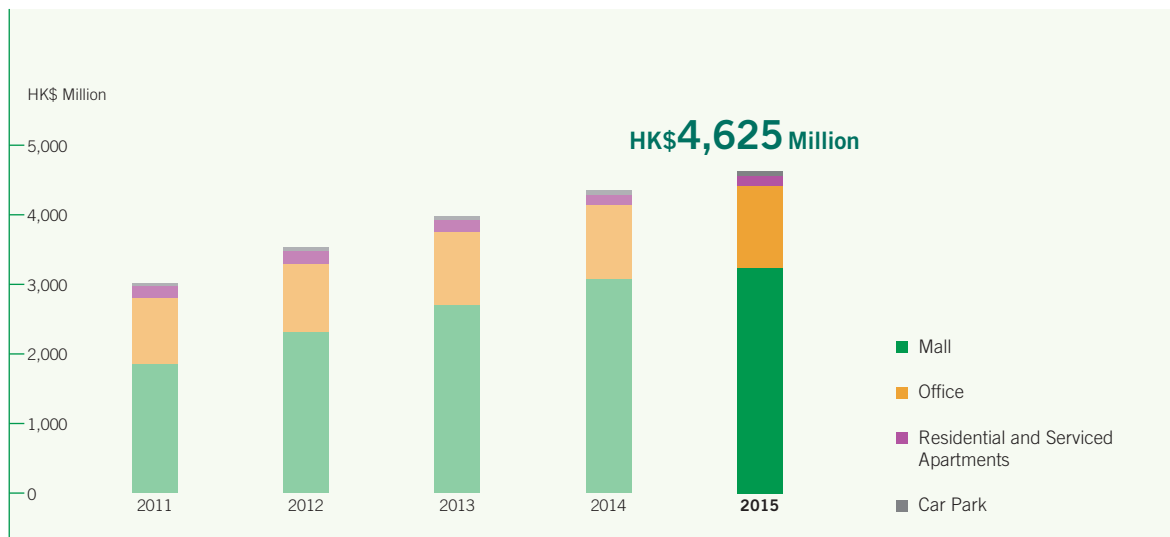




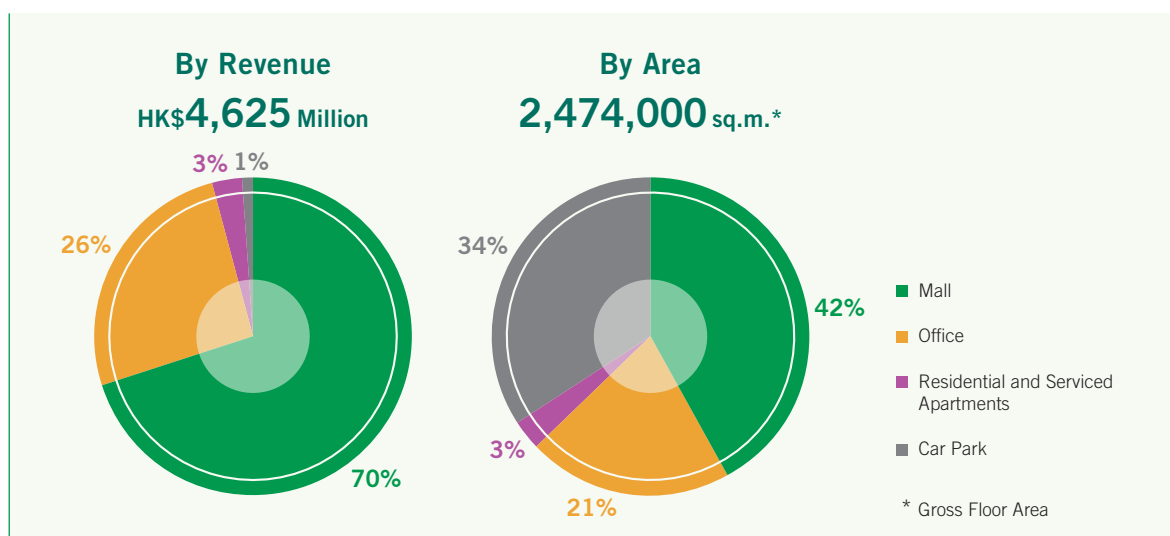
MAINLAND CHINA PROPERTY LEASING

Hang Lung has been active in the mainland China commercial property market since the 1990s. Our focus has gradually shifted from building world-class commercial complexes and iconic landmarks to providing top-quality customer service and developing innovative marketing campaigns.

REVENUE OF MAINLAND CHINA PORTFOLIO



DISTRIBUTION OF MAINLAND CHINA PORTFOLIO



Amid weaker retail market sentiment caused by rising popularity of shopping overseas, economic uncertainty and the influence of recent stock market volatility, our performance in the leasing division has maintained moderate growth.

The total revenue from mainland China properties reached HK\$4,625 million, representing a 6% growth year-on-year. New premises have contributed to leasing growth with the opening of the shopping malls at Riverside 66 in Tianjin and Olympia 66 in Dalian, and the office towers at Center 66 in Wuxi and Forum 66 in Shenyang. The rental growth of our Shanghai properties was partly offset by the decrease in rental income of the Forum 66 and Center 66 shopping malls.

SEGMENTAL ANALYSIS OF MAINLAND CHINA INVESTMENT PROPERTIES

For the year ended December 31

	Rental Revenue (HK\$ Million)		Occupancy Rate at year-end		Total Gross Floor Area [#] ('000 sq.m.)	
	2015	2014	2015	2014	2015	2014
Mall	3,234	3,064	81%	89%	1,049	827
Office	1,188	1,083	77%	73%	506	315
Residential and Serviced Apartments	135	145	81%	60%	83	83
Car Park	68	62	N/A	N/A	836	686
Total	4,625	4,354	79%	80%	2,474	1,911

[#] Including gross floor area above and below ground



MAINLAND CHINA PROPERTY LEASING

BRIEF ON PROPERTIES

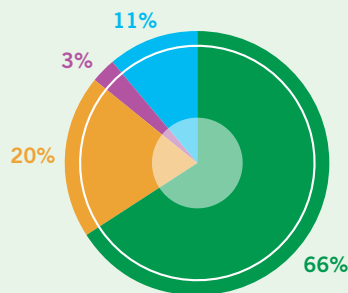
PLAZA 66, SHANGHAI



Renowned as one of the most successful commercial complexes in mainland China, Plaza 66 comprises a five-story high-end shopping mall, housing renowned luxury goods and fashion brands, and the two prestigious Grade A office towers, soaring 66 stories and 48 stories, respectively, attract prominent local and international businesses as tenants. The entire complex has become one of the city's most admired landmarks.

Commercial Segment Distribution (by Leased Floor Area)

- Fashion & Accessories
- Food & Beverage
- Lifestyle & Entertainment
- Others



Key Statistics

Gross floor area (sq.m.)	Commercial	53,700
	Office	159,555
	Residential and Serviced Apartments	N/A
Number of car parking spaces		804
Occupancy rate (at year-end)	Commercial	97%
	Office	98%
	Residential and Serviced Apartments	N/A
Number of shopping mall tenants		120

GRAND GATEWAY 66, SHANGHAI

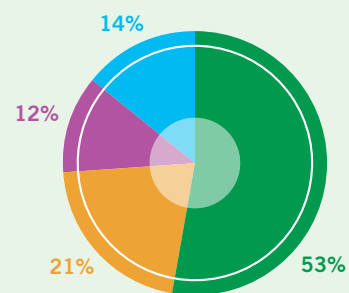


Located at the commercial hub of Xujiahui, Grand Gateway 66 is an interconnected complex comprising a shopping mall, an office tower and residential and serviced apartments. Grand Gateway 66 has a unique and contemporary style that sets it apart from similar developments in the city.

The shopping mall of Grand Gateway 66 offers unmatched opportunities for business and leisure. With its superb location above the Xujiahui station, Grand Gateway 66 is a true one-stop shopping complex in Shanghai.

The office tower of Grand Gateway 66 houses prominent local and international businesses as tenants. Serviced apartments at Grand Gateway 66 comprise of three buildings offering 629 suites for lease.

Commercial Segment Distribution (by Leased Floor Area)



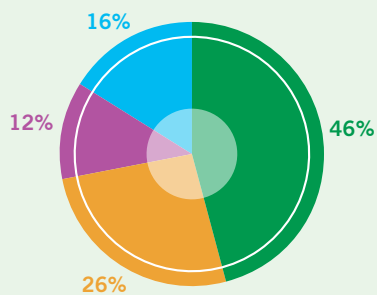
Gross floor area (sq.m.)	Commercial	120,188
	Office	67,200
	Residential and Serviced Apartments	83,200
Number of car parking spaces		835
Occupancy rate (at year-end)	Commercial	97%
	Office	97%
	Residential and Serviced Apartments	81%
Number of shopping mall tenants		360

PALACE 66, SHENYANG



The magnificent Palace 66 shopping mall is located right in the vibrant financial and commercial heart of Shenyang. Situated on Zhongjie Lu, a famous commercial street in Shenhe district, Palace 66 houses an alluring blend of international and local brands. These encompass fashion and accessories, lifestyle and entertainment, beauty and cosmetics, as well as quality restaurants.

Commercial Segment Distribution (by Leased Floor Area)



109,307

N/A

N/A

864

90%

N/A

N/A

200

FORUM 66, SHENYANG

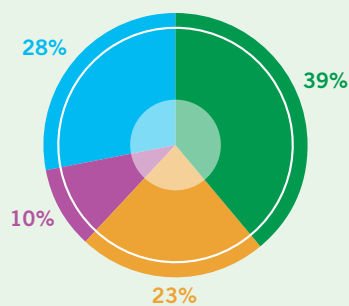


Forum 66 sits ideally on Qingnian Da Jie, the Golden Corridor thoroughfare that runs through the city center, and is close to Shenyang's best known landmarks.

The shopping mall at Forum 66 houses a number of world-leading high-end brands that have chosen Forum 66 as the home for their first stores in Shenyang. The Metro line No. 2 offers direct access to Forum 66 from the station, providing an additional boost to traffic flows to the project.

The office tower has 88-story, soaring more than 350 meters into the city skyline. It is a rare and superior high-rise building in Shenyang and is a magnet for renowned multinational companies.

Commercial Segment Distribution (by Leased Floor Area)



101,960

190,745

N/A

2,139

87%

42% (low- and mid-zones)

N/A

120



MAINLAND CHINA PROPERTY LEASING

BRIEF ON PROPERTIES

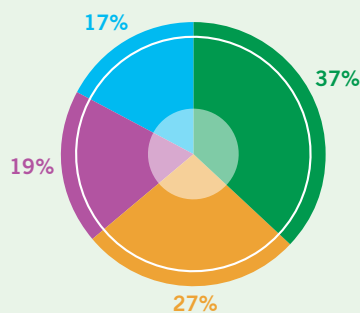
PARC 66, JINAN



Situated on Jinan’s Golden Avenue, Quancheng Lu, Parc 66 introduced a number of international brands launched for the first time in the Jinan market. The shopping mall is a most welcome lifestyle destination for Jinan residents with its cinema, supermarkets and cafés.

The architectural design of Parc 66 blends well with the surrounding environment. Taking its theme from the nearby lakes and springs, Parc 66 embodies a flowing design, an undulating roof, green spaces and curved façades. Its two triangular-shaped shopping buildings are linked by an undulating bridge, the Dragon.

Commercial Segment Distribution (by Leased Floor Area)



- Fashion & Accessories
- Food & Beverage
- Lifestyle & Entertainment
- Others

Key Statistics

Gross floor area (sq.m.)	Commercial	171,074
	Office	N/A
	Residential and Serviced Apartments	N/A
Number of car parking spaces		789
Occupancy rate (at year-end)	Commercial	88%
	Office	N/A
	Residential and Serviced Apartments	N/A
Number of shopping mall tenants		310

CENTER 66, WUXI

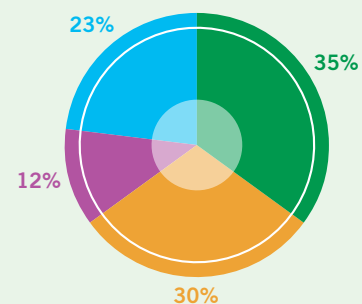


Situated ideally at the heart of Wuxi’s Liangxi central business district on Renmin Zhong Lu, Center 66 (Phase 1) is a commercial complex currently comprising a shopping mall and a Grade A office tower.

The shopping mall houses a selection of global brands, food & beverage outlets as well as lifestyle offerings.

The 52-story office tower of Center 66 began operation in October 2014 and is home to a number of international and domestic leading corporations.

Commercial Segment Distribution (by Leased Floor Area)



Gross floor area (sq.m.)	Commercial	118,135
	Office	88,560
	Residential and Serviced Apartments	N/A
Number of car parking spaces		1,292
Occupancy rate (at year-end)	Commercial	72%
	Office	70%
	Residential and Serviced Apartments	N/A
Number of shopping mall tenants		150

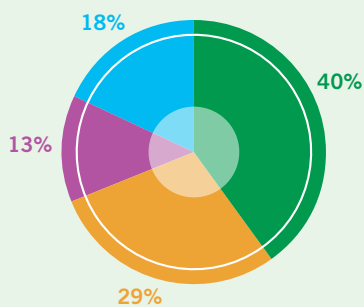
RIVERSIDE 66, TIANJIN



Located strategically in the heart of Tianjin's Haihe central business district, Riverside 66 houses an extensive tenant list encompassing an alluring mix of internationally renowned fashion brands, food & beverage outlets and lifestyle retailers. A number of tenants have also chosen Riverside 66 as the home for their first stores in Tianjin.

The unique and eye-catching architectural design of Riverside 66 extends approximately 380 meters from east to west amid the most hectic and bustling pedestrian zone in Tianjin.

Commercial Segment Distribution (by Leased Floor Area)



152,831

N/A

N/A

800

86%

N/A

N/A

285

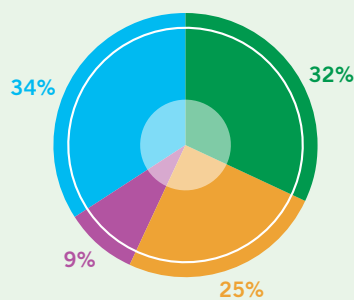
OLYMPIA 66, DALIAN



Centrally situated on Wusi Lu, one of the most prominent commercial thoroughfares in the city of Dalian, Olympia 66 is Hang Lung's eighth commercial project on the Mainland. This world-class building boasts a unique architectural style, with its grand curving geometric design reflecting the concept of the auspicious Chinese Tai Chi twin dancing carps.

With a retail sales area of over 220,000 square meters, Olympia 66 is Hang Lung's largest shopping mall to-date. It provides diversified choices of shopping, dining and entertainment, attracting a number of international brands to debut and open their flagship and concept stores in Dalian.

Commercial Segment Distribution (by Leased Floor Area)



221,900

N/A

N/A

1,214

54%

N/A

N/A

124



MAINLAND CHINA PROPERTY LEASING

PLAZA 66, SHANGHAI

Despite the mixed economic climate and the competitive challenges posed by the opening of new shopping malls, **Plaza 66** has maintained its Home of Luxury positioning with the expansion of the PRADA flagship store, the launching of a brand new Fendi flagship, to be followed by the complete refit and expansion of the Dior family of stores and boutiques and the introduction of new brands of similar stature in 2016.



Plaza 66's Flora Flora event with stunning 3D installations

The asset enhancement work to Office Tower One and the mall which is well underway, connects the currently disjointed B1 shopping arcade providing full access to the upper retail floors and the car park. Terraced cafes will be introduced in the west Atrium. All these will pave the way for a wider and livelier blend of fashion accessories and top quality food services to complement the comprehensive mix of exclusive luxury brands.

As a prelude to the above, an extensive range of fresh, experiential and rising international brands of the lifestyle luxury genre have been put in place, including Balmain, Goyard, Y-3, Maje, Versus, as well as brands making their debut in Shanghai such as Leonard, Maison Margiela, Diptyque, Agent Provocateur and Biologique Recherche. These additions are all part of the plan to animate and expand Plaza 66's appeal to a new generation of affluent shoppers who would not be satisfied solely with traditional luxury.

With its parade of world-class luxury brands and ever-expanding food and beverage services, Plaza 66 was named as The 2015 Most Trendy and Luxurious Landmark for the third consecutive year by Shanghai Times, one of the Shanghai business community's most influential media outlets.

The occupancy rate of **Plaza 66 Office Towers** increased by six points to 98% year-on-year. 2015 has seen the major expansion and renewal of existing, high-profile office tenants including the completion of the LVMH Group's transfer of its various brands and operations to Plaza 66, now occupying an expanded floor space of over 18,000 square meters. New tenants of note include Japanese pharmaceutical giant, Santen Pharmaceutical, which have relocated their China head offices to Plaza 66.

Commenced in June 2015 with substantial completion scheduled by 2016, our asset enhancement works will increase competitiveness by taking exceptional hardware and software quality to new heights. The First Phase of the lobby renovation at Office Tower One unveiled a new look at the end of 2015. With the well planned and executed enhancement works in full swing, we are firmly on target to solidify our leading position in the market.

GRAND GATEWAY 66, SHANGHAI

As a premium shopping mall, refining tenant mix is a delicate operation that requires a thorough understanding of market trends and sentiments. The introduction of new international high-end brands to **Grand Gateway 66** has had a positive impact on footfall while the newly installed Cosmetic Zone on the second floor has made the mall a magnet for a young, stylish and affluent clientele. Leveraging on this customer base, the introduction of new popular women's fashion brands into the tenant mix is now in progress.

Marketing activities throughout the year have taken the seasons, celebrations and hottest trends into account, and transformed them into engaging events that attract crowds and generate footfall. From Star Wars and Popeye to an amazing 3D summer maze and our Dress Up This Christmas campaign, we have celebrated with both tenants and customers. Among the most innovative events of the year has been a colossal collaboration with the National Geographic Channel to bring the awe-inspiring T-Rex dinosaur to life in a touring exhibition that Grand Gateway 66 launched in September 2015.

With a major asset enhancement initiative set for implementation by the end of 2016, the mall will undergo a transformation which will propel Grand Gateway 66 into a new era. We are constantly seeking to upgrade our offering in line with market demands and, to introduce unique food and beverage brands into the tenant mix. Also, we are in full support of the enhancement plans of our tenants, either under construction or under planning, of our tenants such as Marc Jacobs, Chloé, Dunhill, Hugo Boss, Coach, Michael Kors and Tesla.



Hang Lung and the National Geographic Channel premiere the first ever T-Rex Revealed Dinosaur Exhibition



MAINLAND CHINA PROPERTY LEASING

Grand Gateway 66 Office Tower maintained an occupancy rate of 97% with our tenants comprising stable international corporations occupying whole floors. Among whole-floor office tenants who renewed their contracts in 2015 were the online media company YouKu and international powertrain rebuild and repair services brand Timken. A steady increase in rental income has been achieved with a broad spread of international companies across a variety of sectors including popular casual apparel brand UNIQLO, skincare product manufacturer Nivea, American packaging company MeadWestvaco (MWV), international communications agency Bates CHI&Methinks, and global advertising agency BBDO.

Revenue from **Grand Gateway 66 Residential and Serviced Apartments** in Shanghai was down by 7% to HK\$135 million due to lower average occupancy, as the ambience of the local surroundings was affected by construction works nearby. The global economic downturn has reduced allocations for staff accommodation within a tighter budgetary environment and this has also depressed demand in 2015.

FORUM 66, SHENYANG

The shopping mall at **Forum 66** was hit by weak retail spending and negative rental reversions which led to a retreat in retail sales by 3%. To this end, 2015 has been a year of consolidating and enhancing our competitive capabilities.

The introduction of the VIC loyalty program has opened up exciting new possibilities for customer service and relationship management. With over 14,500 members to date and the number growing, we have built a databank which will enable us to execute effective, customer-oriented marketing campaigns and promotions to enhance customer affinity. Tenants are very appreciative of this initiative and have held joint promotions with us, which makes this a crucial area for us to support with resources so as to strengthen our tenant relations and boost sales.

In the light of the new two-child policy, we have launched a Kids Zone on the third floor to cater for the needs of parents with a range of children's fashion outlets, toy stores and educational brands. Adding to our list of exclusive international tenants, Tory Burch opened its first regional outlet at Forum 66 in August 2015.

Despite the 3% overall drop in retail sales under exceptionally weak retail sentiment, a notable number of brands have generated growth in turnover. The outstanding ones with over 10% growth include I.T, Moncler, Tiffany & Co, Valentino, Givenchy, Panerai, Piaget, Chloé, Christian Louboutin, Celine, Lanvin,

Over
14,500
VIC
members



Forum 66's VIC loyalty program has opened new possibilities for customer service and relationship management

Puyi Optical, Palace Cinema, 趙記老舖, Z-space steak house (領仕扒房) and 思妍麗. After consolidation and backfill with the right replacement tenants, the mix will be more competitive and precise in positioning.

Launched on schedule and within budget, **Forum 66 Office Tower One** opened in January 2015 with offices in the low-to-mid zones handed over in phases from the first quarter of 2015. Despite the highly competitive market environment caused mainly by new supply, the leasing pace of Office Tower One has been generally satisfactory with an occupancy rate reaching 42% in the nine months from the handover.

Forum 66 Office Tower One is proving to be a magnet for renowned multinational companies such as Sumitomo Mitsui Banking Corporation, Medtronic, Covidien, Nikon, Generali China, Astellas Pharma, Omron and Hokkaido Bank, which have already made the tower their corporate home. Meanwhile, national-level Mainland companies including Yanshang Group, Pingan Insurance, Cennavi, Taoli Food, Haitong UniTrust, JZ Securities and JSVC have also confirmed their leases.

PALACE 66, SHENYANG

After two leasing cycles, the revenue of **Palace 66** posted moderate growth as a result of rising occupancy while retail sales recorded a 2% year-on-year growth.

Palace 66 has consolidated its position as a contemporary and fashionable nerve center for the local community. This has been achieved through an insightful marketing strategy that has consistently drawn crowds. For example, The Nanta Show from Korea filled the concourses of the mall with people enjoying the group's unique blend of non-



The Nanta Show from Korea fills Palace 66 with shoppers



MAINLAND CHINA PROPERTY LEASING

verbal comedy. In addition, characters from the much loved smartphone game Plants vs. Zombies made their debut at the Palace 66 Halloween event, which stimulated an impressive 90% increase in footfall, vehicle entry, and increased sales within the mall.

During the course of the first half of the year, there were some shifts in our tenant mix which were all improvements, with the addition of international tenants Pandora, Folli Follie, Ed Hardy, VANS, New Balance and Carhartt, which also served to further animate the mall's line-up.

PARC 66, JINAN

The general climate of economic uncertainty has had a negative impact on consumption in the retail sector. However, this has led retailers to seek improved ways to position themselves in the market, most notably through finding reputable shopping malls in which to open their stores. **Parc 66** will be the beneficiary of this trend and a strong line-up of new brands is expected in the coming year, with an iconic global technology brand opening its first Jinan store in the first half of 2016.

Apart from traditional retails, Parc 66 has also introduced a diversified range of leisure and lifestyle offerings including a gym, a beauty salon, a bookstore-cum-cafe, an art school and a children's playhouse. Other popular international brands have also opened their outlets at Parc 66 in the course of the year including Avirex, BOY LONDON and Nannini, which is making its debut in Shandong Province. Among existing tenants, 11 have completed enhancement works on their premises in 2015 with a further six tenants due to commence upgrade works in 2016.

Occupancy rate of Parc 66 increased to 88% by year end. Retail sales at the mall remained flat due to cautious spending.



Parc 66's Halloween event
Costume Ball on Stage is
welcomed by shoppers

CENTER 66, WUXI

Under the challenging circumstances of the current downturn, **Center 66** recorded a drop in retail sales while the occupancy rate declined to 72% during the course of tenant reshuffling. The mall has implemented a series of strategic enhancement initiatives and policies to drive consumer demand.

Our focus on marketing activities throughout the year lifted the mall's status as a center of activity for the community. The much anticipated T-Rex exhibition, jointly organized by Hang Lung and the National Geographic Channel, was a phenomenal success, drawing crowds from far and wide to generate a growth in footfall. The Cool Bear event comprising a graffiti activity, a Running Bear mobile app and a pop-up bear-themed café attracted a lot of attention. Later in the year during the celebration of the second anniversary of Center 66, the Bonus Points Rewards Program was well-received by shoppers.

A watchful eye has also been kept on the mall's tenant mix with the transformation of the third level into a Kids Zone, led by Toys "R" Us and Kidsland. Center 66 remains an attractive proposition for high value brands seeking to enter the local market and has welcomed renowned chocolatier Godiva and two stylish new brands, JINS and APM Monaco, who made their local debut. Success in enriching the diversity of products and services offered in the mall has also been achieved with the introduction of attractive new food and beverage options along the new subway connecting the mall with the Metro station.

Center 66 Office Tower One completed its first full cycle of operation since its opening in October 2014. With the occupancy rate standing at 70% by the end of 2015, the Office Tower has made pleasing progress and outperformed the wider market.

Our major tenants are companies from the financial sector including insurance, asset management, investment, securities and trust companies. Our global standards have also attracted international names such as Hennes & Mauritz AB (H&M), Mitsubishi Electric, Daikin Air Conditioning, Fuji Xerox, as well as domestic corporations expanding their nationwide reach such as New China Insurance, Ping An Insurance, Huaneng Guicheng Trust, Lujiazui Trust and Chinalin Securities.



Center 66's Cool Bear event comprising various activities brings a lot of fun to shoppers



MAINLAND CHINA PROPERTY LEASING

RIVERSIDE 66, TIANJIN

Having completed its first full cycle of operation, **Riverside 66** has bucked the general trend and produced satisfactory results with an occupancy rate of 86%.

Among the popular names at Riverside 66 are Pandora, Innisfree, Etude House, Tony Moly, Swatch, Theory, COS, H&M, Aape, CK Jeans, Hugo Boss, Michael Kors, Y-3, Armani Collezioni, Gant, Carhartt, GAP and the Abercrombie & Fitch flagship store. The draw of our attractive tenant mix has been boosted by targeted marketing initiatives, which have consistently raised footfall and enhanced public awareness and recognition of Riverside 66 as an important landmark development. Another world renowned consumer technology brand will land in Riverside 66 in the first half of 2016.

A total of 15 marketing campaigns were successfully deployed during the year along with 50 promotional events, including the popular Valentine's Day party with its Heartbeat theme, and the largest Halloween party staged in Tianjin. Leveraging on partnerships with iconic brands, characters and artists such as Barbie, Baymax and Joy Brown, the marketing team at Riverside 66 has created unique popular culture marketing activities to engage our customers.

EST initiatives have also been successfully launched in partnership with WeChat and tenants. They served as a new platform to promote and engage customers in O2O (online-offline) activities. Viral marketing of the kind experienced in the past year will remain as an important part of our communication strategy.

We are set to further enhance our tenant mix with popular, influential brands. Well-timed events of considerable public interest will also feature in our line-up for the coming year, with the much anticipated T-Rex exhibition, which has been touring Hang Lung malls throughout the Mainland attracting significant crowds, coming to Riverside 66 in April and May 2016.



Riverside 66's interactive hot dance and laser show create a brilliant ambience in Tianjin



Olympia 66 attracts crowds of citizens upon its opening

OLYMPIA 66, DALIAN

Dalian's shining new landmark, **Olympia 66**, had its soft opening on December 18, 2015. With a retail sales area of over 220,000 square meters, Olympia 66 is Hang Lung's biggest shopping mall to date and represents a huge commitment to the development of the city with qualities that have become synonymous with the Hang Lung brand on the Mainland. The mall is designed to bring fascinating entertainment, leisure and shopping experiences to Dalian with facilities including a world-class ice rink and a cinema with 10 houses, the largest of which offers 400 seats and a giant screen.

With dedicated attention to the most efficacious tenant mix, our leasing team has already secured a number of tenants across a full range of product and service categories to make Olympia 66 Dalian's preferred venue for shopping and entertainment. Among these tenants, almost 40 are making their entry into Liaoning Province. International brand names abound including Emporio Armani, Coach, Omega, Montblanc, Moschino, G Givenchy, Gucci Timepieces and Jewelry, Armani Jeans, Y-3, Alice McCall, Pandora, Swarovski, UGG, Ralph Lauren Kids, Hugo Boss Kids, Ferrari Kids, Nicholas & Bears, Petit Bateau, and Adidas Neighborhood, establishing Olympia 66 as the premier center for a comprehensive range of international stylish shopping options. In addition, the mall is proud to welcome a number of hugely popular brands who will be unveiling their flagship stores at Olympia 66 including COS, Under Armour, Coterie, Nannini and the most coveted global consumer technology brand known to all.

The importance of technology in the lives of the general public is recognized in our promotional events, the first of which was a Christmas celebratory event, which incorporated our EST strategy focusing on experience, service, and technology with an interactive online lucky draw element and the launching of an online CRM program to build a firm base of clients with whom targeted engagement may be achieved in the future.

40
New Tenants
Debut at
Olympia 66

