



---

# 2015 Final Results | Analyst Briefing

10th March 2016

---

# Key Developments

Apr  
2015

~ 1.2M sf GFA



- ☐ Formally opened
- ☐ 50:50 JV with Sino-Ocean Land
- ☐ 88% occupancy, 83% opened

Apr  
2015

~ 0.5M sf LFA



- ☐ 61.5% Swire Properties
- ☐ 25.0% Simon Property Group
- ☐ 13.5% Bal Harbour Shops

May  
2015

~ 0.7M sf GFA



- ☐ 80:20 JV (Swire : CMB)
- ☐ Residential, subject to land premium agreement with Govt

Jul  
2015

~ 1.3M sf GFA



- ☐ Framework Agreement
- ☐ 50:50 JV with Lujiazui Group
- ☐ Retail, subject to conditions precedent

Jul  
2015

~ 0.36M sf GFA



- ☐ 100 hotel rooms and 42 serviced apartments

Aug  
2015

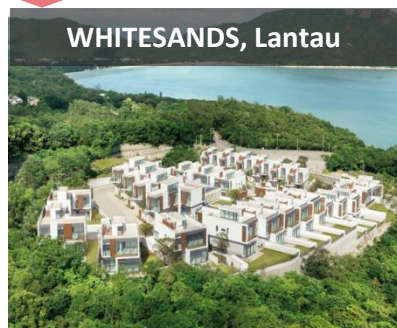
~ 63,000 sf GFA



- ☐ 111 serviced apartments

Sep  
2015

~ 64,410 sf GFA



- ☐ 28 detached houses
- ☐ Started to sell in Sept 2015

Mar  
2016

~ 0.13M sf LFA



- ☐ Three Brickell City Centre (one of the two office towers) opened
- ☐ 80% leased to Akerman



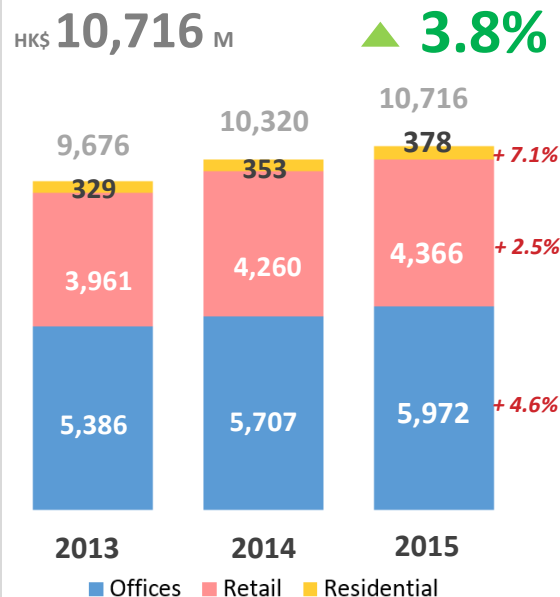


---

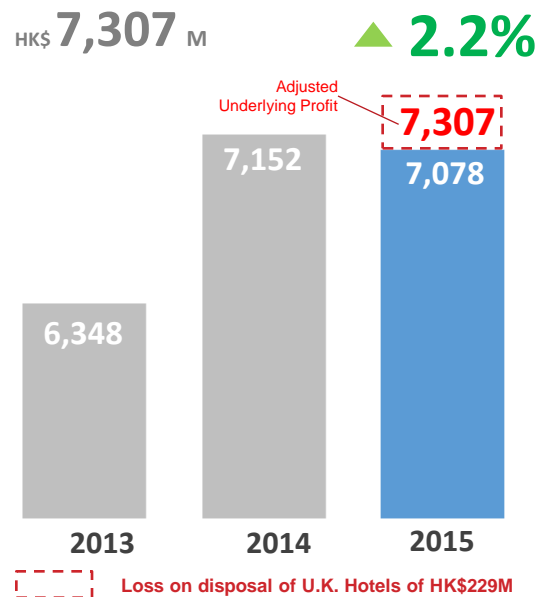
# Financial Summary

# Result Highlights

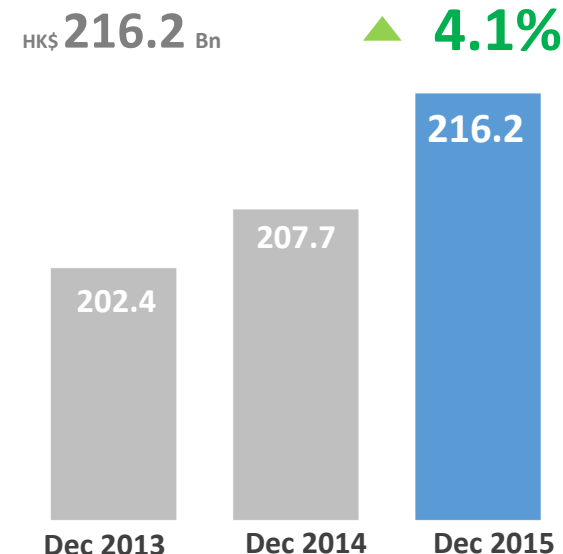
## Gross Rental Income



## Adjusted Underlying Profit



## Equity Attri. to Shareholders



**Gross rental income** ▲ **3.8% to HK\$10,716M**, as rental reversions in Hong Kong and Mainland China were generally positive.

**Reported profit** ▲ **47.9% to HK\$14,072M** mainly on higher valuation gains.

**Adjusted underlying profit** ▲ **2.2% to HK\$7,307M**, reflecting good performances from Hong Kong office portfolio and Mainland China retail portfolio, and higher trading profits.

**Underlying profit** ▼ **1.0% to HK\$7,078M**, after including a loss of HK\$229M on disposal of four hotels in U.K.

## Equity Attri. to Shareholders

HK\$ **36.97**  
Per Share

Dec 2014: HK\$ 35.50

## 2015 Dividend per share

HK\$ **0.71**  
(2nd / 1st Interim  
HK\$ 0.48 / HK\$ 0.23)

2014 Full Year (2nd/1st Interim):  
HK\$ 0.66 (HK\$ 0.44 / HK\$ 0.22)

# Financial Summary

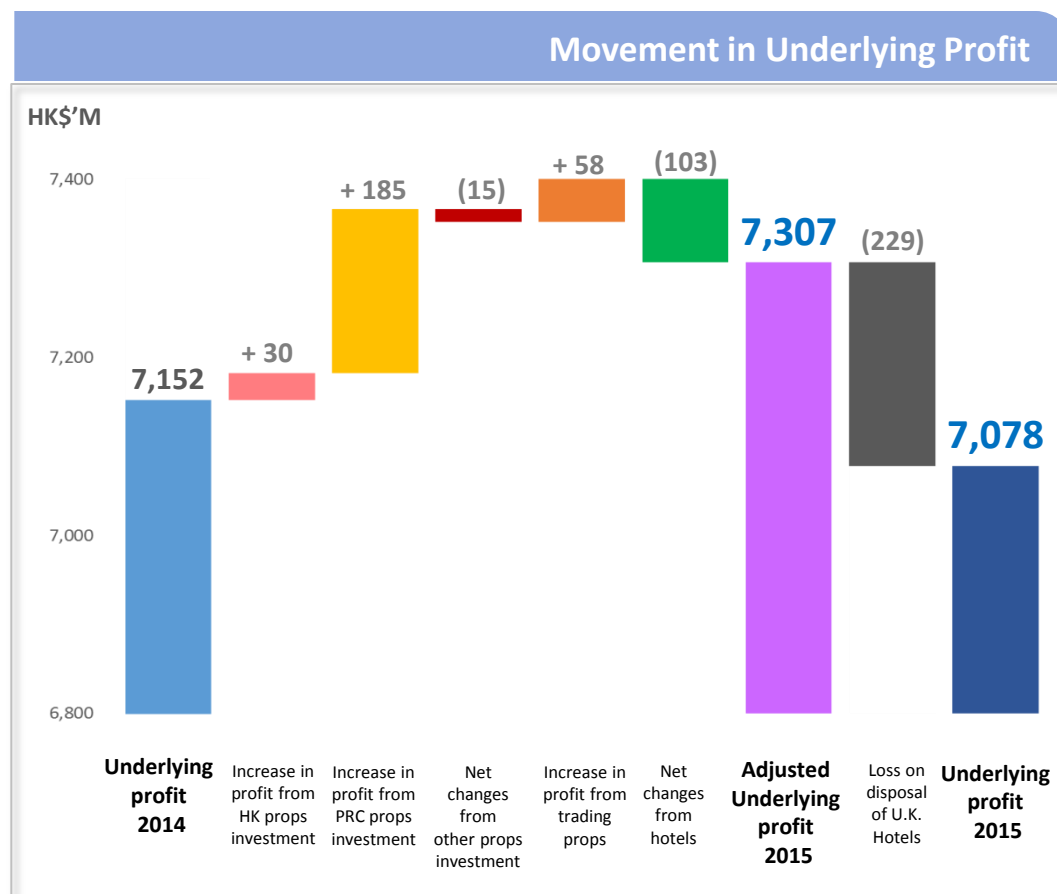
HK\$M	FY 2014	FY 2015	Change
Revenue	15,387	16,447	▲ 6.9%
Valuation gains on investment properties	1,956	7,116	▲ 263.8%
Operating profit	10,992	16,207	▲ 47.4%
Underlying profit	7,152	7,078	▼ 1.0%
Adjusted underlying Profit	7,152	7,307	▲ 2.2%
Reported profit	9,516	14,072	▲ 47.9%
Underlying earnings per share (HK\$ per share)	1.22	1.21	▼ 0.8%
Reported earnings per share (HK\$ per share)	1.63	2.41	▲ 47.9%
First interim dividend per share (HK\$ per share)	0.66 { 0.22	0.71 { 0.23	▲ 4.5%
Second interim dividend per share (HK\$ per share) <sup>(1)</sup>	0.44	0.48	▲ 9.1%
			▲ 7.6%
HK\$M	Dec 2014	Dec 2015	Change
NAV attributable to the Company's shareholders <sup>(2)</sup>	207,691	216,247	▲ 4.1%
Net debt	34,071	33,348	▼ 2.1%
Gearing ratio	16.3%	15.3%	▼ 1.0%pts
NAV per share (HK\$ per share)	35.50	36.97	▲ 4.1%

# Earnings Reconciliation

Earnings Reconciliation		
HK\$M	FY 2014	FY 2015
<b>Attributable profit</b>	<b>9,516</b>	<b>14,072</b>
Revaluation of investment props	(3,148)	(8,186)
Deferred tax on investment props	710	1,090
Realised profit on sale of properties	29	28
Dep. of owner-occupied inv. props	16	17
Non-controlling interests' share of revaluation movements less deferred tax	1	41
Movements in the fair value of a put option liability in favour of a non-controlling interest	28	16
<b>Underlying profit</b>	<b>7,152</b>	<b>7,078</b>
Loss on disposal of U.K. Hotels	-	229
<b>Adjusted Underlying Profit</b>	<b>7,152</b>	<b>7,307</b>

## Underlying Profit by Segment

	FY 2014	FY 2015	Change
Property investment	6,074	<b>6,274</b>	+ 3.3%
Property trading	1,049	<b>1,107</b>	+ 5.5%
Hotels	29	<b>(303)</b>	N/A
<b>Total</b>	<b>7,152</b>	<b>7,078</b>	- 1.0%



## 2015 Adjusted Underlying Profit

HK\$ **7,307** M

▲ **2.2%**

## 2015 Underlying Profit

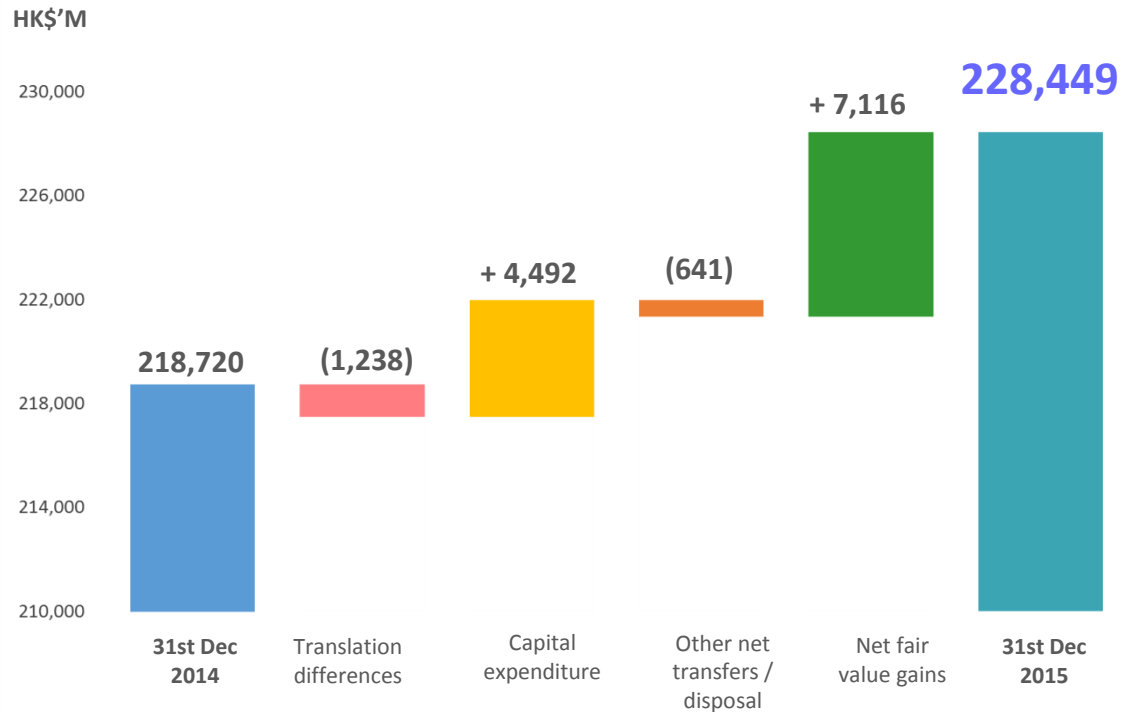
HK\$ **7,078** M

▼ **1.0%**

# Movement in Investment Properties

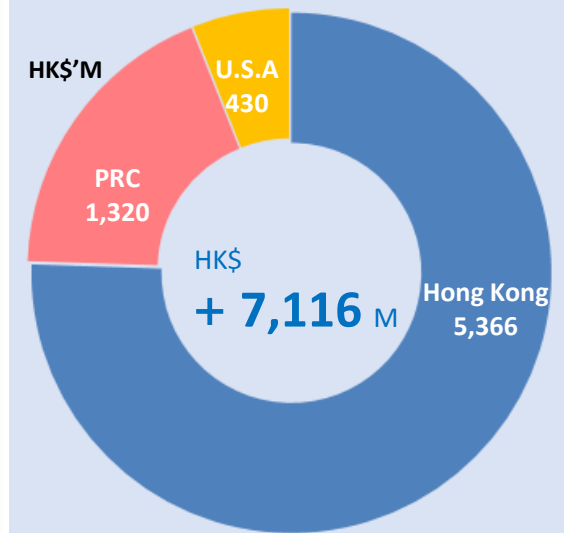
## Movement in Investment Properties

(excl. Hotels & Investment Properties held under JVCs)



The modest increase in the valuation of the investment property portfolio is mainly due to an increase in the valuation of the offices in Hong Kong outside Central district.

## Fair Value Gains Breakdown



## 2015 Investment Props Valuation

HK\$ **228,449** M

▲ **4.4%**



---

# Investment Portfolio



# Gross Rental Income

## HK Office

▲ 4.3%

- Office occupancy levels were firm.
- Demand for office space improved in 2015.
- Positive rental reversions at Taikoo Place and Cityplaza.

## HK Retail

▲ 0.7%

- Occupancy levels at 100%.
- Retail sales in Hong Kong were adversely affected by reduced spending by tourists.

## PRC Props \*

▲ 6.2%

- Sales in our retail portfolios increased.
- Demand for our retail space was firm.
- Retail sales of luxury goods were weak.

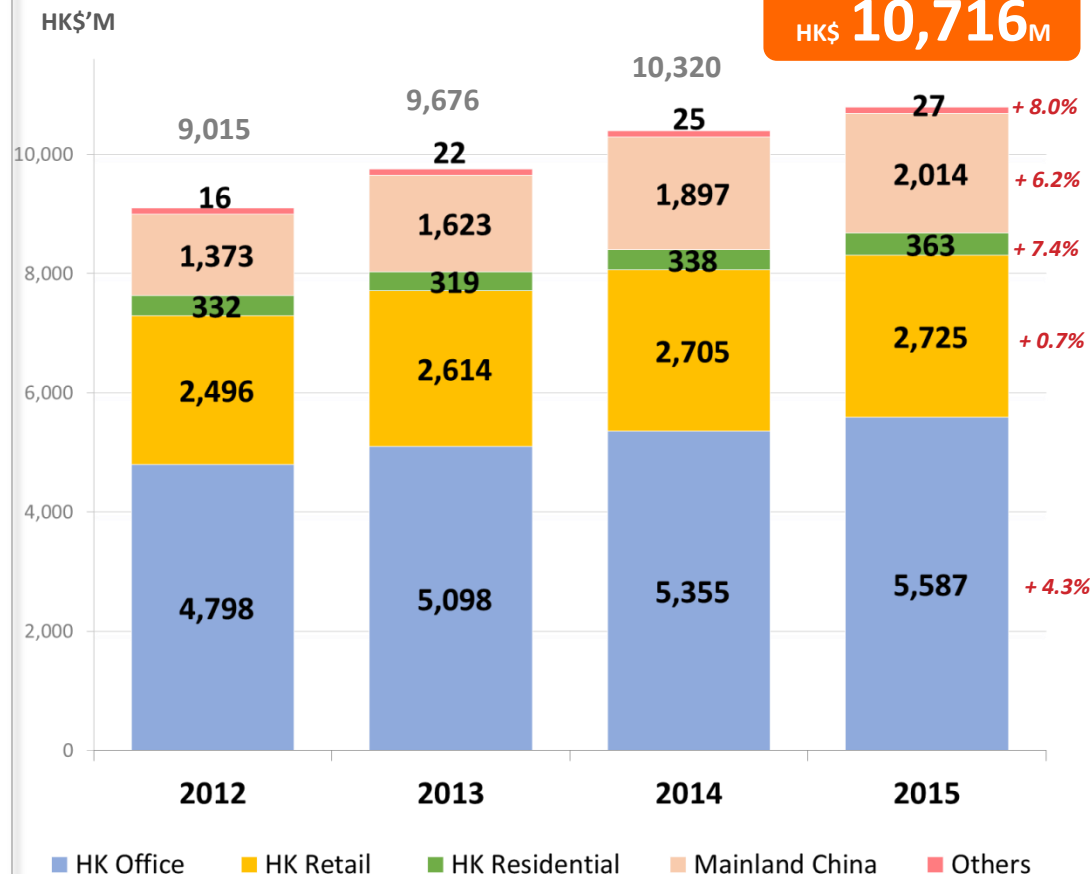
## PRC Props Rental Breakdown

	FY 2014	FY 2015	Change
Retail	1,555	1,641	+5.5%
Office	331	360	+8.8%
Serviced Apt	11	13	+18.2%
<b>Total</b>	<b>1,897</b>	<b>2,014</b>	<b>+6.2%</b>

## Gross Rental Income

▲ 3.8%

HK\$ 10,716M



\* Rental contributions from INDIGO and Sino-Ocean Taikoo Li Chengdu were not reflected in gross rental income as were accounted for under joint venture companies. On attributable basis, gross rental income from PRC increased by 14.4% from HK\$2,153M in FY 2014 to HK\$2,463M in FY 2015.

# HK Office Occupancy

Completed HK Office Properties	GFA (sq ft) (100% basis)	Occupancy (31st Dec 2015)	Area Let (sq ft) (New and Renewed Tenancies)	Reversion <sup>(5)</sup> (incl. Rent Reviews)	Attri. Interest
Pacific Place	2,186,433	100%	227,509	-1%	100%
Cityplaza	1,632,930	100%	216,014	+15%	100%
TKP Office Towers <sup>(1)</sup>	3,136,717	99%	301,198	+10%	50% / 100%
One Island East	1,537,011	99%	243,448	+8%	100%
Techno Centres <sup>(2)</sup>	893,516	100%	125,219	+6%	100%
Others <sup>(3)</sup>	1,077,161	98%	N/A	N/A	20% / 50% / 100%
<b>Total (100% basis)</b>	<b>10,463,768</b>				



Taikoo Place

## Latest rentals

## HK\$ per sq ft

One / Two Pacific Place	110 – 125
Three Pacific Place	90 – 100
Taikoo Place	mid 40s to high 40s
Techno Centres	mid 20s
One Island East	mid 50s to high 60s



Pacific Place

Attributable  
Valuation  
HK\$ **126.3** bn

Completed  
GFA  
**10.5** M sq ft

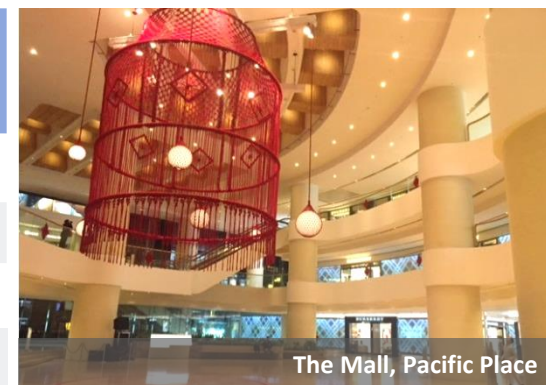
Occupancy  
(31st Dec 2015)  
**~ 99%**

Attri' Gross  
Rental <sup>(4)</sup>  
HK\$ **5,897** M  
(2014: HK\$5,645M)

- (1) Including PCCW Tower (50% owned), managed by Swire Properties.
- (2) Excluding Somerset House (the redevelopment of which into a Grade-A office building commenced in 2014) and approximately 187,000 sq ft in Cornwall House owned by the Hong Kong Government.
- (3) Others comprise One Citygate (20% owned), 625 King's Road (50% owned), Berkshire House (50% owned), 28 Hennessy Road (100% owned) and Generali Tower (100% owned).
- (4) Reported gross rental income (excluding rental contributions from JVCs and associates) was HK\$5,587M.
- (5) Reversion is the percentage change in rent on lease renewals, entry into new leases and rent reviews.

# HK Retail Occupancy

Completed HK Retail Properties	GFA (sq ft) (100% basis)	Occupancy (31st Dec 2015)	Retail Sales Growth (2015)	Attri. Interest
The Mall, Pacific Place	711,182	100%	-11.8%	100%
Cityplaza	1,105,227	100%	+0.7%	100%
Citygate Outlets	462,428	100%	-10.0%	20%
Others <sup>(1)</sup>	556,818	100%	N/A	20% / 60% / 100%
<b>Total (100% Basis)</b>	<b>2,835,655</b>			



**Cityplaza** – There were some changes in the tenant mix following the 2014 completion of an enhancement project. Retail sales were stable in 2015.

- (1) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (which are wholly-owned), Island Place retail premises (60% owned) and Tung Chung Crescent neighbourhood shops (20% owned).
- (2) Reported gross rental income (excluding rental contributions from JVCs and associates) was HK\$2,725M.

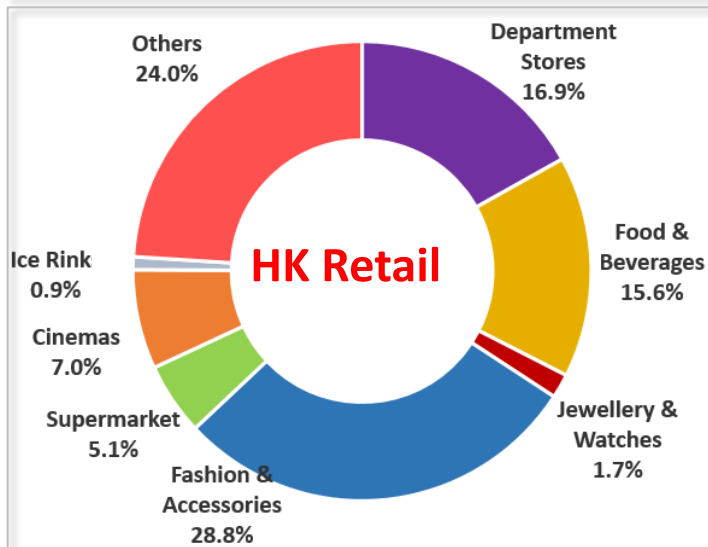
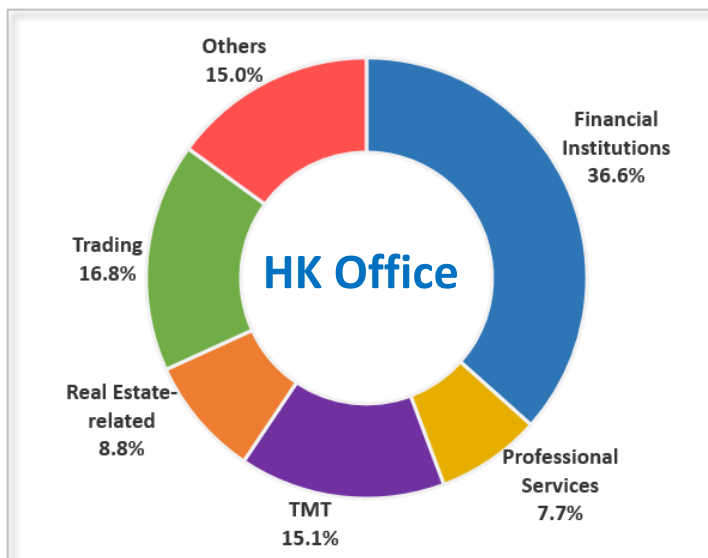
Attributable  
Valuation  
HK\$ **48.6** bn

Completed  
GFA  
**2.8** M sq ft

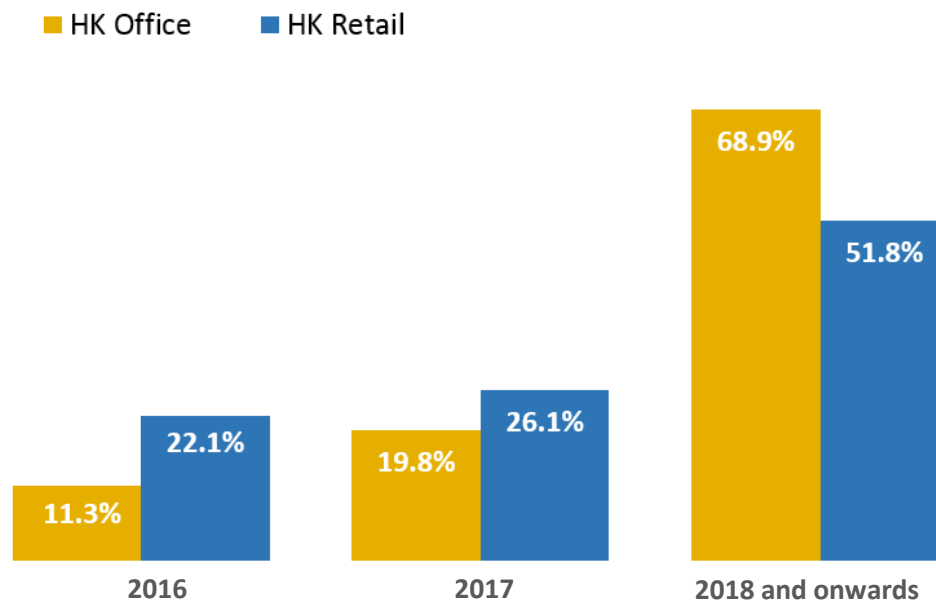
Occupancy  
(31st Dec 2015)  
**100%**

Attri' Gross  
Rental <sup>(2)</sup>  
HK\$ **2,813** M  
(2014: HK\$2,798M)

# HK Portfolio – Tenant Mix and Lease



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



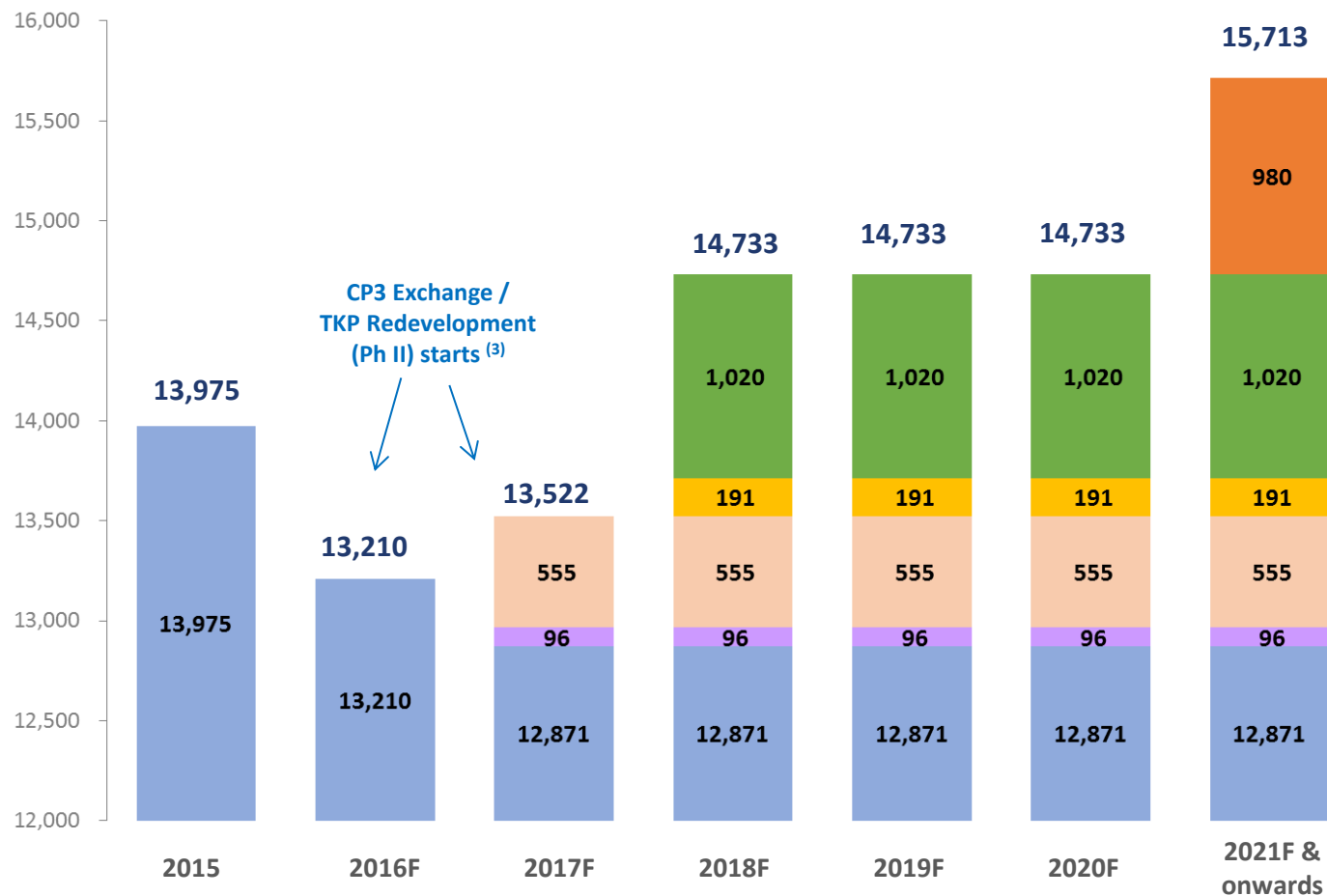
- ❑ Strong and diverse tenant base.
- ❑ Well-balanced lease expiry profile.
- ❑ Top 10 office tenants occupied approx. **22%** of office area in HK.
- ❑ Top 10 retail tenants occupied approx. **26%** of retail area in HK.



# Property Portfolio – Hong Kong

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

GFA ('000 sq ft)



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

**15.7** M sq ft

Taikoo Place  
Redevelopment (Ph 2)

Taikoo Place  
Redevelopment (Ph 1)

8-10 Wong Chuk Hang

Kowloon Bay (NKIL 6312)

Tung Chung (TCTL 11)

Existing Portfolio



# Hong Kong Investment Properties Update

## 2017 Tung Chung Town Lot 11



- ❑ 20% owned site in Tung Chung (adjacent to Citygate) acquired by tender in Mar 2013.
- ❑ Plans for a multi-storey commercial building.
- ❑ Excavation and foundation works in progress

~ 477,700 sf GFA

## 2017 New Kowloon Inland Lot 6312



- ❑ 100% owned site in Kowloon Bay acquired by tender in Nov 2013.
- ❑ Plans for an office building.
- ❑ Substructure and superstructure works in progress.

~ 555,000 sf GFA

## 2018+ Taikoo Place Redevelopment



- ❑ Redevelopment of Somerset House into a 50-storey office building. Excavation and foundation works in progress.
- ❑ Phase II (redevelopment of Cornwall House / Warwick House) is being planned.
- ❑ The redevelopment will include landscaped space of 69,000 sf.

~ 2M sf GFA

## 2018 8-10 Wong Chuk Hang Road



- ❑ 50% owned site in Aberdeen.
- ❑ Excavation and foundation works in progress.

~ 382,500 sf GFA

## 2015 Taikoo Place Apartments

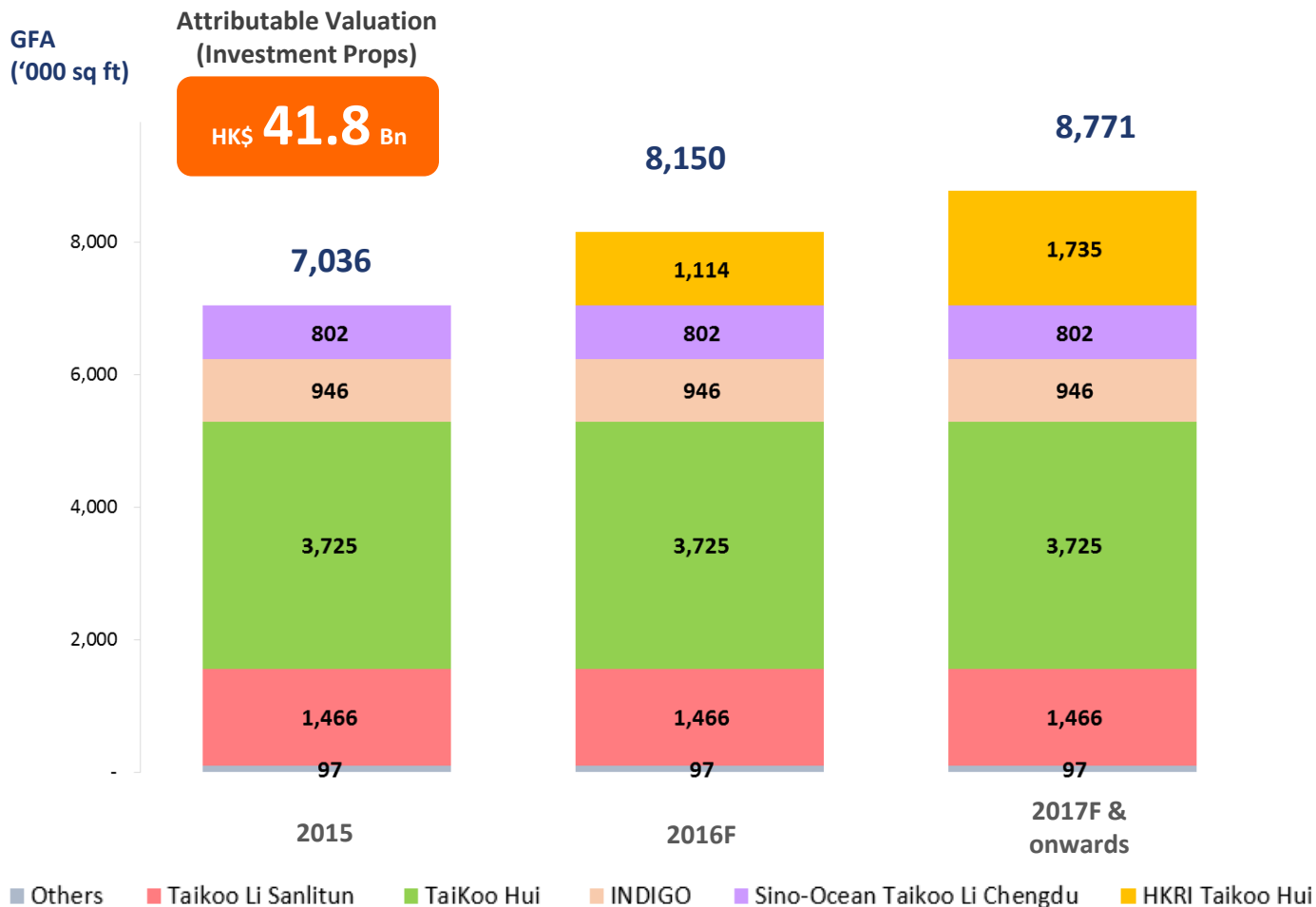


- ❑ a 28-storey building with 111 serviced apartments.

~ 63,000 sf GFA

# Property Portfolio – Mainland China

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



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

**8.7** M sq ft

HKRI Taikoo Hui  
(Shanghai) <sup>(3)</sup>

Sino-Ocean Taikoo Li  
Chengdu <sup>(4)</sup>

INDIGO  
(Beijing)

TaiKoo Hui  
(Guangzhou)

Taikoo Li Sanlitun  
(Beijing)

Others

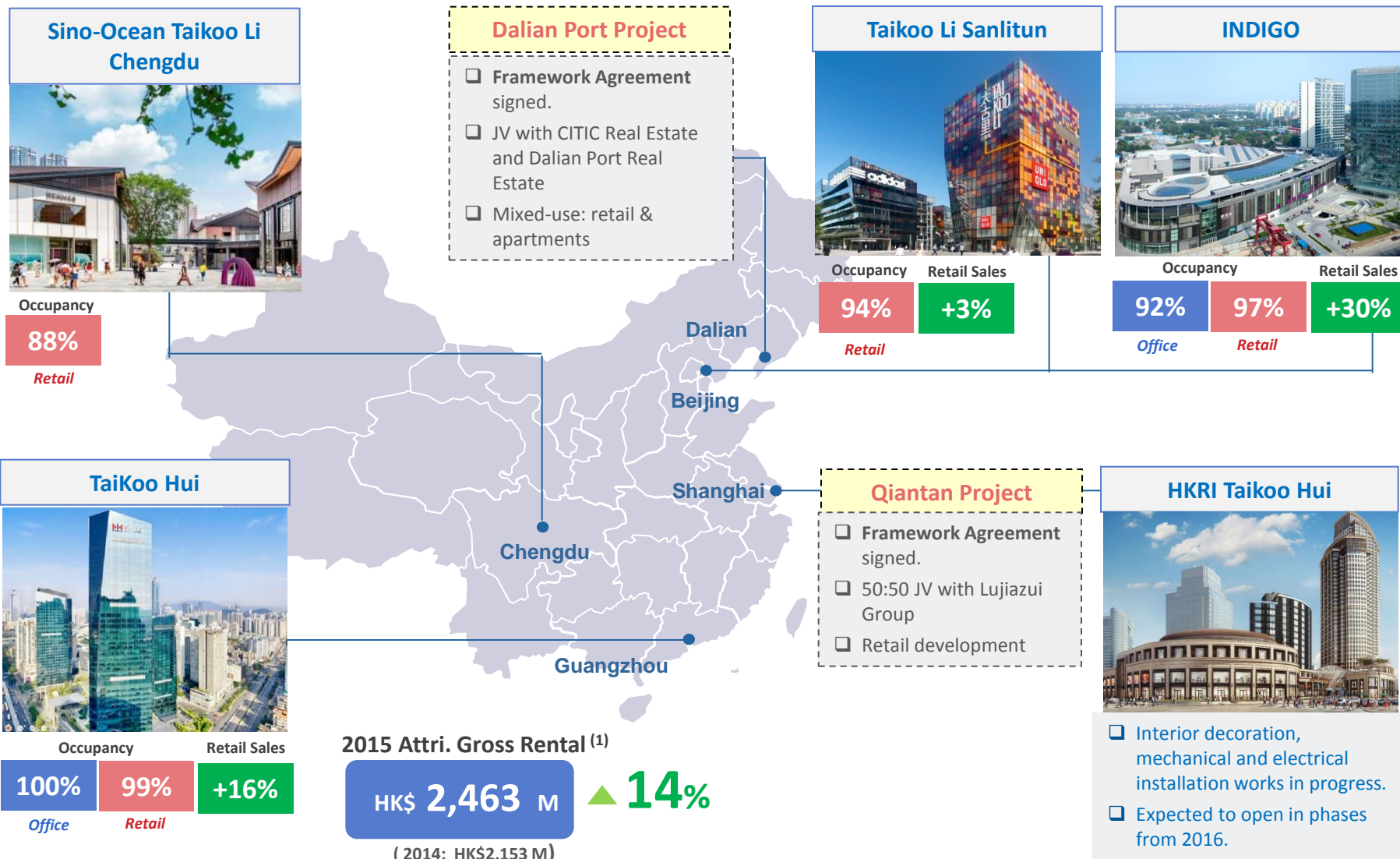
(1) Includes GFA of the hotel but excludes GFA of car parks of these projects.

(2) At 31st Dec 2015.

(3) HKRI Taikoo Hui (formerly known as the Dazhongli project) is expected to open in phases from 2016.

(4) Excludes Pinnacle One which is developed for trading purposes.

# Property Portfolio – Mainland China



(1) Reported gross rental income (excluding rental contributions from JVCs and associates) was HK\$2,014M.

(2) Retail sales growth quoted in RMB.

(3) Occupancy at 31st Dec 2015



# Sino-Ocean Taikoo Li Chengdu / The Temple House

## Sino-Ocean Taikoo Li Chengdu



## The Temple House, Chengdu





# HKRI Taikoo Hui, Shanghai

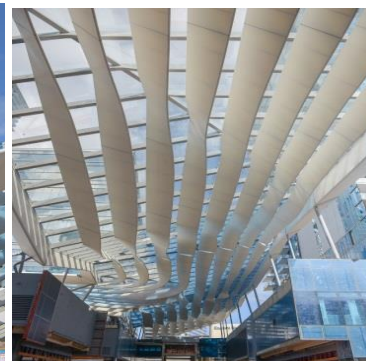
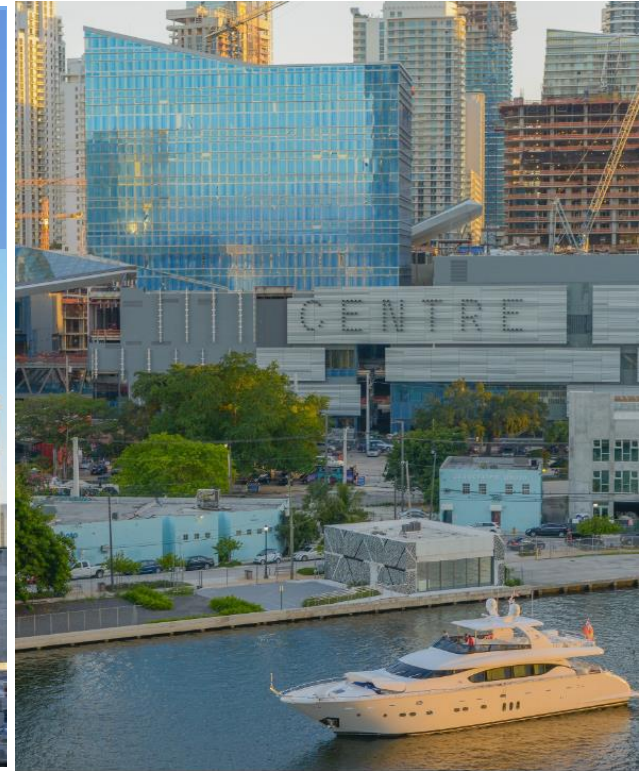
- ❑ GFA: 3.5M sq ft
- ❑ 1 Retail Mall, 2 Office Towers, 3 Hotels (incl. Serv Apts)
- ❑ Open in Phases from 2016





# Brickell City Centre, Miami

- ❑ LFA / SA : 2.2 M sq ft *(incl. residential)*
- ❑ 1 Retail Mall, 2 Office Buildings, 1 Hotel (incl. Serv Apts) and 2 Residential Towers
- ❑ Open in Phases from 2016





# Brickell City Centre, Miami - Investment

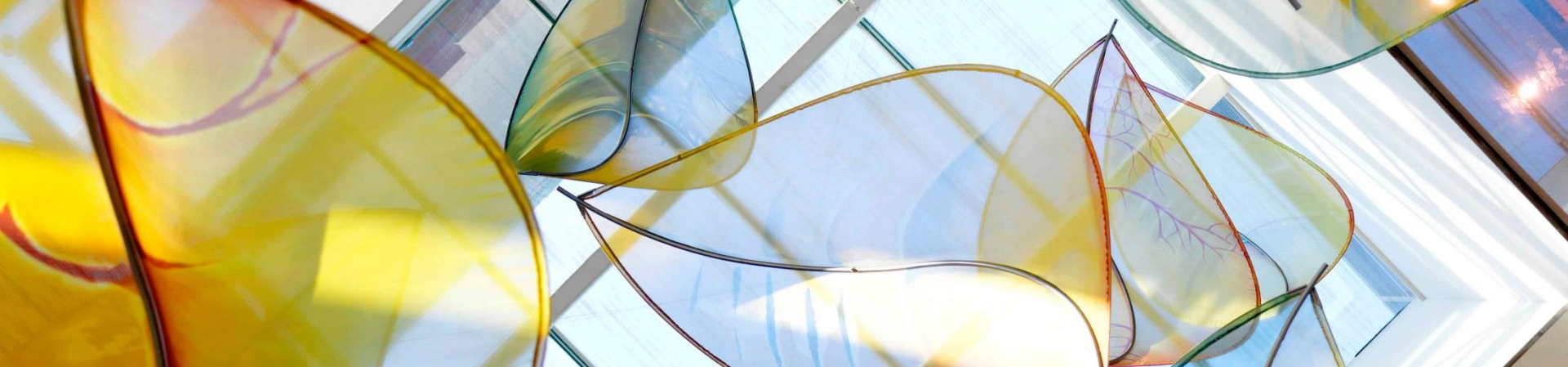


- ❑ Located in the centre of the Brickell financial district of Miami, with a light rail system station within the site.
- ❑ Phase I construction works (BCC) commenced in 2012, with completion expected during 2016.
- ❑ Joint venture with Bal Harbour Shops (13.5%) and Simon Property Group (25%) to develop the retail component of BCC. Swire Props holds 61.5% of BCC retail.
- ❑ Phase II is planned to be a 80-storey mixed-use tower “One Brickell City Centre” comprising retail, office, hotel and residential space, incorporating the site at 700 Brickell Avenue acquired in Jul 2013.

## Project Summary (100% Basis)

GFA	2.21 M sq ft (Phase I) 1.97 M sq ft (Phase II)
Components	Retail 2 office buildings EAST Miami (w SA) 2 Condos (Reach / Rise) One BCC and 1 Condo
Interest	Retail: 61.5% Others: 100%
Yr of Opening	2016 (Ph I); TBC (Ph II)





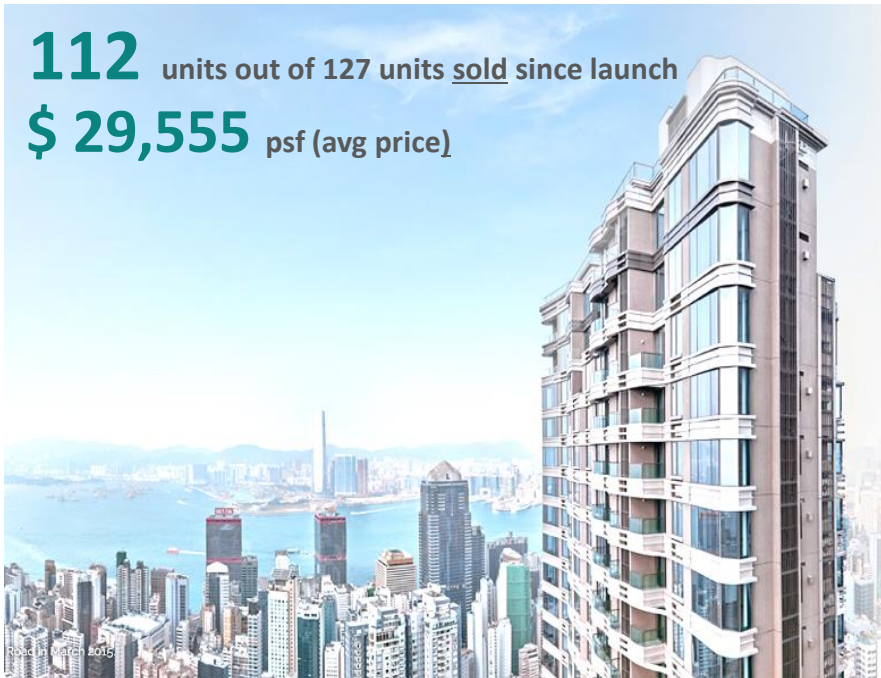
---

# Trading Portfolio

# HK Trading Portfolio

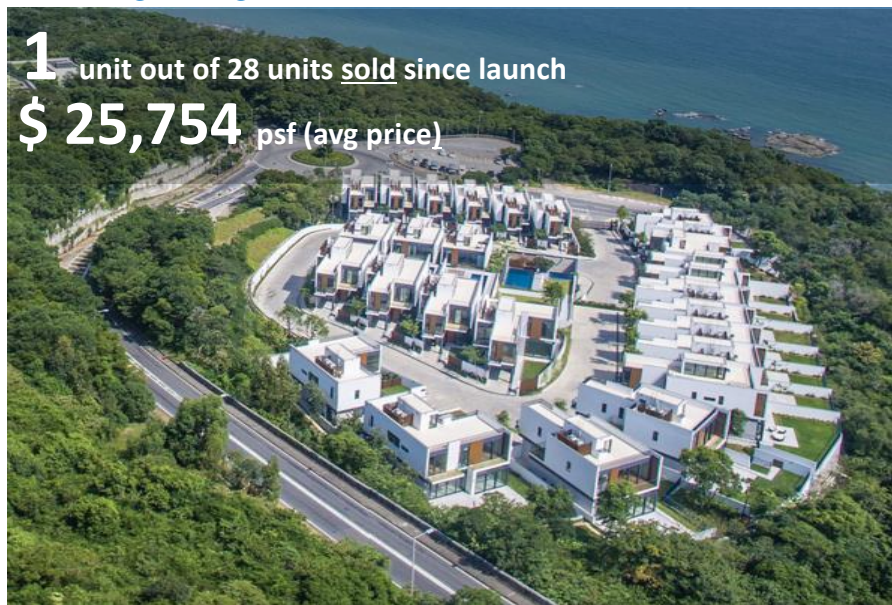
## AREZZO

**112** units out of 127 units sold since launch  
**\$ 29,555** psf (avg price)



## WHITESANDS

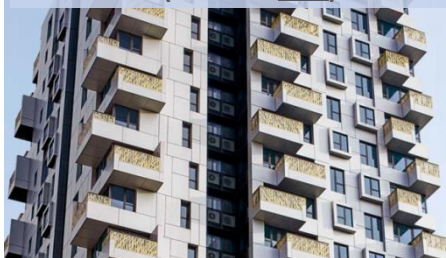
**1** unit out of 28 units sold since launch  
**\$ 25,754** psf (avg price)



**ALASSIO** (GFA: 195,533 sf) to be completed in 2016 and available for handover in 2017.

## DUNBAR PLACE

**All Sold** (53 units sold)



**\$22,197** psf (avg price)

## AZURA

**All Sold** (126 units sold)



**\$31,309** psf (avg price)

## ARGENTA

**All Sold** (30 units sold)



**\$33,466** psf (avg price)

## MOUNT PARKER RESIDENCES

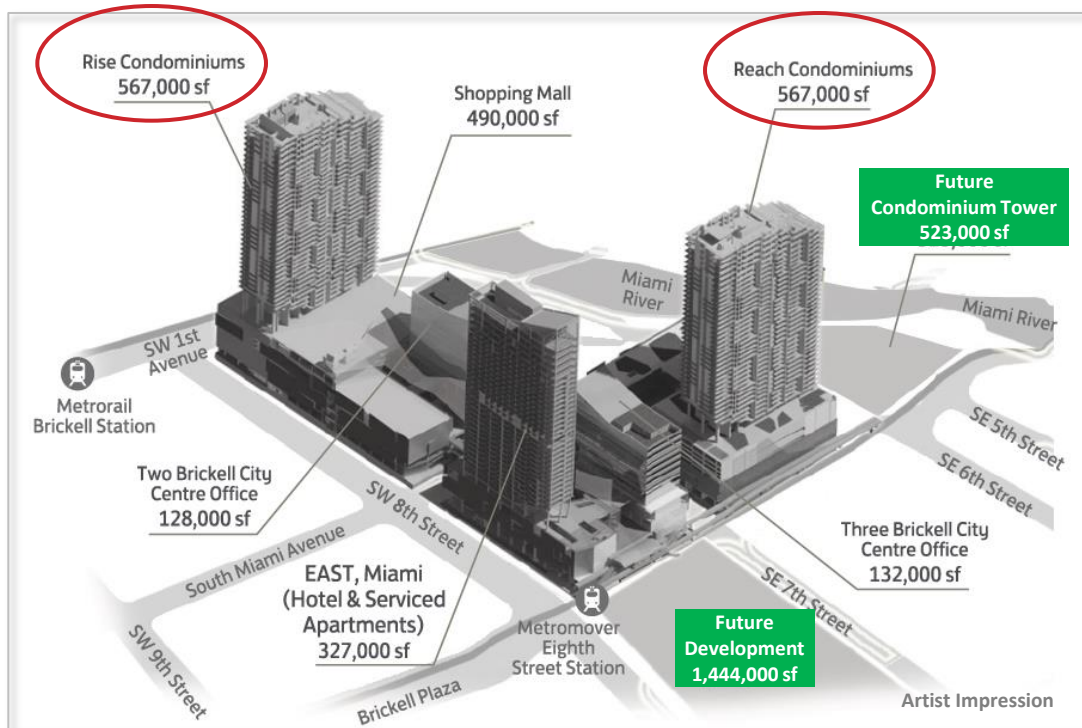
**1** unit left (91 units sold)



**\$24,833** psf (avg price)



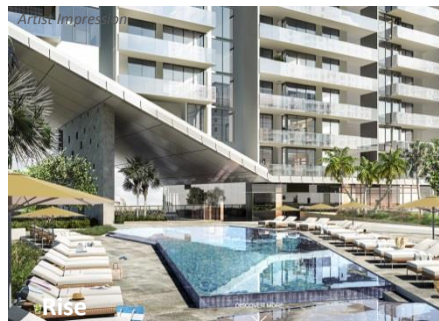
# Brickell City Centre, Miami - Trading



Condominiums – Reach and Rise



Reach



Rise

## Reach

**335** out of 390 units sold since launch <sup>(1)</sup>  
**mid- US\$ 600s** psf (avg price) <sup>(2)</sup>

## Rise

**160** out of 390 units sold since launch <sup>(1)</sup>  
**high- US\$ 600s** psf (avg price) <sup>(2)</sup>

- (1) At 8th March 2016.
- (2) Average selling price is based on saleable area.
- (3) The above simplified diagram is not to scale and is for illustration purpose only.



---

# Financing



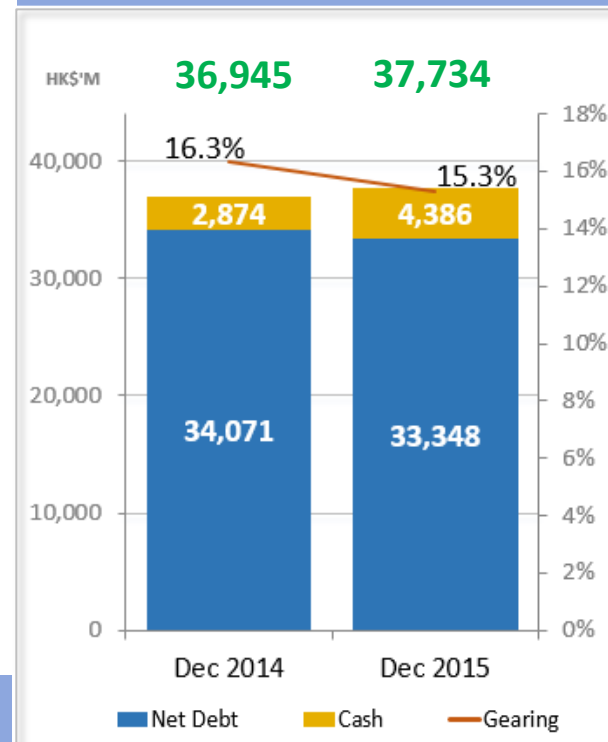
# Net Debt and Gearing

## Net Debt Reconciliation (HK\$M)

<b>Net debt at 31st Dec 2014</b>	<b>(34,071)</b>
Net rental and fees receipts	9,079
Proceeds from property trading / development	5,098
Capex- PP&E and property investment	(4,174)
Development costs – property trading	(2,649)
Net investments in JVCs / Associates	(403)
Net interest paid	(1,414)
Profit tax paid	(1,267)
Dividends paid to the Company's shareholders	(3,920)
Other operating items	373
<b>Net debt at 31st Dec 2015</b>	<b>(33,348)</b>

Financial Ratios	2011	2012	2013	2014	2015
Total Equity (HK\$ M)	176,418	193,076	203,150	208,547	<b>217,949</b>
Net Debt (HK\$ M)	27,700	28,921	32,014	34,071	<b>33,348</b>
Gearing	15.7%	15.0%	15.8%	16.3%	<b>15.3%</b>
Underlying Interest Cover	12.0	7.9	6.4	7.6	<b>7.8</b>
Underlying Cash Interest Cover	9.2	6.0	5.1	5.6	<b>5.9</b>

## Gearing



Net Debt

HK\$ **33,348** M

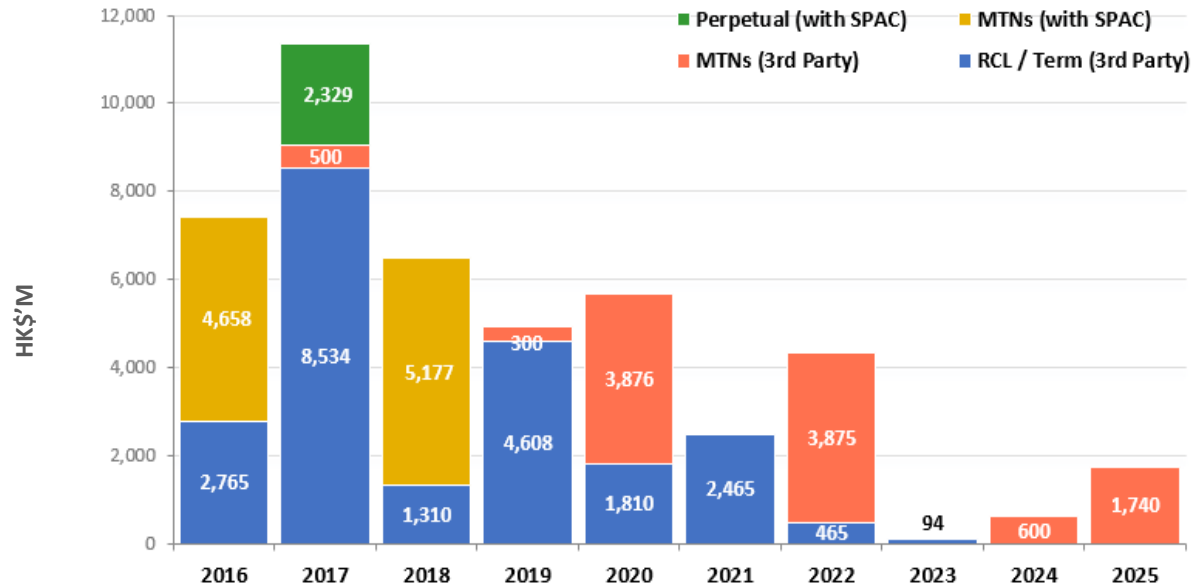
Gearing

**15.3** %

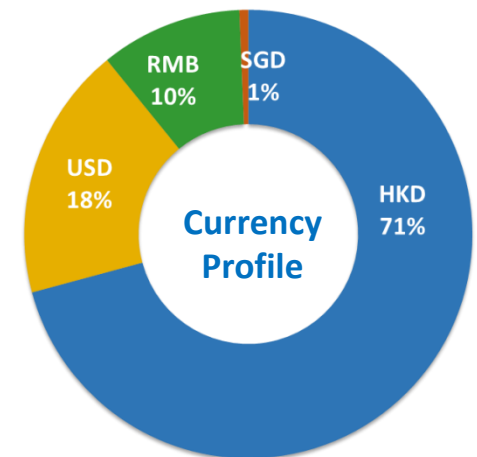
# Maturity Profile & Liquidity

## Maturity Profile of Available Committed Facilities (at 31st Dec 2015)

<b>Total</b>	<b>45,106</b>	7,423	11,363	6,487	4,908	5,686	2,465	4,340	94	600	1,740
<b>Drawn</b>	<b>37,299</b>	6,673	10,359	5,987	2,155	4,886	465	4,340	94	600	1,740



HK\$M	Dec 2014	Dec 2015
Cash	2,874	4,386
Undrawn - committed	6,748	7,807
	9,622	12,193
Undrawn - uncommitted	1,665	1,553
	11,287	13,746



### Major financing activities in 2015:

- Arranged three 5-yr term and revolving loan facilities aggregating HK\$3,500M
- Issued medium-term notes of HK\$1,740M
- An increase of US\$250M in a revolving loan facility
- Arranged a revolving loan facility of SGD100M

### Subsequent to 31st Dec 2015:

- Issued medium-term notes of US\$500M

Fixed : Floating  
**61% : 39%**

Available Committed Facilities  
**HK\$ 45,106 M**

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

Cash & Undrawn  
Committed Facilities  
**HK\$ 12,193 M**

# Capital Commitments

## Profile of Capital Commitments – at 31st Dec 2015

HK\$'M	Expenditure	Forecast Year of Expenditure				Commitments*
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019 &amp; later</u>	<u>At 31st Dec 2015</u>
Hong Kong	2,731	4,436	3,477	2,530	5,586	16,029
Mainland China	1,497	1,416	633	461	10	2,520
U.S.A. and elsewhere	2,372	828	162	156	103	1,249
Total	6,600	6,680	4,272	3,147	5,699	19,798

\* The capital commitments represent the Group's capital commitments of HK\$16,550 million plus the Group's share of the capital commitments of joint venture companies of HK\$3,248 million. The Group is committed to funding HK\$1,190 million of the capital commitments of joint venture companies.



---

# Prospects



# Prospects

## Hong Kong Office

- ❑ High occupancy and limited supply will put upward pressure on rents in Central, despite a slowdown in demand for office space by Mainland Chinese entities.
- ❑ High occupancy is expected to result in rents in Taikoo Place and Cityplaza being reasonably resilient despite increased supply in Kowloon East and other districts.

## Mainland China Office

- ❑ In Guangzhou, office rents are expected to be stable in 2016 despite a substantial supply of new office space.
- ❑ In Beijing, office rents are expected to weaken in 2016 as substantial amounts of new office space become available and demand falls.

## Property Trading

- ❑ Buyers of property have become more cautious in the light of expected interest rate increases and general economic uncertainties.
- ❑ Trading profits are expected to be recognised in 2016 from the sales of the remaining units at the Hong Kong developments and from the sales of units at the Reach and Rise developments in Miami.

## Hong Kong Retail

- ❑ Demand for retail space in Hong Kong is expected generally to weaken in 2016.
- ❑ But there is growth in demand for quality space from tenants engaged in successful businesses.

## Mainland China Retail

- ❑ Overall retail sales are expected to grow modestly in Guangzhou and Beijing and steadily in Chengdu.

## Hotels

- ❑ Trading conditions for our hotels in Hong Kong and Mainland China are expected to be challenging in 2016.

# Sustainable Development

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

## Environment



- ▼ **3%** energy intensity (2015)
- ▲ **52 -> 64** million kWh / yr **escalated energy reduction target** (by 2020)
- 28 BEAM/+ & 6 LEED** certified projects

## Health & Safety



- ▼ **2.6%** lost time injury rate (2015)
- OHSAS 18001** Health & Safety Mgmt

## Communities



- 1,300 +** community ambassadors (2015)
- 5,500** hours of service (2015)
- Blueprint** project
- Community Caring Fund** established

## Employees

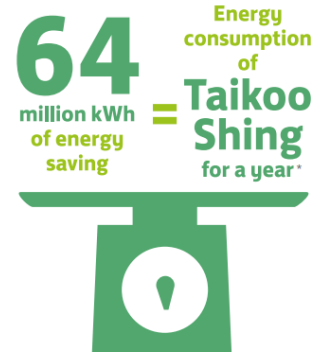


- Staff Engagement & Communication**
- ~ 4,900** employees
- > 1,000** development courses for our employees (2015)

## Working with Others

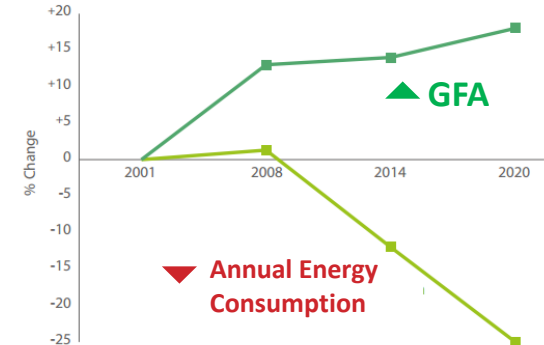


- Green Purchasing**
- Free Energy Audits** for tenants
- Sustainability Memoranda** with tenants (TaiKoo Hui, Guangzhou)



\*64,000,000 / 4,941<sup>1</sup> = 12,952 households  
No. of households in Taikoo Shing : 12,700  
<sup>1</sup> Energy consumption for a typical household = 4,941 kWh

Energy Reduction and Gross Floor Area Trend



**Urban Institute Global Awards** (2015)

**DOW JONES SUSTAINABILITY INDICES** (2015)



**SUSTAINABILITY RANKING**

**blueprint**



**Hang Seng Corporate Sustainability Index Series**

(2015)



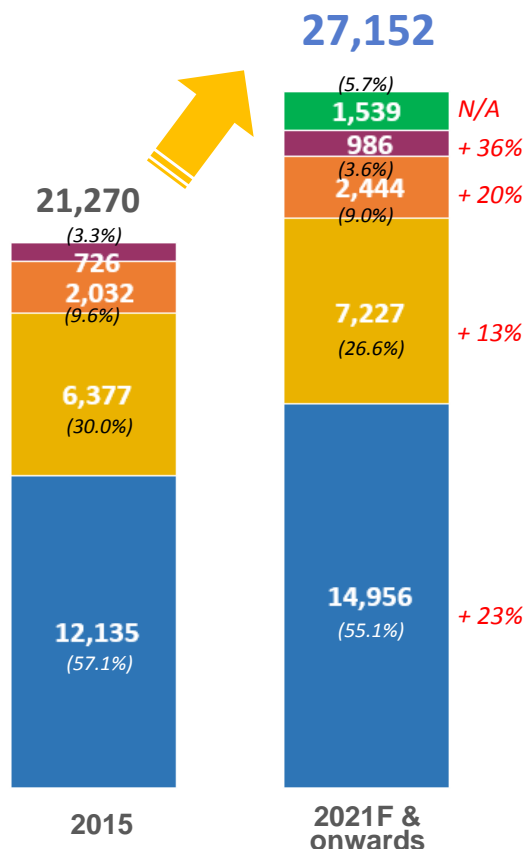
**SWIRE PROPERTIES**

# Swire Properties in Five Years

## Expected Attributable GFA by Segment

GFA ('000 sq ft)

▲ 28%

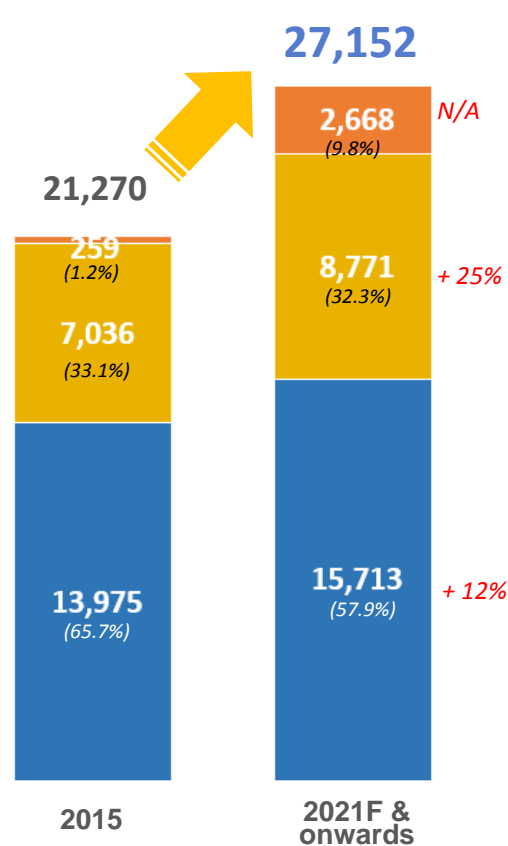


■ Office  
■ Hotels  
■ Retail  
■ Resid. & S.A.  
■ Underplanning

## Expected Attributable GFA by Region

GFA ('000 sq ft)

▲ 28%



■ HK ■ Mainland China ■ U.S.A. & elsewhere

## Expected Attri. Trading GFA Sales to Complete

	Exp. Units
HK Residential 195,533 sq ft	197
US Residential 1,134,000 sq ft (BCC Phase I)	780
523,000 sq ft (BCC Phase II)	N/A

Total Exp. Attri. GFA (Trading)  
to Complete

1.9 M sq ft

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

5.9 M sq ft





---

# Appendix

# Property Portfolio

Investment Props / Hotels Attributable GFA (M sq ft) <sup>(1)</sup>	Office	Retail	Hotels <sup>(2)</sup>	Resid./Serviced apartment	Under- Planning	Total
--	--------	--------	-----------------------	------------------------------	--------------------	-------

## Completed

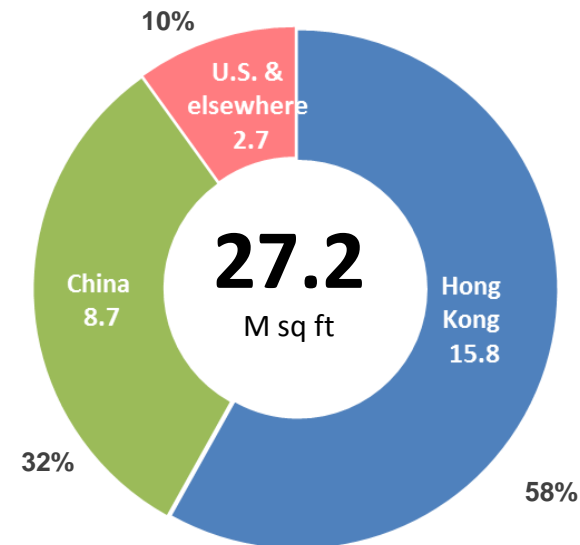
Hong Kong	10.2	2.5	0.7	0.6	-	14.0
Mainland China	2.0	3.9	1.0	0.1	-	7.0
U.S.A.	-	-	0.3	-	-	0.3
<b>Sub-Total (A)</b>	<b>12.2</b>	<b>6.4</b>	<b>2.0</b>	<b>0.7</b>	<b>-</b>	<b>21.3</b>

## Under Development or Held for Future Development

Hong Kong	1.7	-	-	-	0.1	1.8
Mainland China	0.9	0.5	0.2	0.1	-	1.7
U.S.A. and elsewhere	0.3	0.3	0.2	0.2	1.4	2.4
<b>Sub-Total (B)</b>	<b>2.9</b>	<b>0.8</b>	<b>0.4</b>	<b>0.3</b>	<b>1.5</b>	<b>5.9</b>
<b>TOTAL = (A) + (B)</b>	<b>15.1</b>	<b>7.2</b>	<b>2.4</b>	<b>1.0</b>	<b>1.5</b>	<b>27.2</b>

Trading Props Attributable GFA (M sq ft)	Completed Prop Held for Sale	Under Development / Held for Development	Total
Hong Kong	0.1	0.2	0.3
Mainland China	0.3	-	0.3
U.S.A.	-	3.0	3.0
<b>Total</b>	<b>0.4</b>	<b>3.2</b>	<b>3.6</b>

## Attributable Investment Props by Region (GFA)



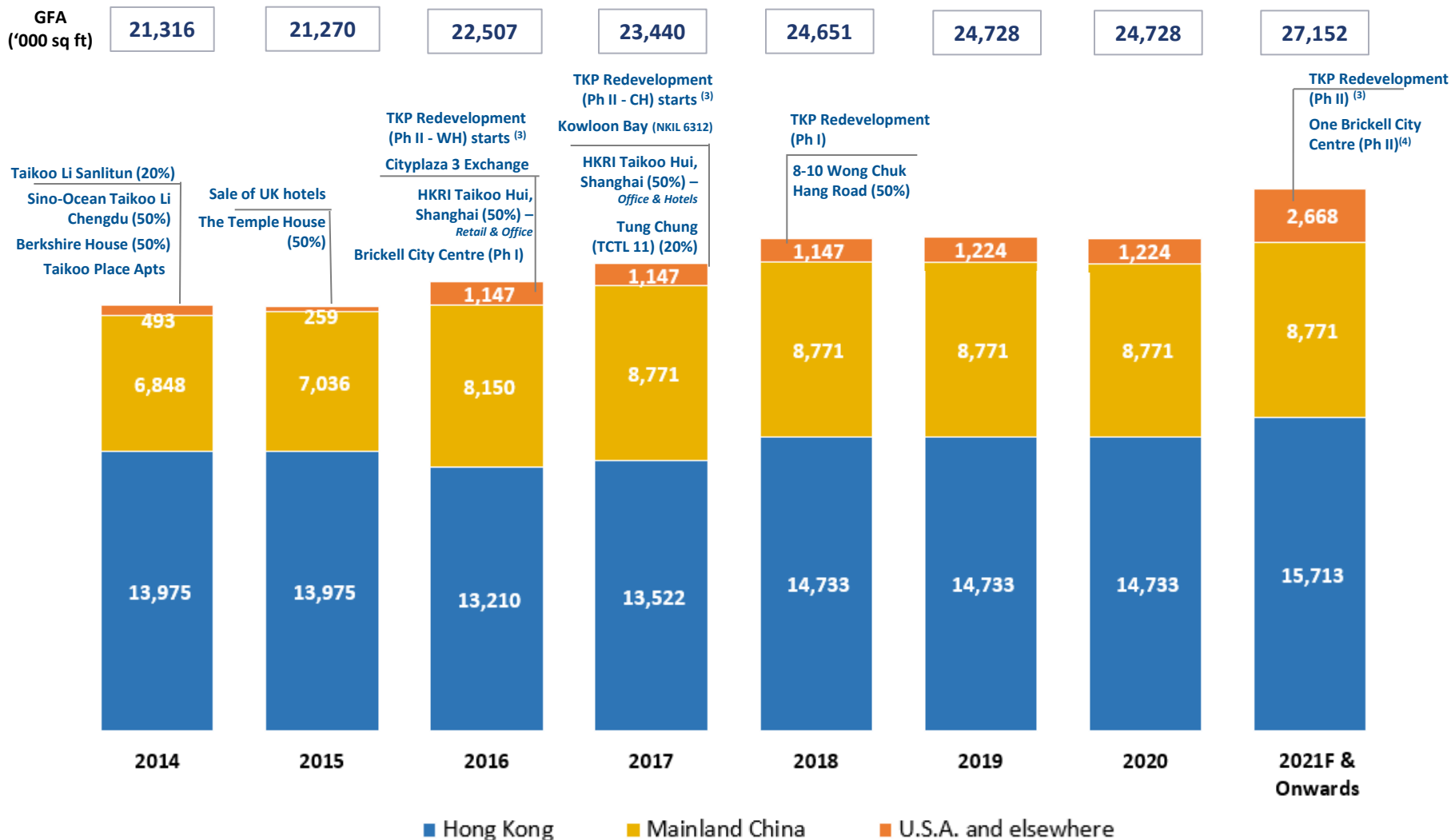
Attri. Investment  
Portfolio  
**27.2 M sq ft**

Attri. Trading  
Portfolio  
**3.6 M sq ft**

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

# Completed Investment Portfolio

Expected Attributable GFA of Completed Investment Portfolio (incl. Hotels) <sup>(1)(2)(3)(4)</sup>



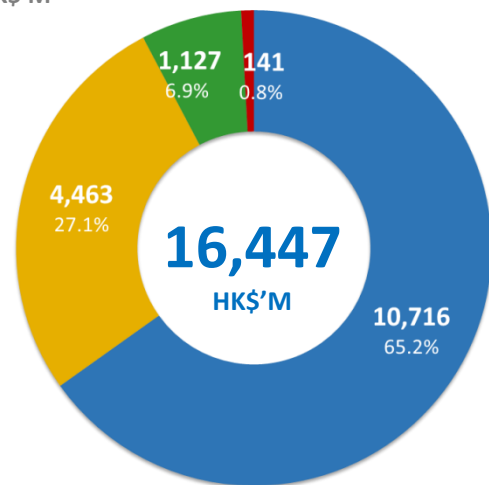
- (1) Hotels are accounted for under property, plant and equipment in the financial statements.  
 (2) Excludes GFA of property trading components and car parks but includes GFA of the hotel portion of these projects.  
 (3) Redevelopment under planning, subject to further review.  
 (4) Development subject to further review.



# Revenue Analysis

## 2015 Revenue Breakdown by Segment

HK\$'M



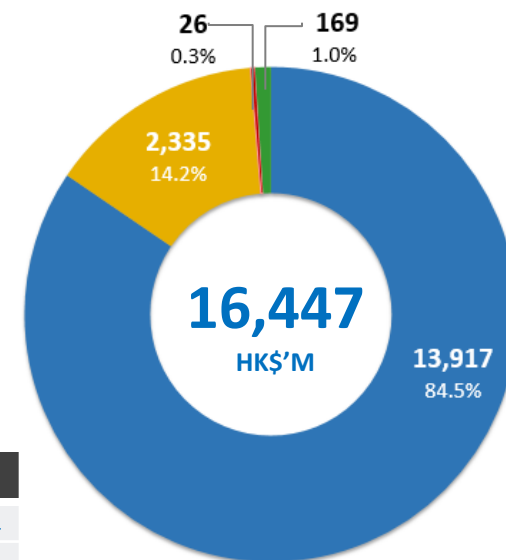
### Comparison

	2014	2015
Rental	10,320	10,716
Trading	3,842	4,463
Hotels	1,089	1,127
Others	136	141
<b>Total</b>	<b>15,387</b>	<b>16,447</b>

■ Gross Rental Income ■ Property Trading  
■ Hotels ■ Others

## 2015 Revenue Breakdown by Region

HK\$'M



### Comparison

	2014	2015
HK	12,967	13,917
China	2,210	2,335
U.S.A.	23	26
U.K. & Others	187	169
<b>Total</b>	<b>15,387</b>	<b>16,447</b>

■ HK ■ China ■ U.S.A. ■ U.K. & Others

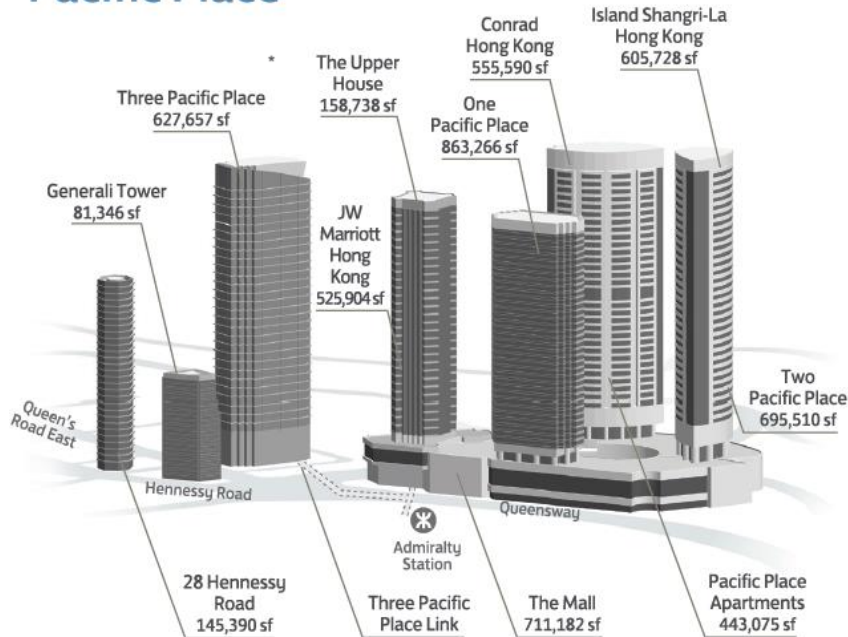
The turnover increased by 7% principally due to higher sales revenue from the sale of residential apartments, higher rental income from investment properties and higher revenue from hotel operations.

Revenue

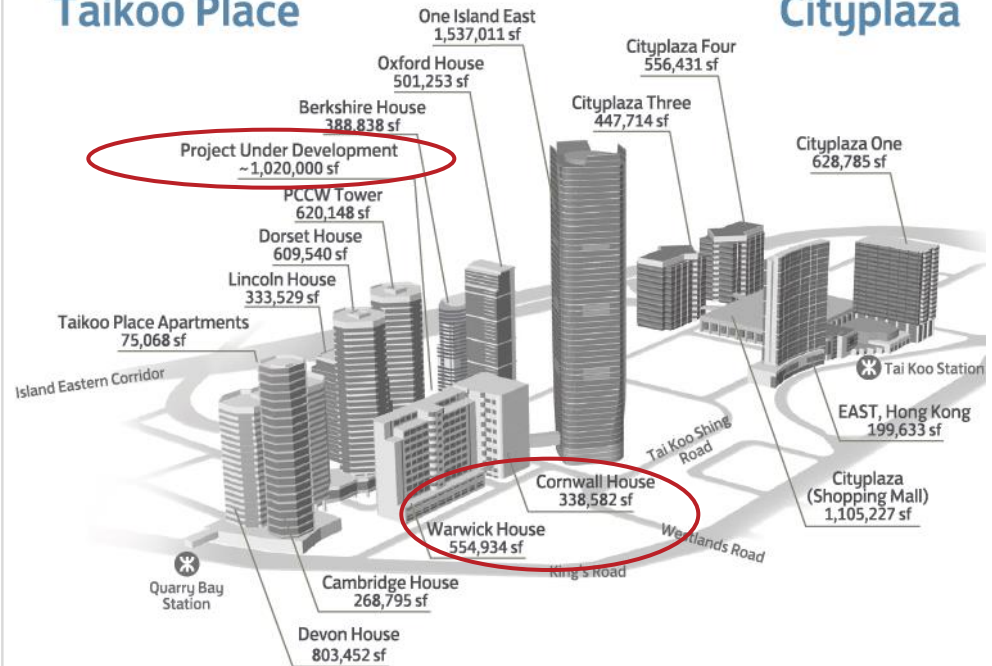
▲ 7%

# HK Portfolio Map

## Pacific Place



## Taikoo Place



# Taikoo Li Sanlitun, Beijing



- ❑ Gross rental income at Taikoo Li Sanlitun recorded satisfactory growth in 2015.
- ❑ Overall occupancy at Taikoo Li Sanlitun was **94%** at 31st Dec 2015.
- ❑ Retail sales grew by **3%** in 2015 and are expected to grow modestly in Beijing in 2016. Demand for luxury goods has weakened 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



- ❑ TaiKoo Hui is our largest investment property in Mainland China.
- ❑ Occupancy of the shopping mall was **99%** at 31st Dec 2015.
- ❑ Retail sales increased by **16%** in 2015. Retail sales are expected to grow modestly in Guangzhou in 2016. Demand for retail space for occupation by outlets selling high quality brands and food and beverage outlets is strong.
- ❑ Occupancy of the office towers was **100%** at 31st Dec 2015.
- ❑ Office rents are expected to be stable in 2016 despite a substantial supply of new office space.

Project Summary (100% Basis)	
GFA	3.84 M sq ft
Components	Shopping Mall 2 Office Towers Mandarin Oriental GZ
Interest	97%
Yr of Opening	2011 / 2012 / 2013

# INDIGO, Beijing



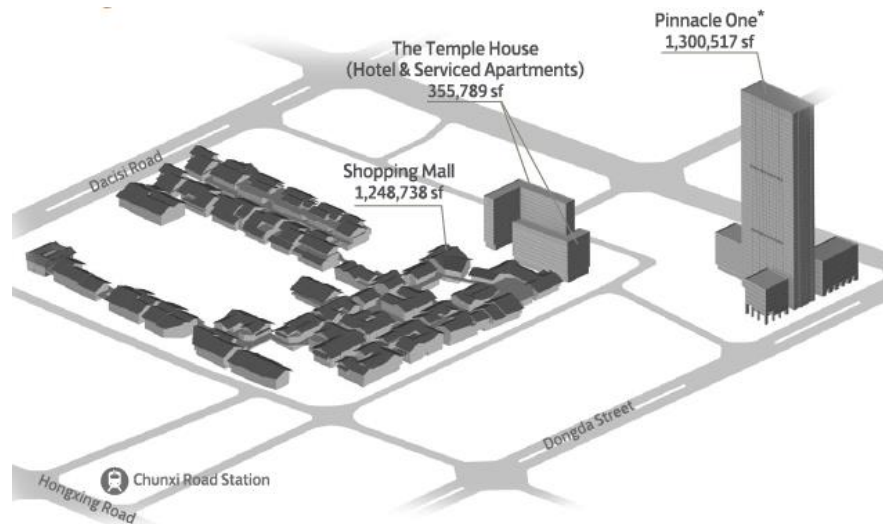
- ❑ Occupancy <sup>(1)</sup> at the shopping mall was **97%** at 31st Dec 2015.
- ❑ Retail sales increased by **30%** in 2015.
- ❑ The office tower, ONE INDIGO, was **92%** leased <sup>(1)</sup> at 31st Dec 2015. Business at EAST, Beijing improved despite increasing competition.
- ❑ Office rents in Beijing are expected to weaken in 2016 as substantial amounts of new office space become available and demand falls.

## Project Summary (100% Basis)

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



# Sino-Ocean Taikoo Li Chengdu



\*Pinnacle One is developed for trading purpose. Part of the tower was handed over to buyers in 2015.



- ❑ A large-scale retail-led development comprising a street-style retail complex (2-3 storey blocks), a boutique hotel and serviced apartment (the Temple House), and a Grade A office tower (Pinnacle One) served by the metro.
- ❑ Sino-Ocean Taikoo Li Chengdu was formally opened in Apr 2015. At 31st Dec 2015, tenants had committed<sup>(1)</sup> to lease **88%** of the space and **83%** of the shops in the development were open.
- ❑ In 2015, the profit from the sales of approximately 52% of the presold GFA was recognised. The sale of the remaining presold GFA and 350 car park spaces is being cancelled as part of the consideration has not been received according to schedule.
- ❑ The Temple House (including its serviced apartments) opened in July 2015.

## Project Summary (100% Basis)

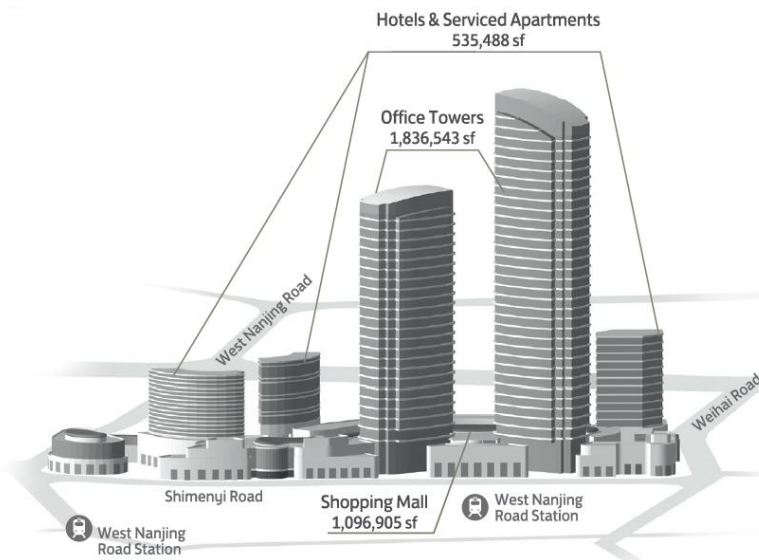
GFA	2.21 M sq ft
Components	Retail Office (for trading) The Temple House Serviced Apartments
Interest	50%
Yr of Opening	2014 / 2015

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



# HKRI Taikoo Hui, Shanghai

Artist's Impression



- ❑ A large-scale retail-led mixed-use development comprising a retail mall, two office towers and three hotels <sup>(1)</sup>, and is expected to become a landmark development in Shanghai.
- ❑ Prime location with significant frontage to Nanjing West Road, one of Shanghai's major shopping and business thoroughfares, being adjacent to the existing Nanjing West Road metro station (which serves three metro lines) and near the Yan'an Expressway.
- ❑ Structural works has been substantially completed. Interior decoration, mechanical and electrical installation works in progress.
- ❑ The project is expected to open in phases from 2016.

## Project Summary (100% Basis)

GFA	3.47 M sq ft
Components	Retail Mall 2 Office Towers 3 Hotels <sup>(1)</sup>
Interest	50%
Yr of Opening	2016 onwards

(1) Including serviced apartments.

# HK Trading Portfolio

Trading Properties Sold or Being Sold or Pre-sold (At 8th Mar 2016)	Saleable Area <sup>(1)</sup> (sq ft) (100% basis)	Total Units	Unit Sold	Actual Completion	Actual Handover	Units for which Profit Recognised or Expected to be Recognised (Year)	Int.
AZURA, 2A Seymour Road	-	126	126	2012	2012	- 122 (before 2015), 4 (2015)	87.5%
ARGENTA, 63 Seymour Road	-	30	30	2013	2013	- 27 (before 2015), 3 (2015)	100%
DUNBAR PLACE, 23 Dunbar Road	-	53	53	2013	2014	- 52 (2014) and 1 (2015)	50%
MOUNT PARKER RESIDENCES, 1 Sai Wan Terrace	2,748	92	91	2013	2014	- 82 (2014) and 9 (2015)	80%
AREZZO, 33 Seymour Road	22,704	127	112	2015	2015	- 112 (2015)	100%
WHITESANDS, Lantau	62,957	28	1	2015	2015	- 1 (2015)	100%
Trading Properties under Development	Total GFA (sq ft) (100% basis)	Total Units	Unit Sold / Pre-sold	Expected Completion	Expected Handover	Development Status	Int.
ALASSIO, 100 Caine Road	195,533	197	N/A	2016	2017	- Superstructure work in progress.	100%

(1) Represents the saleable area of remaining unsold units.

# 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	345	100%
HK	Headland Hotel <sup>(1)</sup>	501	0%
China	The Opposite House, Beijing	99	100%
China	EAST, Beijing	369	50%
China	The Temple House, Chengdu <sup>(2)</sup>	142	50%
<b>Sub-Total (A)</b>		<b>1,573</b>	

<b>Under Development</b>			
China	Hotels at HKRI Taikoo Hui, Shanghai <sup>(2)</sup>	213	50%
U.S.A.	EAST, Miami <sup>(2)</sup>	352	100%
<b>Sub-Total (B)</b>		<b>565</b>	
<b>Total = (A) + (B)</b>		<b>2,138</b>	

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

<b>Under Development</b>			
China	Hotel at HKRI Taikoo Hui, Shanghai	201	50%
<b>Sub-Total (D)</b>		<b>201</b>	
<b>Total = (C) + (D)</b>		<b>2,934</b>	



Expected Total Managed Rooms

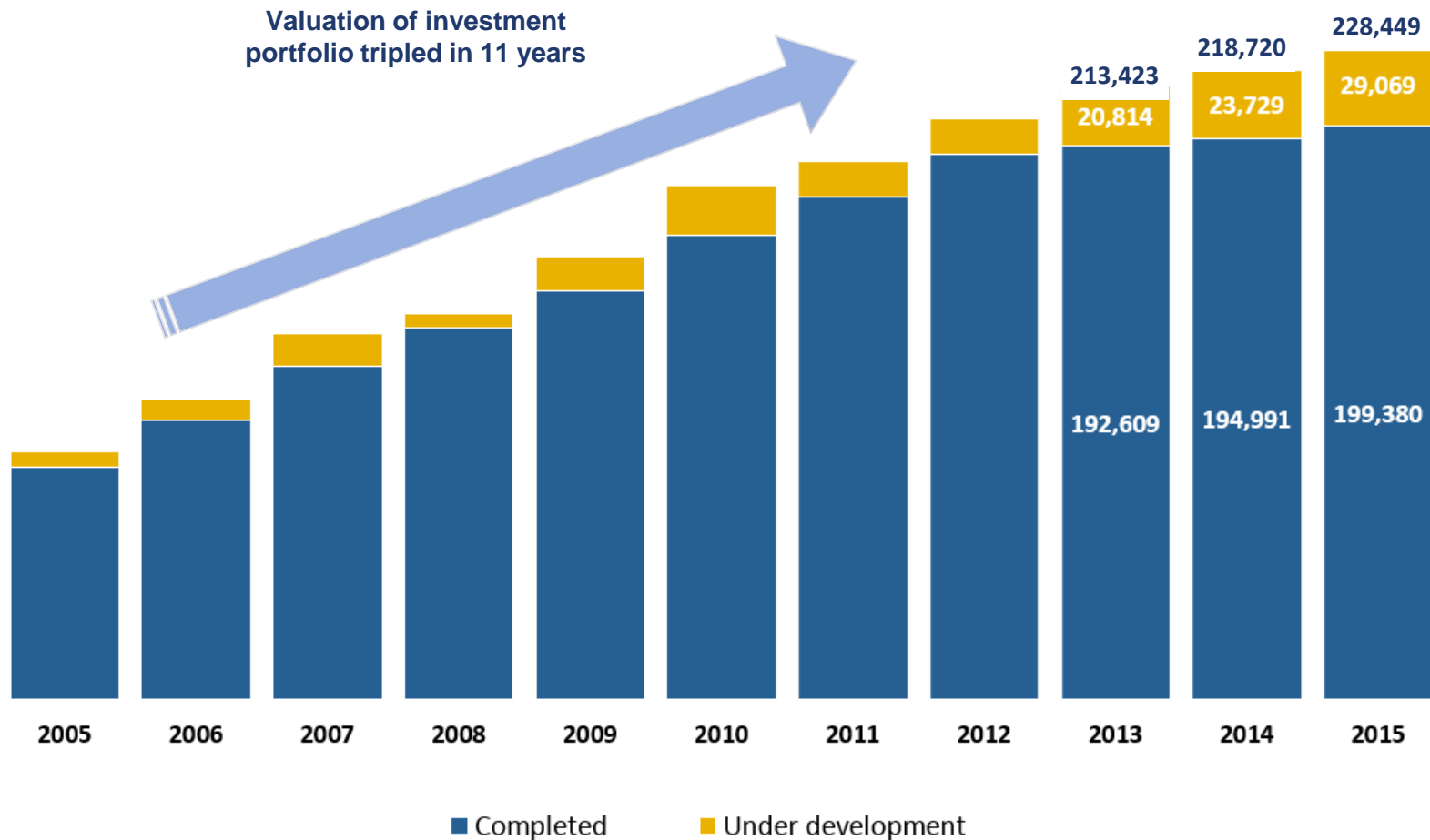
**2,138**



# Valuation of Completed Investment Properties

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

## 2005 – 2015 Valuation of Completed Investment Properties (excl. Hotels) \*



\* Per 2015 financial statements on accounting basis. Hotels are accounted for under property, plant and equipment in the financial statements.  
2011 does not include Festival Walk which was sold in August for HK\$ 18.8 bn.