

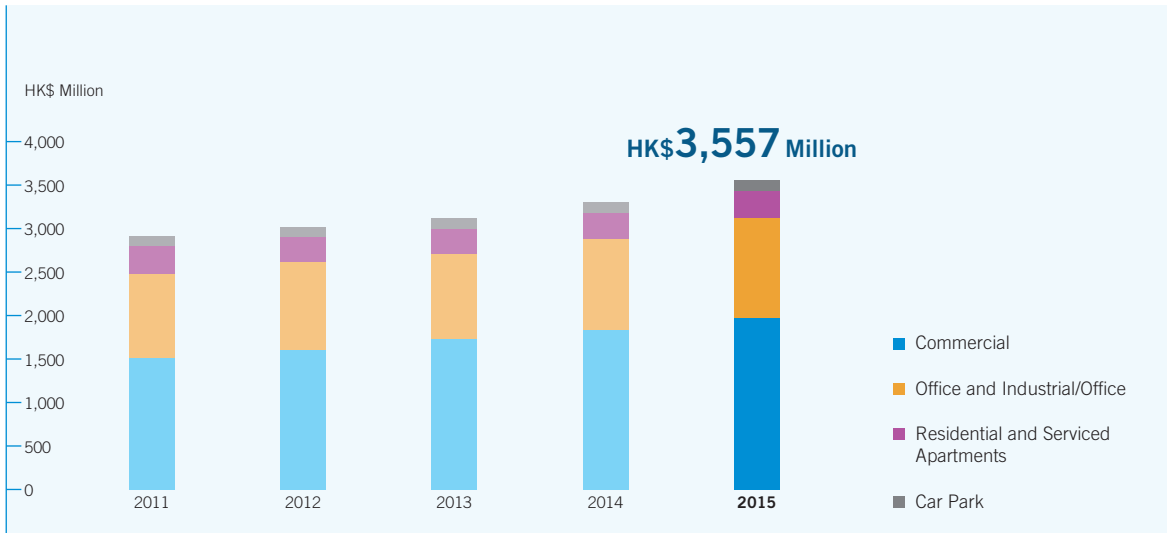


HONG KONG PROPERTY LEASING

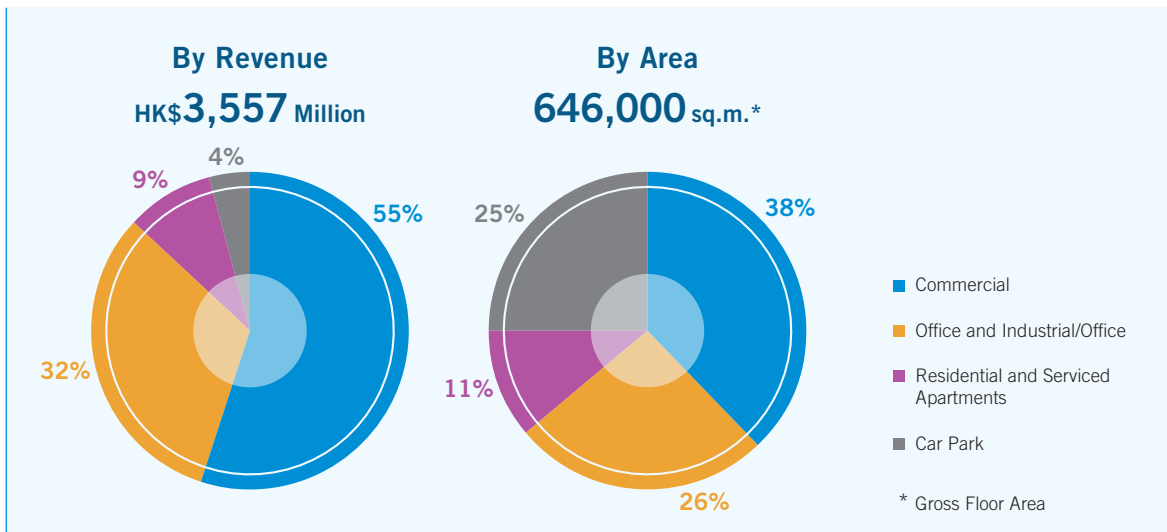
Existing properties in Hong Kong have played their part in consolidating our position in established markets with asset enhancement initiatives bearing fruit and innovative marketing campaigns strengthening our iconic status within the respective districts.

The revenue and operating profit of our Hong Kong leasing portfolio gained 8% and 7% to HK\$3,557 million and HK\$2,989 million, respectively, while the overall rental margin stood at 84%.

REVENUE OF HONG KONG PORTFOLIO



DISTRIBUTION OF HONG KONG PORTFOLIO



Benefitting from asset enhancement initiatives and ensuing rent increases, the revenue of our Hong Kong commercial portfolio advanced 8% to HK\$1,972 million in 2015, against the backdrop of a 4% year-on-year decrease in overall retail sales in Hong Kong.

The entire office portfolio in Hong Kong achieved a 9% rental growth to HK\$1,140 million mainly benefitting from positive rental reversions.

GEOGRAPHICAL ANALYSIS OF HONG KONG INVESTMENT PROPERTIES

At December 31

	Total Gross Floor Area* ('000 sq.m.)	
	2015	2014
Hong Kong Island		
Central	51	51
Causeway Bay and Wan Chai	92	92
Kornhill and Quarry Bay	134	134
The Peak and Mid-Levels	46	47
Hong Kong South	12	12
Kowloon		
Mongkok	140	140
Tsim Sha Tsui and West Kowloon	86	88
Ngau Tau Kok	76	76
Kwai Chung	9	9
Total	646	649

SEGMENTAL ANALYSIS OF HONG KONG 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
Commercial	1,972	1,832	98%	98%	246	246
Office and Industrial/Office	1,140	1,048	95%	95%	169	169
Residential and Serviced Apartments	316	295	75%	80%	68	68
Car Park	129	125	N/A	N/A	163	166
Total	3,557	3,300	94%	94%	646	649

* Including gross floor area of car parks



HONG KONG PROPERTY LEASING

BRIEF ON MAJOR PROPERTIES

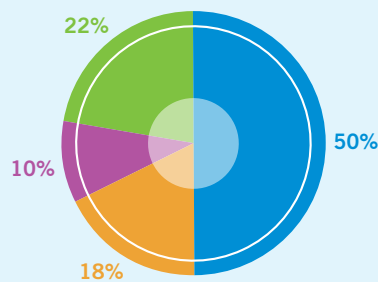
FASHION WALK

Causeway Bay



In a unique fusion of indoor and outdoor elements at the heart of Causeway Bay and encompassing four vibrant streets – Great George, Paterson, Kingston and Cleveland – Fashion Walk is the superlative shopping destination, offering the latest trends in fashion, gastronomy and lifestyle in a magnificent setting. In addition, Fashion Walk features an exciting collection of restaurants with al fresco and indoor seating.

Commercial Segment Distribution (by Leased Floor Area)



Key Statistics

Gross floor area (sq.m.)	Commercial	31,072
	Office	N/A
	Residential and Serviced Apartments	7,935
Number of car parking spaces		N/A
Occupancy rate (at year-end)	Commercial	95%
	Office	N/A
	Residential and Serviced Apartments	91%
Number of shopping mall tenants		79

HANG LUNG CENTRE

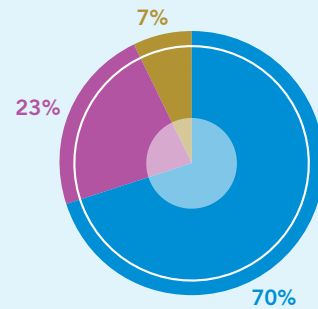
Causeway Bay



Conveniently located in the heart of Causeway Bay, Hang Lung Centre is a retail and commercial complex with key retail and semi-retail offerings in travel, fashion wholesale and medical services. The opening of H&M's first and largest global flagship store in Asia in 2015 injects new energy and boosts the shopping ambience.

Expansion of the travel zone creates a comfortable environment for customers obtaining travel information and shopping for travel products.

Commercial Segment Distribution (by Leased Floor Area)



Gross floor area (sq.m.)	Commercial	8,777
	Office	22,131
	Residential and Serviced Apartments	N/A
Number of car parking spaces		126
Occupancy rate (at year-end)	Commercial	91%
	Office	96%
	Residential and Serviced Apartments	N/A
Number of shopping mall tenants		3

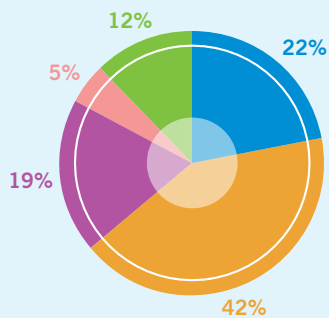
THE PEAK GALLERIA

The Peak



Located at Hong Kong's top visitor attraction, The Peak Galleria is a shopping and dining complex. It not only features a full array of local and international specialty stores, restaurants and a 3D illusion art museum but also a host of environmentally friendly facilities. Its Observation Deck at Green Terrace on L3, offering the stunning panoramic view of Victoria Harbor and the Pok Fu Lam Reservoir, is a must-visit place.

Commercial Segment Distribution
(by Leased Floor Area)



12,446

N/A

N/A

493

98%

N/A

N/A

56

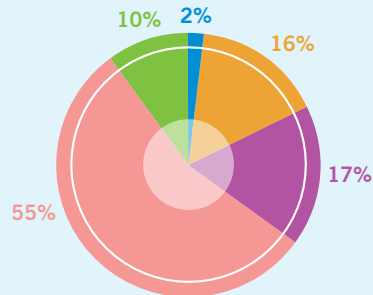
KORNHILL PLAZA

Quarry Bay



Conveniently located on top of the MTR Taikoo Station, Kornhill Plaza is one of the most popular shopping hubs on East Hong Kong Island. The commercial complex houses a quality lifestyle shopping arcade, department store, serviced apartments with superior management and services, an office tower and the Kornhill Learnscape education center.

Commercial Segment Distribution
(by Leased Floor Area)



53,080

10,577

35,275

1,069

99%

100%

57%

111



HONG KONG PROPERTY LEASING

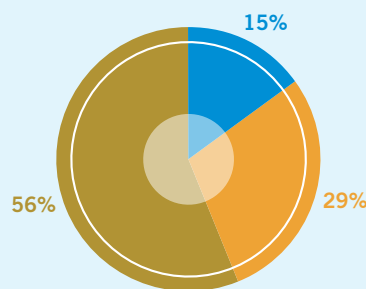
BRIEF ON MAJOR PROPERTIES

STANDARD CHARTERED BANK BUILDING Central



Home to Hang Lung's headquarters, the Standard Chartered Bank Building is a prestigious Grade A commercial tower in Central district. It is also the home of the first digital branch of Standard Chartered Bank, the luxury fashion brand Escada and the high-end Chinese restaurant Mott 32.

Commercial Segment Distribution
(by Leased Floor Area)



- Fashion & Accessories
- Food & Beverage
- Leisure & Entertainment
- Bank
- Department Store
- Others

Key Statistics

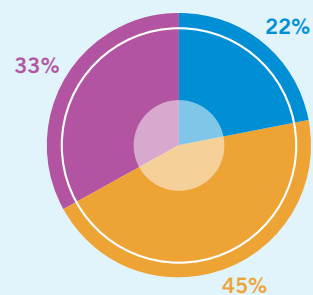
Gross floor area (sq.m.)	Commercial	4,814
	Office	23,730
	Residential and Serviced Apartments	N/A
Number of car parking spaces		16
Occupancy rate (at year-end)	Commercial	100%
	Office	100%
	Residential and Serviced Apartments	N/A
Number of shopping mall tenants		3

GRAND PLAZA Mongkok



Located on bustling Nathan Road next to the MTR Mongkok Station, Grand Plaza comprises two office towers and a commercial podium with high-standard facilities. It houses renowned watch and jewelry brands, many fashion brands and restaurants targeting both locals and tourists, as well as beauty and medical centers.

Commercial Segment Distribution
(by Leased Floor Area)



Gross floor area (sq.m.)	Commercial	20,905
	Office	31,251
	Residential and Serviced Apartments	N/A
Number of car parking spaces		40
Occupancy rate (at year-end)	Commercial	100%
	Office	93%
	Residential and Serviced Apartments	N/A
Number of shopping mall tenants		31

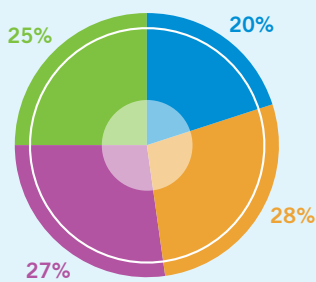
AMOY PLAZA

Ngau Tau Kok



Conveniently located near the MTR Kowloon Bay Station, Amoy Plaza is an integrated mall in Kowloon East, comprising stores offering trendy fashions, beauty products and electronic gadgets. Together with more than 35 restaurants serving local and international cuisines, the mall offers a full selection of lifestyle experiences for nearby office workers and residents of Amoy Gardens.

Commercial Segment Distribution (by Leased Floor Area)



49,006

N/A

N/A

620

99%

N/A

N/A

261

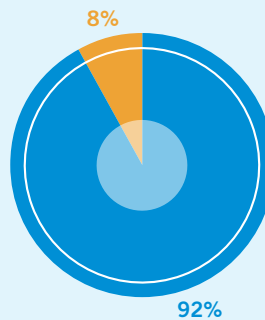
GALA PLACE & PARK-IN COMMERCIAL CENTRE

Mongkok



Located in the vibrant Mongkok district, Gala Place houses the largest single-story Starbucks in Hong Kong, spanning over 4,500 square feet, as well as the triple-story H&M full-concept flagship store, the largest H&M store in Kowloon, and has become a hotspot for the trendy and fashionable. Park-In Commercial Centre houses a potpourri of diversified services and products including outdoor gear, chic fashion, skincare and cosmetics, lifestyle products, audio and digital gadgets, as well as beauty and fitness centers. Park-In Commercial Centre Carpark offers nearly 500 parking spaces, providing a convenient, one-stop shopping experience for its customers.

Commercial Segment Distribution (by Leased Floor Area)



7,454

30,205

N/A

478

100%

95%

N/A

2



HONG KONG PROPERTY LEASING



The Fashion Intelligence Index, created by Fashion Walk and renowned marketing agency McCANN & SPENCER, wins five honors in the 2015 Kam Fan Awards including the only and most coveted accolade of all, the Grand Kam Fan award

Causeway Bay

FASHION WALK

2015 has proven to be a year of remarkable progress driven by a well-orchestrated, holistic transformation program at **Fashion Walk** in Causeway Bay. With the implementation of our Company-wide asset enhancement initiatives, Fashion Walk has taken a multifaceted approach to establishing itself as the vibrant center of fashion and lifestyle in Hong Kong and the wider region, leveraging upon inspired emphases on achieving the most attractive tenant mix, and marketing our unique brand in a way that has captivated the market and earned us recognition as a distinctive lifestyle destination ranked by USA Today 10 Best.

Our spread of brands has given us an edge that propels us to the forefront of fashion and lifestyle trends, leading the way with exclusive flagship stores and boutiques. The flagship stores of Michael Kors, Max Mara, Kate Spade, and Ted Baker form the core from which our dynamism emanates to include concept stores at the cutting edge of fashion such as Just Cavalli, Versus, MSGM, Maison Kitsune, and D-mop. With the opening of H&M's largest global flagship store in Asia at Hang Lung Centre in October 2015, the shopping experience was taken to yet another level for the growing number of Fashion Walk fans from across the region.

Complementing the targeted mix of retailers is the regeneration of Fashion Walk's Food Street, a chic refuge from the hustle and bustle of city life. Featuring a selective mix of unique and inviting dining concepts including elBorn, COEDO Taproom, Coast Seafood and Grill, Marbling, and Elephant Grounds, we have re-positioned Food Street as the place to relax, to see and be seen in the Fashion Walk sanctuary of style.

Fashion Walk is keeping its momentum by turning concepts into realities, forging a unique environment that engages and captivates the public's imagination. Our signature annual events include the annual carnival Dine and Shine and the Spark Awards' Best Event champion, 2015, Halloween Styloween. Accolades have flooded in for the innovative branding campaign Fashion Intelligence Index, which engaged trendsetters in the city in an interactive research project that launched Fashion Walk as the place to discover fashion. It reached the very pinnacle of the marketing industry by garnering five honors in the 2015 Kam Fan Awards including for marketing excellence on an international scale. The campaign captured the prestigious Grand Kam Fan Award 2015 and the Silver Award in the Interactive category at the 2015 ONE SHOW Greater China Awards.

HANG LUNG CENTRE

Hang Lung Centre in Causeway Bay, known for its multi-trade offices, achieved a 12% rental growth from office tenants with its occupancy rate up one point to 96%.

Having developed three successful semi-retail hubs in the travel, fashion wholesale and medical sectors in Hang Lung Centre, we continue to observe stable demand for quality retail and office space in this prime asset within Causeway Bay. A series of asset enhancement initiatives has been charted progressively from 2016 to further upgrade our offering. With our continued efforts to retain and attract tenant partners of the highest quality and our investment in building facilities and customer service upgrades, we remain confident of maintaining our leading position in the various sectors in which we operate.



The largest H&M global flagship store in Asia opens at Fashion Walk in October 2015



The iconic video-game character PAC-MAN brings shoppers back in a fun-filled time warp to their happiest childhood memories

The Peak

THE PEAK GALLERIA

In order to stimulate the local market and make **The Peak Galleria** a destination of choice among locals as well as tourists, our marketing team has heightened its focus on promotional events and related activities. The Running PAC-MAN Halloween campaign was one such event which stimulated widespread interest. The event increased footfall for the month of October and brought about a 9% growth in active fans of the mall's Facebook Fanpage, which is a significant gain in our social media collateral as a base for future promotional activities.

2016 will be a year of targeted marketing to untapped opportunities in the tourist and local markets, in parallel with the commencement of the mall's asset enhancement program.

Hong Kong East

KORNHILL PLAZA

Footfall and retail sales have been buoyant as **Kornhill Plaza** is well positioned to be sheltered from the shrinkage in luxury spending. Achieved rental growth of 6% bodes well for the highly popular center of a growing community, with new entries among popular food and beverage choices including Pizza Express, A-1 Bakery, Mr. Steak, La Taste and MACCHA HOUSE. New attractions such as Stage of Playlord, Walker Shop, JJPN, Wing Bay, Coucou, Stage 2 by index plus and MDX, among others, have added spice to a friendly mix which has opened up new segments of customers, drawing beyond the mall's traditional catchment, to include neighboring districts on the Island and across the Eastern Harbor Tunnel.

Expectations for 2016 are very positive with steady growth anticipated as on-going refinement of the tenant mix will continue to enhance our competitive advantage. The upgrade works of two major anchors, namely, AEON and PARKnSHOP, in 2016 will also contribute to our targeted growth trajectory.

100%
Occupancy
Rate
(Office)



Kornhill Learnscape wins the title of Smart Parents Choice – Education Arcades in the category of Lifetime Planning in the Smart Parent's Choice – Brand Awards 2015



HONG KONG PROPERTY LEASING

Occupancy and rental revenue for the **Office Tower of Kornhill Plaza** continue on an upward trend. It will be further strengthened by quality tenants and strong brands such as Swiss Art Studio, Project Dash! and Kings Rhythmic Gymnastic Ballets, Kornhill Learnscape continues to exceed expectations with growth in brand value that has attracted mid- to high-spending households to Kornhill Plaza. In addition, the Smart Parents' Choice – Brand Awards 2015 earned by Kornhill Learnscape, is a resounding affirmation of our efforts to develop and promote this venture.

Kornhill Apartments posted rental growth of 3% despite unfavorable market conditions attributable to sluggish demand in the tourism sector and heavily discounted room rates among competing hostels and hotels.

Central

Our Central portfolio comprising Standard Chartered Bank Building, 1 Duddell Street, Printing House and Baskerville House, generated overall rental growth of 8%.

In an attempt to articulate the historical legacy and local identity of the Duddell area in tandem with positive evolving changes in the surrounding retail landscape, a plan has been set out to identify opportunities for value creation.

In addition to the two-Michelin-star Duddell's at **1 Duddell Street** and the trendy Mott 32 in **Standard Chartered Bank Building**, two exclusive dining and lifestyle concepts have been introduced in 2015 to elevate the energy of the area. In **Baskerville House**, The First Floor by Lifestyle Federation seeks to promote its new "edutainment" concept as a lifestyle club offering a fine dining experience and lifestyle events for an affluent and discerning audience. In **Printing House**, Foxglove is an elegant bar and lounge modeled after the great drinking dens of the 1950s.

Mongkok

GRAND PLAZA

As a result of the three-year enhancement program completed in March 2015, **Grand Plaza** has enhanced its shopping ambience and trade mix. Our performance has been lifted by the strategic transformation of the shopping mall including a new dining hub to be formed in 2016. In addition, the largest Quiksilver flagship store in the region opened its doors in December 2015, generating additional sales momentum for the Mongkok district.

100%
Occupancy
Rate
(Commercial)





Shoppers of Grand Plaza join the spine-chilling zombies for a fun flash mob dance during Halloween

Targeted marketing initiatives have played a pivotal role in positioning Grand Plaza as an exciting shopping and dining destination for locals and tourists alike. Among our initiatives to leverage the power of social media was the Zombie Party Halloween event. Making full use of online to offline techniques, social media platforms and AR (Augmented Reality) technology, our efforts reaped rich rewards in viral marketing which increased both tenant sales and our own social media fan base for future enterprising promotion campaigns.

The **Office Towers of Grand Plaza** have strengthened their position as a professional medical and beauty hub in Central Kowloon. It has sustained stable growth with the acquisition of new, well-known medical practitioner tenants, as well as the recruitment of a new medical technology laboratory and the expansion of the “quality medical bloc” premises to occupy the whole floor. The outlook for 2016 is one of continued stability as we carry on assessing the feasibility of introducing new themed-floors, while continuing to look for opportunities in the medical field.



HONG KONG PROPERTY LEASING



With a total area of 4,500 square feet, the Starbucks shop grandly opens at Gala Place in December 2015



H&M unveils its full-concept flagship store in January 2016

GALA PLACE

Gala Place is firmly set on an upward trajectory of growth with popular international coffee brand, Starbucks, opening its concept store in December 2015, the only concept store of its kind in the territory. Prospects are upbeat for 2016 with the opening of the celebrated H&M full-concept flagship store on January 29, 2016, which will raise the mall's profile and enhance our positioning within the market. Again, social media platforms will be fully utilized to promote the new anchors which are fully expected to be a catalyst for the upgrade of the entire district.

PARK-IN COMMERCIAL CENTRE

Park-In Commercial Centre continues to grow as a lifestyle hub as well as being home to big-brand service centers. The opening of global direct-sales giant, Amway's new Experience Centre, has brought new energy to the tenant mix.



Local multimedia artist, Elphonso Lam, designs the Skull-Elphonso-themed installation for Amoy Plaza

Kowloon East

AMOY PLAZA

Amoy Plaza in Kowloon East has achieved a 9% rental growth in 2015. It was well supported by local consumers drawing from the Kowloon Bay business district and the adjacent new housing estates.

The upward trajectory has been facilitated by a strategic focus on tenant mix and innovative marketing activities. We have successfully managed our tenant mix, introducing new sports brand, WK Jumbo, which opened its biggest Hong Kong outlet at Amoy Plaza along with new additions such as Esprit, Extravaganza, Attachment, Little Room, and SIXTY EIGHT. We also welcomed popular Taiwan food and beverage brand, XOXO Café, in November 2015.

Successful marketing initiatives have not only drawn transitory footfall but also helped to build customer loyalty. Amoy Plaza has now positioned itself as a thriving, family lifestyle and entertainment hub. Our Go Green@Amoy Plaza event attracted a great deal of attention over the Easter holidays attracted over 15,000 people who took part in green-themed interactive games. Another 7,000 people had a go at the bicycle electricity generator game to light up a beautiful LED tree. The event was our first collaboration with the Hong Kong Science and Technology Park. Innovative use of smartphone technology turned a simple egg hunt into an engaging interactive game which encouraged customers to spread the word on social media.