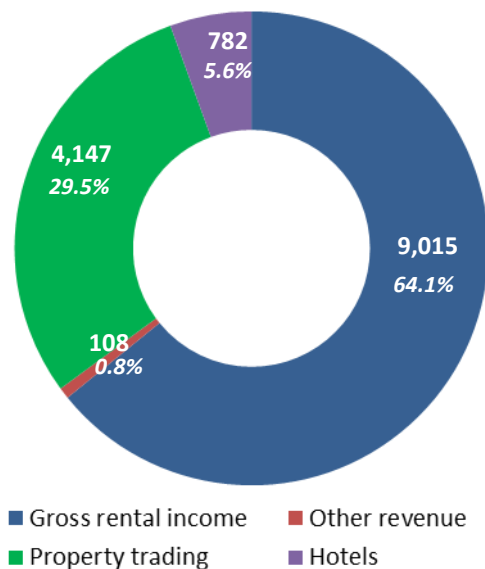


Turnover Analysis

2012 Turnover Breakdown by Segments

HK\$'M

14,052

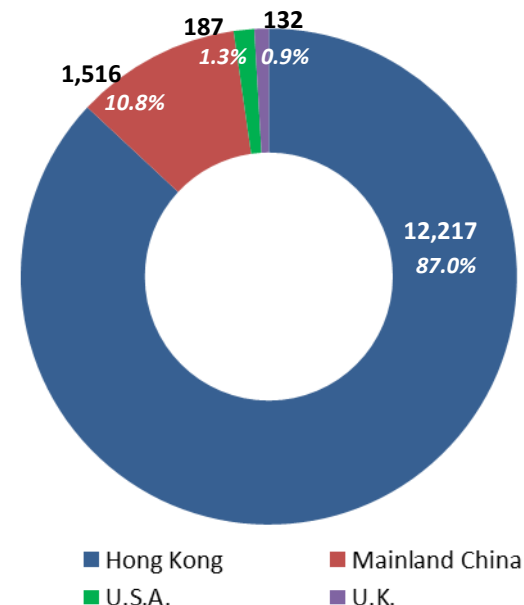


Comparison		
	2011	2012
Rental	8,557	9,015
Trading	213	4,147
Hotels	717	782
Others	94	108
Total	9,581	14,052

2012 Turnover Breakdown by Region

HK\$'M

14,052



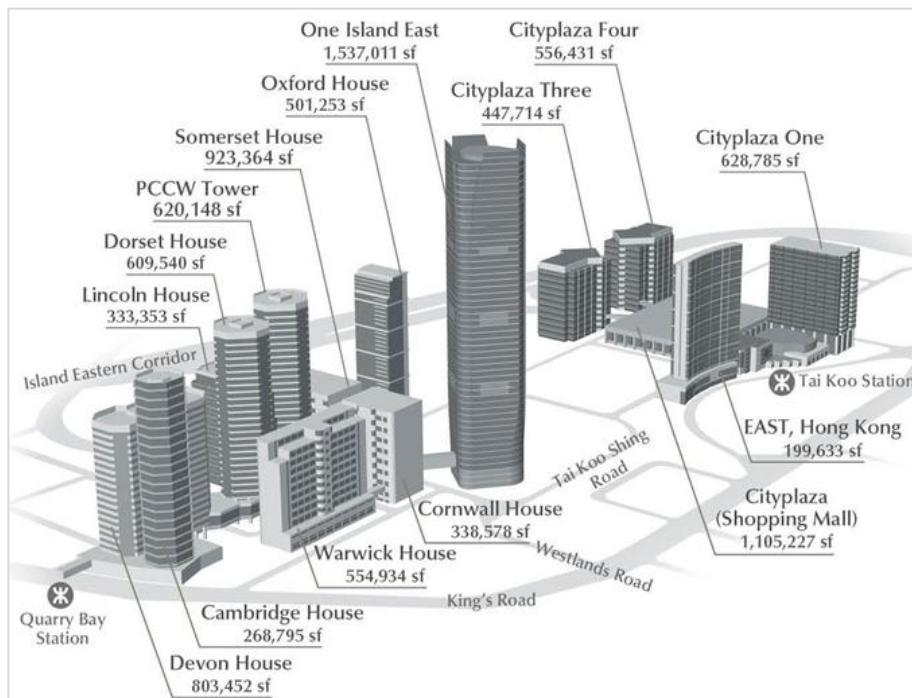
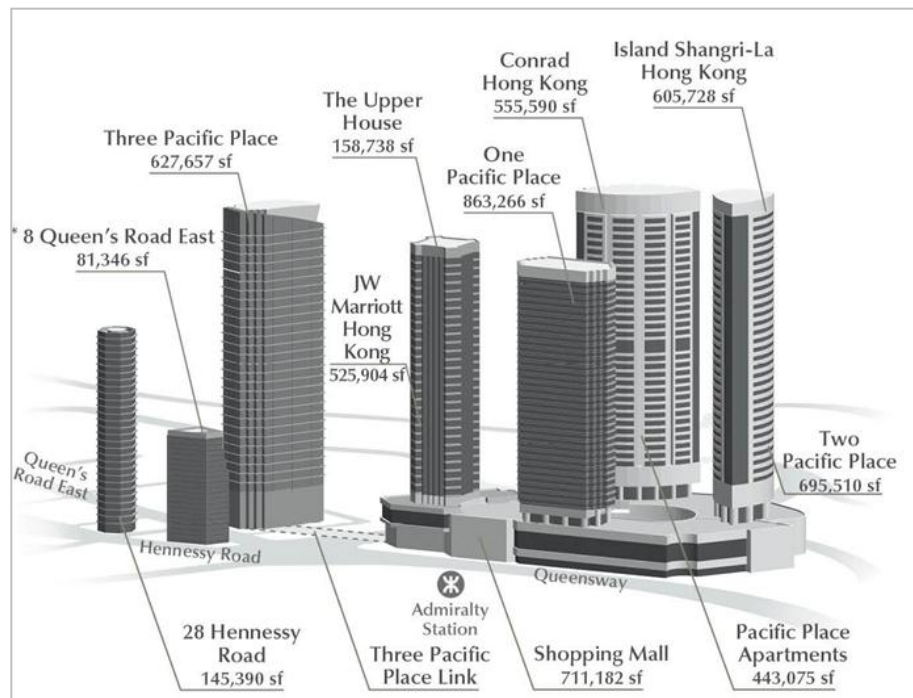
Comparison		
	2011	2012
HK	8,392	12,217
China	932	1,516
U.S.A.	146	187
U.K.	111	132
Total	9,581	14,052

- Turnover increased by 46.7% in 2012 due to higher turnover from property trading, as well as higher rental income from investment properties and higher turnover from 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
+ 46.7%



HK Portfolio Map



Note:

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



Pacific Place Reinforcement

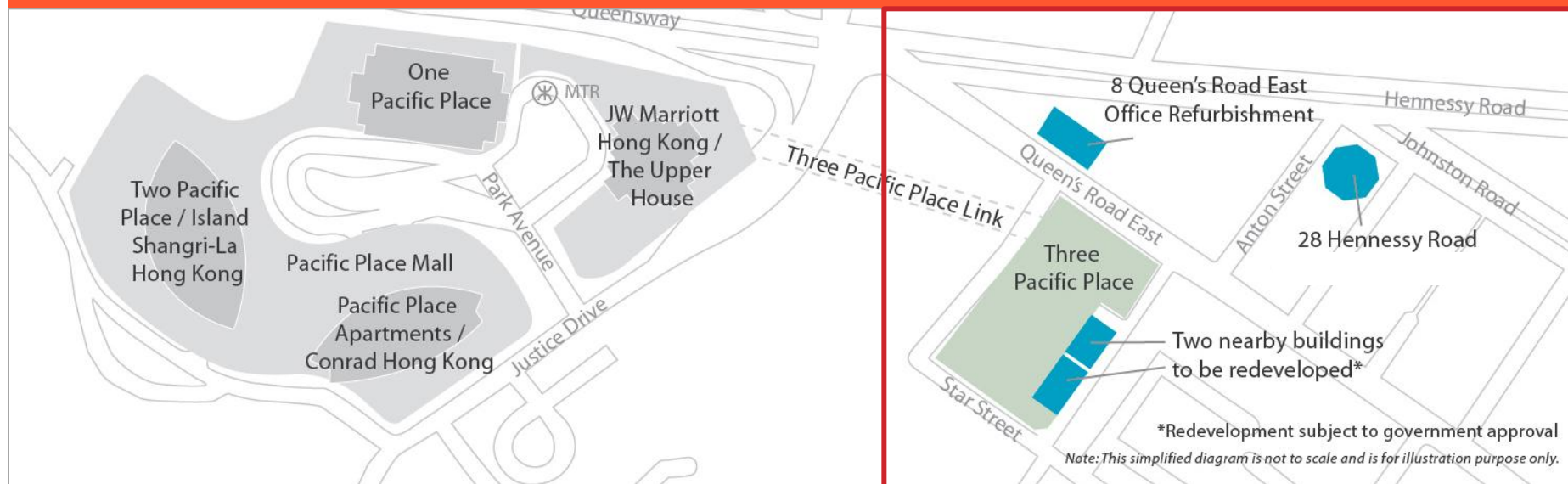
HK\$2 billion⁽¹⁾
contemporisation project
substantially completed
in Oct 2011

Completion of an office
tower at 28 Hennessy
Road which adds GFA
145,390 sq ft

Refurbishment of the
office tower at 8 Queen's
Road East⁽²⁾ with GFA
81,346 sq ft

Propose to expand Three
Pacific Place with the
redevelopment of two
nearby buildings⁽³⁾

Pacific Place Initiatives



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



Island East Reinforcement

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

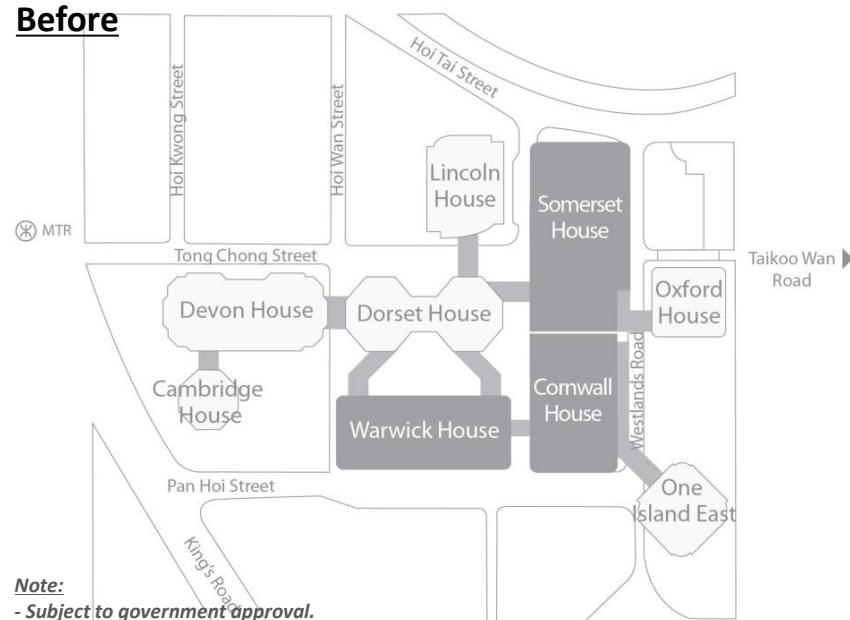
Have secured planning approvals for the three Techno-centres to be redeveloped as two Grade-A office buildings

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

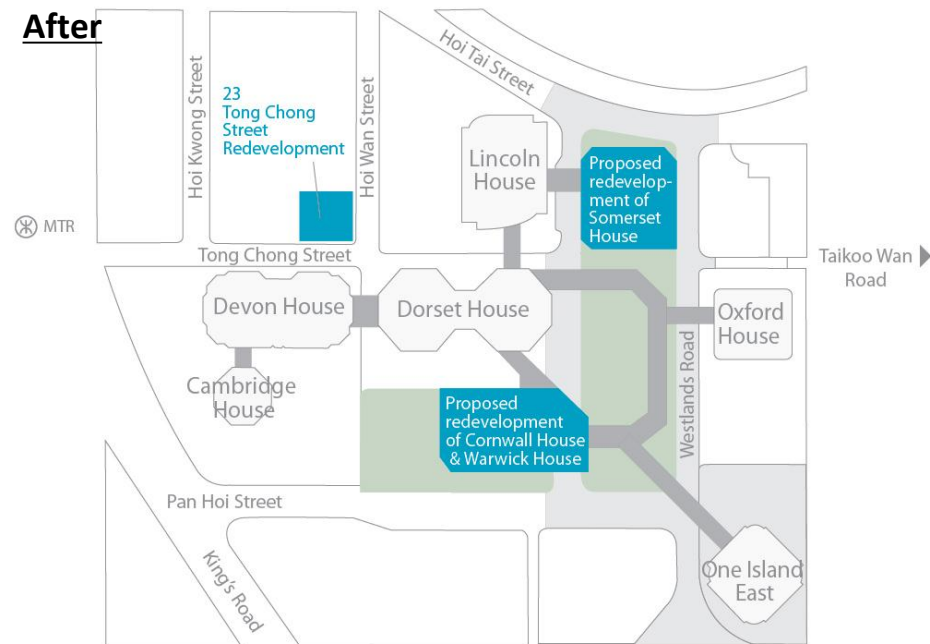
23 Tong Chong Street (about 75,000 sq ft) now under redevelopment into serviced apartments, to be completed in late 2014

Techno-centres Proposed Redevelopment

Before



After





Sanlitun Village, Beijing

Ongoing development works to enhance footfall and circulation

Active management of tenant portfolio

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 (97%) and Village North (90%) as at Dec 2012.
- ❑ Retail sales growth at Village South (+ 8.9%) and Village North (+ 43.2%) in 2012.
- ❑ Improvement works to enhance footfall and circulation at the Village South.
- ❑ Demand for retail space remains strong in Beijing, with owners of international brands continuing to focus heavily on Mainland China.

Project Summary (100% Basis)

GFA	1.47 M sq ft
Components	Village South Village North The Opposite House
Interest	Retail : 80% ⁽¹⁾ TOH : 100%
Yr of Opening	2008 (Village South) 2008 (TOH) 2010 (Village North)
Valuation (excl. TOH)	HK\$ 9,790 M

(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



- ❑ The shopping mall opened in Sep 2011, and approx. 99% of the floor area was leased and 98% of the shops were open and trading as at Dec 2012.
- ❑ Two office towers with 79% committed⁽¹⁾ as at Dec 2012. HSBC occupies 29 floors representing 47% of total floor area and is the largest office tenant.
- ❑ Retail sales are expected to increase in 2013 as people are becoming more aware of TaiKoo Hui, the mix of tenants is improving and the Mandarin Oriental Guangzhou was opened in Jan 2013.
- ❑ The remaining vacant area of the Office Tower 1 is located in the high zone which is expected to command the best terms among all the office floors.

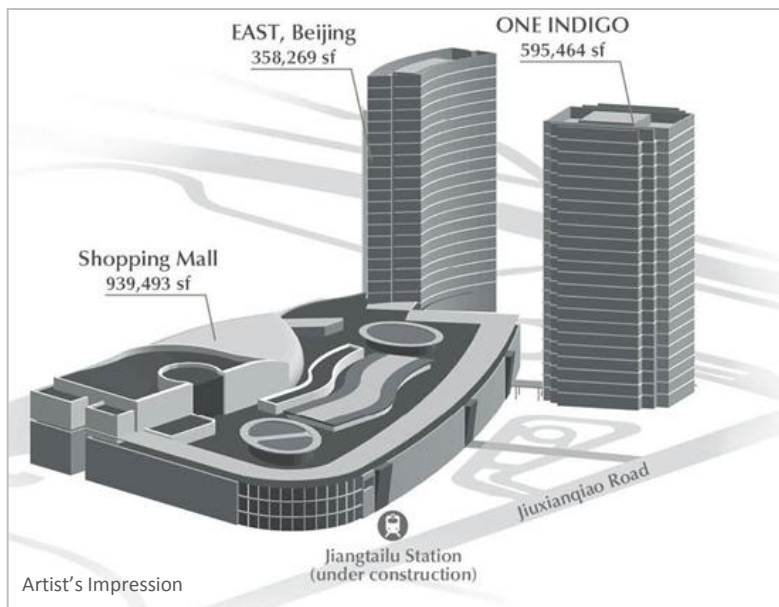
(1) Includes those who have signed letters of intent.

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
Valuation (excl. hotel)	HK\$ 12,983 M



INDIGO, Beijing



- ❑ INDIGO was officially opened in Sep 2012.
- ❑ The shopping mall was 84%⁽¹⁾ leased and approx. 70% of the shops were open and trading as at Dec 2012.
- ❑ The office tower, ONE INDIGO, was 95%⁽¹⁾ leased as at Dec 2012 with a little over one floor remaining vacant.
- ❑ EAST, Beijing Hotel was opened in Sep 2012 and the Beijing Metro Line 14 is expected to open in 2014.

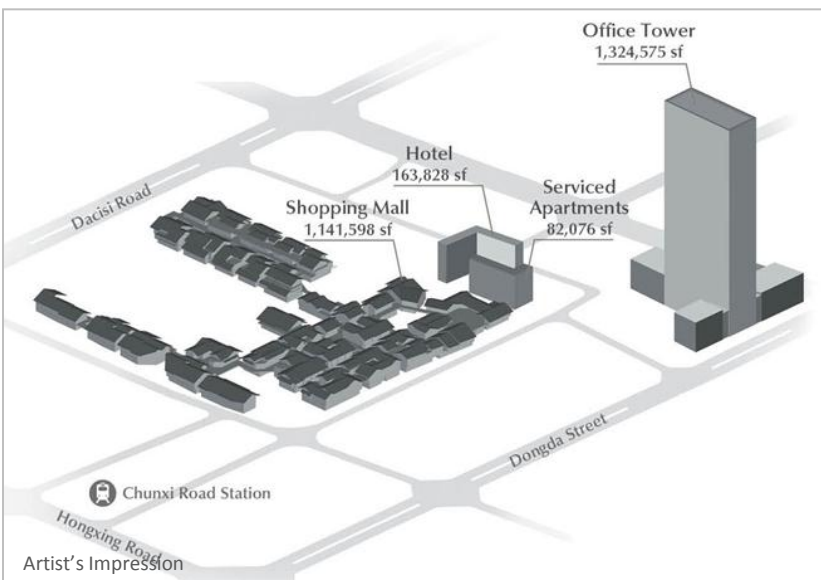
⁽¹⁾ Includes those who have signed letters of intent.

Project Summary (100% Basis)

GFA	1.89 M sq ft
Components	Shopping Mall ONE INDIGO EAST, Beijing
Interest	50%
Yr of Opening	2011 / 2012
Valuation (excl. hotel)	HK\$ 5,166 M



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 metro.
- ☐ Integrates harmoniously with the cultural heritage of the ancient Daci Temple.
- ☐ Excavation and foundation works have commenced.
- ☐ The project is expected to complete in phases from 2013 onwards and to open in phases from 2014 onwards.
- ☐ Pinnacle One, the office tower, is intended to be developed for trading purposes.

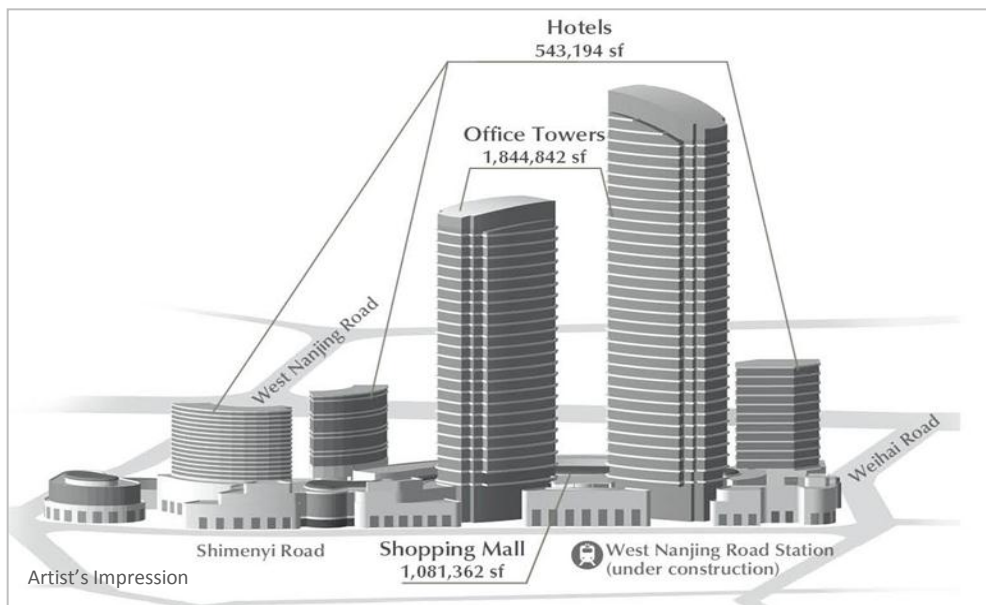
(1) The Daci Temple development is a 50:50 joint venture with Sino-Ocean Land Holdings Limited. In January 2012, the Group entered into an agreement with Sino-Ocean Land Limited, a wholly-owned subsidiary of Sino-Ocean Land Holdings Limited to fund the whole of the remaining land premium (and associated taxes) payable in respect of the Daci Temple project and certain working capital requirements. This arrangement was varied in January 2013.

Project Summary (100% Basis)

GFA	2.71 M sq ft
Components	Retail Office (for trading) Hotel Serviced Apartments
Interest	50% ⁽¹⁾
Yr of Opening	2014 onwards
Valuation (excl. hotels & office)	HK\$ 2,256 M



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, excavation and basement construction works have commenced.
- ❑ The project is expected to open in phases from 2016 onwards.

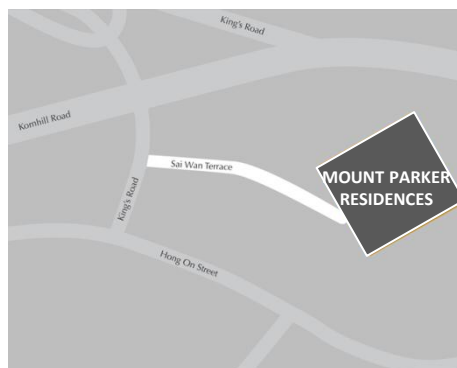
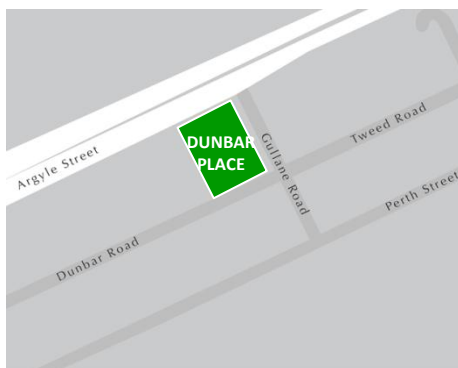
Project Summary (100% Basis)

GFA	3.47 M sq ft
Components	Retail Mall 2 Office Towers 3 Hotels
Interest	50%
Yr of Opening	2016 onwards
Valuation (excl. hotels)	HK\$ 13,750 M



HK Trading Portfolio

Principal Trading Properties	Total GFA (sq ft) (100% basis)	Total Units	Actual / Expected Completion	Actual / Expected Handover	Development Status	Interest
AZURA, 2A Seymour Road ⁽¹⁾	206,306	126	2012	2012	- Completed with handover in 4Q 2012.	87.5%
ARGENTA, 63 Seymour Road ⁽²⁾	75,805	30	2013	2013	- Superstructure works in progress.	100%
33 Seymour Road (Phase 1)	165,792	127	2014	2015	- Construction works in progress.	100%
33 Seymour Road (Phase 2)	195,531	197	2016	2017	- Foundation works in progress.	100%
MOUNT PARKER RESIDENCES, 1 Sai Wan Terrace	151,954	92	2013	2014	- Superstructure works in progress.	80%
DUNBAR PLACE, 23 Dunbar Road	88,555	53	2013	2014	- Superstructure works in progress.	50%
Cheung Sha, South Lantau	64,412	28	2015	2015	- Design and planning in progress.	100%



- (1) As at 13th Mar 2013, 111 units had been sold. Completion of the sales of 98 of these units took place in 2012. Completion of the sales of a further 3 units have taken place up to 13th March 2013. Completion of the sales of the 10 units will take place later in 2013.
- (2) As at 13th Mar 2013, 6 units have been pre-sold.
- (3) The above simplified maps are not to scale and are for illustrative purpose only.



Hotel Portfolio

Managed Hotels		No. of Rooms	Interest
<u>Completed</u>		<i>(100% basis)</i>	
HK	<i>The Upper House</i>	117	100%
HK	<i>EAST, Hong Kong</i>	345	100%
HK	<i>Headland Hotel</i>	501	0%
China	<i>The Opposite House, Beijing</i>	99	100%
China	<i>EAST, Beijing</i>	369	50%
U.K.	<i>The Montpellier Chapter, Cheltenham</i>	61	100%
U.K.	<i>Avon Gorge Hotel, Bristol</i>	75	100%
U.K.	<i>The Magdalen Chapter, Exeter</i>	59	100%
U.K.	<i>Hotel Seattle, Brighton</i>	71	100%
Sub-Total (A)		1,697	
<u>Under Development</u>			
China	<i>Daci Temple Project, Chengdu</i>	142	50%
China	<i>Dazhongli Project, Shanghai</i>	100	50%
U.S.A.	<i>EAST, Miami</i>	351	100%
Sub-Total (B)		593	
Total = (A) + (B)		2,290	

Owned but Non-managed Hotels		No. of Rooms	Interest
<u>Completed</u>		<i>(100% basis)</i>	
HK	<i>Island Shangri-La</i>	565	20%
HK	<i>JW Marriott Hotel</i>	602	20%
HK	<i>Conrad</i>	513	20%
HK	<i>Novotel Citygate</i>	440	20%
China	<i>Mandarin Oriental, Guangzhou</i>	287	97%
U.S.A.	<i>Mandarin Oriental, Miami</i>	326	75%
Sub-Total (C)		2,733	
<u>Under Development</u>			
China	<i>Dazhongli Project, Shanghai</i>	332	50%
Sub-Total (D)		332	
Total = (C) + (D)		3,065	



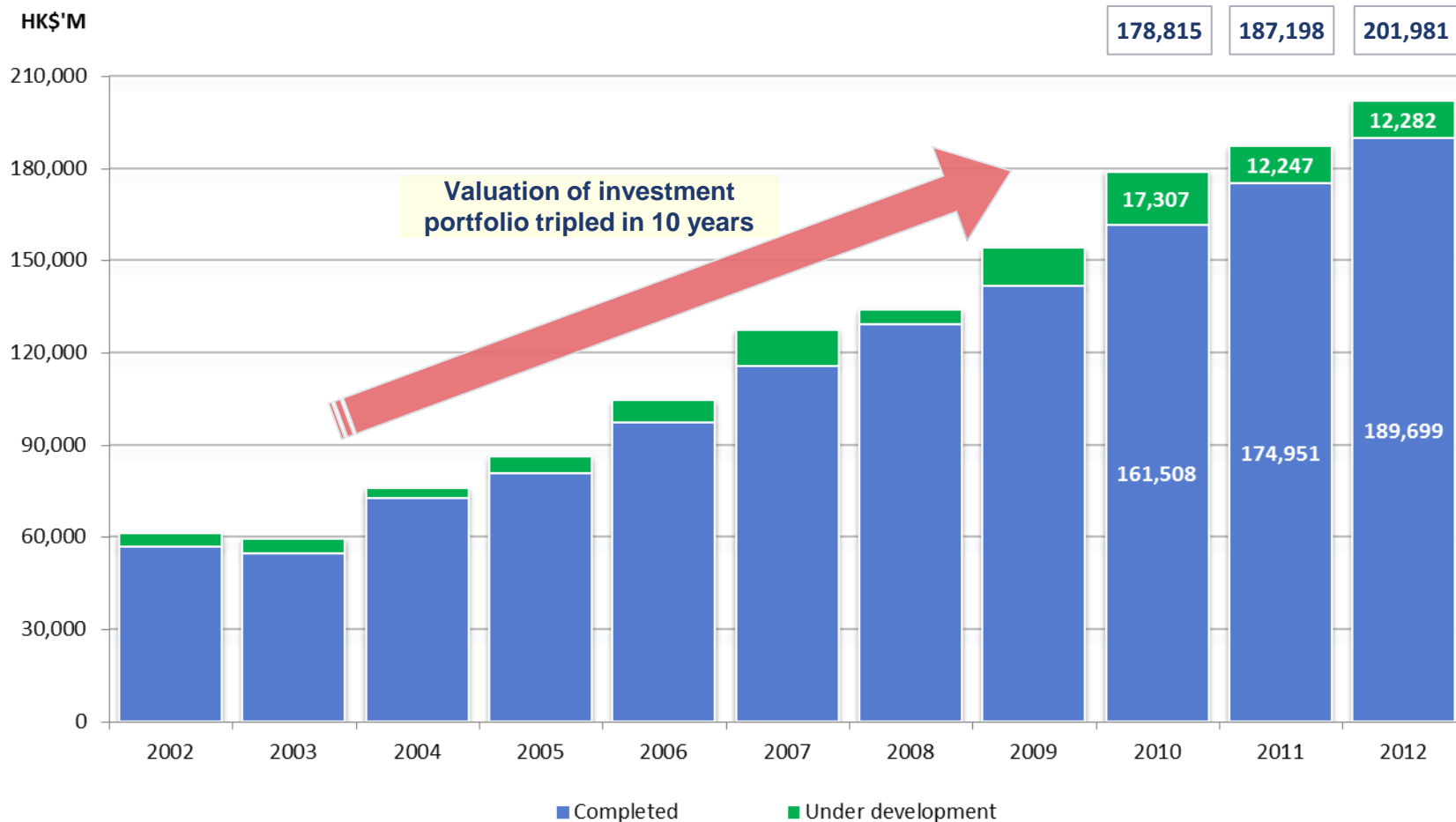
Expected Total Managed Rooms
2,290



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 annual 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.