



## 2013 Interim Results | Analyst Briefing



15th August 2013



Brickell CityCentre, Miami, U.S.A.

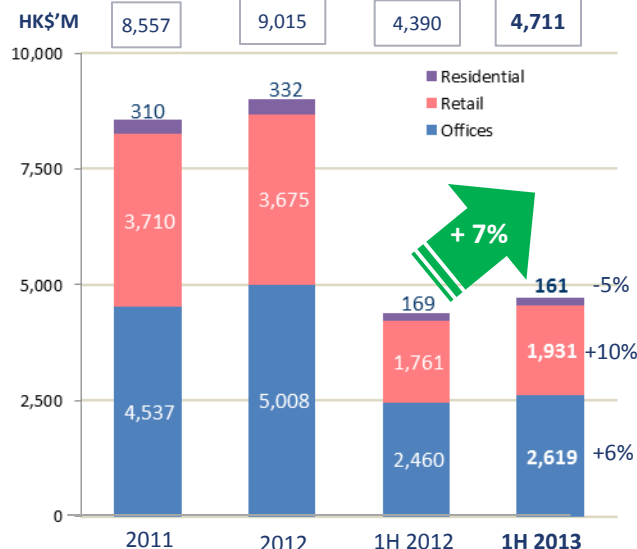


## Financial Summary

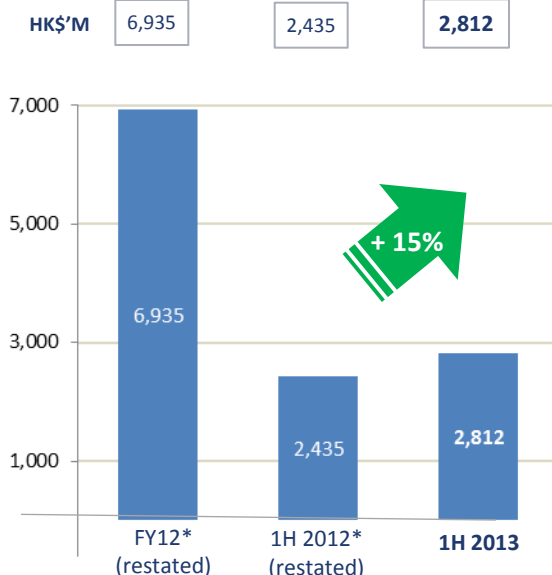


# Results Highlights

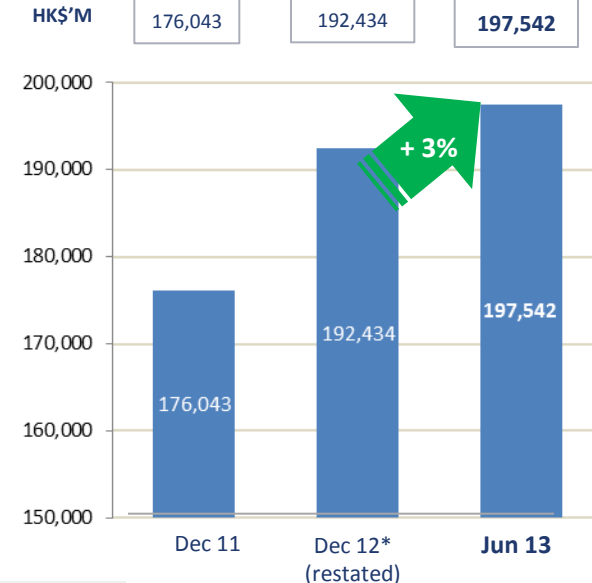
## Gross Rental Income



## Underlying Profit



## Equity Attri. to Shareholders



- Gross rental income **up 7.3%** to **HK\$ 4,711 M** reflecting positive rental reversions at the office and retail properties in HK and at TaiKoo Hui in Guangzhou and Taikoo Li Sanlitun in Beijing.
- Underlying profit **up 15.5%** to **HK\$ 2,812 M** mainly attributable to profit from property trading (largely from sales of AZURA units) and positive rental reversions from investment property portfolio in HK and at TaiKoo Hui in Guangzhou and Taikoo Li Sanlitun in Beijing.
- Reported profit **down 29.4%** to **HK\$ 6,952 M** mainly on lower valuation gains.
- 1st interim dividend per share: **HK\$ 20 cents**.

\* Swire Properties has implemented the revised HKAS19: Employee Benefits (effective from 1st January 2013), which requires retrospective application. As a result, the 2012 comparative results have been restated. In this connection, underlying and reported profit for 1H 2012 have been reduced by HK\$8 million, and underlying and reported equity as at 31st Dec 2012 have been reduced by HK\$180 million.

### Equity Attri. to Shareholders

**HK\$ 33.77** Per Share  
(31st Dec 2012: HK\$ 32.89)

### Dividends Per Share

**1<sup>st</sup> Interim HK\$ 0.20**  
(2012 1<sup>st</sup> Interim: HK\$ 0.22)



**SWIRE PROPERTIES**





# Key Developments

2H 2013

- Establishing a **representative office in Jakarta**, Indonesia which is expected to open in 2H 2013.

Aug 2013

- A substantial portion (approx. 89%) of **Pinnacle One**, the office tower at the Daci Temple Project, was pre-sold.

Jul 2013

- Acquired a plot of land adjacent to the **Brickell CityCentre** for over US\$64 Million.

Jun 2013

- Occupation permit was issued for **ARGENTA**.
- Retail portion of the Daci Temple Project was named **Sino-Ocean Taikoo Li Chengdu**

May 2013

- Hotel portion of the Daci Temple Project was named **The Temple House**.

Apr 2013

- Sanlitun Village in Beijing was renamed **Taikoo Li Sanlitun**
- Pre-sales of units at **DUNBAR PLACE** commenced

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** (12.5%) to jointly develop the **retail** component of **Brickell CityCentre**.
- Opening of **Mandarin Oriental Guangzhou** at TaiKoo Hui.

Pinnacle One, Chengdu



ARGENTA, HK



DUNBAR PLACE, HK



The Temple House, Chengdu



Sino-Ocean Taikoo Li Chengdu





# Financial Summary

HK\$M	1H 2012 (Restated)	1H 2013	Change
Turnover	4,907	<b>5,754</b>	+17.3%
Valuation gains on investment properties	7,103	<b>4,068</b>	-42.7%
Operating profit	10,354	<b>7,843</b>	-24.3%
Reported profit	9,854	<b>6,952</b>	-29.4%
Underlying profit	2,435	<b>2,812</b>	+ 15.5%
Reported Earnings per share (HK\$)	1.68	<b>1.19</b>	-29.2%
Underlying earnings per share (HK\$)	0.42	<b>0.48</b>	+14.3%
First interim dividend per share <sup>(1)</sup> (HK\$)	0.22	<b>0.20</b>	-9.1%
HK\$M	Dec 2012 (Restated)	Jun 2013	Change
NAV attributable to the Company's shareholders <sup>(2)</sup>	192,434	<b>197,542</b>	+2.7%
Net debt	28,921	<b>28,976</b>	+0.2%
Gearing ratio	15.0%	<b>14.6%</b>	-0.4%pt
NAV per share <sup>(2)</sup> (HK\$ per share)	32.89	<b>33.77</b>	+ 2.7%

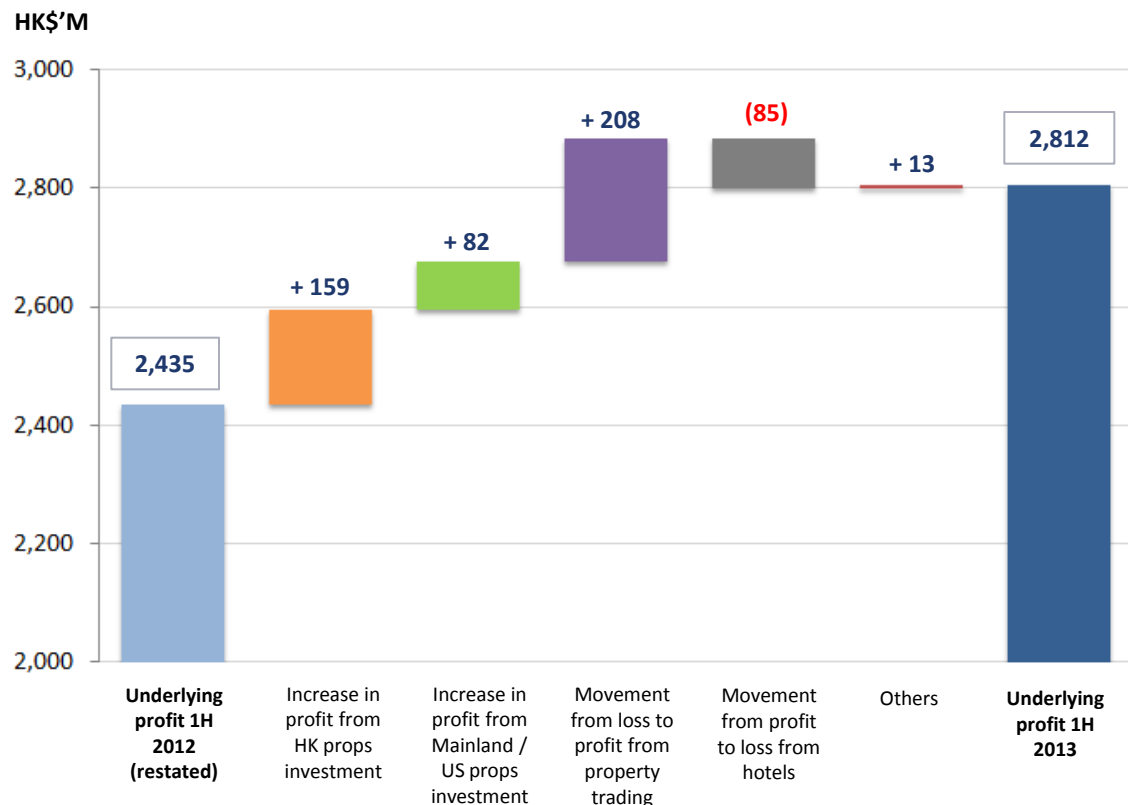
(1) First interim dividend for 2013 was declared on 15th Aug 2013 and will be paid on 3rd Oct 2013.

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



# Earnings Reconciliation

## Movement in Underlying Profit



## Earnings Reconciliation

HK\$M	1H 2012 (Restated)	1H 2013
Attributable profit	9,854	6,952
Revaluation of inv. Props	(7,905)	(4,732)
Deferred tax on inv. Props	357	409
Realised profit on sale of inv. props	-	23
Dep. of owner-occupied inv. props	8	7
Non-controlling interests' share of revaluation movements less deferred tax	18	11
Adjustments on fair value of put options in favour of non-controlling interests	103	142
Underlying profit	2,435	2,812

1H 2013 Underlying Profit  
**HK\$ 2,812 M**  
**+ 15.5%**

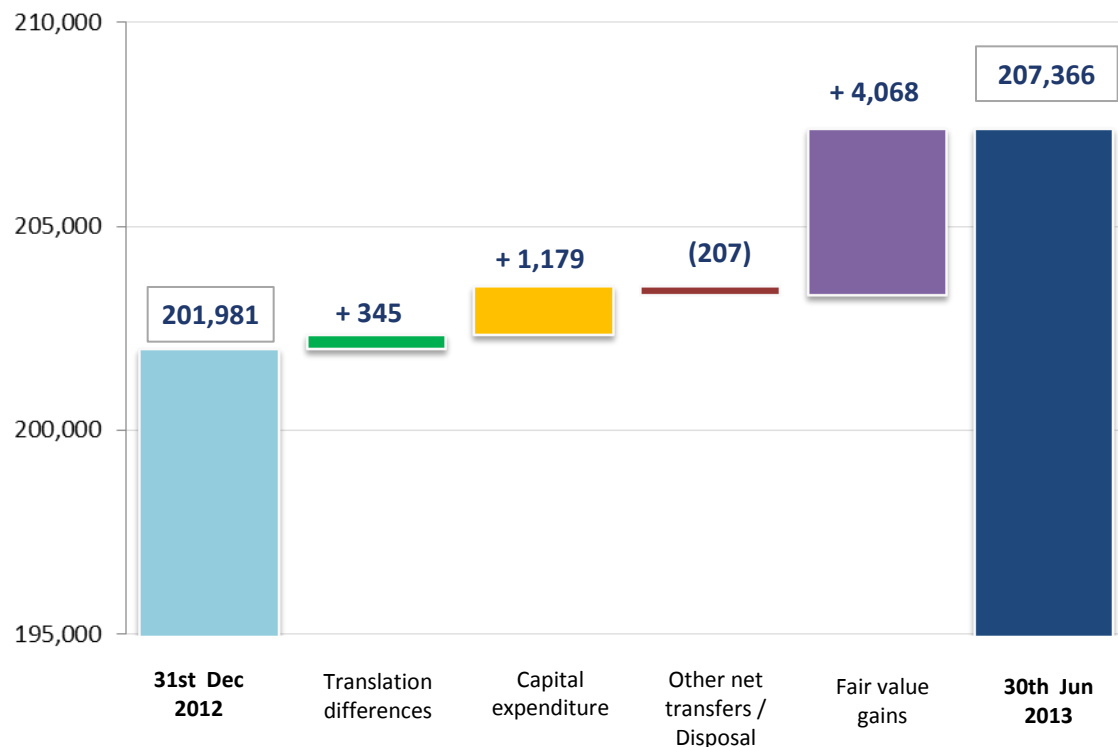


# Movement in Investment Properties

- The increase in the valuation of investment property portfolio principally reflects higher rental income, particularly at the Island East offices in Hong Kong.

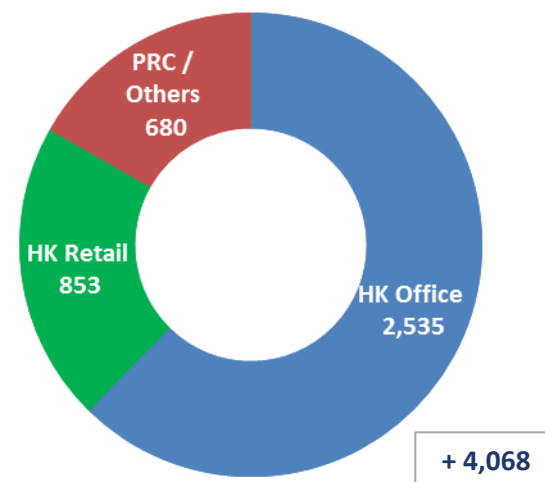
## Movement in Investment Properties \* (excl. Hotels & Investment Properties held under JVC)

HK\$'M



## Fair Value Gains Breakdown

HK\$'M



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

Jun 2013 Investment Props Valuation

**HK\$ 207,366 M**

**+ 2.7%**

\* Per 2013 interim accounts on accounting basis



Taikoo Li Sanlitun, Beijing



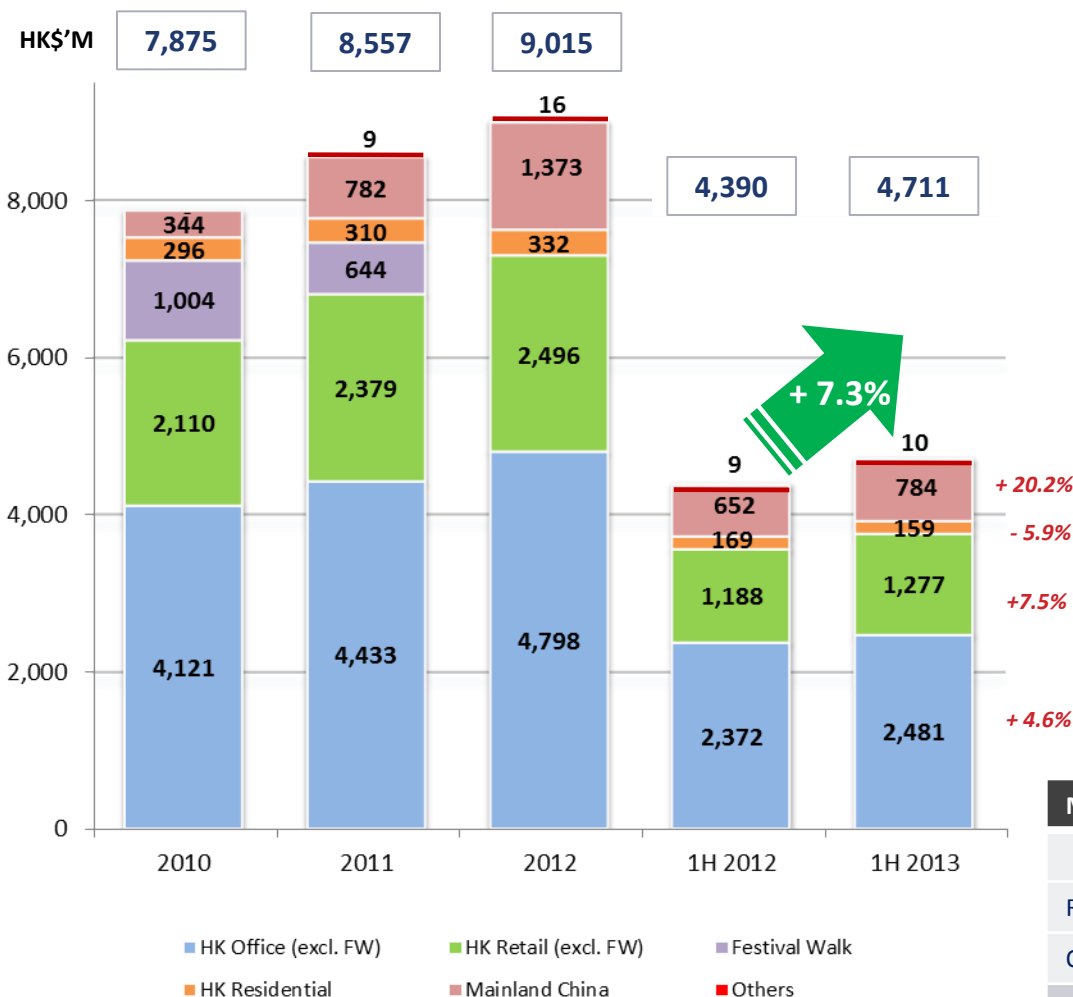
## Investment Portfolio





# Gross Rental Income

## Gross Rental Income



- Gross rental income increased by 7.3%.
- Positive rental reversions in HK office portfolio, particularly at the Island East offices. At Island East, rents are expected to remain robust due to high occupancy.  
~ (rental +4.6%, HK office)
- Despite caution from some retailers, demand for retail space continues to be strong at prime locations and in well-managed malls in HK.  
~ (rental + 7.5%, HK retail)
- Rental contribution from TaiKoo Hui and TaiKoo Li Sanlitun benefited from increased footfall & consequently increased sales.  
~ (rental + 20.2%, Mainland China)

### Mainland China Breakdown

	1H 2012	1H 2013
Retail	572	655
Office	80	129
<b>Total</b>	<b>652</b>	<b>784</b>

**Total Gross Rental Income**  
**HK\$ 4,711 M**  
**+ 7.3%**

(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 joint venture company.



# HK Office Occupancy

Completed HK Office Properties	GFA (sq ft) (100% basis)	Occupancy (30th Jun 2013)	Area Let (sq ft) (New and Renewed Tenancies) (1H 2013)	Reversion <sup>(5)</sup> (incl. Rent Reviews) (1H 2013)	Attri. Interest
Pacific Place	2,186,433	97%	418,676	+ 29%	100%
Cityplaza	1,632,930	99%	256,854	+ 51%	100%
TKP Office Towers <sup>(1)</sup>	3,136,541	99%	325,447	+ 51%	50% / 100%
One Island East	1,537,011	100%	63,872	+ 85%	100%
Techno Centres <sup>(2)</sup>	1,816,876	100%	204,981	+ 25%	100%
Others <sup>(3)</sup>	688,323	90%	N/A	N/A	20% / 50% / 100%
<b>Total (100% basis)</b>	<b>10,998,114</b>				



## Latest rentals

## HK\$ per sq ft

One & Two Pacific Place 95 to 110

Three Pacific Place 90 – 95

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.

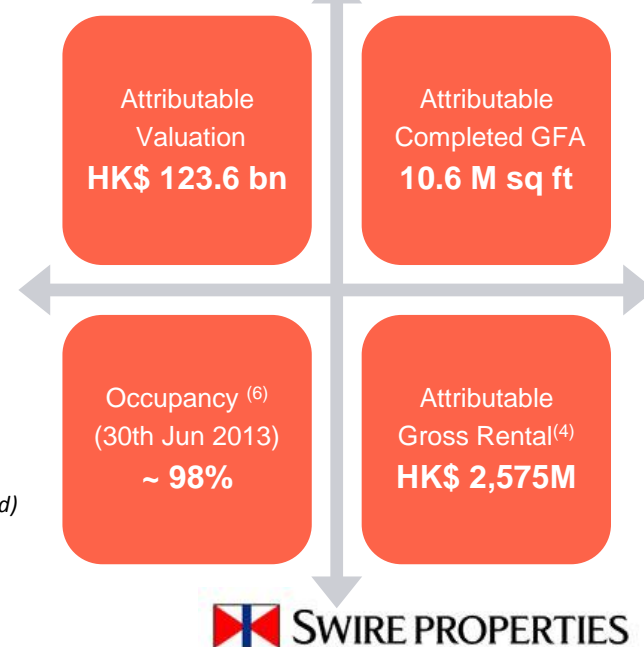
(2) The occupancy rate, area let and reversion figures exclude Somerset House.

(3) Others comprise One Citygate (20% owned), 625 King's Road (50% owned) and 28 Hennessy Road (100% owned) and 8 Queen's Road East (100% owned).

(4) Reported gross rental income (excluding rental contributions from JVC and associates) was HK\$2,481M.

(5) Reversion is the percentage increase in rent on lease renewals, entry into new leases and rent reviews.

(6) Excluding Somerset House.

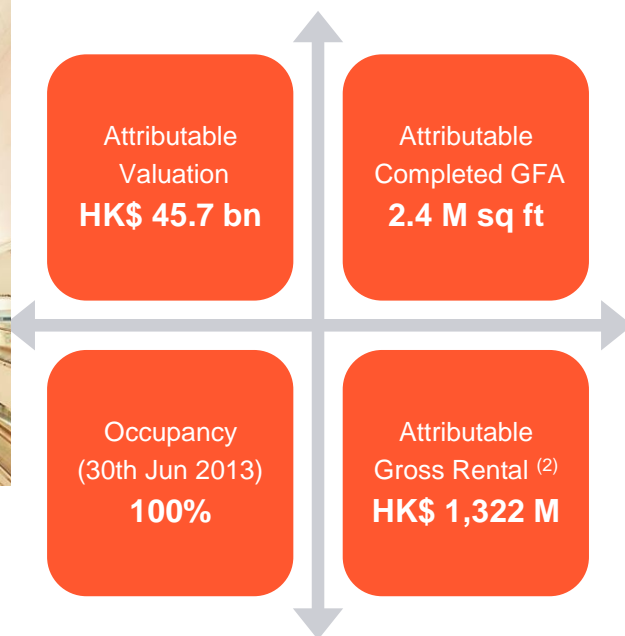


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# HK Retail Occupancy

Completed HK Retail Properties	GFA (sq.ft.) (100% basis)	Occupancy (30th Jun 2013)	Retail Sales Growth (1H 2013)	Attri. Interest
The Mall, Pacific Place	711,182	100%	+ 1.9%	100%
Cityplaza Mall	1,105,227	100%	+ 2.9%	100%
Citygate Outlets	462,439	100%	+ 19.2%	20%
Others <sup>(1)</sup>	530,467	100%	N/A	20% / 60% / 100%
<b>Total (100% Basis)</b>	<b>2,809,315</b>			

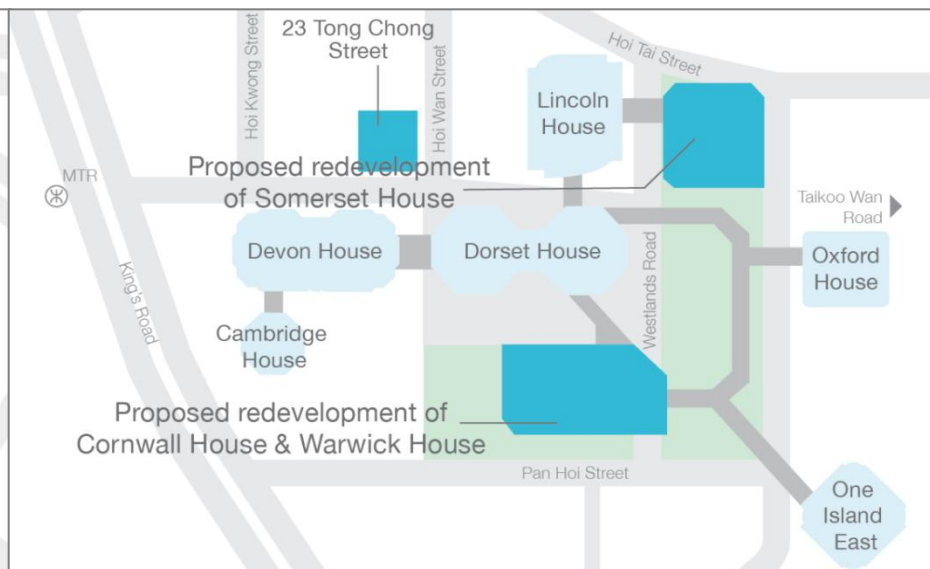
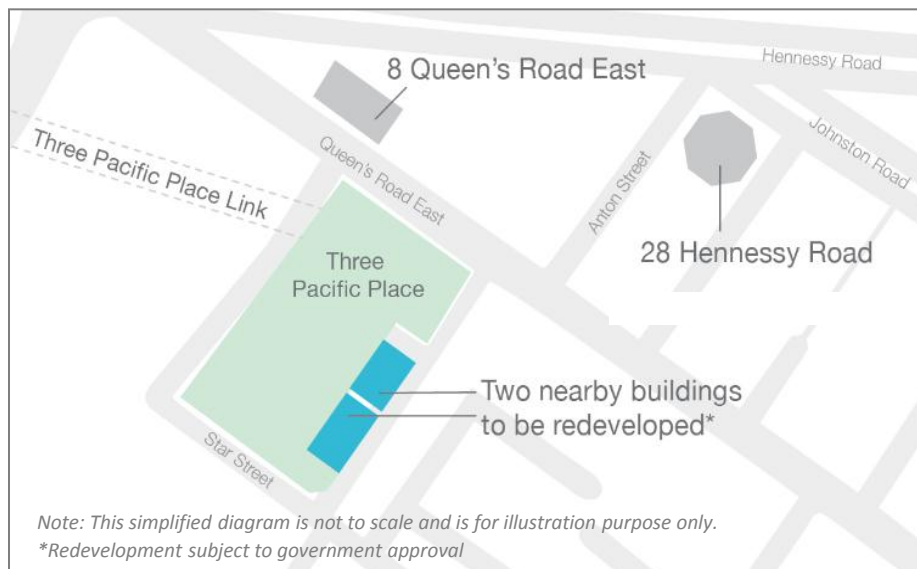


- (1) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (100% owned), Island Place (60% owned) and Tung Chung retail premises (20% owned).
- (2) Reported gross rental income (excluding rental contributions from JVC and associates) was HK\$1,277M.

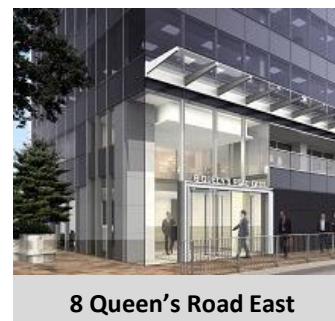




# HK Investment Properties Update



- ❑ **28 Hennessy Road** – Completed in 2H 2012 and approx. 52 % of the space has been leased, attracting interest from businesses currently located in Central and Causeway Bay.
- ❑ **8 Queen's Road East** – Refurbishment works have been completed. The whole building has been leased and handed over to the tenant.
- ❑ **23 Tong Chong Street** – Superstructure and pile cap 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** – Design in progress with vacant possession obtained in August 2013.
- ❑ **Tung Chung Town Lot No. 11** – Under planning with total GFA of approx. 460,000 sq ft.



8 Queen's Road East

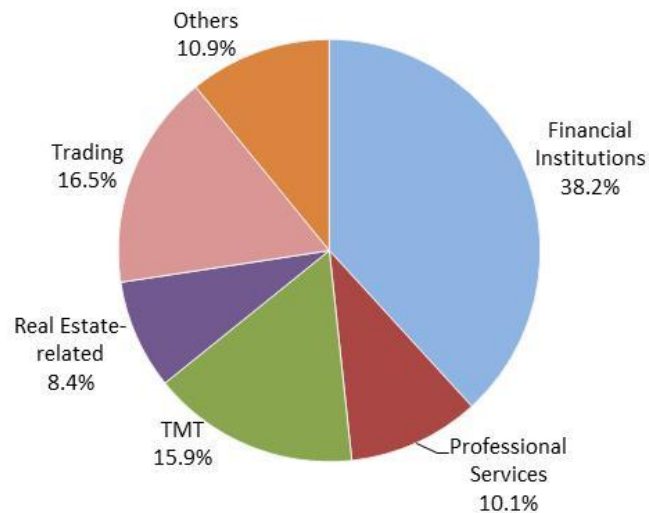


28 Hennessy Road

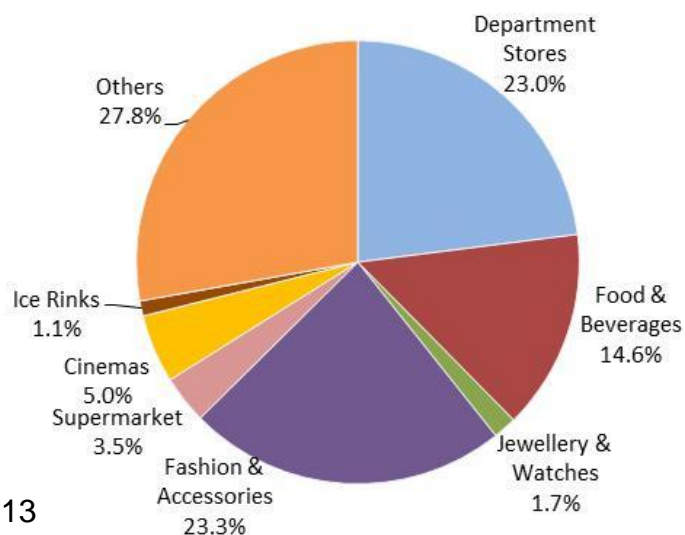


# HK Portfolio – Tenant Mix and Lease Expiry Profile

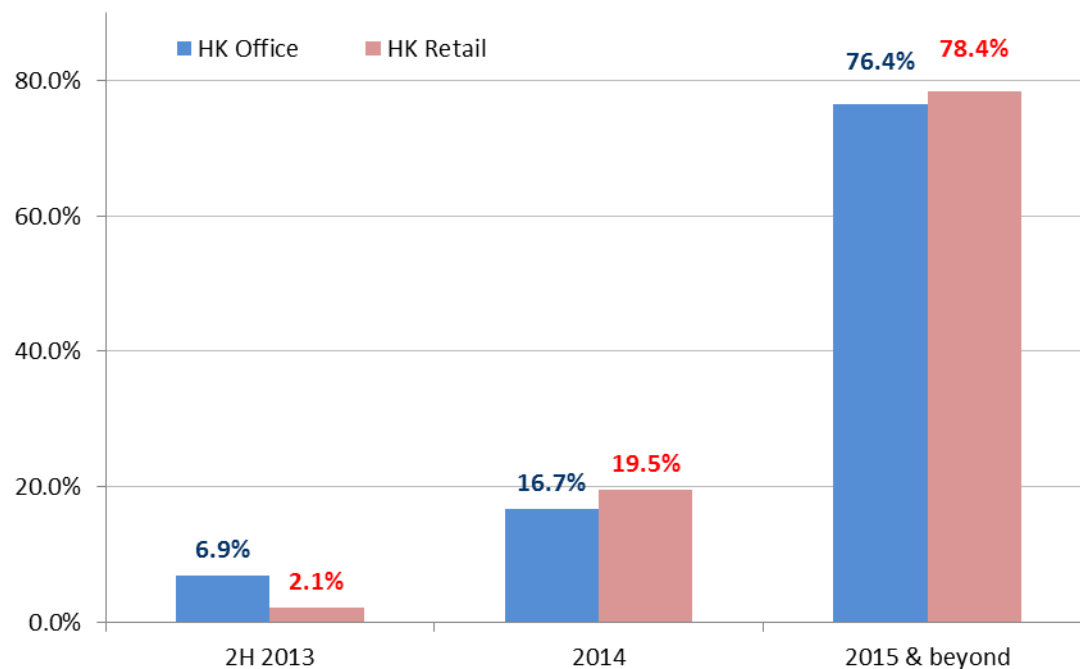
## HK Office Tenant Mix<sup>(1)</sup>



## 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. 20% of office area in HK.
- ❑ Top 10 retail tenants occupied approx. 31% of retail area in HK.

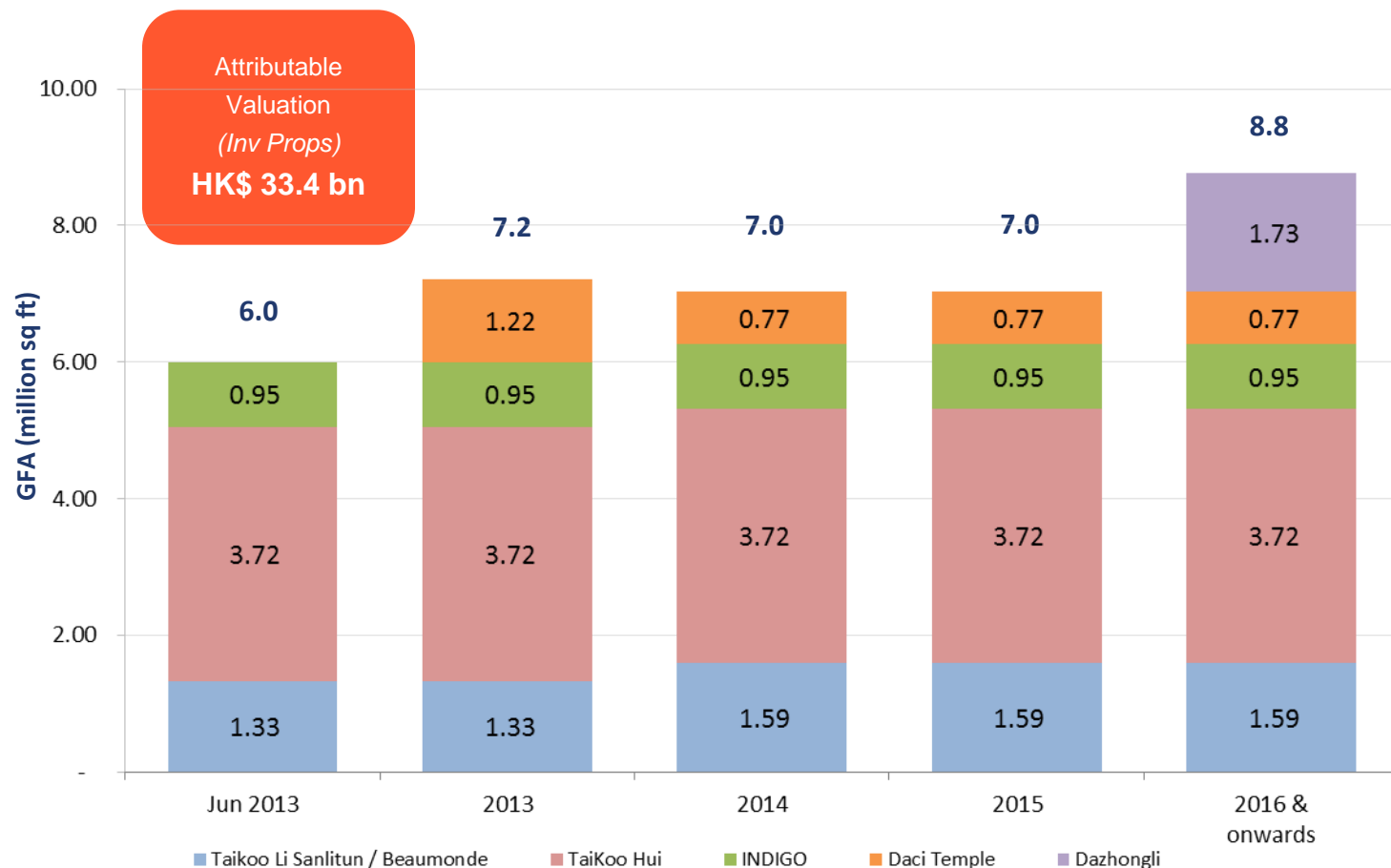
(1) As at 30th Jun 2013

(2) Based on the percentage of the total rental income attributable to the Group for the month ended 30th Jun 2013.



# Property Portfolio – Mainland China

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



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

**Dazhongli Project (Shanghai)**

**Daci Temple Project (Chengdu) <sup>(3)(4)</sup>**

**INDIGO (Beijing)**

**TaiKoo Hui (Guangzhou)**

**Taikoo Li Sanlitun (Beijing)<sup>(5)</sup> / Beaumonde (Guangzhou)**

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

(2) As at 30th Jun 2013

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

(4) Subsequent to 30th Jun 2013, 89% of the office portion (Pinnacle One) of the Daci Temple project (attri. area of approx. 575,000 sf) was pre-sold. Handover is scheduled for 2014.

(5) Subsequent to 30th Jun 2013, the fund which holds a 20% interest in the retail portion of the Taikoo Li Sanlitun, gave notice of its intention to exercise its option to sell its 20% stake to the Group.



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# Property Portfolio – Mainland China

## Daci Temple Project



- ❑ Superstructure works in progress.
- ❑ Pre-sale of **Pinnacle One (GFA: 89%)**.
- ❑ Expected to **open** in phases from **2014** onwards.

## Taikoo Li Sanlitun



- ❑ Occupancy : South at **94%** & North at **89%**.
- ❑ Retail sales growth <sup>(1)</sup> : **+15.5%**
- ❑ Exercise of Put Option by NCI.

## TaiKoo Hui



- ❑ Mall: **99%** leased.
- ❑ Office: **85%** committed.
- ❑ Retail sales growth <sup>(1)</sup> : **+ 28.8%**
- ❑ Mandarin Oriental Hotel opened in Jan 2013.

Beijing

Shanghai

Chengdu

Guangzhou

1H 2013 Attri.  
Gross Rental <sup>(2)</sup>  
**HK\$ 852 M**

- ❑ Mall: **88%** committed.
- ❑ ONE INDIGO: **95%** committed.
- ❑ EAST, BJ opened in Sep 2012.
- ❑ BJ Metro Line 14 to open in 2014.

## INDIGO



## Dazhongli Project

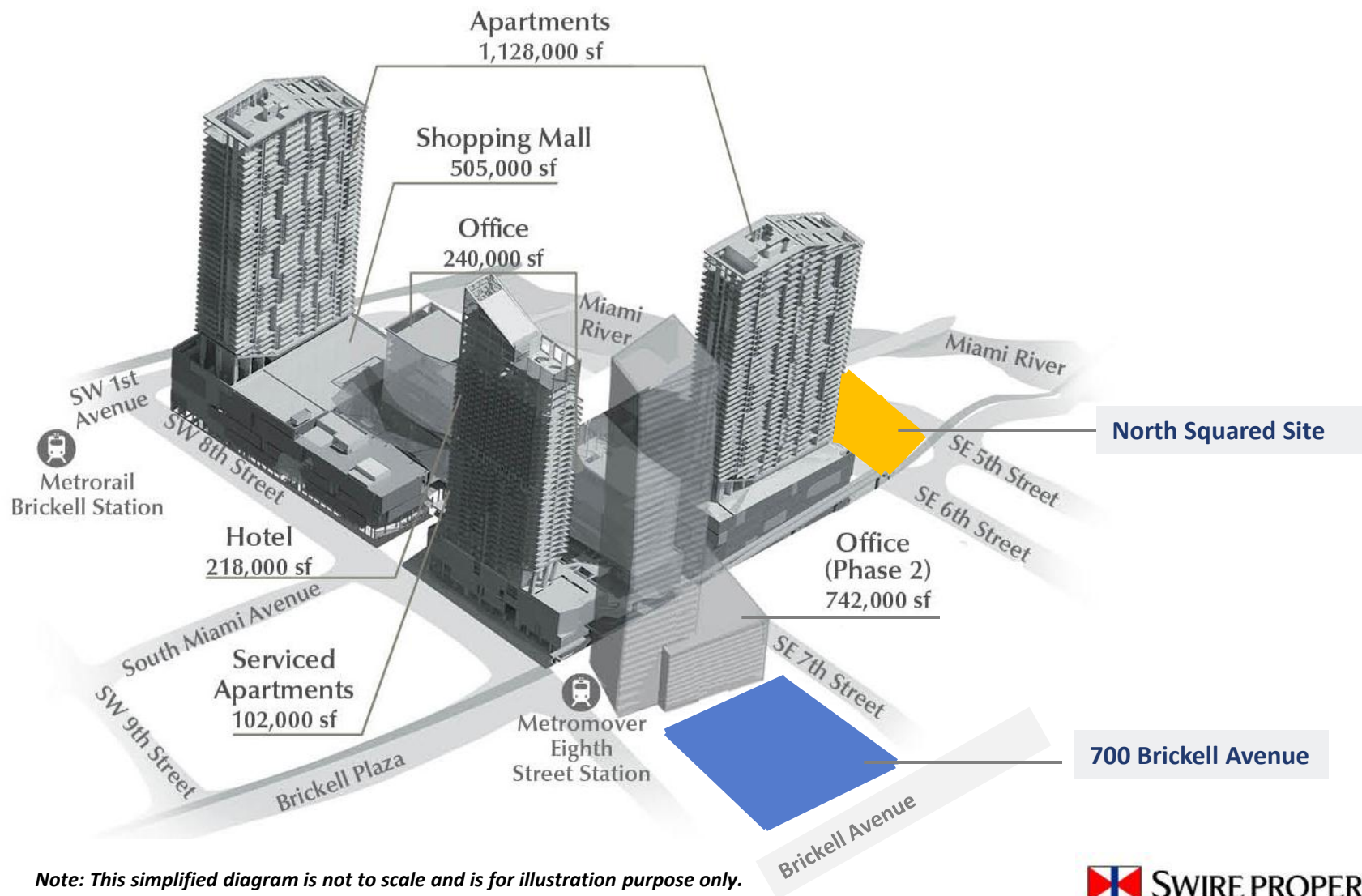


- ❑ Site clearance has been completed.
- ❑ Above ground works in progress.
- ❑ Expected to **open** in phases from **2016** onwards.



# Brickell CityCentre, Miami, United States

- ❑ Land parcels acquired adjacent to Brickell CityCentre, subject to future planning.







# 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 262-room hotel with 89 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, is expected to 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 EAST Miami 2 Residential Towers
Interest	Retail: 87.5% * Others: 100%
Yr of Opening	2015 / 2018



DUNBAR PLACE

Artist's Impression



## Trading Portfolio



# Trading Property Update

## AZURA, Mid-Levels West



- ❑ A 50-storey residential tower.
- ❑ Completed in 2012.
- ❑ Sales of 111 <sup>(1)</sup> out of 126 available units completed.
- ❑ Avg Selling Price Achieved <sup>(2)</sup> = HK\$ 29,364 psf
- ❑ Interest : 87.5%

## ARGENTA, Mid-Levels West



- ❑ A 37-storey tower of 30 whole-floor residential units.
- ❑ 7 units <sup>(1)</sup> pre-sold since May 2012.
- ❑ Occupation permit obtained in Jun 2013.
- ❑ Avg Selling Price Achieved <sup>(2)</sup> = HK\$ 35,177 psf (excl. cps)  
HK\$ 36,190 psf (inc. cps)
- ❑ Interest : 100%

## DUNBAR PLACE



- ❑ A 23-storey tower of 53 residential units.
- ❑ 21 units <sup>(1)</sup> pre-sold since Apr 2013.
- ❑ Superstructure in progress.
- ❑ Expected completion in 2013.
- ❑ Avg Selling Price Achieved <sup>(2)</sup> = HK\$ 21,237 psf
- ❑ Interest : 50%

..... Coming Up

**MOUNT PARKER  
RESIDENCES**

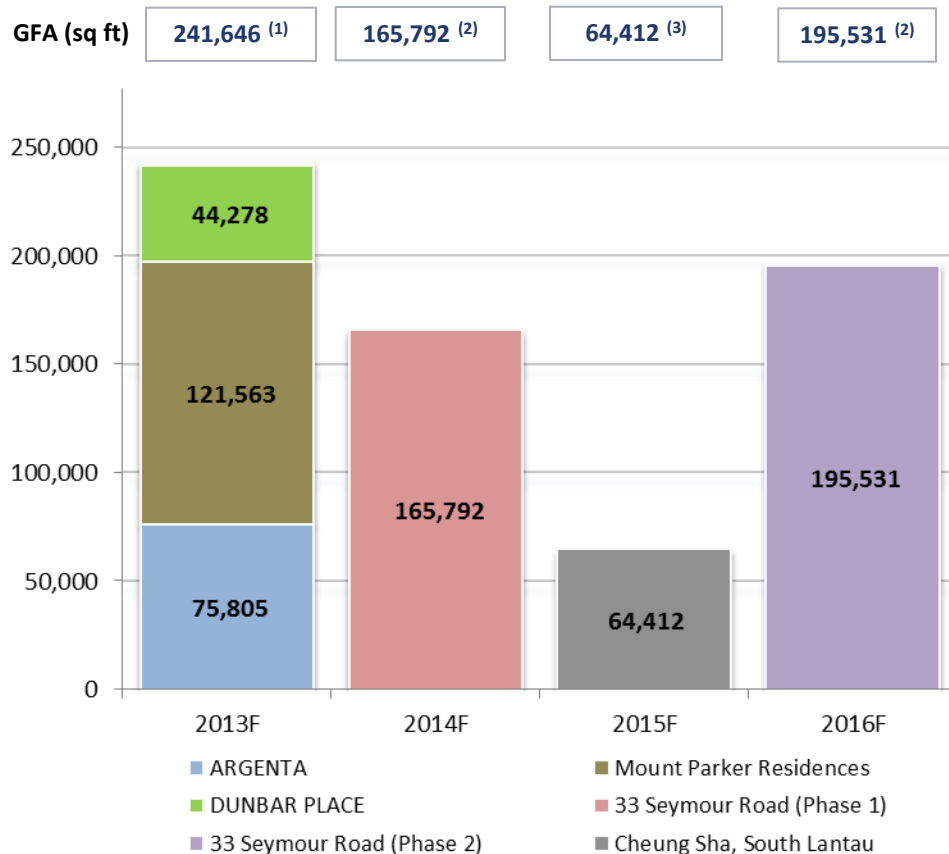
(1) As at 14th Aug 2013.

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



# HK Trading Portfolio

## Finished / Expected Attributable Residential GFA Completions in Hong Kong in 2013 – 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**



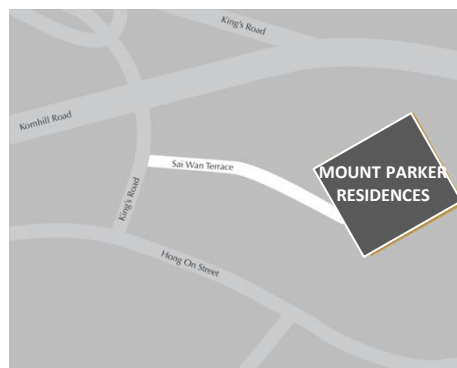
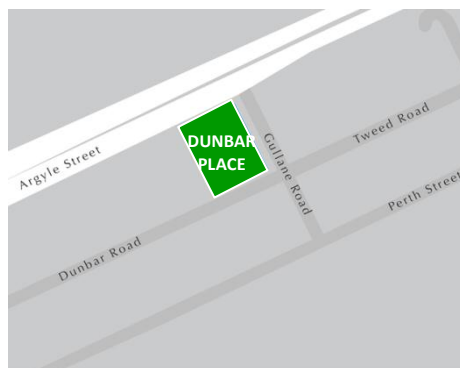
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# HK Trading Portfolio

Trading Properties Being Sold or Pre-sold (As at 14th Aug 2013)	Saleable Area (sq ft) (100% basis)	Total Units	Unit Sold / Pre- sold	Actual / Expected Completion	Actual / Expected Handover	Development Status	Int.
AZURA, 2A Seymour Road	24,480 <sup>(1)</sup>	126	111 <sup>(2)</sup>	2012	2012	- Completed with handover in 4Q 2012.	87.5%
ARGENTA, 63 Seymour Road	66,765	30	7	2013	2013	- Occupation permit obtained in June 2013.	100%
DUNBAR PLACE, 23 Dunbar Road	76,432	53	21	2013	2014	- Superstructure works in progress.	50%
Trading Properties	Total GFA (sq ft) (100% basis)	Total Units	Unit Sold / Pre- sold	Actual / Expected Completion	Actual / Expected Handover	Development Status	Int.
MOUNT PARKER RESIDENCES, 1 Sai Wan Terrace	151,954	92	N/A	2013	2014	- Superstructure works in progress.	80%
33 Seymour Road (Phase 1)	165,792	127	N/A	2014	2015	- Superstructure works in progress.	100%
33 Seymour Road (Phase 2)	195,531	197	N/A	2016	2017	- Foundation works in progress.	100%
Cheung Sha, South Lantau	64,412	28	N/A	2015	2015	- Site formation works in progress.	100%



- (1) Represents the saleable area of remaining unsold units.  
 (2) The sales of 98 units were completed in 2012. The sales of the remaining 13 units were completed in 2013.  
 (3) The above simplified maps are not to scale and are for illustrative purpose only.

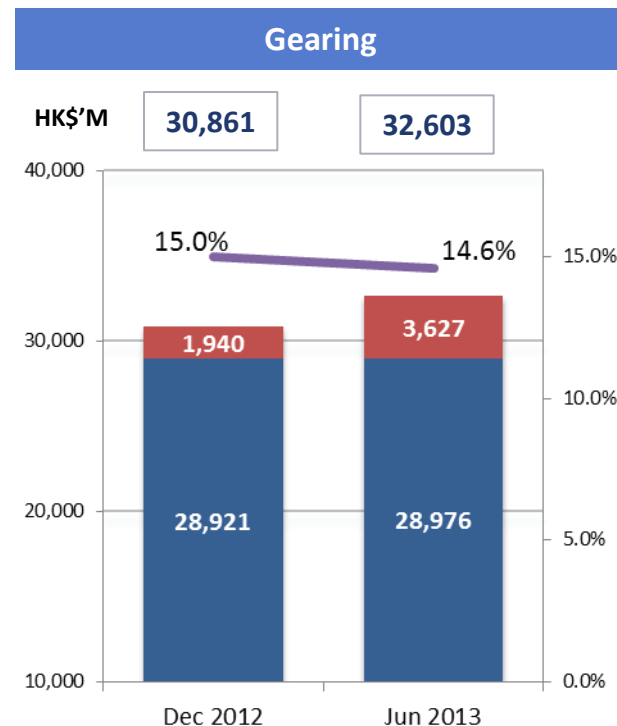


Financing



# Net Debt and Gearing

Net Debt Reconciliation (HK\$M)	Jun 2013
<b>Net debt as at 31st Dec 2012</b>	<b>(28,921)</b>
Net rental and fees receipts	4,136
Proceeds from property trading / development	686
Capex- PP&E and property investment	(1,437)
Development costs – Property Trading	(758)
Net investments in Jointly controlled entities	(21)
Net interest paid	(684)
Profit tax paid	(177)
Dividends paid to the Company's shareholders	(2,223)
Other operating items	423
<b>Net debt as at 30th Jun 2013</b>	<b>(28,976)</b>



Financial Ratios	2009	2010	2011	2012 (Restated)	30th Jun 2013
Total Equity (HK\$ M)	130,239	158,356	176,575	193,076	198,255
Net debt (HK\$ M)	34,467	36,836	27,700	28,921	28,976
Gearing	26.5%	23.3%	15.7%	15.0%	14.6%
Underlying interest cover	4.3	5.4	12.0	7.9	5.8
Underlying cash interest cover	3.7	4.3	9.2	6.0	4.7

Net Borrowings Cash Gearing

Net Debt  
**HK\$ 28,976M**

Gearing  
**14.6%**

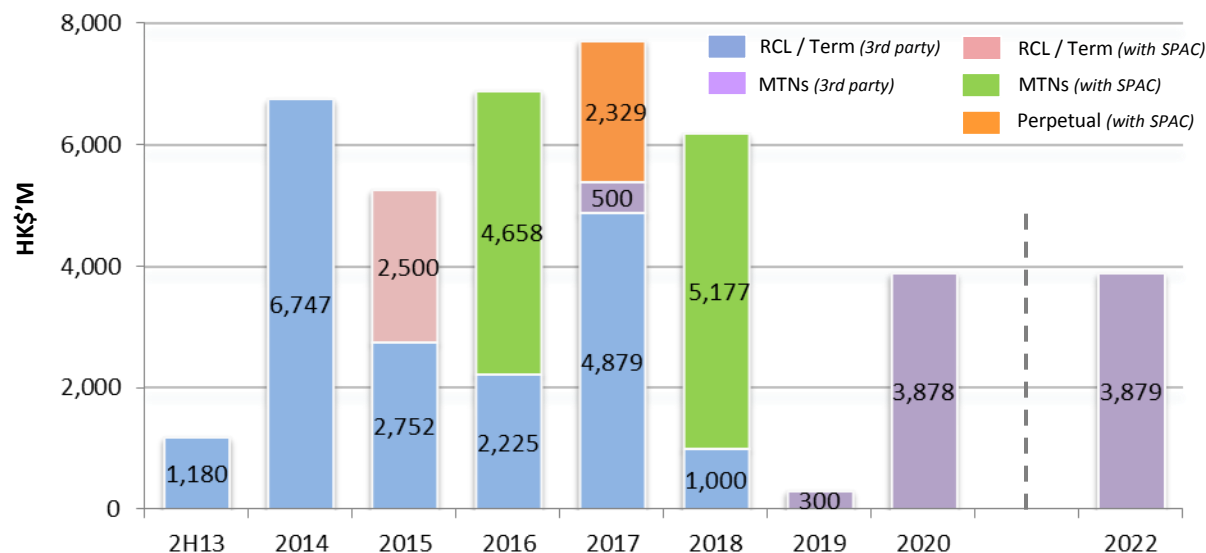




# Maturity Profile & Liquidity

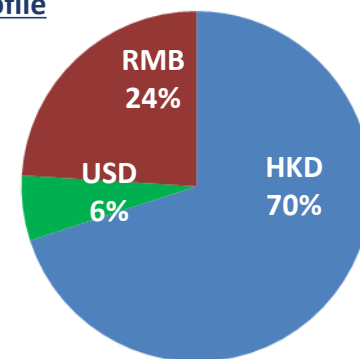
## Maturity Profile of Available Committed Facilities (as at 30th Jun 2013)

<b>Total</b>	<b>42,004</b>	1,180	6,747	5,252	6,883	7,708	6,177	300	3,878	3,879
<b>Drawn</b>	<b>31,967</b>	1,093	6,742	1,502	6,381	3,015	5,177	300	3,878	3,879



HK\$M	Dec 2012	Jun 2013
Cash	1,940	<b>3,627</b>
Undrawn - committed	7,338	<b>10,037</b>
	9,278	<b>13,664</b>
Undrawn -uncommitted	1,408	<b>1,287</b>
	10,686	<b>14,951</b>

## Currency Profile



### Major financing activities:

- Issuance of medium-term notes of US\$ 500 M in Mar 2013.
- Obtained a five-year term and revolving loan facility of HK\$1 bn in Mar 2013.
- Refinanced a term and revolving loan facility of approximately RMB 200 M in Apr 2013.
- Obtained a four-year term loan facility of US\$500 M in May 2013.
- Repaid bonds under the SPAC MTN programme of HK\$2.3 bn during Mar-Jun 2013.

Fixed : Floating = 63% : 37%

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

Available Committed Facilities

**HK\$ 42,004 M**

Cash & Undrawn Committed Facilities

**HK\$ 13,664 M**



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# Capital Commitments

## Profile of Capital Commitments – at 30th Jun 2013

HK\$'M	Expenditure	Forecast Year of Expenditure				Commitments*
	<u>6 mths ended 30th Jun 2013</u>	<u>6 mths ended 31st Dec 2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 &amp; beyond</u>	<u>At 30th Jun 2013</u>
Hong Kong	829	528	704	661	3,416	5,309
Mainland China	712	2,235	2,751	1,365	513	6,864
U.S.A. and others	892	408	1,940	224	25	2,597
<b>Total</b>	<b>2,433</b>	<b>3,171</b>	<b>5,395</b>	<b>2,250</b>	<b>3,954</b>	<b>14,770</b>

\* The capital commitments represents the Group's capital commitments of HK\$8,681 M plus the Group's share of the capital commitments of joint venture companies of HK\$6,089M. The Group is committed to funding HK\$887 M of the capital commitments of joint venture companies.



28 Hennessy Road

# Prospects





## Hong Kong Office

- ❑ Demand for the Group's office space is likely to be affected by continued market weakness, particularly in the Central District of Hong Kong
- ❑ At Island East, rents are expected to remain robust due to high occupancy.

## Hong Kong Retail

- ❑ Despite caution from some retailers, demand for retail space at prime locations and well managed malls continues to be strong.
- ❑ Rents are expected to increase, albeit at a more moderate pace than hitherto.

## Mainland China

- ❑ Retail sales are expected to remain firm with particularly strong growth in Guangzhou.
- ❑ Demand for office space in Guangzhou is likely to remain weak due to oversupply.

## Hotels

- ❑ Trading conditions in 2H13 for the Group's hotels in Mainland China are expected to be difficult due to weak demand and increasing supply.

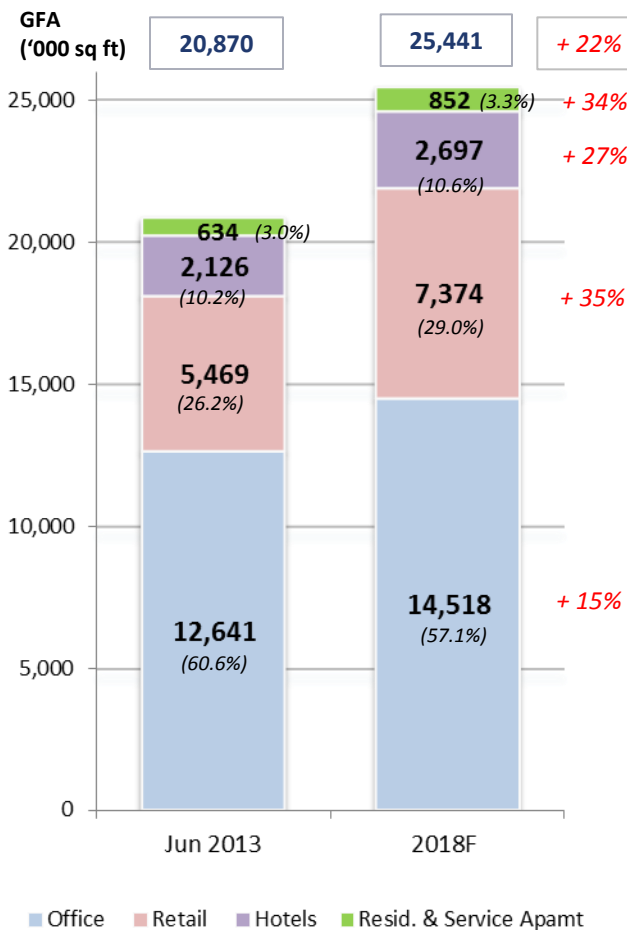
## Hong Kong Trading

- ❑ Demand for luxury residential properties in Hong Kong is expected to remain weak following the imposition of higher levels of stamp duties.
- ❑ In 2H13, property trading profits are expected to arise on the completion of sales of seven pre-sold units at ARGENTA and on any further sales of unsold units at the completed developments.

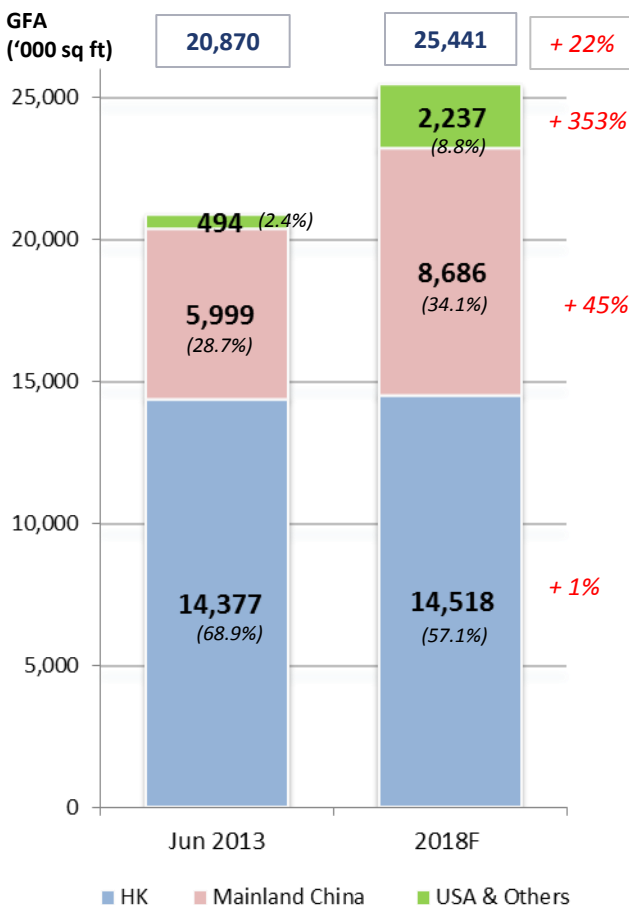


# Swire Properties in Five Years

## Expected Attributable GFA by Segments



## Expected Attributable GFA by Regions



## Expected Attri. Trading GFA Sales to Complete

	Exp. Units
HK Residential <sup>(1)</sup> 667,381 sq ft	527
US Residential 1,128,000 sq ft	820
PRC Office 649,941 sq ft	N/A

**Total Exp. Attri GFA to Complete**  
**2.45 M sq ft**

**Total Exp. Attri GFA**  
**Investment Props (by 2018)**

**25.4 M sq ft**

- (1) Including AGRENTA.  
(2) Excluding the recent acquisition of the site adjacent to Brickell CityCentre.



TaiKoo Hui, Guangzhou



Thank you





Sino-Ocean Taikoo Li, Chengdu  
Artist Impression

# 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**

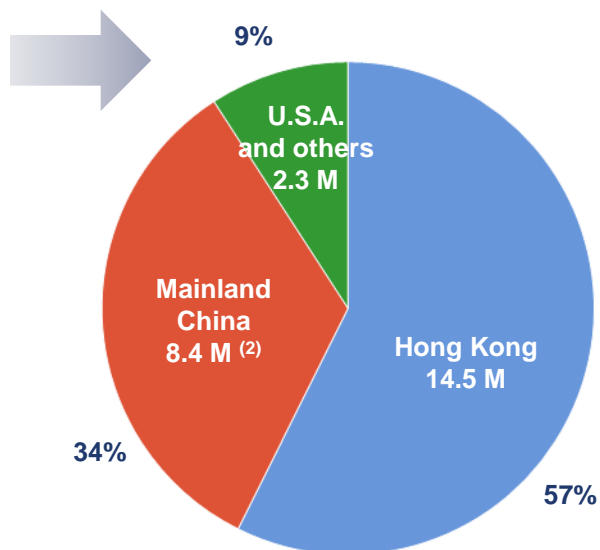


# Property Portfolio

Investment Props / Hotels Attributable GFA (M sq ft) <sup>(1)</sup>	Office	Retail	Hotels <sup>(3)</sup>	Resid.	Total
<b>Completed</b>					
Hong Kong	10.6	2.4	0.7	0.6	14.3
Mainland China	2.0	3.0	0.9	0.1	6.0
U.S.A. and Others	-	-	0.5	-	0.5
<b>Sub-Total (A)</b>	<b>12.6</b>	<b>5.4</b>	<b>2.1</b>	<b>0.7</b>	<b>20.8</b>
<b>Under Development or Held for Future Development</b>					
Hong Kong	-	0.1	-	0.1	0.2
Mainland China <sup>(2)</sup>	0.9	1.1	0.4	-	2.4
U.S.A.	1.0	0.5	0.2	0.1	1.8
<b>Sub-Total (B)</b>	<b>1.9</b>	<b>1.7</b>	<b>0.6</b>	<b>0.2</b>	<b>4.4</b>
<b>TOTAL = (A) + (B)</b>	<b>14.5</b>	<b>7.1</b>	<b>2.7</b>	<b>0.9</b>	<b>25.2</b>

Trading Props Attributable GFA (M sq ft)	Completed Prop Held for Sale	Under Development / Held for Future Development	Total
Hong Kong	0.1	0.8	0.9
Mainland China	-	0.7	0.7
U.S.A.	-	2.8	2.8
<b>Total</b>	<b>0.1</b>	<b>4.3</b>	<b>4.4</b>

## Attributable Investment Props by Region (GFA)



Attri. Investment Portfolio

25.2 M sq ft

Attri. Trading Portfolio

4.4 M sq ft

Total Attri. Property Portfolio

29.6 M sq ft

\* All figures were as at 30th Jun 2013 and did not take into account the recent pre-sale of Pinnacle One and the acquisition of the site adjacent to Brickell CityCentre.

- (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.



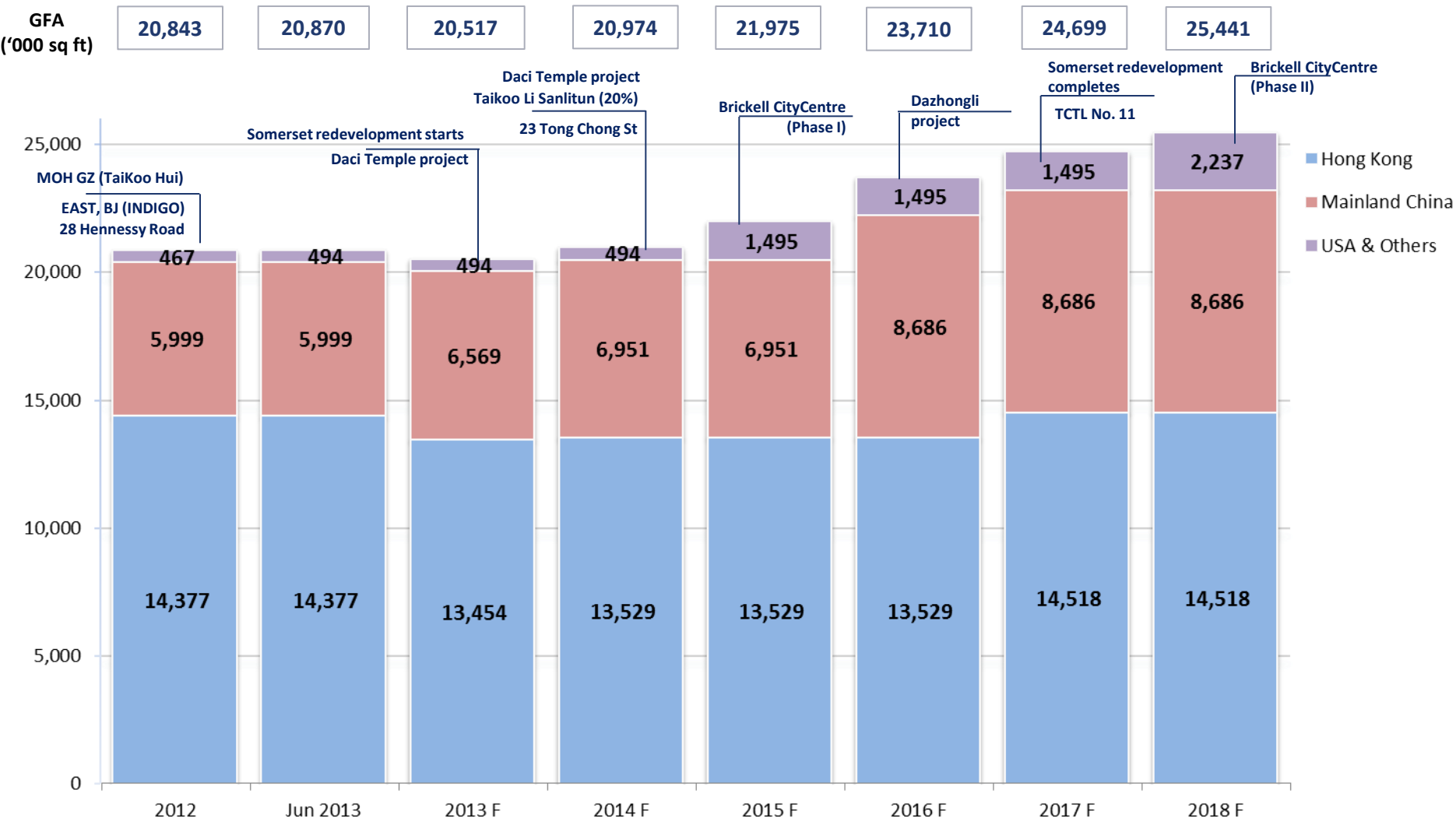
SWIRE PROPERTIES





# Completed Investment Portfolio

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



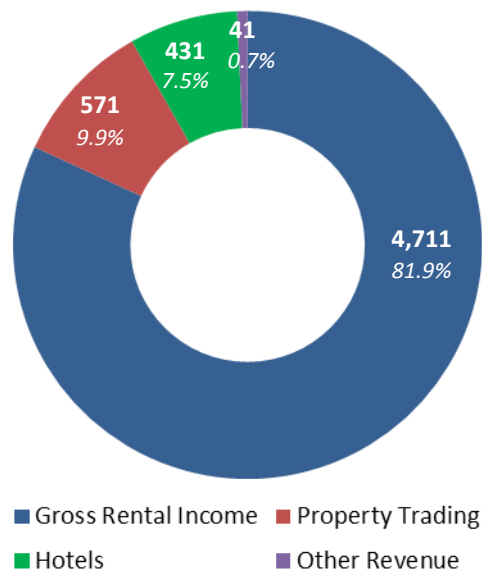


# Turnover Analysis

## 1H 2013 Turnover Breakdown by Segments

HK\$'M

5,754



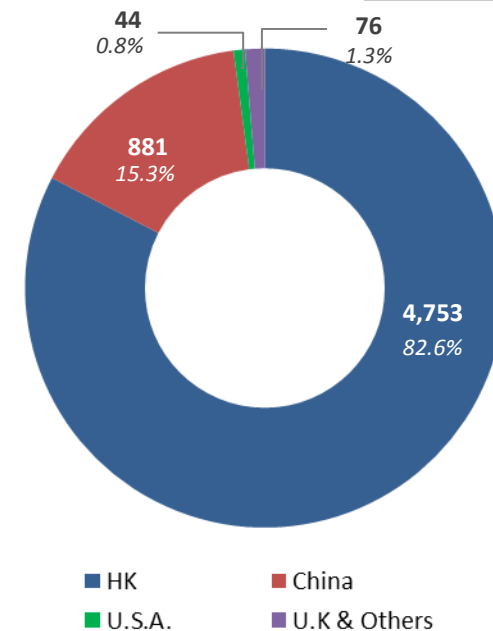
### Comparison

	1H12	1H13
Rental	4,390	4,711
Trading	99	571
Hotels	374	431
Others	44	41
<b>Total</b>	<b>4,907</b>	<b>5,754</b>

## 1H 2013 Turnover Breakdown by Region

HK\$'M

5,754



### Comparison

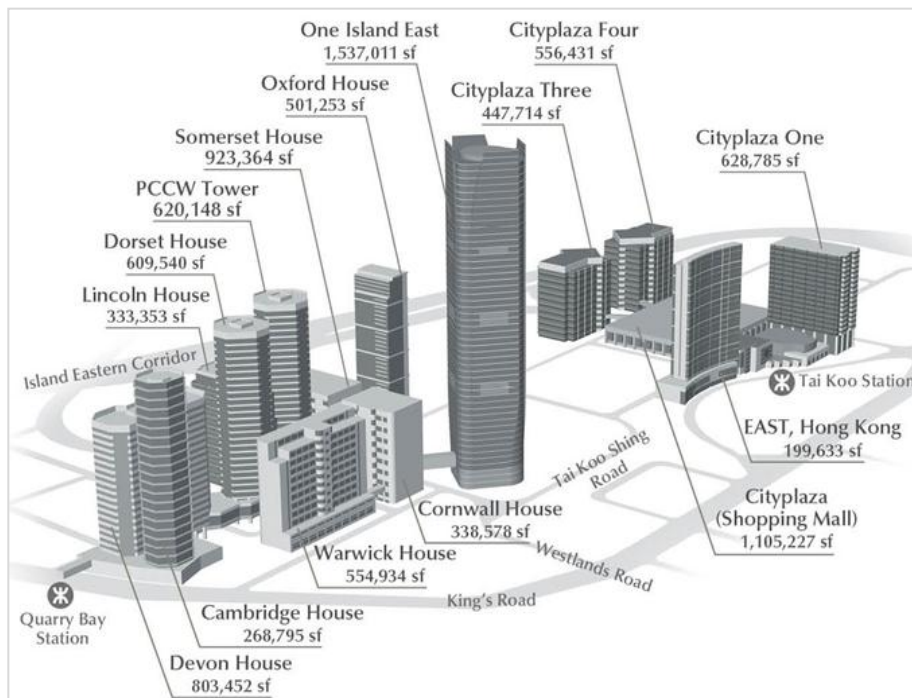
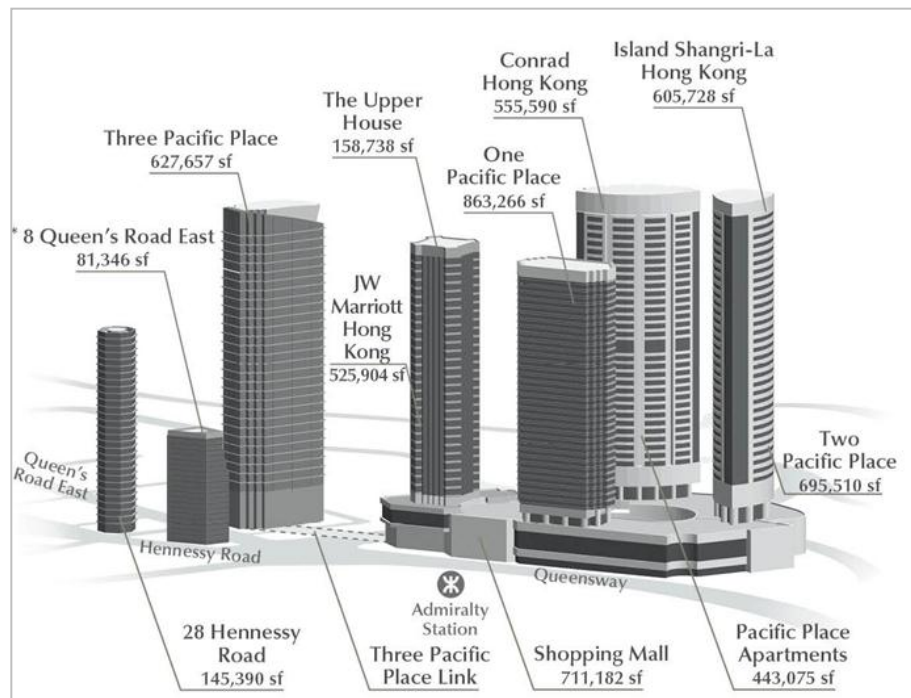
	1H12	1H13
HK	4,017	4,753
China	728	881
U.S.A.	107	44
U.K. & Others	55	76
<b>Total</b>	<b>4,907</b>	<b>5,754</b>

- Turnover increased by 17.3% in 1H 2013 due to higher turnover from property trading, as well as higher rental income from investment properties and higher turnover from hotel operations.
- Strong and stable revenue stream derived from investment properties, principally from Hong Kong operations.
- Turnover from Mainland China continued to increase due to improved rental contribution from Taikoo Hui and Taikoo Li Sanlitun.

Turnover  
+ 17.3%



# 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

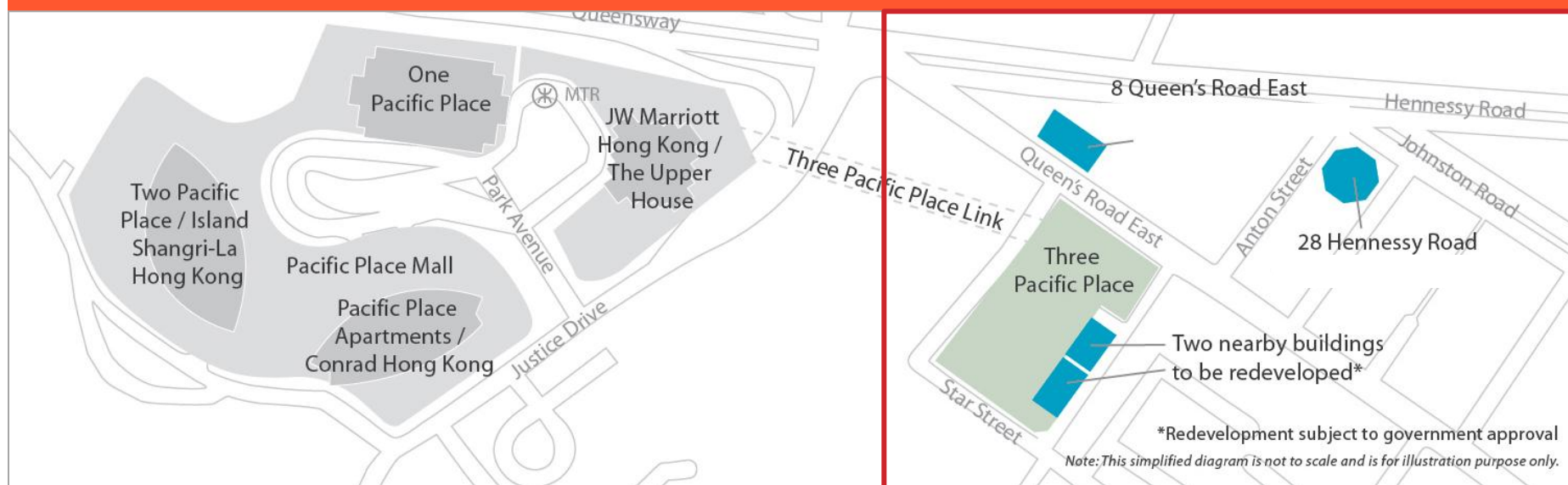
HK\$2 billion<sup>(1)</sup>  
contemporisation project  
substantially completed  
in Oct 2011

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

Completion of an office  
tower at 8 Queen's Road  
East<sup>(2)</sup> with GFA 81,346 sq ft

Propose to expand Three  
Pacific Place with the  
redevelopment of two  
nearby buildings<sup>(2)</sup>

## Pacific Place Initiatives



(1) Excludes the cost associated with the addition of The Upper House

(2) 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

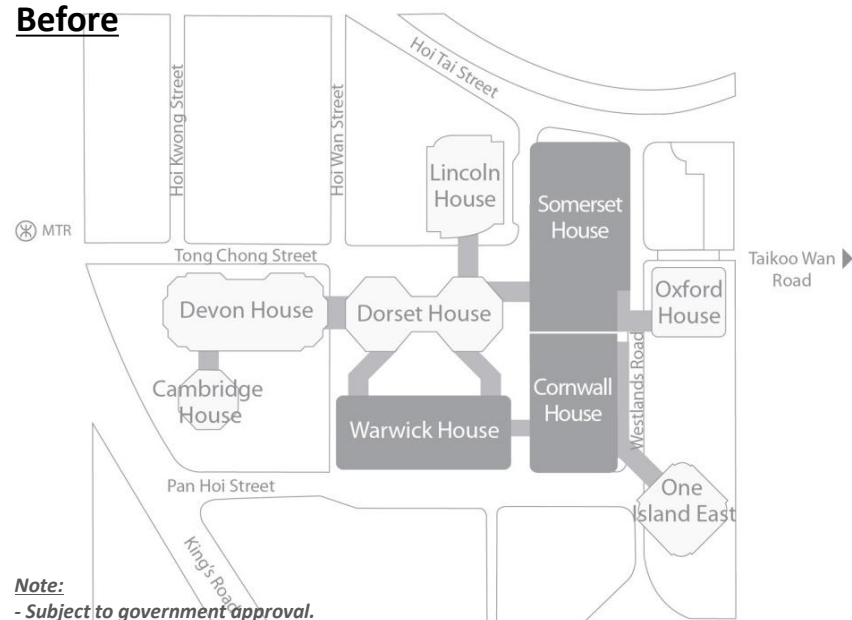
Have secured planning approvals for the three Techno-centres to be redeveloped as two Grade-A office buildings

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

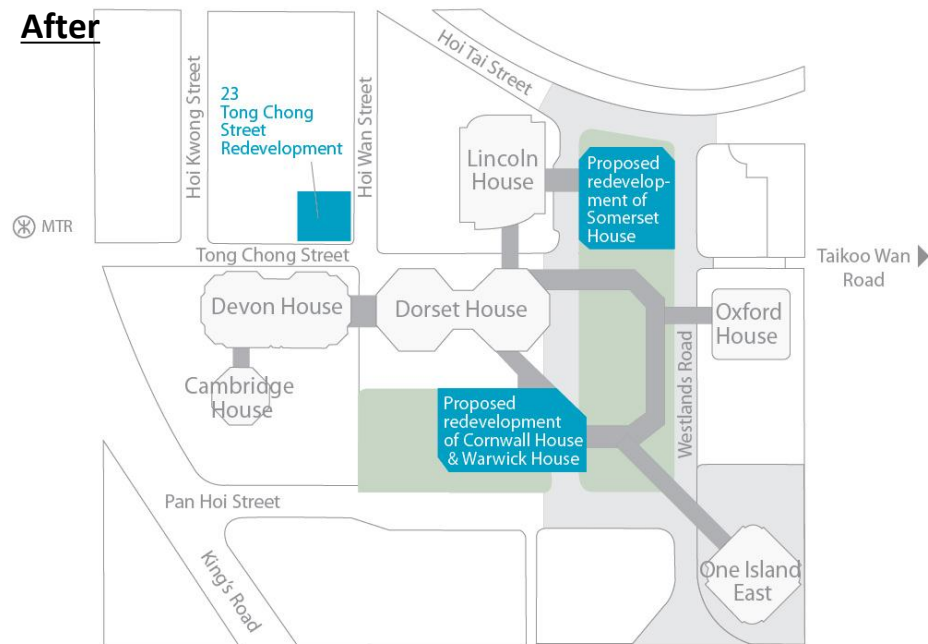
23 Tong Chong Street (about 75,129 sq ft) now under redevelopment into serviced apartments, to be completed in late 2014

## Techno-centres Proposed Redevelopment

### Before



### After





# Taikoo Li Sanlitun, Beijing

Ongoing development works to enhance footfall and circulation

Active management of tenant portfolio

Rationalising the cost base and reducing unrecovered outgoings



- ❑ In April 2013, Sanlitun Village was renamed Taikoo Li Sanlitun.
- ❑ Increase in gross rental income reflected continued improvement in reversionary rents.
- ❑ Occupancy <sup>(2)</sup> at Taikoo Li Sanlitun South (94%) and Taikoo Li Sanlitun North (89%) as at Jun 2013.
- ❑ Retail sales growth at Taikoo Li Sanlitun (+15.5%) in 1H 2013.

## Project Summary (100% Basis)

GFA	1.47 M sq ft
Components	TKL Sanlitun South TKL Sanlitun 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 Taikoo Li Sanlitun with the remaining 20% interest held by a fund. Subsequent to 30th Jun 2013, the fund gave notice of its intention to exercise its option to sell its 20% interest to Swire Properties. The sale is expected to be completed in early 2014.

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





# TaiKoo Hui, Guangzhou



- ❑ The shopping mall opened in Sep 2011, and approx. 99% of the floor area was leased as at Jun 2013.
- ❑ Retail sales at TaiKoo Hui Mall continue to be encouraging with retail sales growth of 28.8% in 1H 2013. Retail sales are expected to remain firm with particularly strong growth in GZ.
- ❑ Occupancy has steadily increased at the Taikoo Hui offices despite the challenging market conditions in Guangzhou. The two office towers was 85% committed <sup>(1)</sup> as at Jun 2013. HSBC occupies 29 floors representing 47% of total floor area and is the largest office tenant.
- ❑ The Mandarin Oriental Guangzhou opened in Jan 2013 with 263 guest rooms and 24 service apartments. Occupancy has been disappointing since its opening which reflects relatively weak demand and an oversupply of hotel accommodation.

(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



# INDIGO, Beijing



- ❑ The shopping mall at INDIGO officially opened in Sep 2012. Tenants have committed to take 88%<sup>(1)</sup> of the retail space and approx. 78% of the shops were opened and trading as at Jun 2013.
- ❑ Footfall and retail sales are expected to continue to increase in 2H 2013.
- ❑ The office tower, ONE INDIGO, was 95%<sup>(1)</sup> leased as at Jun 2013. The office market outside central Beijing was relatively subdued in the 1H 2013 following a rapid take-up of space in 2012.
- ❑ Trading conditions in Beijing were challenging in 1H 2013 due to a significant increase in the supply of new hotel rooms. EAST, Beijing hotel has been gradually building a loyal corporate clientele since its opening in Sep 2012.
- ❑ The project is directly linked to Beijing Metro Line 14, which is due to open in 2014.

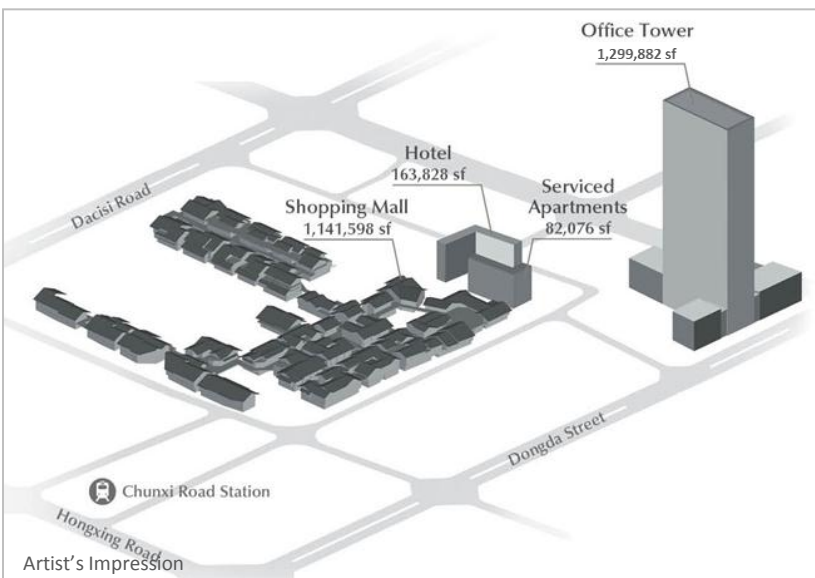
## Project Summary (100% Basis)

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





# 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.
- ❑ The retail portion of the project has been named Sino-Ocean Taikoo Li Chengdu and the hotel and serviced apartment portion has been named the Temple House. The office portion, Pinnacle One, is intended for trading purposes.
- ❑ Subsequent to Jun 2013, a substantial portion of Pinnacle One (approx. 1,150,000 sf or 89% of total GFA) was pre-sold.
- ❑ Superstructure works are in progress. The project is expected to complete in phases from 2013 onwards and to open in phases from 2014 onwards.

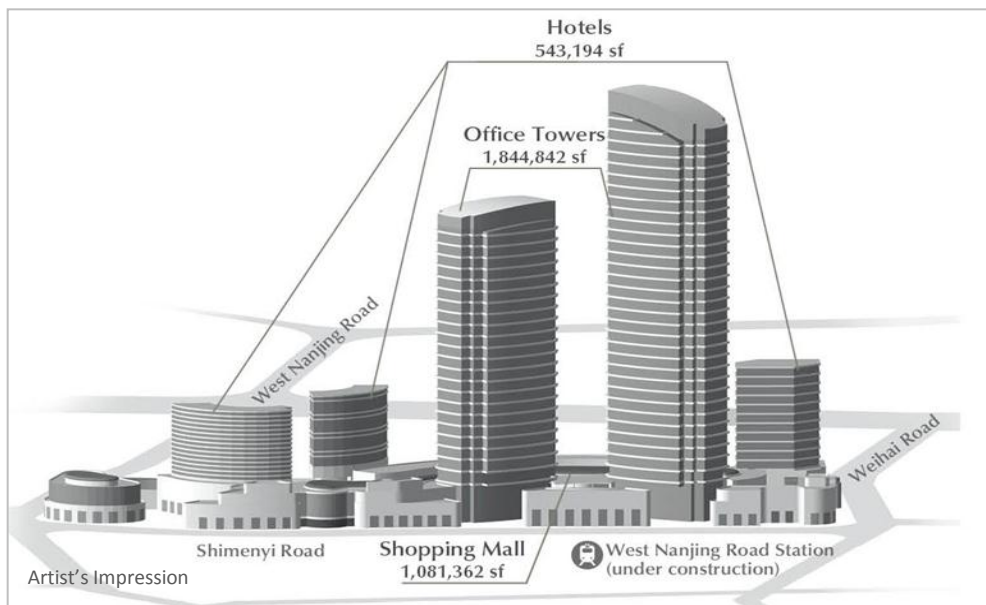
## Project Summary (100% Basis)

GFA	2.69 M sq ft
Components	Retail Office (for trading) Hotel Serviced Apartments
Interest	50%
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 has been completed and above ground works are in progress.
- ❑ 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



# Hotel Portfolio

Managed Hotels		No. of Rooms	Interest
<b><u>Completed</u></b>		<i>(100% basis)</i>	
HK	<i>The Upper House</i>	117	100%
HK	<i>EAST, Hong Kong</i>	345	100%
HK	<i>Headland Hotel</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%
<b>Sub-Total (A)</b>		<b>1,697</b>	
<b><u>Under Development</u></b>			
China	<i>The Temple House, Chengdu</i>	142	50%
China	<i>Dazhongli Project (hotel), Shanghai</i>	100	50%
U.S.A.	<i>EAST, Miami, Florida</i>	351	100%
<b>Sub-Total (B)</b>		<b>593</b>	
<b>Total = (A) + (B)</b>		<b>2,290</b>	

Owned but Non-managed Hotels <sup>(1)</sup>		No. of Rooms	Interest
<b><u>Completed</u></b>		<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%
<b>Sub-Total (C)</b>		<b>2,733</b>	
<b><u>Under Development</u></b>			
China	<i>Dazhongli Project(hotels), Shanghai</i>	332	50%
<b>Sub-Total (D)</b>		<b>332</b>	
<b>Total = (C) + (D)</b>		<b>3,065</b>	



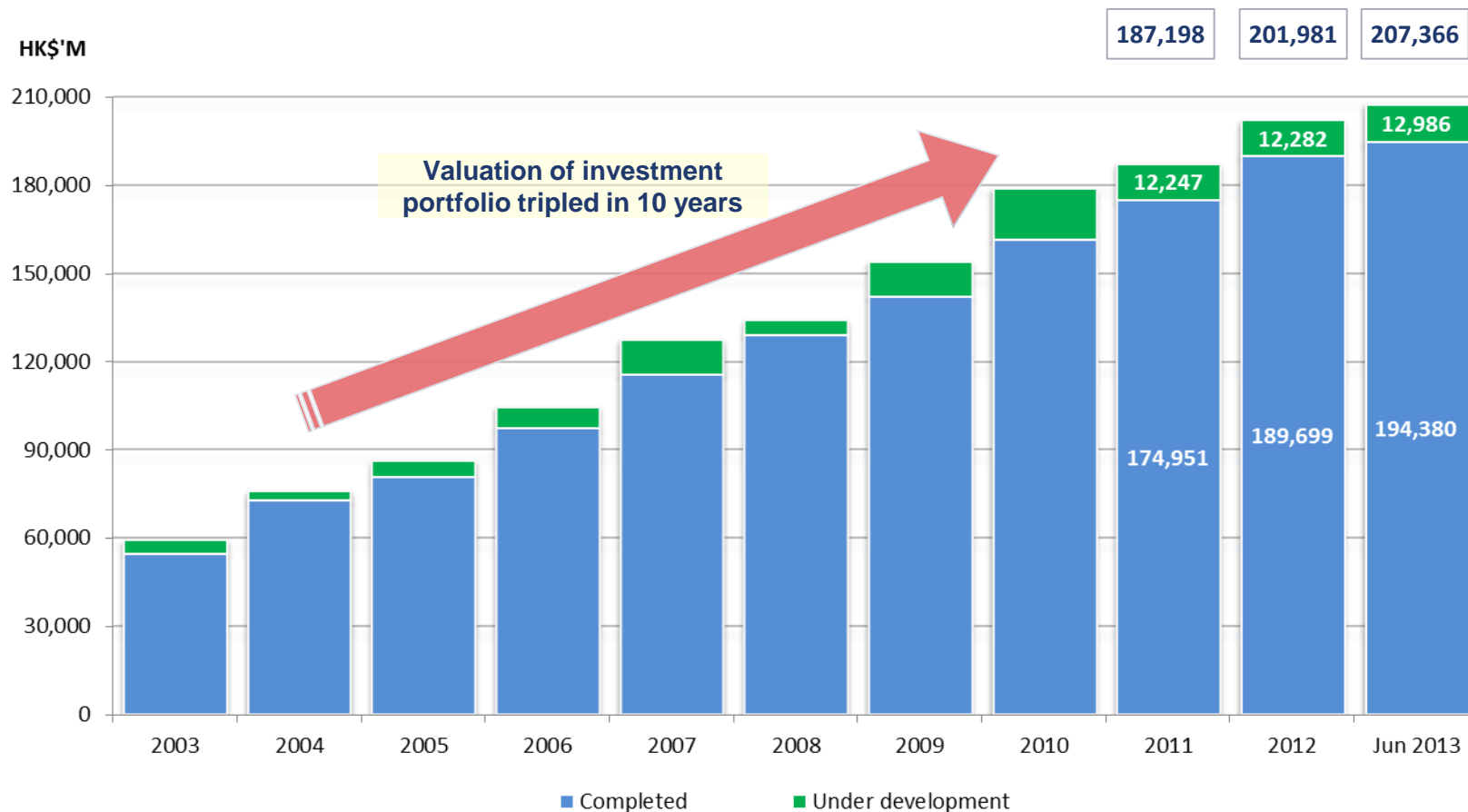
Expected Total Managed Rooms  
**2,290**



# Valuation of Completed Investment Properties

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

## 2003 – June 2013 Valuation of Completed Investment Properties (excl. Hotels) \*



\* Per 2013 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.