



Outlook

Against a backdrop of the Trade War, we maintain a cautiously optimistic view towards both the Hong Kong and Mainland property leasing markets.

While our established properties in both Hong Kong and Mainland are expected to deliver sustainable growth, Shanghai Plaza 66 will continue to attain healthy rental growth. The progressive completion of renovation work at Shanghai Grand Gateway 66 and the opening of new properties in Kunming (retail and office tower), Wuxi (the second office tower) and Shenyang (hotel) on the Mainland will provide an impetus for revenue growth.

Our focus for 2019 is to further enhance our customer-centric initiatives in terms of strategic leasing and the sequential launch of HOUSE 66, our customer relationship management program, across the portfolio. HOUSE 66 was successfully launched in September 2018 at Shanghai Plaza 66 and in December 2018 at Jinan Parc 66. The program was greeted with a high degree of enthusiasm by tenants at both properties, increasing membership registrations and spending by members.

Likewise, we will continue to watch, keep pace with, or stay ahead of customer trends, striking a balance between experiential content and conventional retail to increase footfall and sales, thereby optimizing income. We have also deployed new technologies such as mobile applications, mobile payment and smart parking, on top of the ever-improving direct customer services, thereby further enhancing the unique Hang Lung Brand Experience.

Backed by our financial strength, we will continue to enhance assets in both Hong Kong and the Mainland to maintain our competitive edge and may further build our land bank when opportunities arise. Depending on market conditions, there is a possibility that we will continue to sell down the Hong Kong residential units on hand. Meanwhile, projects under development in mainland China will forge ahead as planned.