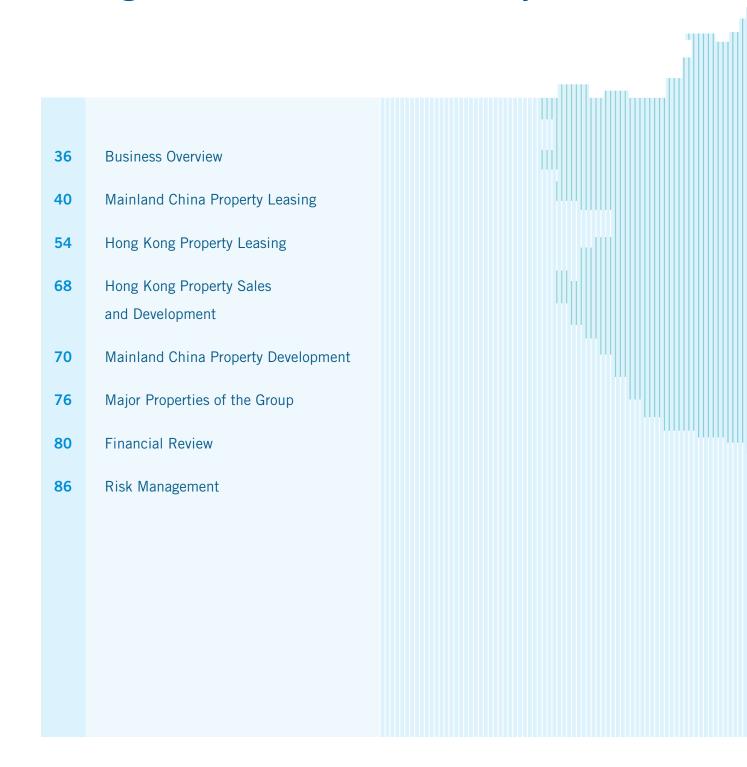




Management Discussion and Analysis

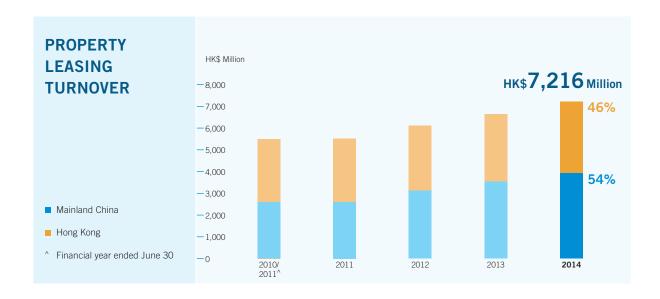


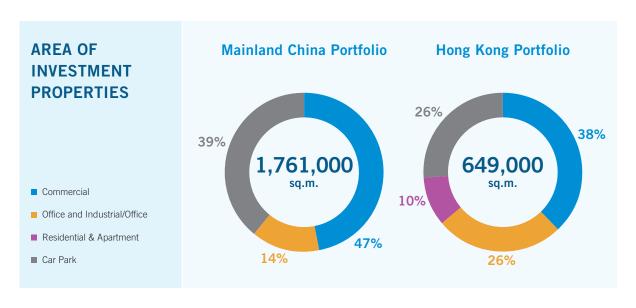




Upholding the We Do It Right business philosophy, Hang Lung Properties remained committed to building world-class commercial projects in key mainland cities and to enhancing our core assets, amidst the ephemeral challenges in the external environment.

In 2014, Hang Lung Properties reported continual growth of mainland China and Hong Kong property leasing portfolios. Couple with taking advantages of improved Hong Kong residential market sentiment, the Group achieved strong financial results.





For the 12-month period ended December 31, 2014, our core business, property leasing continued to achieve steady growth in a challenging business environment in mainland China and Hong Kong. Property leasing turnover and operating profit rose 9% and 5% to HK\$7,216 million and HK\$5,589 million, respectively.

Riding on improved sentiments in the Hong Kong residential market, the Group launched the sales campaigns for The Long Beach and The HarbourSide in 2014. As a result of the sale of a total of 412 residential units and some car parking spaces, our property sales turnover reached HK\$9,814 million. Overall profit margin realized was 75.6%.

