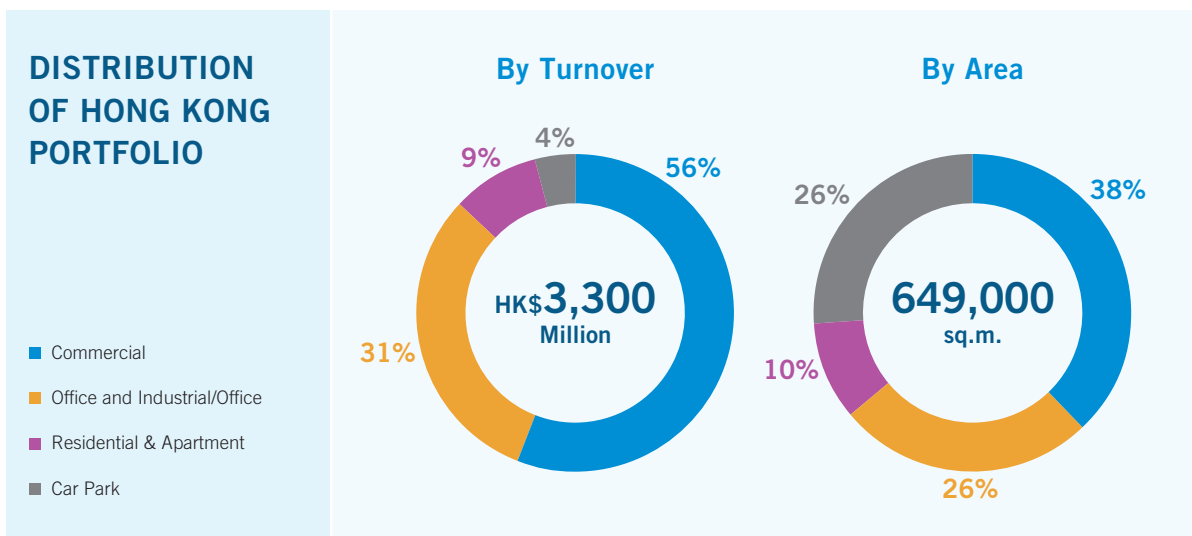
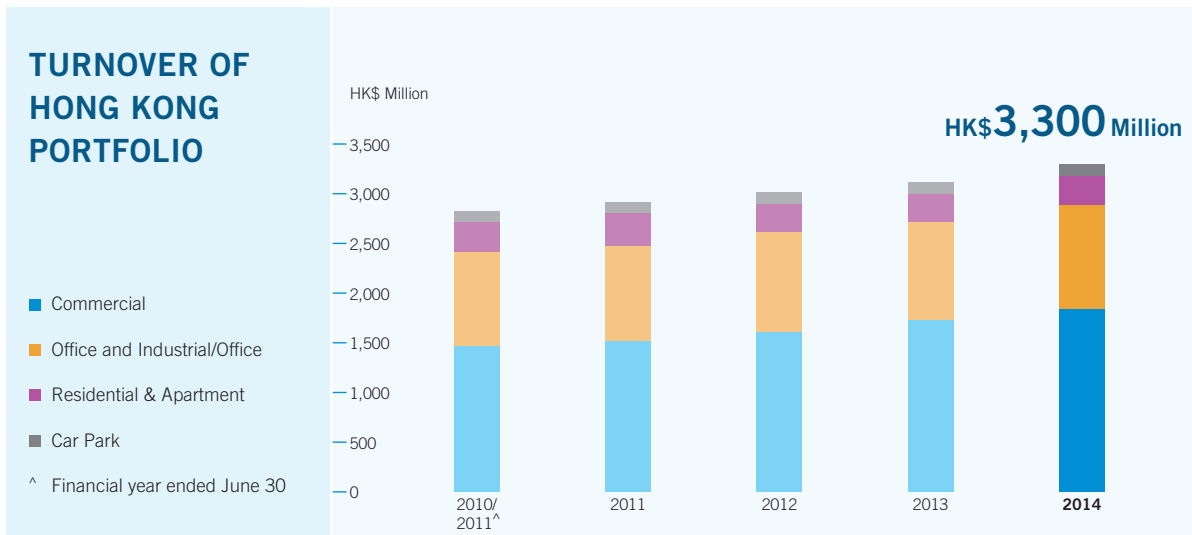


Hong Kong Property Leasing

In Hong Kong, the year under review saw stable growth and steady revenue for our businesses. In addition, we are beginning to see the fruits of our management strategy, with our asset enhancement and tenant optimization programs going according to plan. These achievements are all testament to the strength of our vision and ability to get it right.



Our diversified Hong Kong portfolio was resilient in the challenging market environment. Rental turnover and operating profit were both up by 6%. The resulting leasing margin was 84.5%.

Rental turnover of the commercial and office segments was up 6% and 7%, respectively. The solid growth was attributable to positive rental reversions and tenant mix reshuffling. Occupancy rate of the commercial segment was maintained at 98% while the office portfolio stood at 94%. The commercial portfolio accounted for 56% of Hong Kong rental turnover in 2014.

GEOGRAPHICAL ANALYSIS OF HONG KONG INVESTMENT PROPERTIES

At December 31

	Total Gross Floor Area* ('000 sq.m.)	
	2014	2013
Hong Kong Island		
Central and Admiralty	51	51
Causeway Bay and Wan Chai	92	92
Kornhill and Quarry Bay	134	134
The Peak and Mid-Levels	47	47
Hong Kong South	12	12
Kowloon		
Mongkok	140	140
Tsim Sha Tsui and West Kowloon	88	88
Ngau Tau Kok and Kwun Tong	76	76
Cheung Sha Wan and Kwai Chung	9	9
Total	649	649

SEGMENTAL ANALYSIS OF HONG KONG INVESTMENT PROPERTIES

For the year ended December 31

	Rental Turnover (HK\$ Million)		Occupancy Rate (%)		Total Gross Floor Area# ('000 sq.m.)	
	2014	2013	2014	2013	2014	2013
Commercial	1,832	1,726	98%	98%	246	246
Office and Industrial/ Office	1,048	983	94%	96%	169	169
Residential & Apartment	295	285	73%	74%	68	68
Car Park	125	118	N/A	N/A	166	166
Total	3,300	3,112	93%	94%	649	649

* Including gross floor area of car parks

Including gross floor area above and below ground

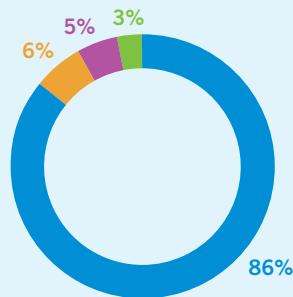
**BRIEF ON
 MAJOR
 PROPERTIES**

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 in 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 Base Rent)



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

Key Statistics

Gross floor area (sq.m.)	Commercial	31,072
	Office	N/A
	Residential/ Serviced Apartment	7,935
Number of car park spaces		N/A
Occupancy rate	Commercial	97%
	Office	N/A
	Residential/ Serviced Apartment	81%
Number of shopping mall tenants		73

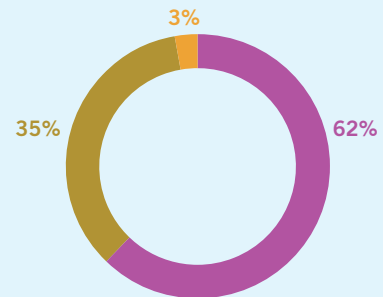
HANG LUNG CENTRE
 Causeway Bay



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 will inject new energy and boost the shopping ambience.

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

Commercial Segment Distribution (by Base Rent)



Gross floor area (sq.m.)	Commercial	8,777
	Office	22,131
	Residential/ Serviced Apartment	N/A
Number of car park spaces		126
Occupancy rate	Commercial	91%
	Office	97%
	Residential/ Serviced Apartment	N/A
Number of shopping mall tenants		6

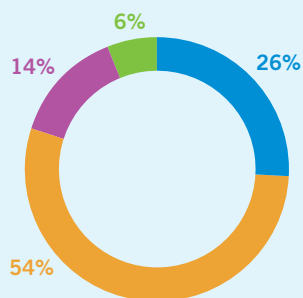
THE PEAK GALLERIA

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 Base Rent)



12,446

N/A

N/A

493

97%

N/A

N/A

58

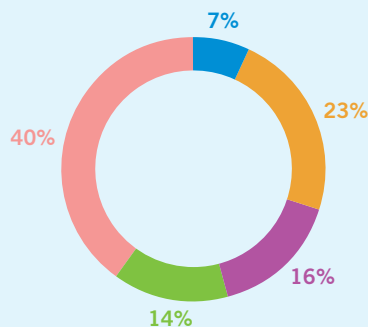
KORNHILL PLAZA

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, office tower and the Kornhill Learnscape education center.

Commercial Segment Distribution (by Base Rent)



53,080

10,577

35,275

1,069

99%

95%

62%

105

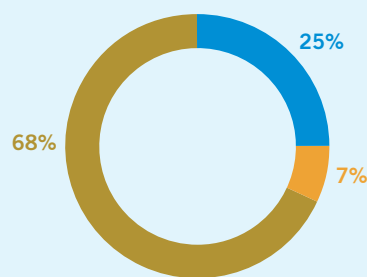
BRIEF ON MAJOR PROPERTIES

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 high-end Chinese restaurant Mott 32.

Commercial Segment Distribution (by Base Rent)



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

Key Statistics

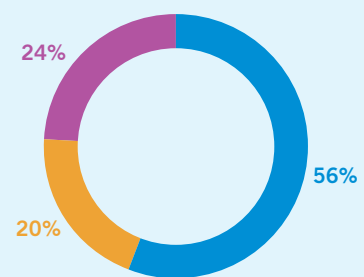
Gross floor area (sq.m.)	Commercial	4,814
	Office	23,730
	Residential/ Serviced Apartment	N/A
Number of car park spaces		16
Occupancy rate	Commercial	100%
	Office	100%
	Residential/ Serviced Apartment	N/A
Number of shopping mall tenants		3

GRAND PLAZA Mongkok



Located on the bustling Nathan Road next to the MTR Mongkok Station, Grand Plaza comprises two office towers and a commercial podium with high-standard facilities, 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 Base Rent)



Gross floor area (sq.m.)	Commercial	20,905
	Office	31,251
	Residential/ Serviced Apartment	N/A
Number of car park spaces		40
Occupancy rate	Commercial	97%
	Office	93%
	Residential/ Serviced Apartment	N/A
Number of shopping mall tenants		30

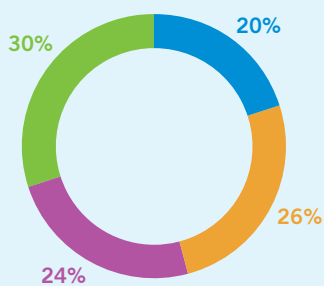
AMOY PLAZA

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 Base Rent)



49,006

N/A

N/A

620

98%

N/A

N/A

245

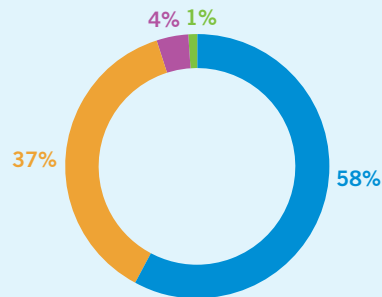
GALA PLACE & PARK-IN COMMERCIAL CENTRE

Mongkok



Conveniently located in the Mongkok district, Gala Place is a young and trendy mall while Park-In Commercial Centre houses a range of retail and services including customer services centers of telecom service, showrooms of furniture and household products, optical and beauty salons, a fitness center, etc, allowing customers to enjoy a convenient one-stop shopping experience.

Commercial Segment Distribution (by Base Rent)



7,454

30,205

N/A

478

95%

89%

N/A

100



A number of brands open their first ever Concept Stores at Fashion Walk

over **30**
new stores in
Fashion Walk

FASHION WALK

2014 marked the beginning of our asset enhancement initiatives for **Fashion Walk**.

In a unique fusion of indoor and outdoor ambience at the heart of Causeway Bay encompassed by four vibrant streets – Great George, Paterson, Kingston and Cleveland – Fashion Walk has a good track record setting the pulse of Causeway Bay and continues to evolve as a distinctive lifestyle destination that offers the latest in fashion, lifestyle and gastronomy.

In 2014, Fashion Walk has introduced over 30 new concepts for shoppers to explore. More and more cutting-edge fashion designers and brands are opening flagship stores in the district, including McQ Alexander McQUEEN, Comme des Garcons and Kurt Geiger. Popular brands such as Isabel Marant and Tsumori Chisato have had completed facelifts in their stores, and the new designs offer customers a refreshing new identity and shopping experience.

The first and only NIKE Running Experience Store, Under Armour's Hong Kong flagship store and adidas Women housing the fullest Stella McCartney collection formed a very strong sports cluster on Kingston and Cleveland Streets.

In addition, Fashion Walk features an exciting collection of restaurants with al fresco and indoor seating. New joiners include popular burger concept burgeRoom; the first and only simplylife store in Causeway Bay; the casual authentic Italian restaurant EAT·it and the first Starbucks in Hong Kong with a dessert menu plus a wide selection of food choices.

In December 2014, the **Main Block of Fashion Walk** was unveiled after an extensive enhancement featuring a number of first-time-in-Hong Kong store concepts to be progressively launched, including the only Michael Kors flagship store featuring its full product range in Hong Kong, the all new Max Mara Utility Luxe concept flagship store, and the largest LOG-ON on Hong Kong Island featuring exclusive LOG-ON TOGETHER member area. Despite disruptions during the enhancement period, the Causeway Bay commercial portfolio enjoyed a 2% rental growth year-on-year.

Phase 2 of the enhancement of the Main Block starts in mid-January 2015 and is targeted for completion by the second quarter of 2015.

The long-awaited H&M Global Flagship store will also open at **Hang Lung Centre** before the end of 2015, creating another new destination for Fashion Walk and the region as a whole.

Over the years, Hang Lung Centre has been successfully transformed into a multi-trade commercial building with key retail and semi-retail offerings in travel, fashion wholesale and medical services. In 2014, a 7% rental growth has been generated.

The Travel Zone was expanded in 2014 to include an eighth floor above the sixth and seventh floors, containing the largest number of travel agents in Hong Kong. Our medical hub was further strengthened by the addition of a one-stop medical clinic operated by Hong Kong Adventist Hospital. These two important hubs have brought significant footfall to Hang Lung Centre.



Hang Lung Centre is successfully transformed into a multi-trade commercial building

In 2015, we will continue to build on and reinforce our existing strong mix of trades and retail by selecting quality fashion wholesale tenants and recruiting other medical centers, reputable doctors and medical specialists.

We plan to further enhance our growing travel hub in 2015, when a large scale enhancement of our three-floor Travel Zone will take place. It will offer a more comfortable environment for customers to obtain travel information and shop for travel products.



Trick Eye Museum from Korea opens its door at The Peak Galleria



Marketing events and promotional activities at Kornhill Plaza are well received by customers

THE PEAK GALLERIA

The Peak Galleria grew 6% in rental turnover in 2014. The tenant profile was upgraded with several new brands including Quiksilver/Roxy, Furla, Yumme Organics and Double Portion. The first Trick Eye Museum (a 3D illusion art museum from Korea) in Hong Kong opened at the mall in December 2014, offering an extraordinary fun experience and attracting younger visitors.

Innovative promotional events in 2014 continued to attract growing numbers of customers. These included a series of Horror Romance themed activities, the haunted house operator FRIGHT DOME from Las Vegas, and the Guinness Bear, the world's largest 3D shaped balloon.

Enhancement works in the mall will commence in 2016 which aims to provide customers with a more enjoyable and vibrant shopping and lifestyle experience.

KORNHILL PLAZA

The rental income of **Kornhill Plaza** showed a steady growth of 5% in 2014 compared with 2013. We began a tenant-mix upgrade program with new retail and food & beverage tenants, including Pizza Express and Lenscrafters.

Major marketing events at the mall included the 40th anniversary celebration of the Japanese cartoon character Robocon, a popular promotion that tied into the Christmas season, and a wine tasting event that were well received by customers.



Luxury brands open shops at the Standard Chartered Bank Building



Rental growth in Central commercial portfolio

↑25%

The educational concept of Kornhill Learnscope at the **Office Tower of Kornhill Plaza** has been well developed and has gained a good reputation in the community, creating a synergy effect with the shopping mall maximizing the business potential of the whole portfolio. The Office Tower of Kornhill Plaza was virtually fully let throughout the year of 2014.

Kornhill Apartments is one of the biggest apartment blocks on Island East, featuring a total of 450 units with a variety of room types. It had a good year with turnover leaping 14% year-on-year, driven by a higher occupancy rate after effective marketing campaigns.

CENTRAL

Over the past two years, the Group has transformed the commercial space of the **Standard Chartered Bank Building** in Central into a stylish banking hall and the home of a luxury fashion brand, Escada, as well as a contemporary fine dining establishment, Mott 32 restaurant. Along with the reshuffling tenants of other properties including **1 Duddell Street**, **Printing House** and **Baskerville House**, our Central portfolio enjoyed a 25% rental growth in 2014.

The Central office portfolio, comprising the Standard Chartered Bank Building, 1 Duddell Street, Printing House and Baskerville House, achieved a 5% rental growth while occupancy rate maintained at 97%.

MONGKOK

Mongkok commercial properties, comprising Grand Plaza, Park-In Commercial Centre and Hollywood Plaza, achieved a solid 5% rental growth in 2014 mainly driven by positive rental reversions.

Grand Plaza recorded a 7% rental growth during the period. The asset enhancement initiatives commenced two years ago will be completed in early 2015, and the resulting benefits will flow through in the coming years.

Office Towers of Grand Plaza enjoyed a stable rental growth of 5% with occupancy rate standing at 93%. In 2014, we strove to create a balanced trade and tenant mix in both the commercial and office areas. We have themed floors that are devoted to specific industries such as medical services, beauty and education, which recorded a stable performance.

Gala Place is the first shopping mall in Hong Kong to have an innovative collaboration with Yahoo to install digital lockers for online to offline shopping. Enhancement works at Gala Place will commence in mid-2015.



Grand Plaza in Mongkok is having a new façade



Gala Place gives customers new excitements by providing pioneering shopping experiences

From October to December 2014 when the district was hit by the Occupy Central incident, retail sales of the portfolio were inevitably affected. Despite temporary contraction of retail sales during the affected period, income of the portfolio continued to expand as sales rent accounted for only a small portion of the rental turnover.

AMOY PLAZA

Tenant sales at **Amoy Plaza** grew 5% in 2014. Amoy Plaza is a regional shopping mall well supported by the surrounding residential estates. It continued to deliver solid rental growth as a result of positive rental reversions, generating 10% more in rents in 2014.

A number of promotions were held including two joint promotions with Bandi, a famous toy brand, bringing a 15% growth in footfall. New tenants including Taste, a chain supermarket, opened its largest store in Kowloon East in the mall, while new food & beverage tenants were welcomed by families and young people.



Joint promotions at Amoy Plaza are welcomed by local residents and attract people from other districts